

## Market Release

11 December 2015

### Veda Scheme Booklet registered with ASIC

Veda Group Limited (**Veda** or the **Company**) (ASX: VED) is pleased to announce that the Australian Securities and Investments Commission has registered the Scheme Booklet relating to the previously announced scheme of arrangement, whereby Equifax Inc. (**Equifax**) will acquire all of the shares of Veda at a price of \$2.825 cash per share (**Scheme**).

A copy of the Scheme Booklet, which includes the Independent Expert's Report, a Notice of Meeting and a copy of the proxy form for the Scheme Meeting, is attached to this announcement. Veda shareholders who have elected to receive communications electronically will receive an email where they can download the Scheme Booklet and lodge their proxy vote online. Veda shareholders who have not made such an election will receive a printed copy of the Scheme Booklet. Dispatch of the Scheme Booklet should occur on or about 18 December 2015. The Scheme Booklet will also be available for download from Veda's website at <http://investors.veda.com.au/Investor-Relations>.

The Directors of Veda continue to unanimously recommend that Veda shareholders vote in favour of the Scheme, in the absence of a superior proposal. They also intend to vote any Veda shares in their control in favour of the Scheme, in the absence of a superior proposal.

The upcoming Scheme Meeting will be held at 10:30am (AEDT) on Monday, 8 February 2016 at the Museum of Sydney, located at the corner of Phillip and Bridge Streets, Sydney, New South Wales.

If you have any questions in relation to the Scheme, or the Scheme Booklet, please contact the Veda Shareholder Information Line on 1300 180 103 (within Australia) or +61 1300 180 103 (outside Australia) Monday to Friday from 8.30am to 5.30pm (AEDT).

### Further information

Jim Kelly / Lauren Thompson  
Domestique Consulting  
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### About Veda

Veda (ASX:VED) is a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand. From its core credit bureau business established in 1967, Veda has expanded to deliver a suite of credit and other analytical products targeted to specific industry segments.

Veda is built on the largest, most comprehensive and current data source in Australia and New Zealand with information on around 20 million credit active people and 5.7 million commercial entities. The breadth and depth of our data, and the knowledge it delivers help customers take a proactive and informed approach in making decisions.

Veda's customers use data intelligence provided by Veda to make decisions on credit risk, verify identity and employee background, reduce identity theft and fraud, and undertake digital marketing strategies. For further information, please visit our website at [www.veda.com.au](http://www.veda.com.au).



# Scheme Booklet

Veda Group Limited  
ACN 124 306 958

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In relation to a proposal from Equifax Inc. (through its subsidiary Equifax Australia Pty Ltd), to acquire all the ordinary shares in Veda Group Limited by way of a scheme of arrangement.

**Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.**

Each Director intends to vote the Veda Shares they own or control in favour of the Scheme, in the absence of a Superior Proposal.

A Notice of Scheme Meeting is included as Annexure F of this Scheme Booklet, and a proxy form for the Scheme Meeting accompanies this Scheme Booklet.

The Scheme Meeting will be held at 10.30am (AEDT) on 8 February 2016 at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000.

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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

### Nature of this document

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

This Scheme Booklet provides Veda Group Limited shareholders (**Veda Shareholders**) with information about the proposed acquisition of Veda Group Limited (**Veda**) by Equifax Inc. (**Equifax**) (through its subsidiary Equifax Australia Pty Ltd (**Equifax Australia**)).

If you have sold all of your Veda Shares, please ignore this Scheme Booklet.

### Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are capitalised and have the meanings set out in Section 13.

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

### Important notice associated with Federal Court order under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act, the Federal Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Federal Court:

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

### No endorsement

The fact that under subsection 411(1) of the Corporations Act, the Federal Court has ordered that the Scheme Meeting be convened is not an endorsement of, or other expression of opinion on, the Scheme.

### ASIC and ASX

A copy of this Scheme Booklet was provided to ASIC for examination in accordance with section 411(2)(b) of the Corporations Act, and was lodged with ASIC for registration under section 412(6) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to Veda Shareholders.

ASIC has been requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Federal Court at the time of the Second Court Hearing to approve the Scheme. Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

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

### No account of personal circumstances

This Scheme Booklet and the recommendations contained in it should not be taken as, and do not constitute, personal financial advice as they do not take into account your individual objectives, financial and taxation situation or particular needs. As such, your 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.

### Not an offer

This Scheme Booklet does not constitute or contain an offer of securities to Veda Shareholders, or a solicitation of an offer from Veda Shareholders, in any jurisdiction.

### 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 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 Australian law 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 outside Australia.

### Disclaimer as to forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. All forward looking statements in this Scheme Booklet (including in the Independent Expert's Report) reflect views only as at the date of this Scheme Booklet, and 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 or expectations of Veda or Equifax are or may be forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Veda and Equifax operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Veda, Equifax, their respective subsidiaries or their respective directors, officers and employees, any persons named in this Scheme Booklet with their consent, or any person involved in the preparation of this Scheme Booklet, makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place reliance on any forward looking statement.

### Responsibility statements

Veda has been solely responsible for preparing this Scheme Booklet, and the Equifax Group and its directors and officers do not assume any responsibility for the accuracy or completeness of this Scheme Booklet, except that:

- Equifax has been solely responsible for preparing the Equifax Information. Equifax, its directors and officers do not take responsibility for any other part of this Scheme Booklet, including the Tax Adviser's Report or the Independent Expert's Report. Veda and its directors and officers do not assume any responsibility for the accuracy or completeness of any Equifax Information;
- Greenwoods & Herbert Smith Freehills has prepared the Tax Adviser's Report in relation to the Scheme and takes responsibility for that report. Veda and its directors and officers do not assume any responsibility for the accuracy or completeness of the Tax Adviser's Report. The Tax Adviser's Report is set out in Section 10; and
- Grant Samuel & Associates Pty Limited has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. Veda and its directors and officers do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report, except in the case of Veda in relation to the information which it has provided to the Independent Expert. The Independent Expert's Report is set out in Annexure B.

### Diagrams, charts and maps

Any diagrams, charts, maps, graphs and 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, maps, graphs and tables is based on information available as at the Last Practicable Date.

### References to time

Unless otherwise stipulated, all references to time in this Scheme Booklet are to AEDT.

### Privacy

Veda and Equifax may collect personal information in the process of implementing the Scheme. The type of information that they may collect about you includes your name, contact details and information on your security holding in Veda and the names of persons appointed by you to act as a proxy, attorney or body corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist the conduct of the Scheme Meeting and implement the Scheme. Without this information, Veda 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 Veda Share Registry, print and mail service providers, authorised securities brokers and the Veda Group and Equifax. If you would like to obtain details of information about you held by Veda, please contact the Veda Share Registry.

### Date

This Scheme Booklet is dated 11 December 2015.

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# 01

## Key Dates Relating to the Transaction

Event	Date
Latest time and date for receipt of proxy forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representative by the Veda Share Registry <sup>1</sup> for the Scheme Meeting	10.30am on Saturday 6 February 2016
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on Saturday 6 February 2016
Scheme Meeting held at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000	8 February 2016

### If the Scheme is agreed to by the requisite majorities of Veda Shareholders:

Second Court Date (for approval of the Scheme)	10 February 2016
Outcome of Second Court Hearing announced to ASX	10 February 2016
Effective Date (Federal Court order lodged with ASIC and announcement by Veda to ASX)	11 February 2016
Veda Shares suspended from trading on ASX	Close of trading on 11 February 2016
Scheme Record Date (for determining entitlements to Scheme Consideration)	18 February 2016
Implementation Date (for transfer of Scheme Shares to Equifax Australia and sending Scheme Consideration to Scheme Shareholders)	25 February 2016
Scheme Consideration sent to Scheme Shareholders (by either cheque or electronic funds transfer into the nominated bank accounts used for dividend payments)	25 February 2016

All dates in the above timetable are indicative only and are subject to change. The actual timetable will depend on many factors outside the control of Veda, including approvals from the Federal Court of Australia (New South Wales registry) and other regulatory authorities. Any changes will be announced by Veda on ASX and published on Veda's website at <http://investors.veda.com.au/Investor-Relations/>.

<sup>1</sup> The latest time and date for **hand delivery** of proxy forms, powers of attorney or certificates of appointment of body corporate representative will be **5.00pm (AEDT) on Friday 5 February 2016**. However, for simplicity of explanation, elsewhere in this Scheme Booklet, when referring to the latest time and date for receipt of proxy forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representative, the relevant time is referred to as being 10.30am (AEDT) on Saturday 6 February 2016.

## 02

# Letter from the Chairman of Veda

## Dear Veda Shareholder,

On behalf of the Veda Board, I am pleased to provide you with this Scheme Booklet, which contains information for your consideration in relation to the proposed acquisition of Veda by Equifax.

On 23 November 2015, Veda announced that it had entered into a Scheme Implementation Deed with Equifax, under which Equifax Australia, a wholly owned subsidiary of Equifax, will acquire all of the outstanding Veda Shares, by way of a scheme of arrangement.

The Scheme Implementation Deed contains a number of Conditions Precedent, including that Veda's shareholders approve the Scheme at the Scheme Meeting detailed in this Scheme Booklet. If all Conditions Precedent are satisfied or waived and the Scheme proceeds, Equifax will acquire all Veda Shares held by Veda Shareholders as at the Record Date for A\$2.825 cash per Share.

You are receiving this Scheme Booklet because you are currently a Veda Shareholder. So long as you remain a Veda Shareholder on the Scheme Record Date, which is currently expected to be 18 February 2016, and the Scheme becomes Effective, you will receive A\$2.825 cash for each Veda Share you hold on the Scheme Record Date. Veda Shareholders will not pay any brokerage or stamp duty on the transfer of their Veda Shares to Equifax under the Scheme.

The Scheme provides an opportunity for Veda Shareholders to gain the certainty of cash proceeds at a significant premium. The Scheme Consideration of A\$2.825 cash per Veda Share represents:

- a 41.6% premium over the previous closing price of A\$1.995 on 17 September 2015, the last trading day prior to the announcement of Equifax's Original Expression of Interest;
- a 33.9% premium over the 1 month VWAP of A\$2.109;
- a 28.5% premium over the 3 month VWAP of A\$2.198;

- a 25.5% premium over the 6 month VWAP of A\$2.251; and
- an implied market capitalisation of A\$2,506 million and an implied enterprise value of A\$2,617 million as at 30 June 2015, on a fully diluted basis.

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Your Directors have considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal. Subject to that same qualification, your Directors intend to vote all the Veda Shares held or controlled by them in favour of the Scheme.

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Veda enjoys strong market positions in its key business lines and the Veda Board considers that Veda is well positioned to deliver growth for Veda Shareholders into the future. However, the Veda Board was unanimous in its decision to recommend Equifax's proposal, in the absence of a Superior Proposal. Your Directors consider that Equifax's proposal reflects Veda's strong market position and that the premium implicit in Equifax's offer presents a significant opportunity for Veda Shareholders to realise the value of their Veda Shares.

The Independent Expert, Grant Samuel & Associates Pty Limited, has assessed the full underlying value of Veda to be in the range of A\$2.65 to A\$2.88 per Share, and has concluded that the Scheme is fair and reasonable and in the best interests of Veda Shareholders, in the absence of a Superior Proposal. The Scheme Consideration of A\$2.825 cash per Share is towards the upper end of this range. 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 B.

The Scheme requires the approval of Veda Shareholders and the Federal Court. The Scheme is also subject to certain other Conditions Precedent as described in Section 6.6.

The reasons to vote in favour of the Scheme Resolution are set out in detail in Section 4.2. There are also reasons why you may choose to vote against the Scheme Resolution which are set out in Section 4.3.

If the Scheme is not implemented, Veda will continue as an independent entity listed on ASX and Veda Shareholders will not receive the Scheme Consideration of A\$2.825 cash per Veda Share. If the Scheme does not proceed, and no Superior Proposal emerges, your Directors consider that the market price of Veda Shares may fall.

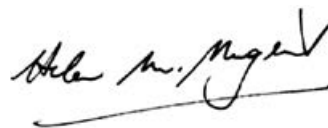
Your vote is important, and I strongly encourage you to vote on this significant transaction. You may vote by attending the Scheme Meeting to be held on 8 February 2016 at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000, commencing at 10.30am, or by appointing a proxy, attorney or body corporate representative to attend the Scheme Meeting and vote on your behalf. A Scheme Meeting Proxy Form is provided with this Scheme Booklet. Alternatively, you may lodge a proxy online by logging onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

I encourage you to read this Scheme Booklet carefully and in its entirety as it contains important information that will need to be considered before you vote on the Scheme Resolution required to implement the Scheme. I also encourage you to seek independent legal, financial, taxation or other professional advice before making an investment decision in relation to your Veda Shares.

If you have any questions about the Scheme, please contact the Veda Shareholder Information Line on +61 1300 180 103 Monday to Friday between 8.30am and 5.30pm (AEDT), or contact your broker or legal, financial, taxation or other professional adviser.

I also wish to take this opportunity to thank you for your ongoing support of Veda. I look forward to your participation at the Scheme Meeting.

Yours sincerely,



**Dr Helen Nugent AO**  
Chairman, Veda Group Limited



# 03

## Introduction

### 3.1 What is the Transaction?

The Transaction involves Equifax Australia, a wholly owned subsidiary of Equifax, acquiring all of the Veda Shares on issue. The Transaction will be implemented by way of a scheme of arrangement between Veda and its shareholders.

If you are a Veda Shareholder and the Scheme becomes Effective, you will receive the Scheme Consideration of A\$2.825 cash for each Scheme Share, being each Veda Share held as at the Scheme Record Date.

In order for the Scheme to proceed, the Scheme Resolution approving the Scheme must be passed by the requisite majorities of Veda Shareholders at the Scheme Meeting to be held on 8 February 2016, being:

- a majority in number (more than 50%) of Veda Shareholders present and voting at the Scheme Meeting on 8 February 2016 (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 Veda Shareholders present and voting at the Scheme Meeting (either in person or by proxy).

The Scheme is also subject to the satisfaction or waiver of various other Conditions Precedent, as summarised in Section 12.4(b).

### 3.2 What should I do?

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour or against the Scheme (as set out in Sections 4.2 and 4.3), 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 5. If you have any additional questions about this

Scheme Booklet or the Transaction/Scheme, please contact the Veda Shareholder Information Line +61 1300 180 103 Monday to Friday between 8.30am and 5.30pm (AEDT), or contact your broker or legal, financial, taxation or other professional adviser.

### 3.3 What is the Directors' recommendation?

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**Your Directors unanimously recommend that you vote in favour of the Scheme at the upcoming Scheme Meeting at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 at 10.30am (AEDT) on 8 February 2016, in the absence of a Superior Proposal.**

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The Directors intend to vote all of the Scheme Shares held or controlled by them in favour of the Scheme Resolution, in the absence of a Superior Proposal.

The Directors consider that the reasons for Veda Shareholders to vote in favour of the Scheme outweigh the reasons to vote against it, in the absence of a Superior Proposal. These reasons and other relevant considerations are set out in Section 4.

The Directors note that the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Veda Shareholders, in the absence of a Superior Proposal. You should also read the Independent Expert's Report which is contained in Annexure B.



### 3.4 Am I entitled to vote?

If you are registered as a Veda Shareholder on the Share Register at 7.00pm (AEDT) on 6 February 2016, you will be entitled to attend and vote at the Scheme Meeting to be held on 8 February 2016.

### 3.5 How do I vote on the Scheme?

You can vote on the Scheme Resolution at the upcoming Scheme Meeting on 8 February 2016 in any of the following ways.

You can vote:

- in person, by attending the Scheme Meeting at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 at 10.30am (AEDT) on 8 February 2016;
- by appointing a proxy or attorney to attend the Scheme Meeting and vote on your behalf:
  - by lodging a proxy online via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au);
  - by mailing the enclosed Scheme Meeting Proxy Form to Veda Group Limited c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
  - by faxing the enclosed Scheme Meeting Proxy Form to +61 2 9287 0309; or
  - by hand delivering the enclosed Scheme Meeting Proxy Form to the Veda Share Registry at Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

To be valid, a proxy must be received by the Veda Share Registry by 10.30am (AEDT) on Saturday 6 February 2016, other than proxies delivered by hand which must be received by the Veda Share Registry by 5.00pm (AEDT) on Friday 5 February 2016.

# 04

## Key Considerations Relevant to Your Vote

### 4.1 Summary of reasons why you might vote for or against the Scheme

#### (a) Reasons to vote in favour of the Scheme

- 1 Your Directors unanimously recommend you vote in favour of the Scheme, in the absence of a Superior Proposal.
- 2 The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Veda Shareholders, in the absence of a Superior Proposal.
- 3 The Scheme provides the opportunity for Veda Shareholders to realise certainty of value for their Veda Shares.
- 4 The Scheme Consideration of A\$2.825 cash for each Scheme Share is higher than Veda Shares had ever traded up to the date of this Scheme Booklet.
- 5 The Scheme Consideration of A\$2.825 cash for each Scheme Share represents a significant premium over trading prices of Veda Shares on ASX prior to the announcement of Equifax's Original Expression of Interest on 18 September 2015, including a:
  - 41.6% premium over the previous closing price of A\$1.995 on 17 September 2015, the last trading day prior to the announcement of Equifax's Original Expression of Interest;
  - 33.9% premium over the 1 month VWAP of A\$2.109;
  - 28.5% premium over the 3 month VWAP of A\$2.198; and
  - 25.5% premium over the 6 month VWAP of A\$2.251.
- 6 If the Scheme does not proceed and no Superior Proposal emerges, the price of Veda Shares may fall, and you will continue to be subject to the risks associated with owning Veda Shares.
- 7 No Superior Proposal has emerged as at the date of this Scheme Booklet.
- 8 You will not incur any stamp duty or brokerage charges on the transfer of your Veda Shares if the Scheme proceeds.

## (b) Reasons to vote against the Scheme

- 1 You may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion and consider that the Scheme is not in your best interests.
- 2 You may consider that there is potential for a Superior Proposal to be made in the foreseeable future.
- 3 You may wish to maintain an interest in a publicly listed investment with Veda's specific characteristics.
- 4 The tax consequences of the Scheme may not suit your current financial position.
- 5 The Scheme may be subject to conditions that you consider to be unacceptable.
- 6 You may prefer to realise the potential value of Veda over the long term, and may consider that the Scheme does not capture Veda's long term potential.

## 4.2 Reasons to vote in favour of the Scheme

### (a) Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal

Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme Resolution required to implement the Scheme at the Scheme Meeting to be held on 8 February 2016.

In reaching their recommendation, your Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against the Scheme, as set out in this Scheme Booklet. Your Directors have considered the market position of Veda, the outlook for the business and the market and a range of industry drivers (including the potential impact of Comprehensive Credit Reporting) when determining whether to recommend the Scheme.

Your Directors consider that the Scheme Consideration provides an opportunity for you to realise cash value for your Veda Shares at a significant premium to the market price of Veda Shares prior to the announcement of Equifax's Original Expression of Interest.

In the absence of a Superior Proposal, each Director intends to vote all the Veda Shares held or controlled by them in favour of the Scheme. The interests of your Directors are set out in Section 11.

### (b) The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Veda Shareholders, in the absence of a Superior Proposal

Your Directors appointed Grant Samuel & Associates Pty Limited as the Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of Veda Shareholders.

The Independent Expert has assessed the full underlying value of Veda (including a premium for control) to be in the range of A\$2.65 to A\$2.88 per Veda Share.

The Scheme Consideration of A\$2.825 cash per Veda Share is within this range.

Accordingly, the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Veda Shareholders, in the absence of a Superior Proposal.

### (c) The Scheme provides the opportunity for Veda Shareholders to realise certainty of value for their Veda Shares

The offer from Equifax is a 100% cash offer. If implemented, the Scheme Consideration of A\$2.825 cash per Scheme Share provides a high degree of certainty of value and timing.

Specifically, if all the Conditions Precedent for the Scheme are satisfied or waived, Veda Shareholders will receive A\$2.825 cash for each Scheme Share held by them as at the Scheme Record Date (currently expected to be 18 February 2016), to be paid on or about the Implementation Date, which is currently expected to be 25 February 2016.

In contrast, if the Scheme does not proceed, the amount which Veda Shareholders will be able to realise for their investment in Veda by selling Shares on market or by receiving dividends, will necessarily be uncertain. The Scheme will remove this uncertainty for Veda Shareholders by providing them with cash. For details of risks relating to an investment in Veda Shares, see Section 9.

### (d) The Scheme Consideration of A\$2.825 cash for each Scheme Share is higher than Veda Shares had ever traded up to the date of this Scheme Booklet

The Scheme Consideration of A\$2.825 cash for each Scheme Share is significantly above the highest price Veda Shares had ever traded on ASX prior to the announcement of Equifax's Original Expression of Interest on 18 September 2015. The highest intra-day closing price of A\$2.55 per share occurred on two dates, 24 March 2014 and 26 March 2014, and the highest closing price of A\$2.52 per share occurred on 26 March 2014.

**(e) The Scheme Consideration of A\$2.825 cash for each Scheme Share represents a significant premium over trading prices of Veda Shares on ASX prior to the announcement of Equifax's Original Expression of Interest on 18 September 2015**

The Scheme Consideration of A\$2.825 cash for each Scheme Share, which will be paid to Veda Shareholders if the Scheme is approved and implemented, represents a significant premium to Veda's historical trading prices prior to the announcement of Equifax's Original Expression of Interest on 18 September 2015.

The Scheme Consideration of A\$2.825 cash per share represents a significant premium to the recent trading prices of Veda Shares, including a:

- 41.6% premium over the previous closing price of Veda Shares of A\$1.995 on 17 September 2015, the last trading day prior to the announcement of Equifax's Original Expression of Interest;
- 33.9% premium over the 1 month VWAP of Veda Shares up to and including 17 September 2015 of A\$2.109;
- 28.5% premium over the 3 month VWAP of Veda Shares up to and including 17 September 2015 of A\$2.198; and
- 25.5% premium over the 6 month VWAP of Veda Shares up to and including 17 September 2015 of A\$2.251.

**Premium of Scheme Consideration to historical trading prices of Veda Shares prior to the announcement of Equifax's Original Expression of Interest**



Source: IRESS.

**(f) If the Scheme does not proceed and no Superior Proposal emerges, the price of Veda Shares may fall and you will continue to be subject to the risks associated with owning Veda Shares**

If the Scheme is not implemented, and in the absence of a Superior Proposal, the price of Veda Shares on ASX may fall.

Since market close on 17 September 2015, the day prior to the announcement of Equifax's Original Expression of Interest, Veda's share price has increased 38.3% up to A\$2.760 on 8 December 2015, being the Last Practicable Date.

Your Directors are unable to predict the price at which Veda Shares will trade in the future, but consider that in the absence of the implementation of the Scheme and in the absence of a Superior Proposal, the price of Veda Shares may fall.

In addition, the future trading price of Veda Shares will continue to be subject to any market volatility versus the certainty of value of the cash payment of A\$2.825 for each Scheme Share being offered under the Scheme. The amount which Veda Shareholders will be able to realise for the Veda Shares in terms of price and future dividends, will necessarily be uncertain and subject to a number of risks outlined in Section 9. Among other things, this will be subject to the performance of Veda's business from time to time, general economic conditions and movements in the share market.

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

Since the announcement of Equifax's Original Expression of Interest to ASX by Veda on 18 September 2015, there has been a significant period of time and ample opportunity for a Superior Proposal to emerge. Since 18 September 2015 and up 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.

**(h) You will not incur any stamp duty or brokerage charges on the transfer of your Veda Shares if the Scheme proceeds**

You should not incur any brokerage or stamp duty on the transfer of your Veda Shares to Equifax pursuant to the Scheme.

If you sell your Veda Shares on ASX (rather than disposing of them via the Scheme), you may incur brokerage charges (and, potentially GST on those charges).

### 4.3 Reasons to vote against the Scheme

**(a) You may consider that the Scheme is not in your best interests and disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion**

You may consider that the Scheme is not in your best interests and disagree with the unanimous recommendation of your Directors that Veda Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

Similarly, you may disagree with the conclusion of the Independent Expert, who has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Veda Shareholders, in the absence of a Superior Proposal.

**(b) You may consider that there is potential for a Superior Proposal to be made in the foreseeable future**

You may consider that there is potential for a Superior Proposal for Veda Shares to emerge in the foreseeable future. However, note that your Directors consider that the possibility of a Superior Proposal emerging in the foreseeable future is low, given:

- no Superior Proposal has emerged since the announcement of Equifax's Original Expression of Interest on 18 September 2015; and
- no Veda Director has received any approaches since the announcement of Equifax's Original Expression of Interest on 18 September 2015, which would cause him or her to consider that a Superior Proposal is likely to emerge.

**(c) You may wish to maintain an interest in a publicly listed investment with Veda's specific characteristics**

If the Scheme is approved and implemented, you will cease to be a Veda Shareholder. As such, you will no longer be able to participate in Veda's future financial performance or the future prospects of its ongoing business, further details of which are set out in Section 7.9. However, there is no guarantee as to Veda's future performance, as with all investments in listed securities.

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

If the Scheme is approved and implemented, it will potentially result in taxation consequences (including CGT) for Veda Shareholders, which will arise earlier than may otherwise have been the case.

You should read the Tax Adviser's Report set out in Section 10, which provides an overview of the Australian taxation consequences for Scheme Shareholders, and also seek professional taxation advice with respect to your individual tax situation.

**(e) The Scheme may be subject to conditions that you consider to be unacceptable**

The Scheme is subject to a number of Conditions Precedent, including certain regulatory approvals, Veda Shareholder approval and Federal Court approval, no Veda Material Adverse Change and no Veda Prescribed Occurrence (as defined in Section 6.6).

All of the Conditions Precedent and their status as at the Last Practicable Date are summarised in Section 12.4(b) and set out in full in clause 3.1 of the Scheme Implementation Deed.

If these Conditions Precedent are not satisfied or waived, the Scheme will not proceed (even if it has been approved by Veda Shareholders) and Veda Shareholders will not receive the Scheme Consideration as contemplated by the Scheme.

You may consider the uncertainty created by the Conditions Precedent to be unacceptable. However, note that Veda intends to announce on ASX the satisfaction or waiver of Conditions Precedent as that occurs.

**(f) You may consider that Veda has greater value over the longer term than you will receive under the Scheme**

If the Scheme is approved and implemented, it is expected to complete by 25 February 2016. This time frame may not be consistent with your investment objectives and you may consider that your Veda Shares have greater value over the longer term.

You may consider that Veda has stronger long term growth potential and that the Scheme Consideration does not fully reflect your views on long term value. You may therefore prefer to retain your listed Veda Shares and realise the value of your Veda Shares over the longer term.

**(c) A reimbursement fee may be payable by Veda to Equifax under certain circumstances**

A reimbursement fee of A\$25,080,438.67 (exclusive of GST) is payable to Equifax in certain circumstances, including in relation to certain specified breaches of the Scheme Implementation Deed, the announcement and completion of a Competing Proposal within 12 months of the Second Court Date, or a change in recommendation of a director of Veda (qualified by, among other things, the conclusion of the Independent Expert).

A reimbursement fee will not be payable because Veda Shareholders do not vote in favour of the Scheme.

## 4.4 Other considerations

**(a) Effective Date for the Scheme is expected to occur on 11 February 2016**

The Second Court Date to approve the Scheme is currently expected to occur on 10 February 2016. As a result, and assuming the Federal Court approves the Scheme, the Effective Date of the Scheme is expected to occur on 11 February 2016.

**(b) The Scheme is an “all-or-nothing” proposal**

If the Scheme is approved by the requisite majorities of Veda Shareholders and the Federal Court and all of the other Conditions Precedent to the Scheme are either satisfied or (where applicable) waived:

- the Scheme will bind all Veda Shareholders, including those who do not vote on the Scheme Resolution and those who vote against it, meaning that all Veda Shareholders will have their Veda Shares transferred to Equifax and will receive the Scheme Consideration;
- Veda will become a wholly owned subsidiary of Equifax; and
- Veda will be delisted from the ASX.

If the Scheme is approved and implemented, your Veda Shares will be transferred to Equifax and you will receive the Scheme Consideration of A\$2.825 cash per Veda Share, regardless of whether you vote against the Scheme Resolution or do not vote at the Scheme Meeting.

If any of the Conditions Precedent are not satisfied or (where applicable) waived by the End Date, and Veda and Equifax are unable to agree on an alternative means of proceeding, the Scheme Implementation Deed may be terminated and the Scheme will not be implemented.

## 4.5 What are your options and what should you do?

### Vote in favour of the Scheme

**This is the course of action unanimously recommended by your Directors, in the absence of a Superior Proposal.**

To follow your Directors' unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting on 8 February 2016. For a summary of how to vote on the Scheme, please refer to Section 3.5 or Section 6.10 and the Notice of Scheme Meeting contained in Annexure F.

### Vote against the Scheme

Notwithstanding your Directors' unanimous recommendation, if you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting on 8 February 2016.

However, if all the Conditions Precedent for the Scheme are satisfied or waived, the Scheme will bind all Veda Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting on 8 February 2016 and those who do not vote at all.

### Sell your Veda Shares on market

The existence of the Scheme does not preclude you from selling some or all of your Veda Shares on market for cash, if you wish, provided you do so before close of trading in Veda Shares on ASX on the Effective Date (currently expected to be 11 February 2016), when trading in Veda Shares will end.

If you are considering selling some or all of your Veda Shares:

- you should have regard to the prevailing trading prices of Veda Shares and compare those to the Scheme Consideration. You may ascertain the current trading prices of Veda Shares through the ASX website ([www.asx.com.au](http://www.asx.com.au)); and
- you should contact your stockbroker for information on how to effect that sale.

Veda Shareholders who sell some or all of their Veda Shares on ASX:

- may receive payment (which may vary from the Scheme Consideration) for the sale of their Shares sooner than they would receive the Scheme Consideration under the Scheme;
- may incur a brokerage charge;
- only in respect of those Veda Shares they have sold (if they have sold some but not all of their Veda Shares), will not be able to participate in the Scheme or a Superior Proposal, if one emerges; and
- may be liable for CGT on the disposal of their Veda Shares (as you also may under the Scheme. See the Tax Adviser's Report set out in Section 10).

### Do nothing

Veda Shareholders who elect to not vote at the Scheme Meeting on 8 February 2016 or not sell their Veda Shares on market prior to close of trading on ASX on the Effective Date will:

- if the Scheme is implemented – have their Veda Shares compulsorily transferred to Equifax, by operation of the Scheme and receive the Scheme Consideration of A\$2.825 cash per Veda Share; or
- if the Scheme is not implemented – retain their Veda Shares.

## 4.6 Further information

The information in this Section 4 is a summary only. Full details of the Scheme are set out in the remainder of this Scheme Booklet. Please read it carefully, in its entirety.

Your Directors recommend that you consult your broker or legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.



# 05

## Frequently Asked Questions

This Section 5 answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for Veda Shareholders. This Section 5 should be read together with all other Sections of this Scheme Booklet.

Question	Answer	More information
<b>Questions about the Scheme and Scheme Consideration</b>		
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement between Veda and Veda Shareholders, under which it is proposed that Equifax Australia, a wholly owned subsidiary of Equifax, acquires all Veda Shares on issue.</p> <p>If the Scheme is approved by Veda Shareholders at the Scheme Meeting scheduled for 8 February 2016, the Conditions Precedent to the Scheme are satisfied or waived and the Scheme is approved by the Federal Court, so that the Scheme becomes Effective, the Scheme will bind all Scheme Shareholders. The consequence is that Equifax will acquire all of the Veda Shares on issue for A\$2.825 cash per Scheme Share, and Veda will become a wholly owned subsidiary of Equifax.</p>	Section 6 contains a summary of the Scheme and a copy of the Scheme is contained in Annexure D.
<b>Am I entitled to receive the Scheme Consideration?</b>	Veda Shareholders as at the Scheme Record Date (currently expected to be 18 February 2016) are Scheme Shareholders and are entitled to receive the Scheme Consideration for each Scheme Share they hold.	
<b>What will I be entitled to receive if the Scheme becomes Effective?</b>	If the Scheme becomes Effective, Veda Shareholders will be entitled to receive A\$2.825 cash per Scheme Share on the Implementation Date (currently expected to be 25 February 2016) for each Scheme Share held by them on the Scheme Record Date (currently expected to be 18 February 2016).	Section 6.2 provides further information in relation to the Scheme Consideration.
<b>What are the risks associated with an investment in Veda if the Scheme does not become Effective?</b>	If the Scheme does not become Effective and no Superior Proposal emerges, Veda Shareholders will continue to be subject to the specific risks associated with Veda's business and other general risks.	Section 9 contains further information on the risk factors associated with an investment in Veda.

Question	Answer	More information
<b>When and how will I receive my Scheme Consideration?</b>	If the Scheme becomes Effective, the Scheme Consideration will be sent to Scheme Shareholders on the Implementation Date (currently expected to be 25 February 2016). Scheme Shareholders who have validly registered their bank account details with the Veda Share Registry (by 5.00pm (AEDT) on the Scheme Record Date) will have their Scheme Consideration sent directly to their bank account. Scheme Shareholders who have not registered their bank account details (by 5.00pm (AEDT) on the Scheme Record Date) with the Veda Share Registry will have their Scheme Consideration sent by cheque to the address shown on the Share Register.	See clause 5 of the Scheme contained in Annexure D.
<b>What is required for the Scheme to become Effective?</b>	<p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> <li>the Scheme is agreed to by the requisite majorities of Veda Shareholders at the Scheme Meeting to be held on 8 February 2016;</li> <li>all of the Conditions Precedent are satisfied or waived (where applicable); and</li> <li>the Federal Court approves the Scheme at the Second Court Hearing.</li> </ul>	Section 6.9 contains further information on the Scheme approval requirements and the requisite majorities.
<b>Are there any conditions to the Scheme?</b>	<p>There are a number of Conditions Precedent that will need to be satisfied or waived before the Scheme can become Effective.</p> <p>As at the date of this Scheme Booklet, the Conditions Precedent have not been satisfied.</p> <p>Veda intends to announce on ASX the satisfaction or waiver of the Conditions Precedent to the Scheme.</p>	Sections 6.6 and 12.9 contain further information on the Conditions Precedent to the Scheme.
<b>Questions about your Directors' recommendation and intentions, and reasons to vote for or against the Scheme</b>		
<b>What do your Directors recommend?</b>	<p>Your Directors unanimously recommend that eligible Veda Shareholders <b>vote in favour</b> of the Scheme, in the absence of a Superior Proposal.</p> <p>Your Directors consider that the reasons for Veda Shareholders to vote in favour of the Scheme outweigh the reasons to vote against it.</p>	
<b>What are the intentions of your Directors?</b>	Each Director intends to vote in favour of the Scheme at the Scheme Meeting on 8 February 2016, in relation to the Veda Shares held or controlled by them, in the absence of a Superior Proposal.	Details of the Relevant Interests of each Director in Veda Shares are set out in Section 11.
<b>What is the opinion of the Independent Expert?</b>	Grant Samuel & Associates Pty Limited, as Independent Expert, concluded that the Scheme is fair and reasonable and in the best interests of Veda Shareholders, in the absence of a Superior Proposal.	Annexure B contains the Independent Expert's Report.

Question	Answer	More information
<b>Why you should vote in favour of the Scheme</b>	<p>Reasons why you should vote in favour of the Scheme include:</p> <ul style="list-style-type: none"> <li>• your Directors unanimously recommend you vote in favour of the Scheme, in the absence of a Superior Proposal;</li> <li>• the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Veda Shareholders, in the absence of a Superior Proposal;</li> <li>• the Scheme provides the opportunity for Veda Shareholders to realise certainty of value for their Veda Shares;</li> <li>• the Scheme Consideration of a A\$2.825 cash for each Scheme Share is higher than Veda Shares had ever traded up to the date of this Scheme Booklet;</li> <li>• A\$2.825 cash per Scheme Share represents a significant premium over trading prices of Veda Shares prior to the announcement of Equifax's Original Expression of Interest;</li> <li>• if the Scheme does not proceed and no Superior Proposal emerges, the Veda Share price may fall, and you will continue to be subject to the risks associated with owning Veda Shares;</li> <li>• no Superior Proposal has emerged as at the date of this Scheme Booklet; and</li> <li>• no brokerage or stamp duty is payable on the transfer of your Veda Shares under the Scheme.</li> </ul>	<p>Section 4.2 contains further information on why you should vote in favour of the Scheme.</p>
<b>Why you may consider voting against the Scheme</b>	<p>Reasons why you may consider voting against the Scheme include:</p> <ul style="list-style-type: none"> <li>• you may consider that the Scheme is not in your best interests and disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion;</li> <li>• you may consider that there is potential for a Superior Proposal to be made in the foreseeable future;</li> <li>• you may wish to maintain an interest in a publicly listed investment with Veda's specific characteristics;</li> <li>• the tax consequences of the Scheme may not suit your current financial position;</li> <li>• the Scheme may be subject to conditions that you consider to be unacceptable; or</li> <li>• you may consider that Veda has greater potential over the longer term than you will receive under the Scheme.</li> </ul>	<p>Section 4.3 contains further information on why you may consider voting against the Scheme.</p>

Question	Answer	More information
<b>Questions about the Scheme Meeting and voting at the Scheme Meeting</b>		
<b>When and where will the Scheme Meeting be held?</b>	The Scheme Meeting will be held on 8 February 2016 at the Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 commencing at 10.30am (AEDT).	The Notice of Scheme Meeting contained in Annexure F sets out further information on the Scheme Meeting.
<b>What is the Veda Shareholder approval threshold?</b>	<p>In order to become Effective, the Scheme must be agreed to by:</p> <ul style="list-style-type: none"> <li>a majority in number (more than 50%) of Veda Shareholders present and voting at the Scheme Meeting on 8 February 2016 (either in person or by proxy);<sup>2</sup> and</li> <li>at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Veda Shareholders present and voting at the Scheme Meeting on 8 February 2016 (either in person or by proxy).</li> </ul> <p>Even if the Scheme is agreed to by Veda Shareholders at the Scheme Meeting on 8 February 2016, the Scheme is still subject to the approval of the Federal Court (as well as other Conditions Precedent outlined in Section 6.6).</p>	Section 6.9 and the Notice of Scheme Meeting contained in Annexure F set out further information on the Scheme approval requirements.
<b>Am I entitled to vote at the Scheme Meeting?</b>	If you are registered as a Veda Shareholder on the Share Register at 7.00pm (AEDT) on Saturday 6 February 2016, you will be entitled to attend and vote at the Scheme Meeting on 8 February 2016.	The Notice of Scheme Meeting contained in Annexure F sets out further information on your entitlement to vote.
<b>Should I vote?</b>	<p>Voting is not compulsory. However, your Directors encourage all eligible Veda Shareholders to vote at the Scheme Meeting on 8 February 2016.</p> <p>One of the requirements for the Scheme Resolution to pass is that it must be approved by a majority in number (more than 50%) of Veda Shareholders present and voting at the Scheme Meeting. Each Shareholder's vote is therefore important to the outcome of the Scheme Resolution.</p> <p>If you do not vote, you will still be bound by the outcome of the vote at the Scheme Meeting.</p>	Sections 6.3 and 6.4 provide further information on your Directors' recommendation and voting intentions.
<b>How can I vote if I cannot attend the Scheme Meeting?</b>	If you want to vote but cannot attend the Scheme Meeting on 8 February 2016 in person, you can vote by appointing a proxy or attorney (including lodging your proxy online via <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a> ) to attend and vote on your behalf. You may also vote by body corporate representative if that option is applicable to you.	The Notice of Scheme Meeting contained in Annexure F sets out further detail on how to vote at the Scheme Meeting.

<sup>2</sup> It should be noted that the Federal Court has the power to waive this requirement.

Question	Answer	More information
<b>When will the results of the Scheme Meeting be known?</b>	<p>The results of the Scheme Meeting to be held on 8 February 2016 are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX (<a href="http://www.asx.com.au">www.asx.com.au</a>) and on the Veda website (<a href="http://investors.veda.com.au/Investor-Relations/">http://investors.veda.com.au/Investor-Relations/</a>) once available.</p> <p>Even if the Scheme is agreed to by the requisite majorities, the Scheme is still subject to the approval of the Federal Court (and other Conditions Precedent outlined in Section 6.6).</p>	
<b>What happens if the Scheme Shareholders or the Federal Court do not approve the Scheme or the Scheme does not otherwise proceed?</b>	<p>If the Scheme is not agreed to at the Scheme Meeting on 8 February 2016, or is agreed to at the Scheme Meeting but is not approved by the Federal Court, then the Scheme will not be Effective and will not be implemented.</p> <p>In such a scenario, Veda Shareholders will not receive the Scheme Consideration. The Veda Shareholders would retain their Veda Shares and participate in any potential upside that may result from being a Veda Shareholder and be subject to the risks set out in Section 9. In these circumstances, Veda will, in the absence of a Superior Proposal, continue to operate as an independent entity listed on ASX.</p>	Section 6.7 contains further information on the implications for Veda Shareholders if the Scheme does not proceed.
<b>What happens to my Veda Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?</b>	If you do not vote, or you vote against the Scheme, and the Scheme becomes Effective, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 18 February 2016) will be transferred to Equifax and you will be sent the Scheme Consideration, notwithstanding that you may not have voted or you voted against the Scheme.	Section 6.8 contains further information on the choices of Veda Shareholders.
<b>Other questions</b>		
<b>What will happen to Veda if the Scheme proceeds?</b>	If the Scheme becomes Effective, Veda will become a wholly owned subsidiary of Equifax through Equifax Australia.	Section 8 sets out the Equifax Group's current intentions for Veda if the Scheme becomes Effective.
<b>Will Veda still be listed on ASX if the Scheme proceeds?</b>	No, if the Scheme becomes Effective, Veda will be delisted from ASX and become a wholly owned subsidiary of Equifax.	
<b>What happens if a Competing Proposal is received?</b>	If a Competing Proposal is received, your Directors will carefully consider the proposal. Veda will need to comply with any applicable requirements of the exclusivity regime under the Scheme Implementation Deed.	Further details of the exclusivity regime are set out in Section 12.4(e).

Question	Answer	More information
<b>Can I sell my Veda Shares now?</b>	<p>You can sell your Veda Shares on market at any time before the close of trading on ASX on the Effective Date, at the then prevailing market price (which may vary from the Scheme Consideration).</p> <p>Veda intends to apply to ASX for Veda Shares to be suspended from official quotation on ASX from close of trading on the Effective Date (which is currently expected to be 11 February 2016). You will not be able to sell your Veda Shares on market after this time.</p>	Section 6.8 contains a summary of the choices available to Veda Shareholders.
<b>When could Veda be required to pay a reimbursement fee to Equifax?</b>	Under the Scheme Implementation Deed, Veda must pay a reimbursement fee of A\$25,080,438.67 (exclusive of GST) to Equifax if certain events occur including: in relation to certain breaches of the Scheme Implementation Deed; the announcement and (within 12 months thereafter) completion of a Competing Proposal; or a change in recommendation by a director of Veda.	Sections 4.4 and 12.4 contain further information about the triggers for, and amount of, such potential reimbursement fee.
<b>Will I receive an interim dividend?</b>	Under the terms of the Transaction, Veda will not declare an interim dividend for the half year ending 31 December 2015.	
Questions about implementation of the Scheme		
<b>Will I have to pay brokerage or stamp duty?</b>	You will not have to pay brokerage or stamp duty on the transfer of your Veda Shares under the Scheme.	
<b>Do I have to sign anything to transfer my Veda Shares?</b>	<p>No. If the Scheme becomes Effective, Veda will automatically have authority to sign a transfer on your behalf, and the Scheme Consideration will then be paid to you. However, you should be aware that under the Scheme, you are deemed to have warranted to Equifax and Veda that (in summary):</p> <ul style="list-style-type: none"> <li>• all your Scheme Shares which are transferred to Equifax Australia under the Scheme are fully paid and free from all encumbrances on the date of transfer; and</li> <li>• you have full power and capacity to transfer your Scheme Shares to Equifax Australia.</li> </ul>	See Section 6.17 for further information.
<b>What are the taxation implications of the Scheme?</b>	<p>The taxation implications of the Scheme will depend on your personal facts and circumstances.</p> <p>Section 10 contains the Tax Adviser's Report which provides an overview of the Australian taxation consequences for Scheme Shareholders.</p> <p>You should seek professional taxation advice with respect to your individual tax situation.</p>	Please refer to Section 10.
<b>When will the Scheme become Effective?</b>	Subject to satisfaction or waiver of each of the Conditions Precedent, the Scheme will become Effective on the Effective Date (currently expected to be 11 February 2016) and will be implemented on the Implementation Date (currently expected to be 25 February 2016).	Section 6.12 contains further information on when the Scheme will become Effective.

Question	Answer	More information
<b>When will I receive my consideration for my Veda Shares?</b>	Veda will pay the Scheme Consideration received from Equifax to Scheme Shareholders on the Implementation Date, which is currently expected to be 25 February 2016.	Details of how the Scheme Consideration will be paid to Scheme Shareholders is set out in section 6.2.
<b>Further questions?</b>		
<b>Where can I get further information?</b>	<p>For further information, you can call the Veda Shareholder Information Line 1300 180 103 Monday to Friday between 8.30am and 5.30pm (AEDT) (for callers within Australia) or +61 1300 180 103 (for callers outside Australia).</p> <p>If you are in doubt about anything in this Scheme Booklet, please contact your broker or financial, legal, taxation or other professional adviser.</p>	



## 06

# Overview of the Transaction for Veda Shareholders

## 6.1 Background

On 23 November 2015, Veda announced that it had entered into the Scheme Implementation Deed in relation to a proposal for the acquisition of all the Veda Shares by Equifax, by way of a scheme of arrangement.

If the Scheme becomes Effective, Equifax Australia will acquire all of the Veda Shares and Veda will be delisted from ASX and become a wholly owned subsidiary of Equifax.

This Section 6 contains an overview of the Scheme. A summary of the Scheme Implementation Deed is included in Section 12.4 and a copy of the Scheme Implementation Deed is contained in Annexure C.

## 6.2 What you will receive – Scheme Consideration

If the Scheme becomes Effective, Veda Shareholders will receive the cash amount of A\$2.825 cash for each Scheme Share.

The Scheme Consideration will be sent to Scheme Shareholders on the Implementation Date, which is currently expected to be 25 February 2016. Scheme Shareholders who have validly registered their bank account details with the Veda Share Registry (by 5.00pm (AEDT) on the Scheme Record Date) will have their Scheme Consideration sent directly to their bank account. Scheme Shareholders who have not registered their bank account details with Veda Share Registry (by 5.00pm (AEDT) on the Scheme Record Date) will have their Scheme Consideration sent by cheque to the address shown on the Share Register. See clause 5.1 of the Scheme contained in Annexure D for further details.

## 6.3 Your Directors' recommendation

Your Directors unanimously recommend that eligible Veda Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

Your Directors consider that the reasons for Veda Shareholders to vote in favour of the Scheme outweigh the reasons to vote against the Scheme. See Section 4.2 for key reasons to vote in favour of the Scheme and Section 4.4 for other considerations for Veda Shareholders.

In considering whether to vote in favour of the Scheme, your 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 (and in more detail in Section 4.5);
- 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 of the Scheme becoming Effective.

Each Director's interests are disclosed in Section 11.

## 6.4 Voting intentions of your Directors

Each Director intends to vote in favour of the Scheme at the Scheme Meeting to be held on 8 February 2016 in relation to the Veda Shares held or controlled by them, in the absence of a Superior Proposal.

Details of the Relevant Interests of each Director in Veda Shares, Options and Deferred Share Rights are set out in Section 11.

## 6.5 Independent Expert's conclusion

Veda commissioned the Independent Expert to prepare a report on whether the Scheme is, in the Independent Expert's opinion, fair and reasonable and, therefore, is in the best interests of Veda Shareholders.

The Independent Expert has assessed the full underlying value of Veda (including a premium for control) to be in the range of A\$2.65 to A\$2.88 per Veda Share. The Scheme Consideration is within this range. Accordingly, the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Veda Shareholders, in the absence of a Superior Proposal.

The Independent Expert's Report is contained in Annexure B.

Your Directors encourage Veda Shareholders to read the Independent Expert's Report in full before deciding whether to vote in favour of the Scheme.

## 6.6 Conditions of the Scheme

The implementation of the Scheme is subject to a number of Conditions Precedent. The Scheme will not proceed unless all the Conditions Precedent are satisfied or waived in accordance with the Scheme Implementation Deed.

A summary of these Conditions Precedent is set out below:

- **Foreign Investment Review Board (FIRB) approval:** before 5.00pm (AEDT) on the Business Day before the Second Court Date, provision of a notice in writing from the Treasurer or the Treasurer's delegate to the effect that there are no objections to the Transaction (or the Treasurer becomes precluded from making an order in respect of the Transaction);
- **New Zealand Overseas Investment Office (NZ OIO) approval:** before 5.00pm (AEDT) on the Business Day before the Second Court Date, provision of a notice in writing from the NZ OIO to the effect that the NZ OIO consents to the acquisition of business assets in New Zealand;
- **approval of the Scheme by the Federal Court:** the Federal Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- **agreement to the Scheme by the Veda Shareholders:** Veda Shareholders approving the Scheme by the requisite majorities;
- **no regulatory restraints:** before and as at 8.00am on the Second Court Date, there is not in effect any law, rule, regulation, restraining order, preliminary or permanent injunction or other order issued by any court of competent

jurisdiction or Government Agency preventing or restraining implementation of the Transaction;

- **no Veda Material Adverse Change:** no Veda Material Adverse Change occurring between (and including) 22 November 2015 (being the date on which the Scheme Implementation Deed was signed) and 8.00am on the Second Court Date.

In summary, a **Veda Material Adverse Change** is one or more events, changes or circumstances occurring, discovered or announced which, whether individually or when aggregated with all such events, changes or circumstances or things of a like kind, has had or is reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Veda Group taken as a whole, other than those events, changes or circumstances:

- (A) expressly required or permitted by the Scheme Implementation Deed, the Scheme or the transactions contemplated by either;
- (B) that are fairly disclosed in the Disclosure Materials;
- (C) done or not done at the written request or with the written acknowledgement and approval of Equifax, including any consequences arising as a result of such matters;
- (D) resulting from changes in generally accepted accounting principles or the interpretation of them;
- (E) arising as a result of any generally applicable change in law or governmental policy;
- (F) arising from changes in economic or business conditions or securities markets in general; or
- (G) that Veda fairly disclosed in an announcement made by Veda to ASX, or a document lodged by it with ASIC, prior to the date of the Scheme Implementation Deed,

but in respect of paragraphs (D), (E) and (F), in each case excluding any change, event, occurrence, circumstance or matter which has a disproportionate adverse effect on the Veda Group, taken as a whole, as compared to other participants in the principal business segments in which the Veda Group operates;

- **No Veda Prescribed Occurrence:** no Veda Prescribed Occurrence occurring between (and including) 22 November 2015 (being the date on which the Scheme Implementation Deed was signed) and 8:00am on the Second Court Date.

**Veda Prescribed Occurrences** include (but are not limited to) a member of the Veda Group:

- (A) changing its capital structure (for example, share issue or performance rights, buy backs);
- (B) declaring a dividend;

- (C) acquiring or disposing of, one or more businesses, assets or entities the value of which exceeds A\$10 million individually or A\$25 million in aggregate;
  - (D) going insolvent (or other insolvency related actions);
  - (E) committing to capital expenditure the effect of which will be to increase by 5% or more in aggregate the expenditure in Veda's annual budgeted capital expenditure as contained in the Disclosure Materials;
  - (F) varying the employment arrangements of certain employees;
  - (G) entering into, materially varying or terminating one or more contracts, which variations or terminations have an impact of A\$10 million individually or A\$25 million in aggregate or more in gross annual revenue or expenditure for the Veda Group;
  - (H) accepting a compromise of less than the full compensation due where the financial impact is more than A\$10 million individually or A\$25 million in aggregate;
  - (I) changing its constitution;
  - (J) entering into a related party transaction; or
  - (K) being delisted from ASX,
- unless such a matter is:
- (L) expressly required or permitted by the Scheme Implementation Deed or the Scheme;
  - (M) consented to by Equifax; or
  - (N) fairly disclosed to Equifax or disclosed in an ASX announcement.

The full definition of this term is provided in the Scheme Implementation Deed; and

- **Executive Incentive Arrangements:** each party has taken all necessary steps by 8.00am on the Second Court Date to give effect to the treatment of executive incentive arrangements as contemplated in clause 5.5 of the Scheme Implementation Deed.

All of the Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed.

## 6.7 If the Scheme does not become Effective

If the Scheme does not become Effective:

- Veda Shareholders will continue to hold Veda Shares and will be exposed to the risks relating to Veda's business, including those set out in Section 9; and
- Veda Shareholders will not receive the Scheme Consideration.

In the absence of a Superior Proposal, Veda will continue as an independent entity with management continuing to implement the business plan and financial and operating strategies it had in place prior to the announcement of the Transaction.

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by Veda in relation to the Scheme. Those transaction costs will be payable by Veda regardless of whether or not the Scheme becomes Effective and is implemented.

If the Scheme does not proceed, the price of a Veda Share on ASX may fall, in the absence of a Superior Proposal.

## 6.8 Your choices as a Veda Shareholder

As a Veda Shareholder, you have four choices currently available to you, which are as follows:

- vote in favour of the Scheme;
- vote against the Scheme;
- sell your Veda Shares on market; or
- do nothing.

More detail in relation to each of these choices is set out in Section 4.5.

## 6.9 Scheme approval requirements

As part of the Conditions Precedent discussed in Section 6.6, the Scheme will only become Effective and be implemented if it is:

- agreed to by the requisite majorities of Veda Shareholders at the Scheme Meeting to be held on 8 February 2016; and
- approved by the Federal Court at the Second Court Hearing.

Agreement by Veda Shareholders requires the Scheme Resolution to be agreed to by:

- a majority in number (more than 50%) of Veda Shareholders present and voting at the Scheme Meeting on 8 February 2016 (either in person or by proxy) (**Head Count Approval Requirement**); and

- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting on 8 February 2016 by Veda Shareholders present and voting at the Scheme Meeting on 8 February 2016 (either in person or by proxy).

It should be noted that the Federal Court has the power to waive the Head Count Approval Requirement.

## 6.10 Scheme Meeting and how to vote

### (a) Veda

The Federal Court has ordered Veda to convene the Scheme Meeting at which Veda Shareholders will be asked to approve the Scheme. Veda has convened the Scheme Meeting to be held on 8 February 2016 at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000, commencing at 10.30am (AEDT).

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

The fact that the Federal Court has ordered the Scheme Meeting to be convened and has approved this Scheme Booklet required to accompany the Notice of Scheme Meeting does not mean that the Federal Court has prepared, or is responsible for the contents of, this Scheme Booklet or has any view as to the merits of the Scheme or as to how Veda Shareholders should vote. On these matters Veda Shareholders must reach their own decision.

### (b) Attendance at the Scheme Meeting

The entitlements of holders of Veda Shares to vote at the Scheme are set out in the Notice of Scheme Meeting in Annexure F.

Instructions on how to attend and vote at the Scheme Meeting to be held on 8 February 2016 (in person or by proxy, attorney or body corporate representative) are set out in the Notice of Scheme Meeting in Annexure F.

Voting is not compulsory. However, your Directors unanimously recommend that Veda Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available (at [www.asx.com.au](http://www.asx.com.au)). The results will also be published on Veda's website at <http://investors.veda.com.au/Investor-Relations/>.

## 6.11 Federal Court approval of the Scheme

In the event that:

- the Scheme is agreed to by the requisite majorities of Veda Shareholders at the Scheme Meeting to be held on 8 February 2016 (see Section 6.9 for the Scheme approval requirements); and
- all other Conditions Precedent (except Federal Court approval of the Scheme) have been satisfied or waived (where applicable),

then Veda will apply to the Federal Court for orders approving the Scheme.

Each Veda Shareholder has the right to appear at the Second Court Hearing.

## 6.12 Effective Date

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

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

## 6.13 Scheme Record Date and entitlement to Scheme Consideration

Those Veda Shareholders on the Share Register on the Scheme Record Date (currently expected to be 18 February 2016) will be entitled to receive the Scheme Consideration in respect of the Veda Shares they hold as at the Scheme Record Date.

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

For the purpose of determining which Veda Shareholders are eligible to participate in the Scheme, dealings in Veda 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 Veda Share Registry as the holder of the relevant Veda Shares as at 5.00pm (AEDT) on the Scheme Record Date (currently expected to be 18 February 2016); and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received by the Veda Share Registry on or before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purpose of determining entitlements under the Scheme, Veda will not accept for registration or recognise any transfer or transmission applications in respect of Veda Shares received after the Scheme Record Date.

#### **(b) Dealings after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, Veda must maintain the Share Register in its form as at the Scheme Record Date (currently expected to be 18 February 2016) until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for Veda Shares will cease to have effect as documents relating to title in respect of such Veda Shares; and
- each entry on the Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Veda Shares relating to that entry.

### **6.14 Implementation Date**

The Implementation Date is the fifth Business Day after the Scheme Record Date.

Under the Scheme, by the Business Day before the Implementation Date Equifax must pay into a trust account nominated by Veda the aggregate Scheme Consideration payable to Scheme Shareholders.

On the Implementation Date, which is currently expected to be 25 February 2016, Veda will pay the Scheme Consideration received from Equifax to Scheme Shareholders.

Immediately after the Scheme Consideration is sent to Scheme Shareholders, the Scheme Shares will be transferred to Equifax Australia without Scheme Shareholders needing to take any further action.

### **6.15 Deed Poll**

Equifax and Equifax Australia have executed the Deed Poll, pursuant to which Equifax and Equifax Australia have undertaken in favour of each Scheme Shareholder to provide the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

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

### **6.16 Copy of Share Register**

Under sections 169 and 173 of the Corporations Act, any Veda Shareholder has a right to inspect, and to ask for a copy of, the Share Register which contains details of the name and address of each Veda Shareholder. Veda may require a Veda Shareholder to provide reasons for their request prior to providing a copy of the Share Register, and a Veda Shareholder must not use any information obtained for an improper purpose. A copy of the Share Register will be given to any Veda Shareholder upon request and payment of the prescribed fee under the Corporations Act where Veda is satisfied that the details provided are not likely to be used for an improper purpose.

### **6.17 Warranty by Scheme Shareholders**

The terms of the Scheme provide that, on the Implementation Date (currently expected to be 25 February 2016), each Veda Shareholder that holds Veda Shares as at the Scheme Record Date is taken to have warranted to Veda, Equifax and Equifax Australia, and appointed and authorised Veda as its attorney and agent to warrant to Equifax on the Implementation Date, that:

- all their Veda Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to transfer their Veda Shares to Equifax Australia together with any rights attaching to those shares.

Under the terms of the Scheme, Veda undertakes that it will provide such warranty to Equifax as agent and attorney of each Scheme Shareholder.

A copy of the Scheme is contained in Annexure D.

### **6.18 Delisting of Veda**

On a date shortly after the Implementation Date to be agreed with Equifax, Veda will apply for the termination of the official quotation of Veda Shares on ASX and for Veda to be removed from the official list of ASX.



## 07

# Information about the Veda Group

## 7.1 Introduction

Veda is a data analytics business that provides information and analytics services to corporate, business and consumer customers. Veda is the leading provider of credit information and analysis in the Australian and New Zealand markets. From its stable core credit bureau business, established in 1967, Veda has expanded to deliver a suite of credit and other analytical products targeted to specific industry segments.

Veda has significant data assets developed over its 48 year history, including credit information on 20 million individuals and 5.7 million commercial entities in Australia and New Zealand. Veda leverages this data to guide the commercial decisions of customers in relation to credit risk and other risks associated with businesses, assets and individuals.

For the financial year ended 30 June 2015, Veda reported revenue of \$338.8 million and EBITDA of \$144.5 million.

## 7.2 Overview of operations

Veda generates revenues by aggregating proprietary and public information, applying its intellectual property and analytical capability, and distributing products to its customers to allow them to better manage risks.

Veda operates two segments: Australia and International. The Australian segment comprises three business lines: Consumer Risk & Identity, Commercial Risk & Information Services, and B2C & Marketing Services.

## 7.3 Australian operations

**Consumer Risk & Identity** provides services to financial institutions, telecommunications providers, utilities, government departments, and other corporates. Consumer Credit Risk is a B2B credit bureau providing consumer credit reports and analytics to help monitor and manage credit risk.

Fraud and Identity Solutions helps validate identities and detect fraud. Decisioning and Scoring assists customers in making credit decisions based on an applicant's risk profile. Collection Services assists customers in improving their receivables management. Verify provides an employee verification service for employers. Key revenue drivers of the Consumer Risk & Identity segment include consumer lending volumes and refinancings, product migration, and new products. Comprehensive Credit Reporting in Australia will be an additional growth driver of this segment in the future.

**Commercial Risk & Information Services** provides services to financial institutions, businesses extending trade credit, government departments, and professional services firms such as legal and accountancy practices. Commercial Credit Risk provides credit reports, payment behaviour and ongoing credit monitoring, all of which help businesses make informed decisions about lending, offering trade credit and assessing supplier risk. Commercial and Property Solutions provides a portal for a business to access third party data (business records, ASIC, AFSA, court and property registers) and associated value added products. Key revenue drivers of Commercial Risk & Information Services include commercial lending volumes and refinancing, product migration, and new products.

**B2C & Marketing Services** provides services to consumers, the real estate and automotive sectors, and landlords on the B2C side, and financial institutions, wealth management firms and other big corporates on the marketing side. VedaScore provides consumers access to their personal credit information and credit score, as well as protections against identity theft. Secure Sentinel provides solutions for identity theft. Carhistory.com.au provides information on used cars to consumers and car dealers. National Tenancy Database is a tenancy verification and identification service. Inivio helps businesses analyse and formulate marketing strategies with a focus on digital marketing. Key revenue drivers of B2C & Marketing include increased public awareness of credit scores, identity theft and

fraud, increased use of e-commerce, and increased demand for digital marketing.

## 7.4 International operations

Revenue from international operations is predominantly derived in New Zealand, where Veda offers similar products to the Consumer Risk & Identity and Commercial Risk & Information Services discussed above.

**Equity interests:** Veda has equity interests in entities in Malaysia, Singapore, Dubai and Cambodia.

**Technology interests:** Veda also has technology supply interests in Malaysia, Singapore, Cambodia, Indonesia and Saudi Arabia.

Key revenue drivers of Veda's international operations include lending volumes, product migration, and new products. Comprehensive Credit Reporting in New Zealand will also be a driver of this segment in the future.

## 7.5 Veda Board and senior management

The Veda Board comprises the following directors:

Director's Name	Position
Dr Helen Nugent AO	Independent Chairman
Nerida Caesar	Chief Executive Officer and Managing Director
Anthony Kerwick	Non-Executive Director
Steven Sargent	Independent Non-Executive Director
Diana Eilert	Independent Non-Executive Director
Bruce Beeren	Independent Non-Executive Director
Dr Peter Shergold AC	Independent Non-Executive Director

Key members of Veda senior management team include:

Name	Position
Nerida Caesar	Chief Executive Officer and Managing Director
James Orlando	Chief Financial Officer
Lionel Lopez	Chief Data Officer
Tony Kesby	Chief Information Officer
Carol Chris	Managing Director, New Zealand
Tim Courtright	Executive General Manager, Sales
Mike Cutter	Executive General Manager, Credit Risk and Advisory Services
John Wilson	Executive General Manager, Product and Market Development
Cate Hathaway	Executive General Manager, People and Performance
Tim Woodforde	General Counsel and Company Secretary



## 7.6 Capital structure

### (a) Capital structure

The capital structure of Veda as at the date of this Scheme Booklet is as follows:

Capital Structure	Number of Securities
Ordinary shares	846,425,729
Tranche A Options	18,790,025
Tranche B Options	16,006,317
Deferred Share Rights (Equity Incentive Scheme)	756,023 <sup>3</sup>
Incentive Options (Equity Incentive Scheme)	5,825,045
<b>Total</b>	<b>887,803,139</b>

### (b) Substantial shareholders

The substantial shareholders of Veda as at 8 December 2015, being the Last Practicable Date are:

Substantial shareholder	Number of Shares	Percentage
Perpetual Limited	109,839,467	12.98%
The Goldman Sachs Group, Inc	76,176,173	9.00%
National Australia Bank Limited	64,651,292	7.64%
Deutsche Bank AG	44,326,625	5.24%

## 7.7 Recent Veda Share price performance

Equifax's Original Expression of Interest was announced by Veda to the market on 18 September 2015. The last recorded closing price for Veda Shares on ASX before the public announcement of the Scheme was \$1.995 (on 17 September 2015).

The closing price of Veda Shares on the ASX on 8 December 2015, being the Last Practicable Date before the date of this Scheme Booklet, was \$2.760, being a discount of 2.3% to the Scheme Consideration of \$2.825 cash per Scheme Share.

During the period leading up until the announcement of Equifax's Original Expression of Interest on 18 September 2015 the VWAP for Veda shares was:

- \$2.109 per Veda Share for the 1 month ending 17 September 2015;
- \$2.198 per Veda Share for the 3 months ending 17 September 2015; and
- \$2.251 per Veda Share for the 6 months ending 17 September 2015.

The Scheme Consideration of A\$2.825 cash for each Scheme Share represents a FY15 EV/EBITDA multiple of 18.1x and a FY15 P/E multiple of 32.2x.

These multiples represent a premium to multiples paid in similar transactions, as detailed in Appendix 1 of the Independent Expert Report, including:

- 15.5x historical EBITDA paid by Experian in 2012 to complete its acquisition of Serasa, the Brazilian credit data provider;
- 14.0x historical EBITDA paid by GTCR in 2014 for Callcredit Information Group, a leading credit data and business intelligence company in the UK;
- 9.3x incremental EBITDA paid by Equifax in 2012 for the credit services business of Computer Sciences Corporation (US).

<sup>3</sup> For each Deferred Share Right on issue there is a corresponding issued Ordinary Share held in the Veda Group Employee Share Plan Trust.

Note that these transactions related to different companies, geographies and circumstances which may not be directly comparable to the Scheme or to Veda and therefore, the multiples listed above may not be directly comparable or useful to your decision on whether to vote in favour of the Scheme. You should contact your broker or legal, financial, taxation or other professional adviser if you have any questions in relation to these multiples.

The following chart highlights the movements in Veda's share price since Veda's listing on 5 December 2013 and ending on 8 December 2015, being the Last Practicable Date:

#### Veda share price performance



Source: IRESS data as at 8 December 2015.

## 7.8 Historical financial information

The financial information set out below is in abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. The financial information has been extracted from Veda's audited financial statements for the financial years ended 30 June 2015 and 30 June 2014.

Veda's full financial accounts, including all notes to those accounts, can be found in:

- the Veda 2015 Annual Report for the financial year ended 30 June 2015 (released to the ASX on 25 September 2015);
- the Veda 2015 Annual Financial Report for the financial year ended 30 June 2015 (released to the ASX on 27 August 2015); and
- the Veda 2014 Annual Report for the financial year ended 30 June 2014 (released to the ASX on 16 September 2014).

Copies of these reports are available within the investor relations section of the Veda website (<http://investors.veda.com.au/Investor-Relations/>). Alternatively, Veda Shareholders may obtain copies of these documents free of charge by calling the Veda Shareholder Information Line on +61 1300 180 103 Monday to Friday between 8.30am and 5.30pm (AEDT).

Veda's financial reports for the financial years ended 30 June 2015 and 30 June 2014 were audited in accordance with applicable Australian accounting standards. The audit opinions relating to those financial reports were unqualified.

**(a) Statutory income statement**

\$m	2015	2014
Revenue	338.8	302.0
Costs of external data and products for resale	(61.7)	(56.4)
Staff costs	(97.4)	(84.2)
Other operating costs	(35.2)	(33.0)
EBITDA	144.5	128.4
IPO expense	0.0	(25.7)
Depreciation & amortisation	(27.9)	(23.0)
EBIT	116.6	79.7
Net finance costs	(12.7)	(49.3)
Share of profit from associates	3.2	2.5
Profit before tax	107.1	32.9
Tax expense	(28.7)	(10.2)
NPAT	78.4	22.7

**(b) Consolidated statement of financial position**

\$'000	2015	2014
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	29,799	30,028
Trade and other receivables	47,503	39,416
Other prepayments and deposits	2,485	2,603
<b>Total current assets</b>	<b>79,787</b>	<b>72,047</b>
<b>Non-current assets</b>		
Receivables	2,801	3,754
Investments in equity-accounted investees	33,920	30,790
Property, plant and equipment	4,772	4,110
Deferred tax assets	14,940	38,459
Intangible assets	938,129	910,237
<b>Total non-current assets</b>	<b>994,562</b>	<b>987,350</b>
<b>Total assets</b>	<b>1,074,349</b>	<b>1,059,397</b>

**(b) Consolidated statement of financial position continued**

<b>\$'000</b>	<b>2015</b>	<b>2014</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	29,843	26,133
Deferred revenue	7,439	6,640
Derivative financial instruments	–	108
Current tax liabilities	2,317	689
Provisions	3,867	1,477
Employee benefit obligations	16,512	16,303
<b>Total current liabilities</b>	<b>59,978</b>	<b>51,350</b>
<b>Non-current liabilities</b>		
Borrowings	226,615	267,931
Provisions	7,038	5,339
Employee benefit obligations	1,458	1,105
Other non-current payables	6,080	6,080
<b>Total non-current liabilities</b>	<b>241,191</b>	<b>280,455</b>
<b>Total liabilities</b>	<b>301,169</b>	<b>331,805</b>
<b>Net assets</b>	<b>773,180</b>	<b>727,592</b>
<b>EQUITY</b>		
Contributed equity	792,161	791,364
Other reserves	10,985	10,787
Accumulated losses	(32,555)	(76,605)
<b>Capital and reserves attributable to owners of Veda Group Limited</b>	<b>770,591</b>	<b>725,546</b>
Non-controlling interests	2,589	2,046
<b>Total equity</b>	<b>773,180</b>	<b>727,592</b>

**(c) Consolidated statement of cash flows**

<b>\$'000</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	368,942	336,806
Payments to suppliers and employees (inclusive of GST)	(227,758)	(204,302)
	141,184	132,504
Income taxes paid	(4,543)	(3,030)
Interest received	708	1,001
<b>Net cash inflow from operating activities</b>	<b>137,349</b>	<b>130,475</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of subsidiaries, net of cash acquired	(4,470)	(1,203)
Payments for property, plant and equipment	(2,342)	(850)
Payments for systems software and data	(50,237)	(45,267)
Management loans	952	(3,434)
Dividends received	2,777	312
Contingent consideration paid	(653)	(6,839)
<b>Net cash outflow from investing activities</b>	<b>(53,973)</b>	<b>(57,281)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	797	358,357
Proceeds from borrowings	30,000	317,499
Repayment of borrowings	(67,104)	(707,722)
Dividends paid to company's shareholders	(33,869)	-
IPO related costs	-	(13,238)
Borrowing costs	-	(1,419)
Withholding tax payments	-	(1,982)
Interest and other costs paid on financial debt	(13,136)	(21,728)
Other	-	(900)
<b>Net cash outflow from financing activities</b>	<b>(83,312)</b>	<b>(71,133)</b>
<b>Net increase in cash and cash equivalents</b>	<b>64</b>	<b>2,061</b>
Cash and cash equivalents at the beginning of the financial year	30,028	27,554
Effects of exchange rate changes on cash and cash equivalents	(293)	413
<b>Cash and cash equivalents at end of year</b>	<b>29,799</b>	<b>30,028</b>

#### (d) Material changes in Veda's Financial Position since 30 June 2015

So far as the Veda Board is aware, the financial position of Veda has not materially changed since 30 June 2015, as reported in the Veda 2015 Annual Financial Report for the 12 months ended 30 June 2015, other than:

- payment of an unfranked dividend of \$0.06 per Veda Share on 8 October 2015;
- the accumulation of profits in the ordinary course of trading;
- as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Veda; or
- in accordance with generally known market conditions.

A copy of the Veda 2015 Annual Financial Report is available free of charge on Veda's website (<http://investors.veda.com.au/Investor-Relations/>) or by contacting the Veda Shareholder Information Line +61 1300 180 103 Monday to Friday between 8.30am and 5.30pm (AEDT).

## 7.9 Outlook

Upon the release of the Veda 2015 Annual Financial Report on 27 August 2015, Veda indicated that:

- It is expected that revenue and EBITDA growth for FY16 will be low double digit relative to FY15.
- Net profit after tax growth is expected to be somewhat slower than that for EBITDA, reflecting an increased rate of growth in depreciation and amortisation, driven by the investment that is being made in products and data to grow our business and our market position. This includes Comprehensive Credit Reporting and the significant investment made to build the platform for the future.
- It is expected that for FY16 capital expenditure as a per cent of revenue will be broadly the same as for FY15, before gradually declining in the following years.
- Consistent with our dividend policy, the dividend payout ratio is expected to be between 50% and 70% of net profit after tax.

Veda reaffirms this outlook, excluding the one off costs and impacts associated with responding to Equifax's proposals and the Transaction. In addition, under the terms of the Transaction, Veda will not declare an interim dividend for the half year ending 31 December 2015.

## 7.10 Publicly available information about Veda

Veda is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, Veda is subject to the Listing Rules which require (subject to some exceptions) continuous disclosure of any information Veda has that a reasonable person would expect to have a material effect on the price or value of Veda Shares.

ASX maintains files containing publicly disclosed information about all entities listed on ASX. Information disclosed to ASX by Veda is available on ASX's website at [www.asx.com.au](http://www.asx.com.au).

In addition, Veda is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Veda may be obtained from an ASIC office.

Veda Shareholders may obtain a copy of:

- the Veda 2015 Annual Report (being the full financial report most recently lodged with ASX before the registration of this Scheme Booklet with ASIC); and
- any announcements given to ASX by Veda after the lodgement by Veda of the Veda 2015 Annual Report and before the date of this Scheme Booklet,

free of charge, by calling the Veda Shareholder Information Line on +61 1300 180 103 Monday to Friday between 8.30am and 5.30pm (AEDT).

A list of announcements made by Veda to ASX from 30 June 2015 to the Last Practicable Date is contained in Annexure A.

A substantial amount of information about Veda, including financial information and releases to ASX, is available in electronic form on Veda's website at <http://investors.veda.com.au/Investor-Relations/>.

# 08

## Information about the Equifax Group

Information contained in this Section 8 has been prepared by Equifax. The information concerning the Equifax Group and the intentions, views and opinions contained in this Section 8 are the responsibility of Equifax.

### 8.1 Overview of Equifax Australia

Equifax Australia is an Australian company, incorporated for the purpose of acquiring all of the issued shares in Veda. Equifax Australia is wholly owned by Equifax.

Certain members of the Equifax Group (including Equifax) have entered into certain debt facilities which will provide Equifax Australia with the funds required to satisfy the obligations to pay the Scheme Consideration under the Scheme. Please see Section 8.6 for further details of the funding arrangements for the Scheme Consideration.

### 8.2 Overview of Equifax

#### (a) Corporate overview

Equifax is a leading global provider of information solutions, employment and income verification and human resources business process out-sourcing services. Equifax organises, assimilates and analyses data on more than 600 million consumers and more than 81 million businesses worldwide. Equifax operates or has investments in 19 countries and is a member of Standard & Poor's (S&P) 500 Index.

Equifax is headquartered in the US in Atlanta, Georgia and is listed on NYSE where it trades under the symbol EFX and has a market capitalisation of approximately A\$18.3 billion.<sup>4</sup> Equifax was founded in 1899 and is incorporated under the laws of the State of Georgia in the US.

In the year ended 31 December 2014, Equifax earned revenue of A\$3,371.2 million and net profit after tax of A\$517.5 million.<sup>5</sup> In the half year ended 30 June 2015, Equifax earned revenue of A\$1,840.2 million and net profit after tax of A\$279.6 million.<sup>6</sup> As at 31 December 2014, the Equifax Group's consolidated total assets were approximately A\$6.5 billion and consolidated net assets were approximately A\$3.1 billion.<sup>7</sup>

<sup>4</sup> Based on the Equifax Stock Price of US\$111.50 and the US\$/A\$ exchange rate of 1.3837, as at 30 November 2015.

<sup>5</sup> Based on the US\$/A\$ exchange rate of 1.3837, as at 30 November 2015.

<sup>6</sup> Based on the US\$/A\$ exchange rate of 1.3837, as at 30 November 2015.

<sup>7</sup> Based on the US\$/A\$ exchange rate of 1.3837, as at 30 November 2015.



**(b) Equifax timeline of significant events**

Year	Event
1899	Equifax founded.
1913	Equifax incorporated in Georgia, US.
1965	Equifax stock begins trading 'over the counter'.
1971	Equifax listed on NYSE.
1997	Equifax spins off its Information Services Group, creating ChoicePoint Inc.
2001	Equifax spins off its Card Services Group, creating Certegy Inc.
2007	Equifax acquires TALX Corporation, a leading provider of employment verification and related human resource/payroll services, further expanding its complementary solutions to a broader customer base.
2012	Equifax acquires the business assets and operations of CSC Credit Services, Inc., its largest credit affiliate, further expanding its US Consumer Information Solutions or 'USCIS' business.
2014	Equifax expands its capabilities through the acquisition of TDX Group, the United Kingdom's largest debt placement services and debt management platform company.

**(c) Principal activities/operations**

Equifax manages its business and reports its financial results through the following four segments: US Information Solutions, International, Workforce Solutions and Personal Solutions.

- **US Information Solutions**

This segment, being the largest of the four segments, includes consumer and commercial information services (such as credit information and credit scoring, credit modelling services and portfolio analytics (decisioning tools), which are derived from its databases of business credit and financial information, locate services, fraud detection and prevention services, identity verification services and other consulting services), financial marketing services and identity management.

- **International**

This segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modelling services) and credit and other marketing products and services in Latin America, Europe and Canada. In Europe and Latin America it also provides information, technology and services to support debt collections and recovery management.

- **Workforce Solutions**

This segment includes employment and income verification services, as well as payroll-based transaction services and employment tax management services.

- **Personal Solutions**

This segment includes credit information, credit monitoring and identity theft protection products sold directly to consumers via the Internet and in various hard copy products in the US, Canada and the UK.

**8.3 Directors of Equifax**

The directors of Equifax are:

**(a) Mr Richard F. Smith, Chairman and CEO**

As Chairman and CEO, Mr Smith leads Equifax's senior management team and brings to the board of directors of Equifax extensive knowledge of Equifax and its strategy gained through his demonstrated leadership and performance in all aspects of its business. The board of directors of Equifax also values his management experience over a 22-year career at General Electric Co. in global leadership positions in insurance, asset management and financing.

Age 55 (appointed director in 2005)

Mr Smith has been Chairman and CEO of Equifax since September 2005. He was formerly Chief Operating Officer of GE Insurance Solutions from 2004 to August 2005, President and CEO of GE Property and Casualty Reinsurance from 2003 to 2004, President and CEO of GE Property and Casualty Reinsurance (Americas) from 2001 to 2003 and President and CEO of GE Capital Fleet Services from 1995 to 2000.

**(b) James E. Copeland, Jr., Independent Director**

Mr Copeland has expertise in the areas of audit, accounting and finance, including operating experience as the CEO of a major international accounting firm. His knowledge of Equifax's structure, operations, compliance programs and risk oversight as Chairman of the Audit Committee is of particular importance to the board of directors of Equifax. The Equifax board of directors also values Mr Copeland's insight and judgement gained through years of public company board experience with companies operating in industries as diverse as oil and gas, beverages and entertainment, including experience on audit, executive, compensation and finance committees of other publicly traded companies.

Age 70 (appointed director in 2003)

Mr Copeland was the CEO of Deloitte & Touche LLP and Deloitte Touche Tohmatsu, public accounting firms. Mr Copeland served in such capacity from 1999 until his retirement in 2003. He was formerly a director of Coca-Cola Enterprises, Inc. He is Chair of Equifax's Audit Committee.

Other directorships include: ConocoPhillips and Time Warner Cable, Inc.

**(c) Robert D. Daleo, Independent Director**

Mr Daleo has developed extensive financial accounting and corporate finance expertise through his experience as chief financial officer of a large multinational company. The board of directors of Equifax values his leadership and risk assessment skills which are important to Equifax's efforts to expand its global information solutions business, acquisition of data assets, and marketing to banks and other financial institutions. Mr Daleo also has public company board experience.

Age 65 (appointed director in 2006)

Mr Daleo was Executive Vice President and Chief Financial Officer of Thomson Reuters and its predecessors from 1997 until 2011, Vice Chairman from 2011 until his retirement in December 2012, and a member of The Thomson Corporation board of directors from 2001 to April 2008. Thomson Reuters is a global provider of integrated information solutions to business and professional customers. From 1994 to 1998, Mr Daleo served in senior operations, planning, finance and business development positions with Thomson Reuters. He is a member of Equifax's Audit Committee and Compensation, Human Resources & Management Succession Committee.

Other directorships include: Citrix Systems, Inc.

**(d) Walter W. Driver, Jr., Independent Director**

Mr Driver has extensive investment banking expertise in evaluating corporate acquisitions, strategies, operations and risks. The board of directors of Equifax values his judgement, skills and experience in legal and regulatory matters gained through leadership of a major international law firm. Mr Driver also has corporate governance experience and insight gained through his legal practice and public company directorships, including service on compensation and governance committees.

Age 69 (appointed director in 2007)

Mr Driver is the current Chairman (Southeast) of Goldman, Sachs & Co., a global investment banking, securities and investment management firm (a position he has held since January 2006). He also serves on the Goldman Sachs Board of International Advisors. Prior to joining Goldman Sachs, Mr Driver served as Chairman of King & Spalding LLP, an international law firm, from 1999 through 2005. He is a member of Equifax's Governance Committee and Compensation, Human Resources & Management Succession Committee.

Other directorships include: Total System Services, Inc.

**(e) Mark L. Feidler, Independent Director**

Mr Feidler has extensive operating, financial, legal and regulatory experience through his prior position with a major regional telecommunications company, as well as expertise in private equity investments and acquisitions. This background is relevant to Equifax as it markets its products to companies in telecommunications and other vertical markets, while his private equity experience is relevant to Equifax's new product development, marketing and acquisition strategies. His public company operating experience and background in financial, accounting and risk management are an important resource for the Audit Committee and board of directors of Equifax.

Age 58 (appointed director in 2007)

Mr Feidler is the Founding Partner of MSouth Equity Partners, a private equity firm based in Atlanta, US (a position held since February 2007). He was President and Chief Operating Officer and a director of BellSouth Corporation, a telecommunications company, from 2005 until January 2007 and served as its Chief Staff Officer during 2004. From 2001 until 2003, Mr Feidler was Chief Operating Officer of Cingular Wireless and served on the board of directors of Cingular from 2005 until January 2007. He is a member of Equifax's Technology Committee and Audit Committee.

Other directorships include: New York Life Insurance Company.

**(f) L. Phillip Humann, Independent Director**

Mr Humann has over 41 years of experience in the banking, mortgage and financial services industry. The Equifax board of directors highly values his experience and insights regarding how Equifax's customers use its services and products to manage their risk objectives. The board of directors of Equifax also values his leadership skills and deep knowledge of Equifax's business and perspective gained from 21 years of service on the board of directors and at other public companies.

Age 69 (appointed director in 1992)

Mr Humann was Executive Chairman of the Board of SunTrust Banks, Inc. from 2007 to April 2008, Chairman and CEO from 2004 through 2006, Chairman, President and CEO from 1998 to 2004 and President from 1991 to 1998. He was Non-Executive Chairman of Haverty Furniture Companies, Inc. from May 2010 to December 2012. He is a presiding director of Equifax, serves as Chair of the Compensation, Human Resources & Management Succession Committee and is a member of the Governance Committee.

Other directorships include: Coca-Cola Enterprises Inc. and Haverty Furniture Companies, Inc.

**(g) Robert D. Marcus, Independent Director**

Mr Marcus has extensive operating, financial, legal and regulatory experience through his position with a major cable company, as well as expertise in mergers and acquisitions. This background is relevant to Equifax as it markets its products to data and telecommunications companies and other vertical markets. His public company operating and finance experience and background in legal and regulatory matters are an important resource for the Equifax board of directors.

Age 49 (appointed director in 2013)

Mr Marcus is the current Chairman and CEO of Time Warner Cable Inc., a provider of video, high-speed data and voice services (a position he has held since 1 January 2014). He served as its President and Chief Operating Officer from December 2010 until 2013. Prior to this, he was Senior Executive Vice President and Chief Financial Officer from January 2008 and Senior Executive Vice President from August 2005. Mr Marcus joined Time Warner Cable Inc. from Time Warner Inc. where he had served as Senior Vice President, Mergers and Acquisitions from 2002. From 1990 to 1997, he practised law at Paul, Weiss, Rifkind, Wharton & Garrison. He is a member of Equifax's Governance Committee.

Other directorships include: Time Warner Cable Inc.

**(h) Siri S. Marshall, Independent Director**

Ms Marshall has over 13 years of executive experience at General Mills which provides a valuable perspective on Equifax's organisational management, legal, compliance, regulatory and government affairs, consumer products business and corporate governance. The board of directors of Equifax particularly values her broad experience with other public company boards, including as a presiding director of a large financial institution, as well as her perspective and insight gained through her service on the executive, compensation and governance committees of other public companies and her leading role in corporate law and dispute resolution matters.

Age 66 (appointed director in 2006)

Ms Marshall was the Senior Vice President, General Counsel, Secretary and Chief Governance and Compliance Officer of General Mills, Inc., a global diversified foods maker and distributor, from 1994 until her retirement in January 2008. She is on the board of directors of the Yale Law School Center for the Study of Corporate Law and on the board of advisors of Manchester Capital Management, Inc. During the past five years, Ms Marshall also served as a director of BioHorizons, Inc., a dental implant and biologics company, a Distinguished Advisor to the Straus Institute for Dispute Resolution, and a trustee of the Minneapolis Institute of Arts. She is the Chair of Equifax's Governance Committee and a member of the Compensation, Human Resources & Management Succession Committee.

Other directorships include: Ameriprise Financial, Inc. and Alphatec Holdings, Inc.

**(i) John A. McKinley, Independent Director**

The board of directors of Equifax highly values Mr McKinley's extensive background in managing complex global technology operations as Chief Technology Officer at a number of leading global companies. These skills are highly relevant to the Equifax board of directors' oversight of risks and opportunities in Equifax's technology operations, risk management and capital investments. The Equifax board of directors also values his entrepreneurial insights.

Age 57 (appointed director in 2008)

Mr McKinley is the current CEO of SaferAging, Inc., a senior care service provider based in Washington, D.C., and Co-founder of LaunchBox Digital, a venture capital firm in Washington, D.C. Mr McKinley was Chief Technology Officer of News Corporation from July 2010 to September 2012. He was President, AOL Technologies and Chief Technology Officer from 2003 to 2005 and President, AOL Digital Services from 2004 to 2006. Prior to this, he served as Executive President, Head of Global Technology and Services and Chief Technology

Officer for Merrill Lynch & Co., Inc., from 1998 to 2003, Chief Information and Technology Officer for GE Capital Corporation from 1995 to 1998 and Partner, Financial Services Technology Practice, for Ernst & Young International from 1982 to 1995. He serves as a Chair of Equifax's Technology Committee and is a member of the Audit Committee.

#### **(j) Mark B. Templeton, Independent Director**

The board of directors of Equifax highly values Mr Templeton's operating experience, leadership and perspective in business strategy, operations, and business growth. His counsel and insight in technology opportunities, particularly in the development and global marketing of advanced technology products, has direct application to Equifax's strategic emphasis on investment in new technology products and global expansion.

Age 62 (appointed director in 2008)

Mr Templeton is the retired CEO and President of Citrix Systems, Inc., a global software development firm. He served as CEO of Citrix Systems, Inc. from 1999 to 2015.

He is a member of Equifax's Compensation, Human Resources & Management Succession Committee and Technology Committee.

## **8.4 Rationale for Equifax's proposed acquisition of Veda**

Equifax's business strategy has been to expand through both organic growth and strategic acquisitions, including in international markets. Equifax believes expansion in Australia and New Zealand is a strategic fit for Equifax and allows it to expand its geographic footprint in the core segment in which it is highly experienced.

Equifax's only current operations in Australia consist of its debt collection solutions products offered through its TDX business. Equifax does not otherwise have operations in Australia or New Zealand.

In seeking to achieve its strategic objective, Equifax looked for suitable acquisition targets based on the following rationale and found that Veda was attractive for the following reasons: revenue and profitability; strong market position in Australia and New Zealand; credentials of management; and compatibility with Equifax.

#### **(a) Revenue and profit**

Equifax believes that if the Scheme is implemented the acquisition of Veda will be immediately accretive to Equifax on a consolidated basis.

#### **(b) Australian and New Zealand presence**

Veda's strong presence in Australia and New Zealand is attractive to Equifax because it sees the region as a key growth area. Equifax is also keen to develop a presence in the other international markets in which Veda currently operates, being Singapore, Malaysia, Cambodia and Saudi Arabia.

#### **(c) Credentials of management**

Veda's management team has successfully led Veda's growth and focus on developing customer-centric solutions. Equifax is keen to utilise the existing knowledge and experience of Veda's management team. Equifax believes Veda's management style is highly compatible with that of Equifax's business.

#### **(d) Compatibility with Equifax**

Equifax believes its strength in advanced analytics, enterprise growth initiatives and new product innovation, among other things, can further enhance Veda's already existing suite of products and data assets and further expand its revenue.

## **8.5 Intentions of Equifax if the Scheme is implemented**

#### **(a) Intentions generally**

This Section 8.5 sets out Equifax's present intentions on the basis of facts and information concerning Veda and the general business environment which are known to Equifax at the time of preparation of this Scheme Booklet. Final decisions on these matters will only be made by Equifax in light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section 8.5 are statements of current intention only and may change as new information becomes available or as circumstances change.

#### **(b) Corporate structure**

Equifax will be the ultimate holding company of Veda upon implementation of the Scheme. As part of business as usual planning following implementation of the Scheme, there are likely to be changes in the Veda Group corporate structure as part of integrating the Veda Group into the Equifax Group corporate structure.

#### **(c) Operations and continuation of business**

Equifax does not contemplate a change of direction of Veda's existing business strategies in any material respect, nor does it have any plans to materially alter Veda's business fundamentals.

Equifax intends to utilise Veda's wealth of knowledge and experience in business operations in Australia, New Zealand, Singapore, Malaysia, Cambodia and Saudi Arabia to enhance the combined entity's growth. Equifax intends that the combined entity

will become one of the leading providers of information solutions.

Equifax has no current intention to redeploy any of Veda's fixed assets.

#### **(d) Strategy**

Equifax intends that its current strategic plan will be applied to the combined entity. It is expected that the combined entity will have a broader geographical footprint, which will assist Equifax in meeting its strategic objectives.

#### **(e) Veda to be delisted**

If the Scheme is implemented, Equifax will cause Veda to request ASX to remove Veda from ASX's official list.

#### **(f) Board and management**

Equifax recognises the knowledge and experience of Veda's senior management team and looks forward to working with them following implementation of the Scheme, with the aim of successful integration of the Veda business and achieving the key strategies identified above.

As part of its consolidated corporate structure, Equifax intends to reconstitute the Veda Board to comprise representatives of Equifax, which may include members of Veda's senior management as determined following implementation of the Scheme, with consequential changes to the boards of Veda's subsidiaries.

#### **(g) Employees**

Equifax considers Veda's employees to be an integral part of Veda's success. Subject to the general review of employment requirements of the combined entity to be undertaken following implementation of the Scheme, Equifax does not have any present intention to make any material changes to Veda's current staffing levels.

#### **(h) Other intentions**

Other than as set out in this Section 8.5, Equifax has no current intention to make major changes to, or dispose of any parts of, Veda's business.

## **8.6 Funding arrangements for Scheme Consideration**

### **(a) Overview**

If the Scheme becomes Effective and is implemented, holders of Veda Shares will receive the Scheme Consideration of A\$2.825 cash per Veda Share held on the Scheme Record Date. Based on the number of Veda Shares, Deferred Share Rights and Options on issue as at the Last Practicable Date, the aggregate amount of cash payable by Equifax to holders of

Veda Shares, Deferred Share Rights and Options in connection with the Scheme will be approximately A\$2.45 billion.

Equifax intends to fund the Scheme Consideration from the proceeds of a utilisation of the Facilities (as defined in Section 8.6(b)).

Subject to the terms and conditions of the Facilities described in Section 8.6(b), the total amount of debt finance available to Equifax is sufficient for Equifax to pay the Scheme Consideration in accordance with the terms of the Scheme and amounts in respect of the Deferred Share Rights and Options.

The Scheme is not conditional on Equifax obtaining debt finance to fund the payment of the Scheme Consideration. Accordingly, the description of Equifax's funding arrangements in this Section 8.6 is provided for information purposes only, to describe the arrangements that Equifax has in place to fund the payment of the Scheme Consideration if the Scheme becomes Effective.

### **(b) Debt finance arrangements**

Certain members of the Equifax Group have entered into a credit agreement under which facilities, including a US\$900 million unsecured revolving credit facility, a US\$800 million 364-day unsecured revolving credit facility and a US\$800 million unsecured delayed draw term loan facility (**Facilities**), are made available to certain members of the Equifax Group.

Certain of the Facilities are made available to Equifax for the purpose of, among other things, funding the Scheme Consideration and funding the payment of fees, costs and expenses incurred by the Equifax Group in connection with the Scheme.

### **(c) Availability of the Facilities**

The lenders have agreed that there will be certainty as to the availability of those Facilities to be used to fund the Scheme Consideration, subject only to:

- there being no breach of a representation in the Scheme Implementation Deed made in respect of Veda where such breach would entitle Equifax to terminate the Scheme Implementation Deed;
- there being no Veda Material Adverse Change in the business, assets, liabilities, financial or trading position, profitability or prospects of the Veda Group;
- there being no breach of certain key representations made in respect of members of the Equifax Group;
- the Scheme Resolution having been passed;
- subject to customary carve outs, the Scheme Implementation Deed remaining in full force and effect without amendment or waiver that would be materially adverse to the lenders;



- the lenders receiving a customary officer's certificate together with documentation and information required by regulatory authorities under application of "know your customer" and anti-money laundering rules and regulations;
- there being no judgement, order, injunction or other restraint issued or filed or a hearing restraining or prohibiting the funding to the relevant Facilities; and
- there being no payment default or insolvency default under the relevant Facilities.

As at the date of this Scheme Booklet, Equifax is not aware of the occurrence of, or any circumstance which would lead to, any misrepresentation, breach of undertaking or event of default or which would give rise to a right of any lender to terminate any relevant Facility.

If the conditions described above are satisfied, then the lenders under the relevant Facilities must provide the funds for their portion of the commitment under the relevant Facilities. As at the date of this Scheme Booklet, Equifax is not aware of any reason why any of the conditions to the availability of the Facilities will not be satisfied, and expect that they will be satisfied, in time to allow payment in full of the aggregate Scheme Consideration when due under the terms of the Scheme.

#### **(d) Exchange rate movements**

The funds available to Equifax under the Facilities are denominated in US dollars. At the indicative exchange rate of US\$1/A\$1.3837, such funds total approximately A\$3.3 billion, significantly in excess of the amount required for the payment of the Scheme Consideration.

Having regard to the matters set out in this Section 8.6, Equifax is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its payment obligations under the Scheme, as well as its costs associated with the Scheme. This would remain the case even if there were significant adverse movements in the US\$/A\$ exchange rate between the date of this Scheme Booklet and the Implementation Date.

## **8.7 Interests in Veda Shares**

### **(a) Interests in Veda Shares**

As at the date of this Scheme Booklet, neither Equifax nor any of its associates has any Relevant Interest in any Veda Share or any voting power in Veda.

Except for the Scheme Consideration to be provided under the Scheme, during the period of four months before the date of this Scheme Booklet, neither Equifax, nor any of its associates, has provided or agreed to provide consideration for any Veda Shares under a purchase or other agreement.

During the four months before the date of this Scheme Booklet, neither Equifax, 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 Veda Shares,

where the benefit was not offered to all Veda Shareholders.

### **(b) Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Veda (or its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from office in Veda or any of its Related Bodies Corporate in connection with the Scheme.

Equifax will not be making any payment or giving any benefit to any current member of the Veda Board as compensation or consideration for, or otherwise in connection with, their resignation from the Veda Board, if the Scheme becomes Effective and the Veda Board is accordingly reconstituted.

## **8.8 Other material information**

### **(a) FIRB approval**

As outlined in Section 6.6, the Scheme is also subject to the approval of the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

### **(b) OIO approval**

As outlined in Section 6.6, the Scheme is subject to Equifax receiving in writing all consents, approvals or clearances required under the *Overseas Investment Act 2005* (New Zealand) and the *Overseas Investment Regulations 2005* (New Zealand).

### **(c) Other matters**

Except as set out in this Section 8, there is no other information regarding Equifax, or its intentions regarding Veda, that is material to the making of a decision by a Veda Shareholder in relation to the Scheme, being information that is within the knowledge of Equifax as at the Last Practicable Date, which has not been previously disclosed to Veda Shareholders.

# 09

## Risk Factors

### 9.1 Introduction

In considering the Scheme, Veda Shareholders should be aware that there are a number of risk factors, general and specific, which may affect the future operating and financial performance of Veda and the price and/or value of Veda Shares. Many of these risk factors are currently relevant to Veda Shareholders and may continue to be relevant to Veda Shareholders who remain as Veda Shareholders if the Scheme does not become Effective.

Many of these risk factors are outside the control of Veda. For example, there can be no certainty that Veda will achieve its business and commercial objectives or goals or that any forward looking statements in this Scheme Booklet will eventuate.

Additional risks and uncertainties not currently known to Veda may have a material adverse effect on Veda's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect Veda.

In deciding whether to vote in favour of the Scheme, Veda Shareholders should carefully consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Veda Shareholders.

### 9.2 Specific risks relating to implementation of the Scheme

#### (a) Federal Court delays

There is a risk that the Federal Court may not approve the Scheme or that the approval of the court is delayed.

#### (b) Tax consequences

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. Further information on the tax consequences of the Scheme is set out in Section 10.

### 9.3 Specific risks relating to Veda

#### (a) Risks to security and integrity of sensitive information

Veda collects, stores and processes highly sensitive, highly regulated and confidential information and accesses and transmits that information through public and private networks, including the internet, to and from its customers and suppliers. The provision of secure and reliable information storage and processing services is integral to its business.

Information security and integrity are critically important to Veda's business. A failure of the systems established to protect Veda's information could lead to liabilities to third parties, regulatory impositions and financial loss.

Such a failure or the perception that Veda's data security systems are inadequate may result in reputation damage and reduce the attractiveness of Veda's products and services to customers, and reduce the willingness of data suppliers to provide information, which would lead to the loss of the ability to offer products and the loss of existing and potential customers.



### **(b) Reliance on core technologies and other systems**

Technology is central to the operations of Veda. Veda's ability to provide reliable services depends on the efficient and uninterrupted operation of its core technologies, which include specialised and proprietary software systems and infrastructure, back-end data processing systems as well as its websites and data centres.

Veda's core technologies and other systems and operations may be exposed to damage or interruption from systems failures, computer viruses, cyber-attacks or breaches of cyber-security, as well as other malicious attacks or unintentional security issues or events outside the control of Veda, which could result in material data security breaches or damage to the systems of Veda.

Any systemic failure or sustained interruption in service provision could severely damage Veda's reputation and ability to generate new business, directly impact Veda's operations and customer service levels and necessitate increased expenditure on technology protections which would adversely affect Veda's financial performance.

### **(c) Availability of data sources**

To deliver its products and services, Veda depends on a combination of existing data and continued and reliable access to a range of third party data sources. These third party sources include customers, partners, government agencies and public records. If Veda's access to these data sources was removed, reduced or restricted, made publicly available or made available on less favourable terms, there is a risk that Veda's ability to provide services could be impacted and Veda's financial performance adversely affected.

A proportion of Veda's data acquisition costs are capitalised under Veda's current contractual arrangement. There is a risk that future changes to these contractual arrangements or accounting standards may result in a different treatment.

### **(d) Protection of trade secrets**

Veda has developed trade secrets in the form of specialised processes and software (including certain algorithms) for its business. Veda takes precautions to protect its trade secrets, which include implementing access restrictions, enforceable undertakings and other security protections. Although such steps and the laws relating to trade secrets assist to protect those proprietary rights, there can be no guarantee that unauthorised use or copying of that specialised technology or algorithms will be prevented.

Any significant failure or inability to adequately protect and control Veda's proprietary assets may harm Veda's business and reduce its ability to

compete and could adversely affect financial performance.

### **(e) Sensitivity to complex regulatory environment**

Veda operates in a complex regulatory environment. In particular, credit reporting is subject to a number of federal and state-based regulations in Australia, as well as requirements in other foreign jurisdictions in which it operates. Those laws and regulations are complex, can change frequently and have tended to be more stringent over time and subject to judicial interpretation.

There may be regulatory or government policy changes which adversely impact Veda's business by increasing expense for Veda as it establishes new compliance procedures, retrains its employees and has to review or redevelop its products. Veda may also fail to comply with new laws and regulations. Any substantial failure by Veda to comply with applicable laws and regulations could result in cessation of part or all of its operations, restrictions on its ability to carry out operations, or fines, penalties, or other liabilities to customers, suppliers or third parties. Compliance failure could also damage Veda's reputation, ultimately impacting on the willingness of data suppliers and customers to provide information and adversely impacting Veda's financial performance.

### **(f) Competition risk**

Veda's strong market position in Australia and New Zealand may be threatened by increased competition from existing competitors or new entrants or by competitors consolidating between or among themselves. Veda has a number of competitors. There is a risk that new competitors may successfully enter the market or that existing competitors may expand their operations into new markets and provide products and services that Veda already provides.

Any increased competition or innovation by competitors could result in a loss of market share, revenue and product margins which may impact Veda's financial performance.

### **(g) Change in customer behaviour**

Veda's customers may reduce their use of Veda's services because they have lower demand due to economic conditions or simply to reduce their costs. Customers may also vary the manner in which they obtain their services under existing contracts in a way that reduces the profitability of those individual contracts. Some of Veda's customer contracts may be terminated on short notice and a customer may cease using Veda's services in order to switch to a competitor, to negotiate a lower fee or simply because that customer has decided not to utilise the service or services.

Veda has a wide range of customers and any consolidation of those customers through mergers and acquisitions could reduce overall demand for Veda's services.

#### **(h) Downturn in demand for credit**

If there is a severe disruption to the financial services sector generally, a downturn in the demand for credit products (such as mortgages, credit cards, personal loans etc.) or a reduction in the availability of those credit products (e.g. by providers or regulatory tightening lending criteria), that could lead to a reduction in demand for Veda's services and this would adversely affect Veda's financial performance.

#### **(i) Ability to attract and retain skilled personnel**

Veda's success depends, to a large extent, on its ability to attract and retain appropriately skilled personnel. For example, Veda relies on specially trained technical personnel to develop and operate its data matching and processing platforms, and its core technology systems, and the small number of well-trained experts with access to Veda's trade secrets. Veda also needs to compete for personnel with appropriate leadership qualities, skills, experience and performance potential. Failure to attract and retain skilled personnel would adversely affect the performance of Veda's business.

#### **(j) Integration of acquisitions and joint ventures**

Veda continually investigates and considers potential acquisitions and joint venture opportunities, which are consistent with its stated growth strategy. The successful implementation of acquisitions and joint ventures depends on a range of factors, including funding arrangements and technical integration.

Failure to successfully pursue and integrate acquisitions and joint ventures could impact Veda's financial performance in the future.

#### **(k) Litigation**

There is a risk that Veda may be exposed to litigation which could materially impact Veda's financial performance in the future.

#### **(l) Insurance**

Insurance is maintained by Veda within ranges of coverage consistent with industry practice. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that the cover will be adequate and available to cover all or any future claims. Any inability to access insurance cover may adversely impact Veda's future financial performance.

## **9.4 General risks**

### **(a) Overview of general risks**

Veda is exposed to a number of general risks that could materially adversely affect its assets and liabilities, financial position, profits and prospects and the price and/or value of Veda Shares. General risks may impact on Veda in a number of ways, including, for example, by:

- increasing the costs associated with the provision of Veda's products and services;
- causing Veda's customers not to renew their contracts or renewing them on less favourable terms;
- causing failure of Veda's customers to meet their obligations under their contracts; and
- prohibiting, deterring, or further regulating the provision of Veda's products and services.

### **(b) Macro-economic risks**

Economic conditions, both domestic and global, may affect Veda's performance. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, among other things, may also affect Veda's operating environment, operational performance, reputation, financial performance and/or financial position.

### **(c) General equity market risks**

As with any entity with shares listed on the ASX, the market price of Veda Shares is influenced by a variety of general business cycles and economic and political factors in Australia and overseas, including economic growth, interest rates, exchange rates, inflation, employment levels, changes in government, fiscal, monetary and regulatory policy in relevant jurisdictions.

**(d) Share market conditions**

There are risks associated with an investment in financial products quoted on the ASX. In particular, share price movements could affect the value of any investment in Veda.

The performance of Veda and the price at which Veda Shares trade on the ASX may be determined by a range of factors, including movements in international equity and bond markets and general investor sentiment about those markets, recommendations by brokers and analysts, inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, the announcement of new technologies and changes in the supply of and demand for relevant stocks. These factors could affect the trading price of shares, regardless of operating performance.

**(e) Taxation risks**

A change to the Australian taxation regime including changes to corporate tax or GST, may affect Veda or each of its shareholders. Personal tax liabilities are the responsibility of each individual shareholder. Veda is not responsible for taxation or penalties incurred by its shareholders.

**(f) Accounting standards**

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**). Changes to accounting standards issued by the AASB could materially adversely affect the financial performance and position reported in the financial statements of Veda. Such changes are outside the control of Veda Directors.

# 10 Tax Considerations



The Directors  
Veda Group Limited  
Level 15  
100 Arthur Street  
North Sydney NSW 2060

11 December 2015

Dear Directors

**Proposal by Equifax Inc (through its subsidiary Equifax Australia Pty Ltd) to acquire all the ordinary shares in Veda Group Limited  
Australian Taxation Implications**

We have been instructed by Veda Group Limited (**Veda**) to prepare this letter to be included in the Scheme Booklet.

Capitalised terms not otherwise defined in this letter have the meaning given in the Scheme Booklet.

## 1 Scope

This letter is a general description of the Australian income tax and goods and services (**GST**) consequences of the Scheme (assuming it becomes Effective).

This letter deals only with Veda Shareholders who hold their Veda Shares on the Scheme Record Date on capital account for income tax purposes. This letter does not deal with Veda Shareholders who:

- acquired their Veda Shares prior to the IPO of Veda in December 2013;
- hold their Veda Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock);
- acquired their Veda Shares pursuant to an employee share, option or rights plan; or
- are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Veda Shares.

The information in this letter is based upon the Australian law and administrative practice in effect at the date of this Scheme Booklet, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Veda Shareholder. Veda Shareholders should seek independent professional advice in relation to their own particular circumstances.

Veda Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law.

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## 2 Australian resident shareholders

### 2.1 Capital gains tax

Under the Scheme, Veda Shareholders will dispose of their Veda shares to Equifax Australia. This disposal will constitute a CGT event A1 for Australian capital gains tax (CGT) purposes for Veda Shareholders.

The time of the CGT event will be the Implementation Date.

### 2.2 Calculation of capital gain or capital loss

Veda Shareholders will make a capital gain on the disposal of Veda Shares to the extent that the capital proceeds from the disposal of the Veda Shares are more than the cost base of those Veda Shares. Conversely, Veda Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Veda Shares.

### 2.3 Cost base

The cost base of the Veda Shares generally includes the cost of acquisition and certain non-deductible incidental costs of their acquisition and disposal. The reduced cost base of the Veda Shares is usually determined in a similar, but not identical, manner.

### 2.4 Capital proceeds

The capital proceeds received in respect of the disposal of each Veda Share should be A\$2.825 per Veda Share, being the amount of the Scheme Consideration.

### 2.5 Other issues

Individuals, complying superannuation entities or trusts that have held Veda Shares for at least 12 months may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Veda Shares by 50% in the case of individuals and trusts or by 33⅓% for complying superannuation entities. For trusts, the ultimate availability of the discount for beneficiaries of the trust will depend on the particular circumstances of the beneficiaries.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

## 3 Non-resident shareholders

For a Veda Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their Veda Shares in carrying on a business through a permanent establishment in Australia;

the disposal of Veda Shares will generally only result in Australian CGT implications if:

- (a) that Veda Shareholder together with its associates held 10 percent or more of the Veda Shares at the time of the CGT event or for any continuous 12 month period within 2 years preceding the CGT event (referred to as a 'non-portfolio interest'); and
- (b) more than 50% of Veda's value at the time of the CGT event is attributable to direct or indirect interests in Australian real property (as defined in the income tax legislation).

Non-resident Veda Shareholders who hold a 'non-portfolio interest' in Veda should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.



## 4 GST

A non-resident individual Veda Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Veda Shares as set out in section 2.

**4 GST**

Veda Shareholders should not be liable to GST in respect of a disposal of those Veda Shares.

Veda Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Scheme) that relate to the Scheme. Veda Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

Yours sincerely

*Greenwoods & Herbert Smith Freehills*

Greenwoods & Herbert Smith Freehills Pty Limited

# 11

## Information Relating to Veda Directors

### 11.1 Interests of Veda Directors

#### (a) Veda Directors' Relevant Interests in Veda Shares

As at the date immediately before the date of this Scheme Booklet, the Veda Directors had the following Relevant Interests in Veda Shares or other securities of Veda:

Veda Director	Number of Veda Shares	Number of other Veda securities
Dr Helen Nugent AO	200,000	
Nerida Caesar	6,640,039	13,500,000 Tranche A Options 11,500,000 Tranche B Options 1,695,921 Incentive Options 138,256 Deferred Share Rights
Anthony Kerwick	400,000	
Steve Sargent	80,000	
Diana Eilert	120,000	
Bruce Beeren	100,000	
Dr Peter Shergold AC	80,000	

The Directors who hold Veda Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration on the same terms as all other Shareholders.

Each Director intends to vote the Veda Shares they own or control in favour of the Scheme, in the absence of a Superior Proposal.

#### (b) Veda Directors' dealings in Veda Shares

No Veda Director acquired or disposed of a Relevant Interest in any Veda Shares in the four month period ending on the date immediately before the date of this Scheme Booklet.



## 11.2 Interests and dealings in Equifax Group securities

### (a) Interests in Equifax Group securities

As at the date immediately before the date of this Scheme Booklet, no Veda Director had a Relevant Interest in any securities in the Equifax Group.

### (b) Dealings in Equifax Group securities

No Veda Director acquired or disposed of a Relevant Interest in any securities in the Equifax Group in the four month period ending on the date immediately before the date of this Scheme Booklet.

## 11.3 Benefits and agreements

### (a) Benefits in connection with retirement from office

No payment or other benefit is proposed to:

- be made or given to any director, company secretary or executive officer of Veda as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Veda or in a Related Body Corporate of Veda; or
- be made or given to any director, company secretary or executive officer of any Related Body Corporate of Veda as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that Related Body Corporate of Veda or in Veda,

in connection with the Scheme, other than in his or her capacity as a Veda Shareholder or holder of Options or Deferred Share Rights.

### (b) Agreements connected with or conditional on the Scheme

Other than as set out in Section 12.1 in relation to the impact of the Scheme on Tranche A Options and Tranche B Options and in Section 12.3 in relation to the impact of the Scheme on the Equity Incentive Plan, there are no agreements or arrangements made between any Veda Director and any other person in connection with, or conditional on, the outcome of the Scheme, other than in their capacity as a Veda Shareholder.

### (c) Interests of Veda Directors in contracts with the Equifax Group

None of the Veda Directors has any interest in any contract entered into by any member of the Equifax Group, or a Related Body Corporate of any member of the Equifax Group, other than in their capacity as a Veda Shareholder or holder of Options or Deferred Share Rights.

### (d) Benefits from the Equifax Group

None of the Veda Directors has agreed to receive, or is entitled to receive, any benefit from any member of the Equifax Group, or any Related Body Corporate of a member of the Equifax Group which is conditional on, or is related to, the Scheme, other than in their capacity as a Veda Shareholder or holder of Options or Deferred Share Rights.

# 12

## Additional Information

### 12.1 Impact of the Scheme on Tranche A Options and Tranche B Options

Conditional on the Scheme being implemented, the Tranche A Options and Tranche B Options, which were granted to certain members of Veda senior management as part of the Veda IPO, will be transferred to Equifax on the Implementation Date.

In consideration for the transfer, Equifax will pay IPO Optionholders the difference between the Scheme Consideration and the relevant exercise price of the Tranche A Options or Tranche B Options (as the case may be). The transfer will be documented under a separate agreement between Veda, Equifax and the IPO Optionholders.

### 12.2 Impact of the Scheme on management loans

Prior to its IPO, Veda (through its subsidiary, Veda Advantage (Australia) Pty Limited) agreed to provide certain senior executives with loans on a full recourse basis, to fund the payment of a reclassification price in relation to the reclassification of management performance shares issued by Veda and to fund a portion of the purchase price of Shares made available to management under a program initiated in 2009. The aggregate principal amount is \$2,771,432 consisting of \$2,481,432, of reclassification loans and \$290,000 of Share loans.

Conditional on the Scheme becoming Effective, on the Implementation Date, in accordance with the terms of the reclassification loan deeds, each of the senior executives will repay their loan in full out of the Scheme Consideration due to them in respect of the Veda Shares that they hold at the Scheme Record Date. This repayment will be achieved by Veda withholding from the Scheme Consideration it remits to each relevant senior executive, a sum equal to that senior executive's outstanding loan balance. Veda will then remit this sum to Veda Advantage (Australia) Pty Limited in full and final settlement of the loans.

### 12.3 Impact of the Scheme on the Veda Equity Incentive Plan

Conditional on the Scheme becoming Effective, Incentive Options and Deferred Share Rights under the Equity Incentive Plan will be treated as set out below:

#### (a) Incentive Options

Under the terms of the Equity Incentive Plan Rules, on a change of control of Veda occurring, the Veda Board may exercise its discretion to determine that all Incentive Options will immediately vest. The Veda Board has exercised its discretion and all Incentive Options granted to senior management as part of the Equity Incentive Plan will be cancelled under the Equity Incentive Plan Rules. In consideration for the cancellation, Veda will pay (from an amount provided by Equifax to Veda) Incentive Optionholders the difference between the relevant exercise price of the Incentive Option and the Scheme Consideration.

#### (b) Deferred Share Rights

Under the terms of the Equity Incentive Plan Rules, on a change of control of Veda occurring, the Veda Board may exercise its discretion to determine that all Deferred Share Rights will immediately vest. The Veda Board has exercised its discretion and Veda has instructed the trustee of the Veda Group Employee Share Plan Trust to transfer Shares in respect of those Deferred Share Rights to the individual Deferred Share Rights holders on or before the Scheme Record Date. Following such transfer, the Deferred Share Rights will then be acquired by Equifax along with all other Veda Shares under the Scheme. Holders of Deferred Share Rights will therefore receive \$2.825 cash per Scheme Share in respect of which they currently hold Deferred Share Rights.

## 12.4 Scheme Implementation Deed

### (a) Overview

Veda and Equifax entered into the Scheme Implementation Deed on 22 November 2015. The key terms of the Scheme Implementation Deed are summarised below.

A copy of the Scheme Implementation Deed is contained in Annexure C.

### (b) Conditions Precedent

Implementation of the Scheme is subject to the Conditions Precedent which must be satisfied or waived (where applicable).

The Conditions Precedent are:

- FIRB approval;
- NZ OIO approval;
- approval of the Scheme by the Federal Court;
- approval of the Scheme by the Veda Shareholders;
- no regulatory restraints;
- no Veda Material Adverse Change;
- no Veda Prescribed Occurrence; and
- each party must take the necessary steps to give effect to the executive incentive arrangements, as set out in Sections 12.1 to 12.3 above.

For full details of the Conditions Precedent, see Section 6.6 and clause 3 of the Scheme Implementation Deed.

### (c) Conduct of business

The Scheme Implementation Deed sets out in clause 5.3 the obligations of Veda from the date of the Scheme Implementation Deed up to and including the Implementation Date (currently expected to be 25 February 2016), in relation to the conduct of its business.

Broadly, Veda has agreed to:

- conduct its business in the ordinary and proper course of business in a manner generally consistent with the manner in which it was conducted in the 12 month period prior to the date of the Scheme Implementation Deed;
- make reasonable endeavours to retain the services of the directors, officers and certain employees of Veda;
- maintain and preserve Veda's relationships with customers, suppliers, Government Agencies, and others with whom they have business dealings; and
- ensure no Veda Prescribed Occurrence occurs.

These provisions are set out in full in clause 5.3 of the Scheme Implementation Deed.

### (d) Equifax's obligations

The Scheme Implementation Deed sets out certain obligations that Equifax must observe. These include (but are not limited to):

- prepare and confirm the accuracy of the Equifax Information included in this Scheme Booklet;
- if the Scheme becomes Effective, pay the Scheme Consideration and accept a transfer of the Scheme Shares as contemplated by clause 4.4(a) of the Scheme Implementation Deed; and
- comply with all applicable laws and regulations in connection with the Transaction.

These provisions are set out in full in clause 5.2 of the Scheme Implementation Deed.

### (e) Exclusivity arrangements

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of Equifax.

Those exclusivity arrangements are set out in full in clause 11 of the Scheme Implementation Deed.

In summary, Veda has granted the following exclusivity rights during the Exclusivity Period:

- **termination of existing discussions:** Veda must cease any discussions or negotiations (if and to the extent that they were in existence) with any Third Party in relation to a Competing Proposal and withdraw any access to any Third Party to undertake diligence investigations on the Veda Group in connection with, or in furtherance of, any actual or potential Competing Proposal;
- **no shop:** Veda must not solicit any enquiries, discussions or proposals that may lead to an actual, proposed or potential Competing Proposal or communicate to any person any intention to do so;
- **no talk:** Veda must not participate in or resume discussions or provide information that may lead to an actual, proposed or potential Competing Proposal, unless the Veda Board determines in good faith after receiving written advice from its legal advisers that failing to respond would be likely to be considered a breach of the fiduciary or statutory duties of the Veda Directors;
- **notification of approaches:** if Veda becomes aware of an approach in relation to an actual or potential Competing Proposal, the Veda Board must in good faith seek to provide such notice to Equifax within 24 hours of the approach and, in any event, will provide such notice to Equifax by the later of: (a) 48 hours; and (b) one Business Day, following the approach. Such notice must set out reasonable details of the approach, including the key terms of any Competing Proposal (including the identity of the person making the Competing Proposal, and the price and terms of the Competing Proposal); and

- **matching right:** without limiting the above, during the Exclusivity Period, Veda must provide Equifax four Business Days after any notification of approach (as outlined above) to provide a matching or superior proposal to the terms of the Competing Proposal.

#### (f) Reimbursement Fee

Veda must pay a reimbursement fee of A\$25,080,438.67 (exclusive of GST) where:

- a Veda Director fails to recommend, or withdraws or adversely revises his or her support of, the Scheme or recommends the support of a Competing Proposal (other than as a result of the Independent Expert concluding that the Scheme is not fair or not reasonable, any matter that would give Veda the right to terminate the Scheme Implementation Deed or the failure of certain Conditions Precedent);
- a Competing Proposal is announced prior to the Second Court Date and within 12 months of the date of such announcement, any Third Party completes a Competing Proposal; or
- Equifax terminates the Scheme Implementation Deed due to Veda's material breach of the Scheme Implementation Deed where the breach is not remedied within 10 Business Days, due to a breach of the Veda Representations and Warranties or the failure of the Conditions Precedent relating to Veda Prescribed Occurrence or Executive Incentive Arrangements.

A reimbursement fee will not be payable because Veda Shareholders do not vote in favour of the Scheme.

#### (g) Termination rights

**Either Veda or Equifax may terminate** the Scheme Implementation Deed by written notice to the other party:

- at any time before 8.00am on the Second Court Date if the other party has materially breached the Scheme Implementation Deed and the breach continues to exist 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) from being provided notice of such breach by the other party; and
- in the circumstances set out in, and in accordance with, clause 3.4 of the Scheme Implementation Deed.

**Equifax may terminate** the Scheme Implementation Deed by written notice to Veda until 8.00am on the Second Court Date if:

- the Veda Board fails to recommend the Scheme or any Veda Director withdraws or adversely revises his or her recommendation that Veda Shareholders vote in favour of the Scheme;

- Veda enters into an agreement to implement a Competing Proposal; or
- Veda breaches a representation and warranty, Equifax gives notice of the breach and five Business Days after the notice is given:
  - a representation or warranty relating to the existence, authority, power, solvency or binding nature of the Scheme Implementation Deed is not true and correct as at 8.00am on the Second Court Date; or
  - any other representation or warranty is not correct as at 8.00am on the Second Court Date (or if a representation or warranty is expressed to be operative as at any other date, as at that date) and the loss that would reasonably be expected to follow from such a breach would constitute a Veda Material Adverse Change.

**Veda may terminate** the Scheme Implementation Deed by written notice to Equifax at any time before 8.00am on the Second Court Date if:

- the Veda Board or a majority of the Veda Board has adversely changed or withdrawn its recommendation as permitted under clause 5.1(b) of the Scheme Implementation Deed; and
- there is a breach of an Equifax representation or warranty, if Veda has notified Equifax and the breach continues to exist five Business Days after the notice is given and the loss that would reasonably be expected to follow from such a breach is material in the context of the Scheme taken as a whole.

## 12.5 Disputes and litigation

Veda is involved in various legal matters in the ordinary course of business. None of these matters is expected to give rise to a material claim against Veda.

From time to time, Veda receives complaints containing allegations about its compliance with applicable laws, including the *Privacy Act 1988* (Cth) and the Privacy Code, including representative complaints by consumer advocates. Veda takes its compliance obligations very seriously and believes it is compliant with all applicable laws. However, as is inherent in legal, regulatory and administrative proceedings, there is a risk that outcomes may be unfavourable to Veda.

## 12.6 Veda Shares

As at the Last Practicable Date, Veda had on issue:

- 846,425,729 Veda Shares;
- 18,790,025 Tranche A Options;
- 16,006,317 Tranche B Options;
- 5,825,045 Incentive Options; and
- 756,023 Deferred Share Rights.

## 12.7 Consents

### (a) Equifax Inc. and Equifax Australia Pty Ltd

Each of Equifax Inc. and Equifax Australia Pty Ltd has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named. Equifax Inc. has consented to the inclusion of the Equifax Information in this Scheme Booklet.

### (b) Grant Samuel & Associates Pty Limited

Grant Samuel & Associates Pty Limited has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context it is named and to the inclusion of its Independent Expert's Report as an Annexure B to this Scheme Booklet. Grant Samuel & Associates Pty Limited has not caused or authorised the issue of this Scheme Booklet, 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 and takes no responsibility for any part of this Scheme Booklet other than any reference to its name and the Independent Expert's Report contained in Annexure B.

### (c) Link Market Services Limited

Link Market Services Limited has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of the Scheme Booklet other than being named. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Scheme Booklet.

### (d) Macquarie Capital (Australia) Limited

Macquarie Capital (Australia) Limited has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in the form and context in which it is named. Macquarie Capital (Australia) Limited does not make, or purport to make, any statement in the Scheme Booklet or any statement on which a statement in the Scheme Booklet is based. To the maximum extent permitted by law, Macquarie Capital (Australia) Limited expressly disclaims and takes no responsibility for any part of the Scheme Booklet other than a reference to its name. Macquarie Capital (Australia) Limited has not authorised or caused the issue of the Scheme Booklet.

### (e) KPMG

KPMG has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context it is named as auditor of Veda and to the incorporation by reference of its audit report with respect to the financial reports of Veda for the financial years ended 30 June 2014 and 30 June 2015 in Sections 7.1, 7.8 and 7.9. KPMG has not caused or authorised the issue of this Scheme Booklet and KPMG 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. KPMG has not been involved in the preparation of the Scheme Booklet and takes no responsibility for any part of this Scheme Booklet other than any reference to its name as described above.

### (f) Herbert Smith Freehills

Herbert Smith Freehills has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet as Veda's Australian legal adviser in the form and context it is named. Herbert Smith Freehills has not advised on the laws of any foreign jurisdiction. Herbert Smith Freehills has not provided taxation advice in relation to any jurisdiction. Herbert Smith Freehills has not caused or authorised the issue of this Scheme Booklet, 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 and takes no responsibility for any part of this Scheme Booklet other than any reference to its name.

### (g) Greenwoods & Herbert Smith Freehills

Greenwoods & Herbert Smith Freehills has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context it is named as the preparer of the Tax Adviser's Report in Section 10, and to the inclusion of the Tax Adviser's Report on the Australian taxation consequences for Veda Shareholders in Section 10.

Greenwoods & Herbert Smith Freehills has not caused or authorised the issue of this Scheme Booklet and Greenwoods & Herbert Smith Freehills does not make or purport to make any statement in this Scheme Booklet (other than its Tax Adviser's Report in Section 10) or any statement on which a statement in this Scheme Booklet is based. Greenwoods & Herbert Smith Freehills has not been involved in the preparation of the Scheme Booklet and takes no responsibility for any part of this Scheme Booklet other than its Tax Adviser's Report in Section 10.



## 12.8 Intentions of Veda Directors

If the Scheme becomes Effective, the existing Veda Board will be reconstituted in accordance with the instructions of the Equifax Group after the Implementation Date, which is currently expected to be 25 February 2016. Accordingly, it is not possible for the Directors to provide a statement of their intentions regarding:

- the continuation of the business of Veda or how Veda's existing business will be conducted;
- any major changes to be made to the business of Veda, including any redeployment of the fixed assets of Veda; or
- the future employment of the present employees of Veda,

in each case, after the Scheme is implemented.

If the Scheme is implemented, Equifax will own all of the Veda Shares and will be the Controller of Veda. Your Directors have been advised that the intentions of the Equifax Group are as set out in Section 8.

## 12.9 Status of Conditions Precedent

The Conditions Precedent are discussed in Section 6.6. As at the date of this Scheme Booklet, the Conditions Precedent have not been satisfied.

## 12.10 Regulatory relief

### ASX waiver

Veda has applied to ASX for a customary waiver of Listing Rules 6.23.2 and 6.23.3 to permit the acquisition or cancellation of Incentive Options and early vesting of Deferred Share Rights in the manner described in Section 12.3.

## 12.11 No unacceptable circumstances

The Veda Directors do not consider that the Scheme involves any circumstances in relation to the affairs of Veda that could reasonably be characterised as constituting 'unacceptable circumstances' for the purpose of section 657A of the Corporations Act.

## 12.12 Foreign jurisdictions

The distribution of this Scheme Booklet outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Veda disclaims all liabilities to such persons.

Veda Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Transaction in any jurisdiction outside Australia.

## 12.13 No other material information

Except as set out in this Scheme Booklet, so far as the Veda Directors are aware, there is no information material to the making of a decision by a Veda Shareholder in relation to the Scheme, being information that is, within the knowledge of any Director at the date of this Scheme Booklet, which has not previously been disclosed to Veda Shareholders.

## 12.14 Supplementary disclosure

To the extent required by the Listing Rules, the Corporations Act or any other applicable law, Veda 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 Effective Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter 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 obtaining any relevant approvals, Veda may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Veda Shareholders at their registered address as shown in the Share Register; or
- posting a statement on Veda's website at <http://investors.veda.com.au/Investor-Relations/>,

as Veda in its absolute discretion considers appropriate.

# 13

## Glossary and Interpretation

### 13.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below.

Term	Meaning
<b>A\$ or \$</b>	Australian dollar.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>AFSA</b>	Australian Financial Security Authority.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in section 12 of the Corporations Act.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
<b>B2B</b>	business to business.
<b>B2C</b>	business to consumer.
<b>Business Day</b>	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales, Australia (so long as on that calendar day, banks are open in New York, NY, US).
<b>CEO</b>	chief executive officer.
<b>CGT</b>	Australian capital gains tax.
<b>CHESS</b>	Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd ABN 49 008 504 532 and ASX Clear Pty Limited ABN 48 001 314 503.



Term	Meaning
<b>Competing Proposal</b>	<p>any actual, proposed or potential proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any other person) would:</p> <ul style="list-style-type: none"> <li>• directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, or the right to vote, 20% or more of Veda Shares or the shares of any of Veda's Related Bodies Corporate which individually or collectively comprise at least 20% of the value of Veda;</li> <li>• acquire Control of Veda or any of its Related Bodies Corporate which individually or collectively comprise at least 20% of the value of Veda;</li> <li>• directly or indirectly acquire a legal, beneficial or economic interest in, or control of, 20% or more of the business or assets of Veda and its Related Bodies Corporate, taken as a whole;</li> <li>• otherwise directly or indirectly acquire or merge with Veda or any of its Related Bodies Corporate which individually or collectively comprise at least 20% of the value of the Veda; or</li> <li>• require Veda to abandon, or otherwise fail to proceed with, the Transaction.</li> </ul>
<b>Comprehensive Credit Reporting</b>	the reporting of more comprehensive credit reporting as a result of a new Part IIIA of the <i>Privacy Act 1988</i> (Cth), which came into effect on 12 March 2014.
<b>Condition Precedent</b>	each of the conditions set out in clause 3 of the Scheme Implementation Deed as contained in Annexure C.
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act.
<b>Controller</b>	has the meaning given in section 9 of the Corporations Act.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Deed Poll</b>	the deed poll dated 10 December 2015 under which Equifax and Equifax Australia covenant in favour of the Scheme Shareholders to perform the obligations attributed to Equifax and Equifax Australia under the Scheme. A copy of the deed poll is contained in Annexure E.
<b>Deferred Share Right</b>	a deferred share right under the Equity Incentive Plan.
<b>Director</b>	a Veda Director.
<b>EBIT</b>	earnings before interest, tax and share of profit from associates.
<b>EBITDA</b>	earnings before interest, tax, depreciation, amortisation and share of profit from associates.
<b>Effective</b>	means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Federal Court made under section 411(4)(b), in relation to the Scheme.
<b>Effective Date</b>	the date on which a Scheme becomes Effective, which is currently expected to be 11 February 2016.
<b>End Date</b>	31 March 2016 or such later date as Veda and Equifax agree in writing.
<b>Equifax</b>	Equifax Inc.
<b>Equifax Australia</b>	Equifax Australia Pty Ltd ACN 609 501 180.
<b>Equifax Group</b>	collectively, Equifax and each of its Related Bodies Corporate.

Term	Meaning
<b>Equifax Information</b>	information regarding the Equifax Group provided by or on behalf of Equifax to Veda or its Representatives in writing for inclusion in this Scheme Booklet, being Section 8.
<b>Equifax's Original Expression of Interest</b>	the indicative, non-binding proposal by Equifax to acquire all of the Veda Shares for A\$2.70 cash per Veda Share, announced to ASX by Veda on 18 September 2015.
<b>Equity Incentive Plan</b>	the Veda Group Limited Equity Incentive Plan adopted by the Veda Board on 28 July 2014.
<b>Equity Incentive Plan Rules</b>	the Plan Rules of the Equity Incentive Plan adopted by the Veda Board on 28 July 2014, as amended from time to time.
<b>EV</b>	enterprise value.
<b>Exclusivity Period</b>	has the meaning given in clause 1.1 (Definitions) of the Scheme Implementation Deed as contained in Annexure C.
<b>Facility or Facilities</b>	has the meaning given in Section 8.6.
<b>Federal Court</b>	the Federal Court of Australia (New South Wales registry).
<b>FIRB</b>	Foreign Investment Review Board.
<b>FY15</b>	2015 financial year, being 1 July 2014 to 30 June 2015.
<b>FY16</b>	2016 financial year, being 1 July 2015 to 30 June 2016.
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
<b>GST</b>	has the meaning given in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date or such other date as agreed in writing by Equifax and Veda, which is currently expected to be 25 February 2016.
<b>Incentive Optionholders</b>	holders of Incentive Options.
<b>Incentive Options</b>	any option granted under the Equity Incentive Plan.
<b>Independent Expert</b>	the independent expert in respect of the Scheme appointed by Veda, being Grant Samuel & Associates Pty Limited ACN 050 036 372.
<b>Independent Expert's Report</b>	the report in respect of the Scheme prepared and issued by the Independent Expert for inclusion in this Scheme Booklet (or any update or variation to that report). A copy of the Independent Expert's Report is contained in Annexure B.
<b>IPO</b>	Initial Public Offering.
<b>IPO Optionholders</b>	holders of Tranche A Options or Tranche B Options.
<b>Last Practicable Date</b>	8 December 2015, being the date prior to the provision of this Scheme Booklet to the Federal Court.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Notice of Scheme Meeting</b>	the notice of meeting relating to the Scheme Meeting to be held on 8 February 2016 which is contained in Annexure F.

Term	Meaning
<b>NYSE</b>	New York Stock Exchange.
<b>NZ OIO</b>	New Zealand Overseas Investment Office.
<b>Options</b>	the Tranche A options (being the options at \$1.90 exercise price described in the Veda IPO Prospectus) and the Tranche B options (being the options at \$2.10 exercise price described in the Veda IPO Prospectus) issued in connection with the IPO of Veda and the Incentive Options, as the context requires.
<b>P/E</b>	price to earnings.
<b>Record Date</b>	the Scheme Record Date.
<b>Related Body Corporate</b>	has the meaning given in section 50 of the Corporations Act.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Representative</b>	means, in respect of a party, an employee, agent, officer, director, adviser or financier of that party (or of a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable).
<b>Scheme</b>	the members' scheme of arrangement under Part 5.1 of the Corporations Act between Veda and the Veda Shareholders that hold Veda Shares as at the Scheme Record Date under which Veda Shares will be transferred to Equifax Australia, substantially in the form of Annexure D, subject to any alterations or conditions made or required by the Federal Court under section 411(6) of the Corporations Act.
<b>Scheme Booklet</b>	this scheme booklet, including the annexures to it.
<b>Scheme Consideration</b>	the A\$2.825 cash consideration per Scheme Share to be provided to each Veda Shareholder that holds Veda Shares as at the Scheme Record Date for the transfer to Equifax Australia of each Scheme Share, in accordance with clause 4.3 of the Scheme Implementation Deed as contained in Annexure C and the terms of the Scheme as contained in Annexure D.
<b>Scheme Implementation Deed</b>	the scheme implementation deed dated 22 November 2015 (as amended) between Veda and Equifax relating to the implementation of the Scheme. A copy of the scheme implementation deed is contained in Annexure C.
<b>Scheme Meeting</b>	the meeting of Veda Shareholders ordered by the Federal Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Meeting Proxy Form</b>	the proxy form for the Scheme Meeting to be held on 8 February 2016 which accompanies this Scheme Booklet.
<b>Scheme Record Date</b>	5.00pm (AEDT) on the fifth Business Day after the Effective Date of the Scheme, which is currently expected to be 18 February 2016.
<b>Scheme Resolution</b>	the resolution set out in the Notice of Scheme Meeting in Annexure F to agree to the terms of the Scheme.
<b>Scheme Share</b>	a Veda Share held by a Scheme Shareholder as at the Scheme Record Date.
<b>Scheme Shareholders</b>	Veda Shareholders as at the Scheme Record Date.
<b>Second Court Date</b>	the first day on which an application made to the Federal Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the <b>Second Court Hearing</b> .

Term	Meaning
<b>Share Register</b>	the register of Veda Shareholders maintained in accordance with the Corporations Act.
<b>Superior Proposal</b>	has the meaning given in clause 1.1 (Definitions) of the Scheme Implementation Deed as contained in Annexure C.
<b>Takeovers Panel</b>	the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
<b>Tax Adviser's Report</b>	the letter issued by Greenwoods & Herbert Smith Freehills which provides a summary of the Australian tax implications for Veda Shareholders in connection with the Scheme. A copy of the Tax Adviser's Report is set out in Section 10.
<b>Third Party</b>	means a person other than Equifax and its Associates.
<b>Tranche A Options</b>	the Tranche A options (being the options at \$1.90 exercise price described in the Veda IPO Prospectus) issued in connection with the IPO of Veda.
<b>Tranche B Options</b>	the Tranche B options (being the options at \$2.10 exercise price described in the Veda IPO Prospectus) issued in connection with the IPO of Veda.
<b>Transaction</b>	the acquisition of the Scheme Shares by Equifax through implementation of the Scheme.
<b>US</b>	United States of America.
<b>US\$</b>	US dollar.
<b>Veda</b>	Veda Group Limited ACN 124 306 958.
<b>Veda 2014 Annual Report</b>	the Veda Annual Report for the financial year ended 30 June 2014, released to ASX on 16 September 2014.
<b>Veda 2015 Annual Financial Report</b>	the Veda Annual Financial Report for the financial year ended 30 June 2015, released to ASX on 27 August 2015.
<b>Veda 2015 Annual Report</b>	the Veda Annual Report for the financial year ended 30 June 2015, released to ASX on 25 September 2015.
<b>Veda Board</b>	the board of directors of Veda.
<b>Veda Director</b>	each member of the Veda Board.
<b>Veda Group</b>	collectively, Veda and each of its Related Bodies Corporate.
<b>Veda Group Employee Share Plan Trust</b>	the Veda Group Employee Share Plan Trust constituted by trust deed on 26 June 2015.
<b>Veda IPO Prospectus</b>	the prospectus dated 25 November 2013 issued in connection with the IPO of Veda.
<b>Veda Material Adverse Change</b>	has the meaning given in clause 1.1 (Definitions) of the Scheme Implementation Deed as contained in Annexure C.
<b>Veda Prescribed Occurrence</b>	has the meaning given in clause 1.1 (Definitions) of the Scheme Implementation Deed as contained in Annexure C.
<b>Veda Share or Share</b>	a fully paid ordinary share in the capital of Veda.
<b>Veda Share Registry</b>	Link Market Services Limited ACN 083 214 537, 1A Homebush Bay Drive, Rhodes NSW 2138.
<b>Veda Shareholder</b>	a holder of one or more Veda Shares, as shown in the Share Register.

Term	Meaning
<b>Veda Representations and Warranties</b>	the representations and warranties set out in Schedule 2 of the Scheme Implementation Deed as contained in Annexure C.
<b>Veda Shareholder</b>	a holder of one or more Veda Shares, as shown in the Share Register.
<b>Veda Representations and Warranties</b>	the representations and warranties set out in Schedule 2 of the Scheme Implementation Deed as contained in Annexure C.
<b>VWAP</b>	volume weighted average price.

## 13.2 Interpretation

In this Scheme Booklet, unless the context otherwise requires or appears:

- (a) Other words and phrases not in the glossary or otherwise defined elsewhere in the Scheme Booklet have the same meaning (if any) given to them in the Corporations Act.
- (b) Words of any gender include all genders.
- (c) Words importing the singular include the plural and vice versa.
- (d) An expression importing a 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 or annexure of this Scheme Booklet as relevant.
- (f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (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 AEDT.
- (i) A reference to dollars, \$, A\$, AUD, cents, and currency is a reference to the lawful currency of the Commonwealth of Australia.

# Annexure A

## ASX Announcements by Veda since 30 June 2015

This table does not contain announcements on the ASX relating to substantial holder notices.

Date	Announcement
12 August 2015	Release of Shares from Voluntary Escrow
27 August 2015	Veda FY15 Full Year Report
27 August 2015	Dividend/Distribution – VED
27 August 2015	Veda FY15 Full Year Investor Presentation
27 August 2015	Veda FY15 Full Year Market Release
28 August 2015	Appendix 3Y – Steve Sargent
7 September 2015	Appendix 3B
10 September 2015	Market Rumours
15 September 2015	Appendix 3B
18 September 2015	Trading Halt
18 September 2015	Non-Binding Expression of Interest
18 September 2015	Update – Non-Binding Indicative Proposal Received
22 September 2015	Appendix 3B
25 September 2015	2015 Annual Report
25 September 2015	Letter to Shareholders
25 September 2015	Appendix 4G
25 September 2015	Notice of 2015 AGM and Proxy Form
30 September 2015	Appendix 3B
5 October 2015	Trading Halt
6 October 2015	Veda Board to Recommend Equifax's Revised Proposal
28 October 2015	2015 AGM Chairman and CEO Addresses
28 October 2015	2015 AGM Presentation Slides
28 October 2015	2015 AGM Results
28 October 2015	Appendix 3B
28 October 2015	Appendix 3Y – Nerida Caesar
23 November 2015	Veda's Board Unanimously Recommends Transaction with Equifax

# Annexure B

## Independent Expert's Report

### GRANT SAMUEL



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11 December 2015

The Directors  
Veda Group Limited  
Level 15, 100 Arthur Street  
North Sydney NSW 2060

Dear Directors

#### Proposal from Equifax, Inc.

#### 1 Introduction

On 23 November 2015, Veda Group Limited ("Veda") announced that it had entered into a scheme implementation deed with Equifax, Inc. ("Equifax") under which it is proposed that Equifax acquires 100% of the issued capital of Veda for a cash consideration of \$2.825 per share ("the Proposal").

The Proposal is to be implemented by a scheme of arrangement under Section 411 of the Corporations Act, 2001 ("Corporations Act") which is required to be approved by Veda shareholders and by the Federal Court of Australia (the "Scheme"). The Scheme is subject to a number of conditions that are set out in the Notice of Meeting and Explanatory Statement ("Scheme Booklet"). These conditions include receipt of all regulatory approvals, including Foreign Investment Review Board approval in Australia and approval from the Overseas Investment Office in New Zealand.

The key elements of the Proposal are that:

- Veda will not declare an interim dividend for the half year ended 31 December 2015 if the Proposal is implemented; and
- Veda has agreed with Equifax that its issued options will either be transferred to Equifax or cancelled in return for which optionholders will receive from Equifax the difference between the Scheme consideration of \$2.825 per share and the exercise price of the relevant options. Deferred Share Rights will immediately vest and the shares transferred to holders of Deferred Share Rights will be acquired by Equifax under the Scheme.

The directors of Veda have unanimously recommended that Veda shareholders vote in favour of the Proposal in the absence of a superior proposal and subject to an independent expert opining that the Proposal is fair and reasonable to, and in the best interests of, Veda shareholders.

The directors of Veda have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Proposal is fair and reasonable to, and in the best interests of, Veda shareholders. A copy of the report (including this letter) will accompany the Scheme Booklet to be sent to shareholders by Veda. This letter contains a summary of Grant Samuel's opinion and main conclusions.

#### 2 Opinion

**In Grant Samuel's opinion, the Proposal is fair and reasonable and, therefore, is in the best interests of Veda shareholders, in the absence of a superior proposal.**



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### 3 Key Conclusions

- Veda has been valued in the range \$2,352-2,557 million, equivalent to \$2.65-2.88 per share

Grant Samuel's valuation of Veda is summarised below:

Veda - Valuation Summary (\$ millions)			
	Full Report Section Reference	Value Range	
		Low	High
Business operations <sup>1</sup>	4.4	2,400.0	2,600.0
Interests in joint ventures	4.6	85.7	91.6
Other assets and liabilities	4.7	(3.9)	(3.9)
<b>Enterprise value</b>		<b>2,481.8</b>	<b>2,687.7</b>
Adjusted net borrowings	4.8	(115.7)	(115.7)
Non-controlling interests	4.9	(14.3)	(15.3)
<b>Value of equity</b>		<b>2,351.8</b>	<b>2,556.7</b>
Fully diluted shares on issue (millions) <sup>2</sup>	3.8	887.0	887.0
<b>Value per share</b>		<b>\$2.65</b>	<b>\$2.88</b>

The valuation represents the estimated full underlying value of Veda assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Veda shares to trade on the Australian Securities Exchange ("ASX") in the absence of a takeover offer.

The value attributed to the operating business of \$2,400-2,600 million is an overall judgement having regard to a number of valuation methodologies and parameters, including capitalisation of earnings or cash flows (multiples of EBITDA<sup>3</sup> and EBITA<sup>4</sup>) and discounted cash flow ("DCF") analysis.

The valuation allows for:

- Veda's 49% interest in Infocredit Holdings Pte Ltd, 51% interest in Veda Advantage (Cambodia Holdings) Pte Limited (which owns a 49% interest in Credit Bureau (Cambodia) Co Ltd) and 50% interest in Veda@SIMAH Limited (refer to Section 4.6 of the full report for details);
- other non-operating assets and liabilities, which are primarily deferred and contingent consideration for acquisitions and unclaimed dividends, offset by the present value of tax losses that will be utilised in FY16<sup>5</sup> (refer to Section 4.7 of the full report for details);
- cash received from the exercise of issued options (refer to Section 4.8 of the full report for details); and
- the value attributable to non-controlling interests in Veda (refer to Section 4.9 of the full report for details).

<sup>1</sup> The value of Veda's business operations is after corporate overhead cost savings (i.e. listed company and other costs) which are available to acquirers of 100% of the business (refer to Section 4.5 of the full report for details).

<sup>2</sup> The fully diluted shares on issue has been adjusted for the exercise of issued options. Net borrowings has also been adjusted to reflect the cash received on exercise of the options (refer to Section 4.8 of the full report for details).

<sup>3</sup> EBITDA is earnings before net interest, tax, depreciation and amortisation and significant and non-recurring items. It excludes share of net profit from associates.

<sup>4</sup> EBITA is earnings before net interest, tax amortisation of customer contracts and relationships ("acquisition amortisation") and significant and non-recurring items. It excludes share of net profit from associates.

<sup>5</sup> FYXX is the financial year end 30 June 20XX.

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■ **The value of Veda's business operations represents relatively high multiples of earnings**

The earnings multiples implied by the valuation of Veda's business operations are summarised below:

Veda's Business Operations – Implied Multiples				
	Full Report Section Reference	Variable (\$ million)	Range of Parameters	
			Low	High
<b>Multiple of adjusted EBITDA (times)</b>				
Year ended 30 June 2015 (adjusted actual) <sup>6</sup>	3.4, 4.3.2	149.0	16.1	17.5
Year ending 30 June 2016 (adjusted broker consensus) <sup>6, 7</sup>	Appendix 2	166.4	14.4	15.6
<b>Multiple of adjusted EBITA (times)</b>				
Year ended 30 June 2015 (adjusted actual) <sup>6</sup>	3.4, 4.3.2	121.9	19.7	21.3
Year ending 30 June 2016 (adjusted broker consensus) <sup>6, 7</sup>	Appendix 2	131.9	18.2	19.7

Veda has a number of attributes that justify relatively high multiples of earnings:

- the attractions of its leading market positions across the majority of its products in Australia and New Zealand;
- track record of strong and consistent growth across economic cycles including the global financial crisis;
- a number of sustainable competitive advantages:
  - the dominant incumbent participant in the data and analytics market in Australia and New Zealand;
  - extensive and high quality proprietary data assets built up over 48 years;
  - established customer relationships and embedded distribution channels;
  - secure and reliable information technology systems; and
  - a reputation for being responsive to market changes (e.g. development of a portal for customers to access the Personal Property Securities Register ("PPSR"));
- the breadth and diversity of Veda's product offering, including its extensive data analytics capabilities that provide counter-cyclical benefits;
- a positive short to medium term growth outlook (despite a mature underlying credit bureau business) due to:
  - continued development and introduction of new products (e.g. data analytics, identity verification for PEXA) and entry into new customer markets (e.g. telecommunications, utilities and government sectors) where there are considerable opportunities to increase penetration;
  - the expectation for improved performance from New Zealand following a restructure completed in June 2015 and the appointment of new management;
  - opportunities in the South East Asian and Middle Eastern markets through increasing Veda's footprint in existing markets and targeting other greenfields regions. Many of these regions are emerging credit markets with significant growth potential;

<sup>6</sup> Historical and forecast earnings have been adjusted by Grant Samuel to add back estimated corporate overhead cost savings of \$4.5 million. Forecast EBITA has also been adjusted to add back budgeted acquisition amortisation of \$1.2 million. Refer to Section 4.3.2 of the full report for details.

<sup>7</sup> Veda has not provided any specific guidance in relation to earnings for FY16 and the directors have decided not to include any forecasts in the Scheme Booklet. Accordingly, the forecast multiples are based on the median of broker's forecasts ("broker consensus") for Veda (refer to Appendix 2 for details). The broker consensus forecast is sufficiently close to the FY16 budget to be useful for analytical purposes.

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- the existing pipeline of bolt-on acquisition opportunities; and
- the potential upside from comprehensive credit reporting (“CCR”). While CCR is expected to take several years to roll out fully, it has the potential to generate significant revenue based on the experience in other developed countries; and
- the strategic attractions of the business to potential acquirers, providing instant market leadership across the Australian and New Zealand markets and the potential for synergies (primarily revenue synergies).

At the same time, it needs to be recognised that:

- while Veda has diversified its revenue streams, the majority of its revenue is still derived from its credit bureau businesses and a downturn in demand for credit would have an adverse impact on Veda’s performance (despite Veda offering a broad range of products and services that provide counter-cyclical benefits to Veda);
- there is an element of customer concentration with the four major retail banks representing approximately 30% of revenue. The loss of a primary relationship with one of these banks could materially reduce the amount of business conducted with Veda;
- there is the potential for increased competition from established competitors such as Credit Data Solutions Pty Ltd (trading as Dun & Bradstreet Australia/New Zealand) under private equity ownership, in niche product and service areas from competitors such as the National Fraud Exchange, the web based bankruptcy register established by the Australian Financial Security Authority (“AFSA”) and on line sites that provide Veda’s products for free;
- Veda has consistently generated 2-3% of revenue growth from small, bolt-on acquisitions. If Veda is not able to agree terms for an acquisition or agree terms in the most cost effective manner (i.e. a small up front payment and deferred/contingent payments in most cases based on future performance) or acquisitions do not perform to expectations, this could limit Veda’s ability to continue to generate future revenue growth from acquisitions;
- a considerable amount of data that is used by Veda to provide products and services is provided by external third party providers. In particular, ASIC is one of largest suppliers of external third party data to Veda. The potential privatisation of ASIC’s registries business may result in an increase in the cost of data for Veda. To the extent that Veda is not able to pass cost increases on to customers, this will have an adverse impact on Veda’s margins and earnings;
- Veda is subject to significant regulation, in particular around privacy and consumer data protection. Regulatory change could disrupt Veda’s business operations through restricting its ability to collect, disclose or use data; and
- the growth potential of CCR will take time to pay off. While the experience in other developed countries indicates that there are material price and volume impacts from the introduction of positive data credit products and services, the timing of their introduction (i.e. only once there is sufficient critical mass of positive data) and the period of time over which products and services (once available) are taken up by customers are uncertain.

These factors are reflected in the multiples implied by the value range.

The multiples implied by the valuation of Veda’s business operations are higher than most transactions for which there is available evidence. However:

- most of the transactions (particularly the Australian transactions and the bolt-on acquisitions) are considerably smaller than Veda and involve businesses with weaker market shares or a more limited scope of activities;
- the lower multiples implied by transactions involving financial acquirers reflect the lack of any material synergies;
- the implied multiples for Veda’s business operations are slightly below those implied by Experian plc’s (“Experian”) acquisition of a controlling interest in Serasa S.A. (“Serasa”) in

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2007. Although this transaction occurred eight years ago, at the time Serasa had many similarities to Veda (i.e. it was the leading consumer and commercial credit bureau in Brazil with the largest database of credit information across the consumer and commercial markets and was a strategically important acquisition for Experian). However, in contrast to Australia and New Zealand, Brazil also had an emerging credit economy that was experiencing strong growth of over 20% per year which would justify the higher multiples paid at the time.

The acquisition of the minority interests in Serasa five years later (in 2012) took place at considerably lower multiples;

- the multiples implied by past transactions involving Veda would usually be relevant benchmarks for the valuation of Veda's business operations. However, given the specific circumstances of each of the transactions (i.e. unsuccessful proportional offer, financial acquirer with no ability to generate synergies and IPO of portfolio interests), it is reasonable to expect a control transaction for Veda to be at higher multiples than these past transactions (other things being equal); and
- the multiples implied by other acquisitions by Equifax (certain credit services business assets and operations of CSC Credit Services, Inc. ("CSC Credit Services") and TALX Corporation ("TALX")) are lower, but while both transactions involved the acquisition of proprietary data, in contrast to these acquisitions, Veda is larger, operates across the whole of Australia and New Zealand (not just in a number of states), offers a full range of products and services and has the potential for synergies. These factors warrant higher multiples for Veda than those paid for the acquisitions of CSC Credit Services and TALX.

The trading multiples of most listed comparable companies are around 12-14.5 times forecast EBITDA (median 13.0 times) and 13-18 times forecast EBITA (median 17.7 times), which is supportive of the range of 14.4-15.6 times forecast EBITDA and 18.2-19.7 times forecast EBITA for Veda in a change of control transaction and taking into account the characteristics of the comparable companies (i.e. most are significantly larger than Veda, have global operations but operate in less concentrated markets).

■ **The DCF analysis generates values for Veda's business operations that are consistent with the value range of \$2,400-2,600 million**

Grant Samuel has prepared a high level DCF model of Veda's business operations. The key parameters of the model include:

- 10 years of projected cash flows, from 1 July 2015 to 30 June 2025. The FY16 budget<sup>8</sup> has been used as the basis for the cash flow forecasts. The cash flows are nominal, ungeared and after tax;
- discrete assumptions for each line of business, allowing for different revenue growth profiles. Operating costs, margins and capital expenditure assumptions have been made on a business-wide basis;
- an annual allowance for bolt-on acquisitions;
- a corporate tax rate of 28% based on Veda's effective tax rate (excluding associates);
- approximately \$4.5 million of public company and other cost savings annually;
- a terminal growth rate of 3.5% (implying an EBITA exit multiple of 11.2-13.4 times); and
- a discount rate (weighted average cost of capital) based on the Capital Asset Pricing Model ("CAPM"), but adjusted to reflect Grant Samuel's judgement as to a realistic discount rate, of 8.5-9.5%.

<sup>8</sup> The FY16 budget is the detailed budget for the year ending 30 June 2016 prepared by Veda management.

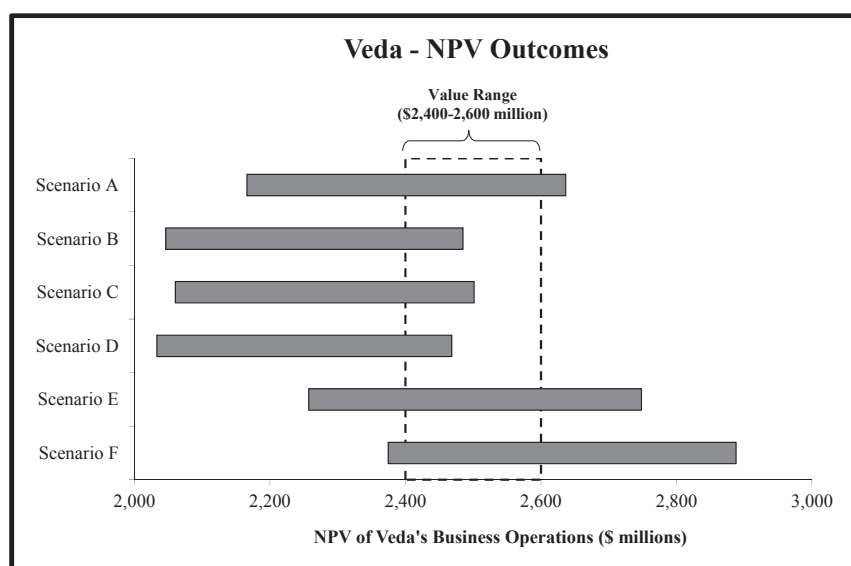
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The key parameters and the net present values (“NPV”) of the scenarios are summarised below:

Veda - DCF Scenarios		
Scenario	NPV (\$ millions)	Description
Scenario A	2,166-2,637	Based on FY16 budget. From FY17 onwards, revenue growth assumptions by business line resulting in average annual growth in revenue in high single digits. EBITDA margin maintained at ~42%. Capital expenditure declines from 15% of revenue to 12% of revenue by FY18 and to 10% by the end of the life of the model. Depreciation and amortisation of 60% increasing to 85% of capital expenditure. Terminal growth rate of 3.5%.
Scenario B	2,046-2,485	Scenario A except that revenue growth average annual growth rate is ~8% post FY18, margins as per Scenario A.
Scenario C	2,060-2,501	Scenario A except that EBITDA margin declines to ~40% by the end of the life of the model.
Scenario D	2,033-2,468	Scenario A except that capital expenditure remains at 12% of revenue for the life of the model.
Scenario E	2,257-2,748	Scenario A plus a “base” allowance for CCR revenue building up over four years from FY18 at an EBITDA margin of 42%.
Scenario F	2,375-2,888	Scenario A plus an “upside” allowance for CCR revenue building up over three years from FY17 at an EBITDA margin of 42%.

The NPV outcomes are depicted diagrammatically below:



The range of net present values produced by the scenario analysis is wider than the value range Grant Samuel has placed on Veda’s business operations of \$2,400-2,600 million. Grant Samuel’s value range incorporates, to some extent, each of the values produced by the DCF analysis. Grant Samuel has considered the outcome of all of the scenarios in determining its value range for Veda’s business operations:

- Scenario A reflects “business as usual” for Veda, based on assumptions developed in conjunction with Veda management (and having regard to broker consensus forecasts for FY17)

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and FY18) and does not include any material upside from CCR. Scenario A provides support for the low end of the range of values attributed to Veda's business operations;

- Scenarios B, C and D show the sensitivity of the NPV to relatively small movements in revenue growth, margins and capital expenditure respectively. Lower revenue growth and lower margins are more consistent with Veda's international peers (albeit they operate in more competitive and less concentrated markets). A higher level of capital expenditure indefinitely with no return on investment in the form of an increase in revenue is considered very unlikely. In addition, these scenarios do not make any allowance for mitigating actions that Veda would take in these circumstances. This view is reflected in the value range selected for Veda's business operations; and
  - Scenarios E and F show the potential impact of CCR on the value of Veda's business operations. Grant Samuel has considered two extreme scenarios. While the actual impact of CCR is uncertain, some allowance should be made although an acquirer would not attribute full value to the CCR potential given its early stage of development in Australia and the risks associated with executing on a CCR strategy.
- **The Proposal is fair and reasonable and, therefore, is in the best interests of Veda shareholders, in the absence of a superior proposal**

Grant Samuel has estimated the full underlying value of Veda to be in the range of \$2.65-2.88 per share. The offer price under the Proposal of \$2.825 per share falls within this range. Accordingly, the Proposal is fair.

As the Proposal is fair, it is also reasonable. In any event, there are a number of factors to support a conclusion that the Proposal is reasonable:

- the offer price under the Proposal of \$2.825 per share represents a substantial premium over the Veda share price prior to the Proposal. The following table summarises the premiums over the Veda share price up to 17 September 2015, the day prior to announcement of receipt of a conditional and non-binding expression of interest from Equifax:

Premiums Implied by the Proposal		
Period	Veda share price/VWAP (\$)	Premium over prices to 17 September 2015
Closing price	1.995	41.6%
VWAP – 1 week prior	2.084	35.6%
VWAP – 1 month prior	2.109	33.9%
VWAP – 3 months prior	2.198	28.5%

The Proposal represents substantial premiums for control (~30-40%) over recent trading prices. Premiums of this magnitude are at the top end of the level of control premiums typically expected in takeovers which tend to fall in the range 20-35% but it is important to recognise that:

- premiums for control are an outcome not a determinant of value; and
- they vary widely depending on individual circumstances.

In this case, the extent of the premium (particularly over the closing price on 17 September 2015) is probably attributable to:

- weakness in Veda's share price immediately prior to announcement of receipt of a conditional and non-binding expression of interest from Equifax on 18 September 2015. While it is not possible to predict the extent to which this weakness in the Veda share price was temporary (e.g. an overreaction to comments on the outlook for FY16 performance) or more permanent in nature, it is clear that Veda's share price immediately

## GRANT SAMUEL



prior to announcement of receipt of a conditional and non-binding expression of interest was at a low point (and the lowest price in over 12 months);

- the higher multiples at which Equifax trades, enabling it to pay a premium without diluting earnings; and
- the strategic value to Equifax of Veda's market position in Australia and New Zealand and the synergies available to Equifax. Equifax is a global data and analytics business but has no meaningful operations in Australia and New Zealand. The acquisition fills a geographic gap in its global network. None of these factors would be reflected in the daily trading of portfolio interests on the ASX.
- in the absence of the Proposal or any alternative offer (or speculation as to any offer) it is likely that, under current market conditions, Veda shares would trade at prices well below \$2.825; and
- there are no structural impediments to an alternative offer and there is ample time for a third party to make a competing bid prior to the shareholder meeting to approve the Proposal which is scheduled for 8 February 2016. However, while it is conceivable that a third party could make an alternative offer, it is unlikely.

As the Proposal is fair and reasonable, it is, therefore, in the best interests of Veda shareholders, in the absence of a superior proposal.

#### 4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Veda shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Veda in relation to the Proposal.

Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Proposal, the responsibility for which lies with the directors of Veda. In any event, the decision whether to vote for or against the Proposal is a matter for individual shareholders, based on their own views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Proposal should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell securities in Veda. This is an investment decision upon which Grant Samuel does not offer an opinion or recommendation and is independent of a decision on whether to vote for or against the Proposal. Shareholders should consult their own professional adviser in this regard.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully

**GRANT SAMUEL & ASSOCIATES PTY LIMITED**

*Grant Samuel & Associates*





**Financial Services Guide  
and  
Independent Expert's Report  
in relation to the Proposal from  
Equifax, Inc.**

**Grant Samuel & Associates Pty Limited**  
(ABN 28 050 036 372)

**11 December 2015**

## GRANT SAMUEL



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## Financial Services Guide

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for Veda Group Limited ("Veda") in relation to the proposal from Equifax Inc. ("the Veda Report"), Grant Samuel will receive a fixed fee of \$525,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 6.3 of the Veda Report).

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Veda Report.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 March 2011. The following information in relation to the independence of Grant Samuel is stated in Section 6.3 of the Veda Report:

*"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with Veda or Equifax or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposal.*

*Grant Samuel commenced analysis for the purposes of this report in October 2015 prior to the announcement of the Proposal. This work did not involve Grant Samuel participating in setting the terms of, or any negotiations leading to, the Proposal.*

*Grant Samuel had no part in the formulation of the Proposal. Its only role has been the preparation of this report.*

*Grant Samuel will receive a fixed fee of \$525,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Proposal. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.*

*Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011."*

Grant Samuel has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, No. 11929. If you have any concerns regarding the Veda Report, please contact the Compliance Officer in writing at Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Financial Ombudsman Service at GPO Box 3 Melbourne VIC 3001 or 1300 780 808. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act, 2001.

Grant Samuel is only responsible for the Veda Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

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## Appendices

- 1 Market Evidence
- 2 Broker Consensus Forecasts

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## 1 Terms of the Proposal

On 23 November 2015, Veda Group Limited (“Veda”) announced that it had entered into a scheme implementation deed with Equifax, Inc. (“Equifax”) under which it is proposed that Equifax acquires 100% of the issued capital of Veda for a cash consideration of \$2.825 per share (“the Proposal”).

Announcement of the Proposal followed the announcement by Veda on 18 September 2015 that it had received a conditional and non-binding expression of interest from Equifax to acquire 100% of the issued capital of Veda for a cash consideration of \$2.70 per share, which was subsequently revised on 6 October 2015 to a cash consideration of \$2.825 per share. The board of Veda agreed to allow Equifax to conduct due diligence during an exclusivity period and to unanimously recommend the revised proposal if it proceeded to a binding offer. Over the period from 6 October 2015 to 22 November 2015, Equifax undertook comprehensive due diligence and Veda and Equifax negotiated the scheme implementation deed.

The Proposal is to be implemented by a scheme of arrangement under Section 411 of the Corporations Act, 2001 (“Corporations Act”) between Veda and its shareholders (the “Scheme”).

Other elements of the Proposal include the following:

- Veda will not declare an interim dividend for the half year ending 31 December 2015 if the Proposal is implemented;
- Veda has agreed with Equifax that its issued options and Deferred Share Rights (refer to Section 3.8 for details of these securities) will be treated as follows:
  - Tranche A and Tranche B options will be transferred to Equifax when the Scheme is implemented and Equifax will pay optionholders the difference between the Scheme consideration of \$2.825 per share and the exercise price of the relevant options. This transfer will be documented under a separate agreement between Equifax and the optionholders;
  - the Veda board has exercised its discretion to determine that all incentive scheme options will be cancelled and in consideration for the cancellation, Equifax will pay optionholders the difference between the Scheme consideration of \$2.825 per share and the exercise price of the relevant options; and
  - the Veda board has exercised its discretion to determine that all Deferred Share Rights will immediately vest. Veda shares will be transferred to holders of Deferred Share Rights and those shares will be acquired by Equifax under the Scheme;
- Veda and Equifax have agreed to certain exclusivity restrictions including no talk and no shop provisions. The no talk provisions do not apply in relation to a bona fide written competing proposal if the Veda board has formed the opinion in good faith that failing to take such action would be likely to constitute a breach of any of the fiduciary or statutory duties of the directors of Veda;
- Veda must notify Equifax in writing if it is approached by any person in relation to a competing proposal. Veda must not enter into any agreement to give effect to a competing proposal and must do all things reasonably within its power to procure that none of its directors change their recommendation in favour of the Proposal unless:
  - Veda receives a bona fide written competing proposal that the Veda board, acting in good faith, determines is a superior proposal; and
  - Veda gives Equifax the opportunity to provide a matching or superior proposal to the terms of the competing proposal; and
- Veda must pay Equifax a reimbursement fee of \$25 million if:
  - a Veda director fails to recommend, withdraws or adversely revises his or her recommendation that Veda shareholders vote in favour of the Scheme (other than as a result of the independent

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expert concluding that the Proposal is not fair or not reasonable to Veda shareholders<sup>1</sup>, Equifax breaching the scheme implementation deed or the regulatory, shareholder and court approvals not being obtained);

- a competing proposal is announced and completed within 12 months of announcement; or
- Equifax terminates the scheme implementation deed due to Veda breaching the scheme implementation deed, inaccuracy of a Veda representation or failing to satisfy certain conditions precedent (relating to prescribed occurrences and the executive incentive arrangements).

The Scheme is subject to a number of conditions that are set out in the Notice of Meeting and Explanatory Statement (“Scheme Booklet”). In summary, the key conditions include:

- receipt of regulatory approvals from the Foreign Investment Review Board in Australia and from the Overseas Investment Office in New Zealand;
- Veda gives effect to the treatment of all options and Deferred Share Rights as agreed with Equifax (with any vesting or payment subject to the Scheme becoming effective);
- Veda shareholders approving the Scheme by the necessary majorities; and
- Federal Court of Australia approval of the Scheme.

The directors of Veda have unanimously recommended that Veda shareholders vote in favour of the Proposal in the absence of a superior proposal and subject to an independent expert opining that the Proposal is fair and reasonable and in the best interests of Veda shareholders.

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<sup>1</sup> Except where that conclusion is due to a competing proposal.

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## 2 Scope of the Report

### 2.1 Purpose of the Report

Under Section 411 the Scheme must be approved by a majority in number (i.e. more than 50%) of each class of shareholders present and voting (either in person or by proxy) at the meeting, representing at least 75% of the votes cast on the resolution. If approved by Veda shareholders, the Scheme will then be subject to approval by the Federal Court of Australia.

Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement has a prescribed shareholding in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether the scheme of arrangement is in the best interests of shareholders subject to the scheme and must state reasons for that opinion.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act or the Australian Securities Exchange ("ASX") Listing Rules, the directors of Veda have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Proposal is in the best interests of Veda shareholders and to state reasons for that opinion. A copy of the report will accompany the Scheme Booklet to be sent to shareholders by Veda.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Veda shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Veda in relation to the Proposal.

Voting for or against the Proposal is a matter for individual shareholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Proposal should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell securities in Veda. This is an investment decision upon which Grant Samuel does not offer an opinion and is independent of a decision on whether to vote for or against the Proposal. Shareholders should consult their own professional adviser in this regard.

### 2.2 Basis of Evaluation

There is no legal definition of the expression "in the best interests". However, the Australian Securities & Investments Commission ("ASIC") has issued Regulatory Guide 111 which establishes guidelines in respect of independent expert's reports. ASIC Regulatory Guide 111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions (whether by takeover bid, scheme of arrangement, the issue of securities or selective capital reduction or buyback), the expert is required to distinguish between "fair" and "reasonable". A proposal that was "fair and reasonable" or "not fair but reasonable" would be in the best interests of shareholders. For most other transactions the expert is to weigh up the advantages and disadvantages of the proposal for shareholders. If the advantages outweigh the disadvantages, a proposal would be in the best interests of shareholders.

The Proposal is economically the same as a takeover offer. Accordingly, Grant Samuel has evaluated the Proposal as a control transaction and formed a judgement as to whether the proposal is "fair and reasonable".



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In a control transaction “fairness” and “reasonableness” are required to be assessed separately. Fairness involves a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. For this comparison, value is determined assuming 100% ownership of the target and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. Reasonableness involves an analysis of other factors that shareholders might consider prior to accepting an offer such as:

- the offeror’s existing shareholding;
- other significant shareholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target company’s shares.

An offer could be considered “reasonable” if there were valid reasons to accept the offer notwithstanding that it was not “fair”.

Fairness is a more demanding criteria. A “fair” offer will always be “reasonable” but a “reasonable” offer will not necessarily be “fair”. A fair offer is one that reflects the full market value of a company’s businesses and assets. An offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if shareholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the offer price. This is commonly the case where the bidder already controls the target company. In that situation, the minority shareholders have little prospect of receiving full value from a third party offeror unless the controlling shareholder is prepared to sell its controlling shareholding.

Grant Samuel has determined whether the Proposal is fair by comparing the estimated full underlying value of Veda with the offer price of \$2.825. The Proposal will be fair if it is above the bottom end of Grant Samuel’s estimated underlying value range. In considering whether the Proposal is reasonable, the factors that have been considered include:

- the existing shareholding structure of Veda;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Veda shares in the absence of the Proposal; and
- other advantages and disadvantages for Veda shareholders of approving the Proposal.

### 2.3 Sources of the Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

#### *Publicly Available Information*

- the Scheme Booklet (including earlier drafts);
- annual reports of Veda for the years ended 30 June 2014 and 2015;
- Veda Prospectus for the Initial Public Offering of Ordinary Shares dated 25 November 2013;
- press releases, public announcements, media and analyst presentation material and other public filings by Veda including information available on its website;
- brokers’ reports and recent press articles on Veda and the credit bureau and data analytics industry; and
- sharemarket data and related information on Australian and international listed companies engaged in the credit bureau and data analytics industry and on acquisitions of companies and businesses in this industry.

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### ***Non Public Information provided by Veda***

- management accounts for Veda for the period ended 30 September 2015;
- detailed budget for the year ending 30 June 2016 (“FY16<sup>2</sup> budget”) prepared by Veda management;
- management accounts for the year ended 30 June 2015, annual financial statements for the years ended 30 June 2014 and 2013, Memorandum and Articles of Association and Shareholders Agreement for Infocredit Holdings Pte Limited, financial statements for the years ended 31 December 2014, 2013 and 2012, and Shareholders Agreements for Credit Bureau (Cambodia) Co Ltd and financial statements for the years ended 31 December 2014 and 2013 and Shareholders Agreement for Veda@SIMAH Limited; and
- other confidential documents, board papers, presentations and working papers.

In preparing this report, representatives of Grant Samuel held discussions with, and obtained information from, senior management of Veda and its advisers.

### **2.4 Limitations and Reliance on Information**

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on a particular factor or analysis. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel’s opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances.

This report is also based upon financial and other information provided by Veda and its advisers. Grant Samuel has considered and relied upon this information. Veda has represented in writing to Grant Samuel that to its knowledge the information provided by it was then, and is now, complete and not incorrect or misleading in any material respect. Grant Samuel has no reason to believe that any material facts have been withheld.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Proposal is in the best interests of Veda shareholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or “due diligence” investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert. In this context, Grant Samuel advises that:

- due diligence reports on Veda prepared by Equifax’s advisers have not been provided to Grant Samuel; and
- it is not in a position nor is it practicable to undertake its own “due diligence” investigation of the type undertaken by accountants, lawyers or other advisers.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.

<sup>2</sup> FYXX is the financial year end 30 June 20XX.

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An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Veda. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

The information provided to Grant Samuel included the FY16 budget prepared by management and approved by the board of Veda.

Veda is responsible for the information contained in the FY16 budget. Grant Samuel has considered and, to the extent deemed appropriate, relied on this information for the purposes of its analysis. The major assumptions underlying the FY16 budget were reviewed by Grant Samuel in the context of current economic, financial and other conditions. It should be noted that the FY16 budget and the underlying assumptions have not been reviewed (nor is there a statutory or regulatory requirement for such a review) by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions.

Subject to these limitations, Grant Samuel considers that, based on the inquiries it has undertaken and only for the purposes of its analysis for this report (which do not constitute, and are not as extensive as, an audit or accountant's examination), there are reasonable grounds to believe that the FY16 budget has been prepared on a reasonable basis. In forming this view, Grant Samuel has taken the following factors into account:

- the FY16 budget has been reviewed and approved by the board of Veda; and
- the FY16 budget has been prepared through a detailed budgeting process involving preparation of "ground up" forecasts by the management of individual operations and "top down" review by senior management of Veda.

While Veda has made guidance statements about revenue and earnings for the year ending 30 June 2016, the directors of Veda have decided not to include the FY16 budget in the Scheme Booklet and therefore this information has not been disclosed in this report.

To provide an indication of the expected financial performance of Veda, Grant Samuel has considered brokers' forecasts for Veda (refer to Appendix 2). Grant Samuel has used the median of the brokers' forecasts to review the parameters implied by its valuation of Veda. The median brokers' forecast is sufficiently close to the FY16 budget to be useful for analytical purposes.

Grant Samuel has no reason to believe that the FY16 budget reflects any material bias, either positive or negative. However, the achievability of the FY16 budget is not warranted or guaranteed by Grant Samuel. Future profits and cash flows are inherently uncertain. They are predictions by management of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of the company or its management. Actual results may be significantly more or less favourable.

In forming its opinion, Grant Samuel has also assumed that:

- matters such as title, 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;
- the assessments by Veda and its advisers with regard to legal, regulatory, tax and accounting matters relating to the Proposal are accurate and complete;
- the information set out in the Scheme Booklet sent by Veda to its shareholders is complete, accurate and fairly presented in all material respects;

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- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading;
- the Proposal will be implemented in accordance with its terms; and
- the legal mechanisms to implement the Proposal are correct and will be effective.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.

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### 3 Profile of Veda

#### 3.1 Background

Veda is a leading provider of consumer and commercial credit reports and data analytics in Australia and New Zealand.

Veda's business has existed for over 48 years, from the establishment in 1967 of the first credit bureau in Australia, the Credit Reference Association of New South Wales. In 1988, the business was demutualised and listed on the ASX as Data Advantage Limited. In 2001, it merged with Baycorp Holdings Limited, the leading credit bureau in New Zealand, to form Baycorp Advantage Limited which was later renamed Veda Advantage Limited.

In July 2007, the company was acquired by a private equity consortium consisting of Pacific Equity Partners ("PEP") and Merrill Lynch Global Private Equity ("MLGPE") for \$3.61 per share (\$814 million). This transaction followed an earlier, unsuccessful proportional offer from 17% shareholder Allco Equity Partners Limited ("AEP") in July 2005 for 50% of all shares that it did not own to acquire a majority shareholding in the company at \$3.50 per share.

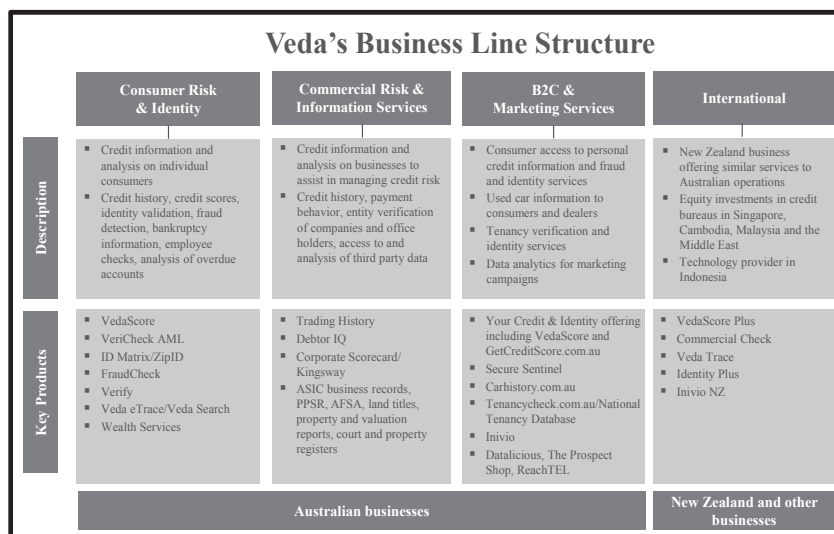
Veda was relisted on the ASX in December 2013 via an initial public offer ("IPO").

Immediately prior to announcement of the receipt of a conditional and non-binding expression of interest from Equifax, Veda had a market capitalisation (undiluted) of approximately \$1.7 billion.

#### 3.2 Business Operations

Veda's long operating history has enabled it to become a trusted custodian and provider of data and analytics to customers to assist them in making credit decisions, complying with complex regulatory requirements and marketing activities. Veda is a key provider of credit data, non-credit related data and software decisioning tools, primarily to financial institutions but it has also expanded to a broader range of sectors including telecommunications, utilities, professional services, wealth and superannuation, government and not-for-profit. Veda has built on its core credit reporting business through investment and acquisition to provide an expanded range of credit and other analytical products and services targeted to specific industry needs.

Veda operates through four business lines:



Source: Veda

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Veda utilises a proprietary database of credit information on approximately 20 million individuals and more than 5.7 million commercial organisations as well as third-party databases to provide its clients with credit risk and other information:

Veda – Data Assets		
Category	Type and/or Quantity of Information	Ownership and/or Access
Credit information - individuals	20 million individuals in Australia and New Zealand 70 million updates per annum 48 years of historical data 3.2 million records of default 65 million historical credit enquiries over 5 years	Veda
Credit information – commercial organisations	5.7 million commercial organisations in Australia and New Zealand 5 years of defaults data from hundreds of businesses	Veda
Real property - tenancy	2.7 million records in a tenancy database	Veda
Real property – title, valuation and other	Land titles and property information database Property valuation	Public data sources accessed from State land titles offices and other agencies Reseller of CoreLogic Automated Valuation Model
Insurance	Insurance claims database	Exclusive data access to Insurance Reference Services data
Consumer lifestyle data	Inivio consumer insights library	Veda
Personal property	PPSR in Australia	Public data source
Corporate records	Largest repository and re-seller of ASIC information and AFSA bankruptcy information	Public data source accessed from ASIC and AFSA
Court records	>450,000 court judgments insolvency and court data	Public data source

Source: Veda

These data assets, built up over Veda's 48 years of operation, are core to its value proposition to customers. Leveraging its proprietary data assets with analytical insights and integrating them directly with customer systems have been key to Veda's leading position in the Australian and New Zealand markets.

Veda's client base includes over 12,500 businesses and 450,000 consumers.

Veda outsources the operation and security of its physical infrastructure assets to IBM under a long term contract. The current contract extended Veda and IBM's existing strategic outsourcing relationship and included cloud services. It was entered into in May 2014 and has a five year term.

An overview of the industry and a brief description of each of Veda's business lines are set out in the following sections.

### 3.2.1 Industry Overview

#### *Key Drivers*

The collection and analysis of credit risk information forms the basis of many of Veda's products and services and is typically referred to as credit bureau services. Credit risk information is collected from a range of sources including banks, financial services firms and other credit providers. These businesses are also the main users of the output derived from the credit data. The range of information collected includes default data, credit enquiries and applications, public records such as bankruptcies and other information from Government agencies (referred to as "negative data"). Since March 2014, the range of

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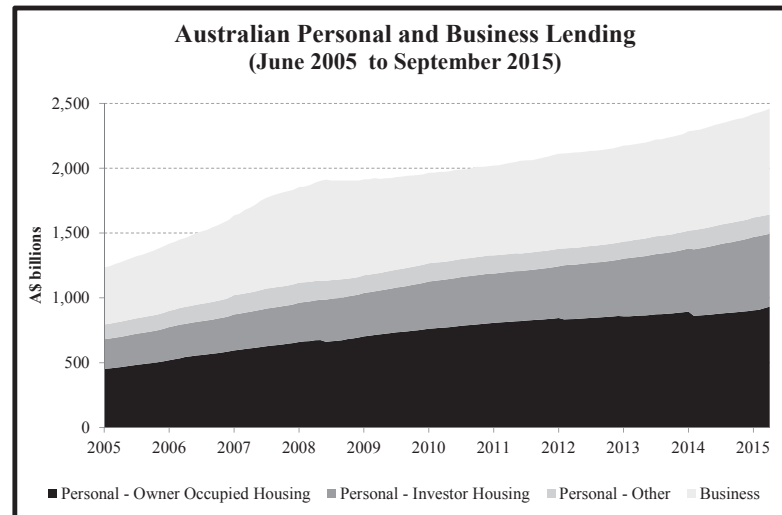


information collected has been expanded to include “positive data” through the introduction of comprehensive credit reporting (refer to the Regulatory Environment and Developments section below for details).

The volume of consumer demand for credit is one of the drivers of activity and revenue for providers of credit risk information. Increases in applications for home loans, personal loans and credit cards leads to enquiries by credit providers which increases demand for credit bureau services. Increases in credit enquiry volumes can be driven by:

- macro-economic factors such as interest rates, employment and consumer credit;
- competitive activity such as campaigns to win new customers that drive churn in the market; or
- difficult economic and business trading conditions when there is more focus on balance sheet risk and lenders become more selective about customer acquisition (account management review services also increase as lenders more proactively manage their loan books).

In Australia, consumer credit has grown steadily over the last ten years:



Source: Reserve Bank of Australia, Lending and Credit Aggregates (D02), September 2015

Despite some recent softness in the labour market with unemployment increasing and mortgage interest rate increases by commercial banks, consumer credit is expected to continue to grow over the medium term while interest rates remain at historical lows.

The key measures of consumer credit in Australia are discussed below:

- the total value of Australian housing loans in FY15 was \$1.5 trillion and this value has grown at a compound annual rate of 5.5% from FY10 to FY15<sup>3</sup>. Commercial banks remain the primary providers, representing over 90% of Australian housing loans. The significant participation of banks increases demand for credit reporting and other enquiry services;

<sup>3</sup> Reserve Bank of Australia, Lending and Credit Aggregates (D2), October 2015.



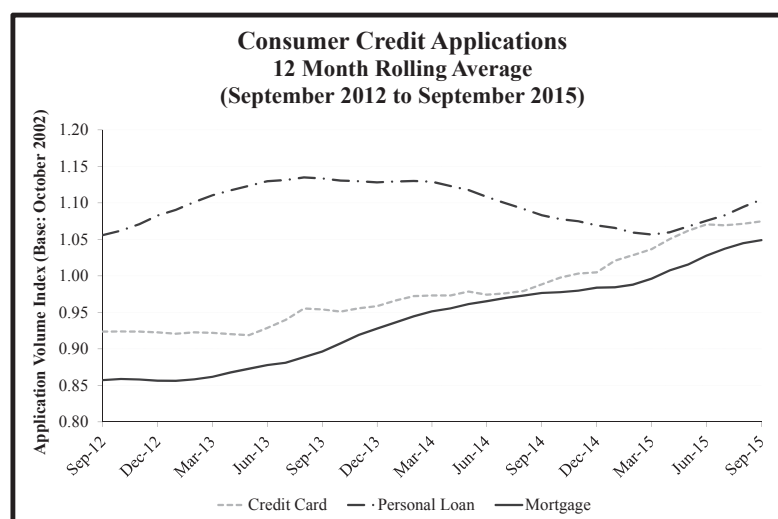
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- Australian credit card balances reached \$51 billion in FY15, having grown at a compound annual rate of 1.4% from FY10 to FY15<sup>4</sup>. The number of accounts has grown steadily over the same period at 1.9% per annum, with a total of 16 million accounts at 30 June 2015. Increasing competition from major credit card issuers, growth in store cards and changes to credit card regulations to enable non-bank issuers to provide cards are expected to support continued growth in new credit applications. The changing use of cards as payment tools is also expected to support growth in this sector; and
- personal loan balances have grown at a compound annual rate of 1.2% from FY10-FY15 to reach \$150 billion in June 2015<sup>3</sup>.

Business credit has grown at approximately 2.7% per annum from FY10 to FY15 to reach \$800 billion in June 2015<sup>3</sup>. Business credit growth in aggregate has been subdued since the global financial crisis as businesses have deleveraged and, in the current environment of low commodity prices and economic uncertainty in China and Europe, taken a more conservative attitude to credit. However, credit demand and growth varies across sectors with stronger demand for credit from small to medium enterprises.

Veda publishes a quarterly consumer credit demand index based on the number of credit enquiries processed through its credit bureau services. Given Veda's leading market position, this index provides a useful indication of market activity as it tracks enquiry volumes rather than the value of lending. Overall consumer credit demand grew in the September 2015 quarter driven by personal loan applications. Growth in mortgage loan applications eased in the September 2015 quarter and may reflect the impact of greater focus by the Australian Prudential Regulatory Authority ("APRA") on investor mortgages:



Source: Veda Quarterly Consumer Credit Demand Index (September 2015 Quarter)

Consumer credit in New Zealand has grown steadily over the five years to June 2015. Housing and consumer loan debt has grown at 3.8% per annum from NZ\$182 billion in FY10 to NZ\$219 billion in FY15. The outlook for the New Zealand economy and growth in consumer credit in the medium term is for continued steady growth given low interest rates, falling unemployment and low inflation. However, as with the Australian economy,

<sup>4</sup> Reserve Bank of Australia, Credit and Charge Card Statistics (C1), October 2015.

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risks and uncertainties around the outlook for the global economy and the impact of this on the New Zealand economy are complex and remain a source of uncertainty in the short term.

### *Competitive Landscape*

The credit bureau sector in Australia and New Zealand is concentrated with Veda holding leading positions in consumer and commercial credit risk enquiries. Veda has an approximate 85% share of consumer credit risk checks in the Australian market.

Veda also has strong positions in the other key markets in which it operates. Veda is the largest broker of ASIC, Personal Property Securities Register (“PPSR”), business names and bankruptcy data:

Veda – Market Position		
Region/Category	Market position	Key competitors <sup>4</sup>
<b>Australia</b>		
Consumer credit risk	Leading participant ~85% market share <sup>1</sup>	D&B ANZ Experian
Online identity verification	Leading participant <sup>3</sup>	D&B ANZ Edentiti
Commercial credit risk	Leading participant <sup>3</sup>	D&B ANZ
Business names	Leading participant ~69% market share <sup>2</sup>	D&B ANZ
ASIC	Leading participant ~36% market share <sup>2</sup>	CITEC D&B ANZ GlobalX SAI Global
PPSR	Leading participant ~39% market share <sup>2</sup>	CITEC D&B ANZ GlobalX SAI Global
Bankruptcy/AFSA	Leading participant ~30% market share <sup>2</sup>	CITEC D&B ANZ SAI Global
<b>New Zealand</b>		
Consumer credit risk	Leading participant <sup>3</sup>	D&B ANZ Centrix
Commercial credit risk	Leading participant <sup>3</sup>	D&B ANZ Centrix

Source: Veda

Note: 1. IBISWorld Industry Report N7293b, Credit Agencies in Australia, April 2015, p21.

2. Based on volumes published for FY15 by relevant provider and Veda volumes

3. Management estimates

4. Alphabetical order

Credit Data Solutions Pty Ltd (trading as Dun & Bradstreet Australia/New Zealand (“D&B ANZ”)) holds the second largest market share in core credit bureau services in Australia and is Veda’s major competitor. Funds managed by private equity firm Archer Capital acquired D&B ANZ in June 2015. D&B ANZ is a reseller of Dun & Bradstreet, Inc’s (“Dun & Bradstreet”) global products (i.e. it does not have any proprietary data) (refer to Appendix 2 for details of this transaction).

Experian plc (“Experian”) is the number three participant in the Australian consumer credit risk sector. Experian is a global information services company that has been established for over 20 years in Australia providing decision systems, credit analytics and marketing services. Experian established its Australian credit bureau operations through a joint

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venture that officially launched in February 2013. Experian holds a 76.34% interest in the joint venture with the four major retail banks and Citi Group each holding a 4.12% interest and GE Capital holding a 3.05% interest. American Express joined the joint venture in early 2014 holding a different class of shares. Although Experian is a much smaller participant compared to Veda and D&B ANZ, it has increased its activity in the Australian market and grown its market share.

SAI Global Limited (“SAI Global”), CITEC and GlobalX compete with Veda in the provision of information to commercial customers such as business names, PPSR searches and bankruptcy data sourced from ASIC and the Australian Financial Security Authority (“AFSA”). In October 2014, AFSA established a web based bankruptcy register search creating an alternative for consumers to access bankruptcy information resulting in increased competition for existing licensed providers including Veda, CITEC, D&B ANZ and SAI Global.

Access to, and quality of, data is a key competitive issue for providers of credit bureau services as it provides customers with greater coverage and a high level of accuracy in identifying individuals and businesses to support risk assessment decisions. Existing providers, such as Veda, have acquired and developed databases over a significant period of time which can represent a barrier to new entrants. However, continued digitisation in the commercial sector and the growing importance of data analytics is increasing the measurement and volume of data, which, combined with regulatory and technological change, may allow new entrants to more readily accumulate significant quality data.

Participants are focusing on opportunities to develop new products and services (for example, by enhancing the value of information through analysis and insights using proprietary systems) and enter adjacent market segments, both of which will require investment in technology, data and skilled people or acquisitions of complementary businesses.

#### ***Regulatory Environment and Developments***

In the Australian market, the collection and use of personal credit and other data is governed by the Privacy Act 1988 (Cth) (“Privacy Act”) and other federal and state-based regulations. Similar legislation exists in New Zealand and other jurisdictions in which Veda operates.

In 2012, significant changes were made to the Privacy Act through the introduction of a system of comprehensive credit reporting (“CCR”). Prior to the introduction of CCR, credit providers could only collect data on defaults, credit enquiries, insolvency and court data (“negative data”). The introduction of CCR allows the collection and use of a wider range of information including the type of credit account opened, the date of opening and closing of a credit account, the credit limit of the account and the 24 month account repayment history (“positive data”). One of the principal objectives of CCR is to improve credit assessment decisions by credit providers on the basis that the additional information, in particular repayment history, is a strong predictor of future customer behaviour.

The new CCR regime came into effect in March 2014. It is a voluntary system and its use is expected to ramp up from late 2015 as credit providers, Veda and other market participants collect the additional data to enhance existing databases. CCR could potentially have a number of impacts including new revenue streams for Veda and its competitors, the introduction of risk based pricing, greater access to credit for consumers and increased competition from credit providers particularly smaller lenders. These initiatives may take a number of years to develop and as such represent long term growth opportunities for industry participants.

CCR has been in place in a number of jurisdictions for a significant period of time including in the United States and the United Kingdom and more recently (since 2012) in

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New Zealand. However, the extent of revenue upside for Veda and others in the Australian market is not clear. Differences in the level of financial sector competition, regulation and economic conditions in markets that have introduced CCR make it difficult to draw definitive conclusions as to the impact for the Australian market.

A number of other regulatory and industry changes have also affected or will affect Veda and its competitors:

- the review of anti-money laundering and counter-terrorism financing legislation in Australia by the Financial Action Task Force during 2013/14 created broader anti-money laundering obligations for a larger range of sectors and increased verification and identification requirements;
- the launch of ASIC's Financial Advisers Register on 31 March 2015, which requires verification of financial adviser qualifications;
- the establishment by the major commercial banks, Experian and others of the National Fraud Exchange for fraud intelligence sharing across Australian financial institutions, which will increase competition in the provision of fraud services;
- the development of an electronic real property exchange and settlement system in Australia ("PEXA") will create demand for verification and identification services to enable electronic property transactions;
- the Federal Government's proposed sale of ASIC's business registers business, under which the government will retain ownership of the data with the private operator upgrading and operating the registry, relying on revenue from providing access to the information to customers (including Veda); and
- the Federal Government support (released on 20 October 2015) of the Financial System Inquiry recommendation related to a Productivity Commission Inquiry into government data and use in 2016.

### 3.2.2 Australian Operations

#### *Consumer Risk & Identity*

Consumer Risk & Identity provides business customers with consumer credit data and decision making tools, identification and fraud prevention services and employment verification tools. The products and services offered by Consumer Risk & Identity are used by clients to acquire new customers, manage customer payments and interactions and maximise collections from customers.

Consumer Risk & Identity operates through five key business lines:

- **Consumer Bureau Services:** the core product offering of Veda that assists business customers in credit risk decisions by providing credit data, analytics and credit scores. Veda is the leading provider in the Australian market and utilises a database of 16.4 million consumer credit files covering 99% of the adult population. The main product is the provision of credit data and VedaScore, which together are known as enquiries. VedaScore provides an individual credit risk ranking tool used in assessing credit card, mortgage and personal loan applications. Veda provides updates on changes to an individual's credit status and further verification on credit risk if needed;
- **Fraud and Identity:** provides services to validate customer identities, prevent and detect fraud and satisfy anti-money laundering obligations. Key products are:
  - IDMatrix, an online identity verification service that is the equivalent of a 100 point identity check;
  - FraudCheck, a product used to check a person's identity against a national database of confirmed frauds. The database is maintained by Veda via a fraud

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user forum consisting of 80 members (including major domestic banks and utilities) that enables lenders to collaborate and share information to prevent fraud; and

- ZipID, a face to face mobile verification service that is compliant with the requirements of the Verification of Identity (“VOI”) rules for electronic property transactions on the PEXA platform. It is an early stage product acquired by Veda in July 2015;
- **Decisioning and Scoring:** a software product that helps credit providers automate lending decisions by integrating their credit decision and origination process with Veda’s products. The software allows customers to access the full range of Veda products and is customisable to meet customer specific decision criteria;
- **Collection Services:** assists customers with receivables management and collections. Veda provides data washing to improve customer data accuracy and increase collections efficiency, skiptracing via Veda eTrace to provide information on a debtors location and is the exclusive reseller of collection analytics and workflow tools from CMC Mobility; and
- **Verify:** an employee verification and pre-screening service that provides comprehensive background screening and checks on candidates. Areas of verification covered include employment history, qualifications and police and bankruptcy checks. Verify also provides online psychometric assessment and pre-employment medicals.

Veda has also developed a collection of products designed for CCR data including its next generation credit risk ranking tool, VedaScore Apply, released in February 2015 with further products released in October 2015. Veda has been actively working with more than 25 credit providers (including one of the four major retail banks) to transition to CCR and as at October 2015, approximately 7 million accounts with CCR records have been loaded onto Veda’s consumer bureau in the test environment.

#### *Commercial Risk & Information Services*

Commercial Risk & Information Services provides business customers with commercial credit risk and third party data and insights. These products enable customers to manage supplier risk and verify entities by using Veda’s collection of business records, trading history and accounts receivable information, ASIC records and court and property registers.

Commercial Risk & Information Services operates through two key business lines:

- **Commercial Risk:** a comprehensive commercial credit bureau providing businesses with credit data and insights on customers and suppliers to assist in commercial risk assessment. Data and insights are provided through a database of information on over 4.9 million commercial entities including the largest database on sole traders and unincorporated entities. Key products and services include:
  - Commercial Enquiries (the main product category), which provides reports on basic credit enquiries including reports used to assess the credit risk of a business’s customer base and the credit history of a company and its directors;
  - Trading History, a comprehensive trading history report. This product was enhanced in FY15 with new scores and datasets to enable customers to improve approval rates, reduce bad debt rates, on-board customers faster and identify earlier signs of repayment stress;
  - Debtor IQ, an online product that analyses how quickly a business is paid compared to the market;
  - Corporate Scorecard, financial risk assessment on companies focused on financial viability and insolvency risk, particularly for government sector clients.

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The acquisition of Kingsway in FY15 expanded Veda's scale in financial risk and complements the Corporate Scorecard offering; and

- Corporate Ratings, a credit rating service launched in 2015 that provides a customer with an independent and auditable credit analysis of its business; and
- **Commercial & Property Solutions:** provides businesses with information from third party data sources including ASIC business records and information, bankruptcy information from AFSA, court and property searches and property valuations.

Veda has invested in data acquisition and new product development to provide value added products to its customers and to meet new regulatory requirements. For example, in August 2013, Veda introduced a product that allows lenders to search multiple assets in one search across the PPSR to confirm ownership and security interests prior to providing finance. In November 2014, Veda launched an enhanced data search product called VedaCheck Visual that allows complex searches across Veda's databases.

### ***B2C & Marketing Services***

Veda has a range of products and services under its B2C business line designed to assist consumers in using and monitoring their credit scores, protecting their identity and providing used car vehicle histories. B2C's main products and services include:

- the Your Credit & Identity suite of products including VedaScore, which provides consumers with direct access to their credit score, enables them to monitor whether anyone has accessed their credit file and provides online identity protection services;
- GetCreditScore.com.au ("GetCreditScore"), a free web based service providing consumers with access to their VedaScore. The service also collects leads from users for the purpose of generating marketing leads for credit providers. GetCreditScore is a start-up business in which Veda acquired a 75% interest in July 2015;
- CarHistory.com.au, which provides a history of all insurance claims, repairs, odometer readings and ownership of second hand cars;
- Secure Sentinel, an identity theft detection service and a registration and retrieval service for credit cards, mobile phones, passports and personal possessions;
- National Tenancy Database and Tenancy Check, which allow landlords and property managers to check the tenant history of a prospective tenant; and
- Identity Watch, a service that allows consumers to monitor whether personal information such as email addresses and credit card details are being illegally used over the internet.

During FY15, credit providers commenced offering risk based pricing for credit cards and personal loans to consumers using VedaScore. Although in its infancy in Australia, risk based pricing is established in overseas markets such as the United States and the United Kingdom. Veda expects risk based pricing to be a growing area in Australia, particularly with the uptake of CCR.

Marketing Services utilises Veda's extensive databases and data analytics capabilities to provide marketing insights to customers. Veda has a growth strategy in place for its Marketing Services business line which has resulted in several investments in this business since its IPO. Marketing Services includes:

- Inivio, which uses data to create insightful marketing products and services designed to target new customers, retain existing customers and grow revenue from existing customers;

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- Datalicious, which provides data driven marketing strategies utilising real time data collection across different media channels. Veda has a controlling 65.8% interest in Datalicious;
- The Prospect Shop (“TPS”), a direct marketing tool for the not for profit sector, which was acquired by Veda in December 2014; and
- ReachTEL, a market research and communications business across Australia and New Zealand acquired by Veda in September 2015.

Through these products, Veda can capture and analyse large quantities of consumer data to assist clients with customer retention and marketing campaigns.

### 3.2.3 International Operations

Veda’s international operations primarily comprise its New Zealand business. Veda also has investments in businesses in Singapore, Cambodia, Malaysia and Saudi Arabia and is a technology provider in Indonesia.

#### *New Zealand*

Veda’s New Zealand business provides similar products and services to its Australian business. It is the market leader in New Zealand in consumer and commercial credit risk and has a similar cross-section of customers to those in Australia. The largest customer segment in New Zealand is the financial sector.

Veda has extended its offering in New Zealand beyond core credit bureau services over the last two years by adding marketing services through the acquisition of KMS Data, identity verification and corporate ratings. Veda acquired KMS Data, a New Zealand data and analytics company, in July 2014. KMS Data was renamed Inivio New Zealand and provided a platform to extend Inivio’s Australian services to the New Zealand market. The introduction of CCR in New Zealand in 2012 has enabled Veda to develop and launch CCR products during 2014 including the first positive credit score. Veda’s experience with some credit providers has seen a material increase in new customer approval rates through the use of positive credit scores.

#### *Equity Investments*

Veda has equity investments in three international joint ventures operating in Singapore, Malaysia, Cambodia and Saudi Arabia:

- the most significant joint venture is its 49% interest in Infocredit Holdings Pte Ltd (“IHPL”), a joint venture with NSP Holdings Pte Ltd. IHPL is an investment vehicle that owns controlling interests in:
  - Dun & Bradstreet (Singapore) Pte Ltd, which operates a commercial credit bureau in Singapore (81% interest);
  - Credit Bureau (Singapore) Pte Ltd, which operates a consumer credit bureau in Singapore (75% interest); and
  - Dun & Bradstreet Malaysia Sdn Bhd, which provides credit information services in Malaysia under a franchise arrangement with Dun & Bradstreet (73.4% interest);
- Veda is a 51% shareholder in Veda Advantage (Cambodia Holdings) Pte Limited, which owns 49% of Credit Bureau (Cambodia) Co Ltd (“Credit Bureau Cambodia”), a consumer and commercial credit bureau in Cambodia; and
- Veda has a 50% interest in Veda@SIMAH Limited (“Veda@SIMAH”), a joint venture with Saudi Credit Information Company (“SIMAH”) that provides credit



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bureau support to the Saudi Credit Bureau and is intended to act as a vehicle to provide credit information services into the Middle East market. Veda does not have an equity interest in SIMAH but provides it with a consumer and commercial bureau platform under a seven year software licence.

In addition to generating revenue from its ownership interest in each of these joint ventures (to the extent that dividends are paid), Veda also generates revenue from software licensing and customisation and training and support agreements, as well as royalty revenue based on transaction volumes.

Veda's strategy for its international operations is to increase its footprint in its existing markets by providing value added solutions (building on its current role of software/technology provider) and to target other greenfields regions. Veda is currently pursuing opportunities in Indonesia and Myanmar.

### 3.3 Business Strategy

Veda has expanded its business beyond core credit reports in response to changing customer requirements, technological developments and increasing regulatory compliance obligations. Continued innovation and product and customer expansion are key to Veda maintaining its market position and supporting its future growth.

Veda's strategic objectives are to grow its business through a number of initiatives that include:

- expanding the penetration of existing products through the sale of:
  - non-credit products to core customers such as financial institutions (e.g. fraud, identity, employment verification, credit risk assessment, asset assessments and decisioning); and
  - credit products into new industry segments such as online markets, government, non-traditional finance, collections, utilities, wealth, telecommunications and non-for-profits;
- development of new products. Since FY11, Veda has successfully developed products such as Carhistory.com, IDMatrix, a portal for customers to access the PPSR, Debtor IQ and Commercial Alerts and more recently, (in FY14 and FY15), VedaScore, VedaCheck Visual and PPSR enhanced search capability. Future enhancements to existing products and development of new products is focused on:
  - meeting regulatory developments, including in relation to CCR and anti-money laundering;
  - potential privatisation of government assets such as ASIC's registry business and state land titles offices;
  - greater regulation in the wealth management sector in Australia; and
  - the continued digitisation of data and customer requirements for digital strategies; and
- targeted bolt-on acquisitions, which are integrated into Veda's business by enhancing the acquired products with Veda's existing data and by cross-selling the acquired products to its wider client base. These acquisitions have included Mirus (now Veda eTrace) (FY11), Verify (FY12), Corporate Scorecard (FY13), Datalicious (62.8%, subsequently increased to 65.8%) and ITM (FY14), KMS Data (now Inivio NZ), Kingsway and TPS (FY15) and ZipID, GetCreditScore (75%) and ReachTEL (FY16).

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## 3.4 Financial Performance

*Historical Financial Performance*

The historical financial performance of Veda for the five years ended 30 June 2015 is summarised below:

Veda - Financial Performance (\$ millions)					
	Year ended 30 June				
	2011 pro forma	2012 pro forma	2013 pro forma	2014 pro forma	2015 actual
<b>Revenue</b>	<b>208.7</b>	<b>243.1</b>	<b>268.6</b>	<b>302.0</b>	<b>338.8</b>
<b>Operating EBITDA<sup>5</sup></b>	<b>77.7</b>	<b>78.3</b>	<b>107.0</b>	<b>129.0</b>	<b>144.5</b>
Depreciation and amortisation	(19.0)	(23.2)	(24.2)	(22.2)	(27.1)
<b>Operating EBITA<sup>6</sup></b>	<b>58.7</b>	<b>55.1</b>	<b>82.8</b>	<b>106.8</b>	<b>117.4</b>
Acquisition amortisation	(15.5)	(15.7)	(0.7)	(0.9)	(0.8)
<b>Operating EBIT<sup>7</sup></b>	<b>43.2</b>	<b>39.4</b>	<b>82.1</b>	<b>106.0</b>	<b>116.6</b>
Share of net profit from associates	1.7	1.6	2.0	2.5	3.2
Net interest expense				(14.5)	(12.6)
<b>Operating profit before tax</b>				<b>94.0</b>	<b>107.1</b>
Income tax expense				(25.1)	(28.7)
<b>Pro forma NPAT<sup>8</sup></b>				<b>68.9</b>	<b>78.4</b>
IPO expenses and adjustments (net of tax)				(46.2)	-
<b>NPAT<sup>9</sup></b>				<b>22.7</b>	<b>78.4</b>
Non-controlling interests				(0.3)	(0.5)
<b>NPAT attributable to Veda shareholders</b>				<b>22.4</b>	<b>77.9</b>
<i>Statistics</i>					
Basic earnings per share (pro forma NPAT) (cents)				9.9	9.3
Dividends per share (cents)				4.0	6.0
Dividend payout ratio				40.5%	64.8%
Amount of dividend franked				-	-
Total sales revenue growth	nc <sup>10</sup>	+16.5%	+10.5%	+12.4%	+12.2%
EBITDA growth	nc	+0.8%	+36.7%	+20.6%	+12.0%
EBITA growth	nc	-6.2%	+50.3%	+29.0%	+9.9%
EBITDA margin	37.2%	32.2%	39.8%	42.7%	42.7%
EBITA margin	28.1%	22.7%	30.8%	35.4%	34.6%
Interest cover <sup>11</sup>				7.4x	9.3x

Source: Veda and Grant Samuel analysis

<sup>5</sup> EBITDA is earnings before net interest, tax, depreciation and amortisation and significant and non-recurring items. It excludes share of net profit from associates.

<sup>6</sup> EBITA is earnings before net interest, tax, amortisation of customer contracts and relationship ("acquisition amortisation") and significant and non-recurring items. It excludes share of net profit from associates.

<sup>7</sup> EBIT is earnings before net interest, tax and significant and non-recurring items. It excludes share of net profit from associates.

<sup>8</sup> Pro forma NPAT is net profit after tax but before significant and non-recurring items (i.e. IPO expenses and adjustments in FY14).

<sup>9</sup> NPAT is net profit after tax.

<sup>10</sup> nc = not calculated.

<sup>11</sup> Interest cover is EBITA divided by net interest.

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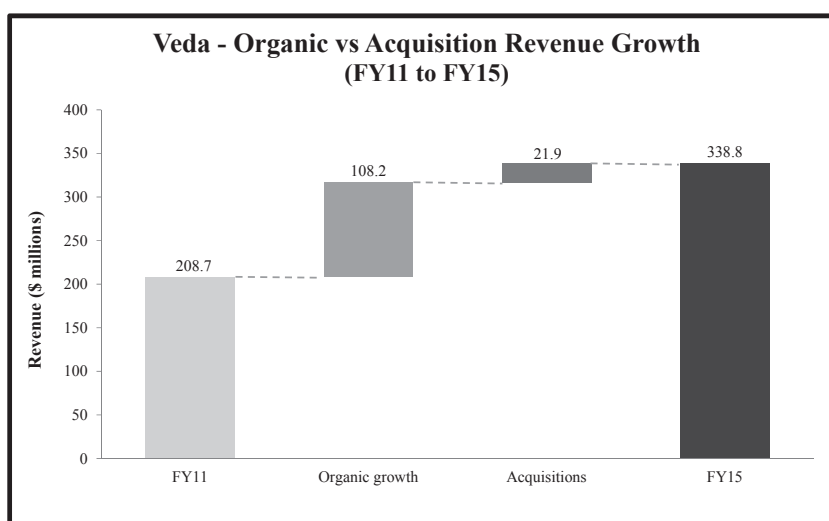


As Veda commenced trading on the ASX in December 2013 following an IPO:

- the historical financial performance for FY11, FY12 and FY13 is pro forma financial information sourced from Veda's Prospectus and financial statements. This financial information:
  - does not go beyond EBIT given the materially different capital structure in place under private equity ownership; and
  - reflects adjustments for certain transactions and one-off expenses that would not occur in a listed environment and for the impact of additional operating costs that would be in place following the IPO (including the costs associated with being a listed entity);
- FY14 was a partial year as an ASX listed company. The historical financial performance for FY14 is based on the statutory results for FY14 but includes pro forma adjustments to:
  - remove the impact of expenses incurred as part of the December 2013 IPO, Veda's pre-IPO financing arrangements and PEP's management fees;
  - provide for a full year of listed company costs; and
  - adjust the tax expense for the impact of these pro forma adjustments; and
- FY15 was Veda's first full year as an ASX listed company.

Veda has generated consistent double digit growth in revenue over the last four years, with average annual revenue growth over the period from FY11 to FY15 of 12.9%. Key revenue drivers include core credit demand, product mix, volume of searches/enquiries and the impact of regulatory changes (e.g. anti-money laundering and counter terrorism legislation and ASIC's Financial Adviser Register).

In line with Veda's strategy, growth in revenue has been achieved through expanding the penetration of existing products, development of new products and bolt-on acquisitions based on understanding customers' needs (refer to Section 3.3 for details). The majority of growth in revenue has been through organic growth (new segments and new products), which has represented 83% of the increase in revenue over the period from FY11 to FY15:

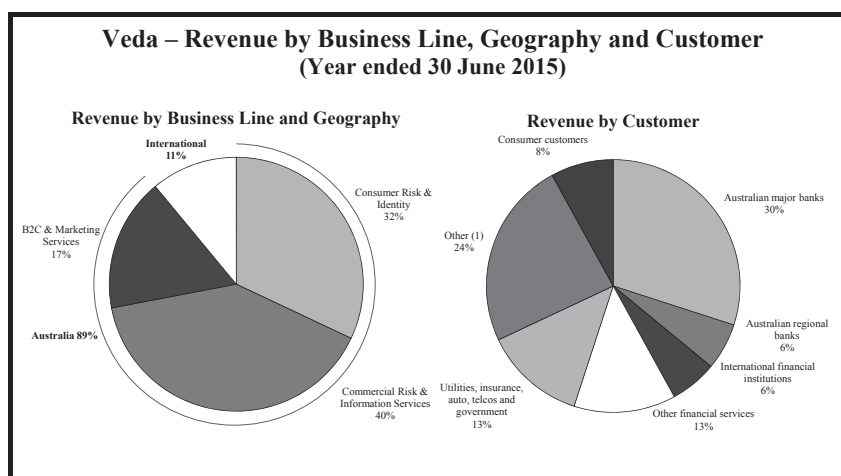


Source: Veda and Grant Samuel analysis

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Veda generates the majority of its revenue in Australia, which represented 89% of total revenue in FY15. Banks and financial institutions are Veda's largest customers, collectively representing 55% of revenue in FY15:



Source: Veda

Note: 1. Other includes companies in construction, retail, wealth, accounting, media and other segments

Revenue by business line (within Australia) and segment over the period from FY11 to FY15 is shown in the table below:

Veda – Revenue by Business Line and Segment (\$ millions)					
	Year ended 30 June				
	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual
Consumer Risk & Identity	73.4	79.6	90.1	100.0	110.0
Commercial Risk & Information Services	81.8	97.0	111.5	125.7	134.4
B2C & Marketing	26.8	37.2	36.9	40.7	56.1
<b>Total Australia</b>	<b>182.0</b>	<b>213.8</b>	<b>238.5</b>	<b>266.5</b>	<b>300.5</b>
International	26.7	29.3	30.1	35.6	38.3
<b>Total revenue</b>	<b>208.7</b>	<b>243.1</b>	<b>268.6</b>	<b>302.0</b>	<b>338.8</b>
<b>Growth</b>					
Consumer Risk & Identity	nc	+8.4%	+13.2%	+11.0%	+10.0%
Commercial Risk & Information Services	nc	+18.6%	+14.9%	+12.8%	+6.9%
B2C & Marketing	nc	+38.8%	-0.8%	+10.4%	+37.7%
<b>Total Australia</b>	<b>nc</b>	<b>+17.5%</b>	<b>+11.6%</b>	<b>+11.7%</b>	<b>+12.8%</b>
International	nc	+9.7%	+2.7%	+18.3%	+7.5%
<b>Total revenue</b>	<b>nc</b>	<b>+16.5%</b>	<b>+10.5%</b>	<b>+12.4%</b>	<b>+12.2%</b>

Source: Veda

Commercial Risk & Information Services is Veda's largest line of business, representing around 40% of total revenue, although annual growth in revenue has been declining over the last five years and in FY15 was well below trend at only 6.9%. The decline in revenue growth was attributed to Veda assisting major bank customers to be more efficient (e.g. reducing duplicate clicks) and to a lesser extent, a reduction in ASFA costs relating to bankruptcy data (passed through to the customer so there is no impact on EBITDA) as well as the impact of an increase in the volume of searches following the introduction of the PPSR in January 2012.

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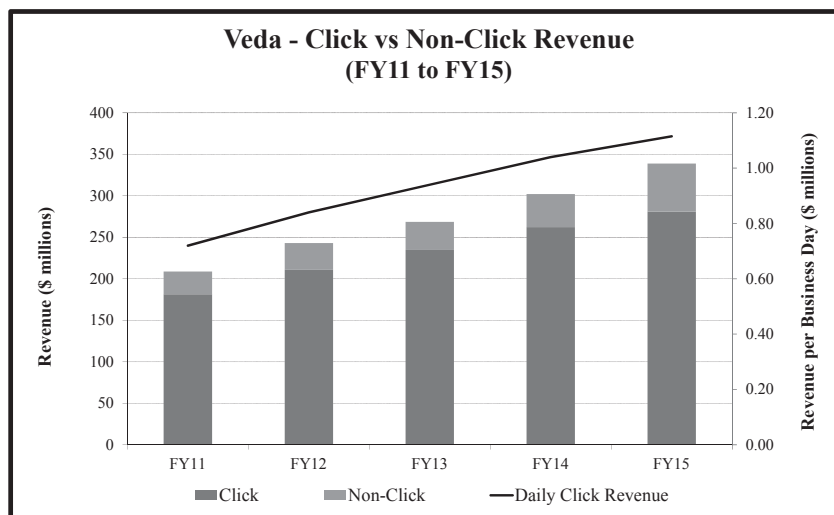


Consumer Risk & Identity represents around 32% of revenue and while its rate of growth has also declined over the last three years, it has remained in the double digits. The significant driver of growth has been demand for fraud & identity solutions and the significant expansion of the employment verification business, Verify, which was acquired in FY12.

B2C & Marketing is the smallest of Veda's business lines, historically contributing around 13% of revenue although its contribution increased to 17% in FY15 as a result of significant growth. Growth in revenue was driven by a focus on digital marketing campaigns across Veda's existing and new segments as well as investment in products (e.g. CarHistory.com.au) and acquisitions (a full year impact of the FY14 acquisition of Datalicious and a part year contribution from the acquisition of TPS).

More than 90% of International revenue is from Veda's New Zealand operations. The balance represents revenue from contracts to provide services and/or licence software in Malaysia, Cambodia, Saudi Arabia, Indonesia and Singapore. Drivers of growth were international sales of bureau technology, sales of commercial risk products including Corporate Scorecard, Verify sales to New Zealand companies and the acquisition of KMS Data (Inivio NZ). Growth in International revenue in FY14 and FY15 also benefited from favourable currency movements. On a local currency basis, International revenue grew by 4.7% in FY14 and 5.2% in FY15. International revenue does not include income from interests in joint ventures.

The majority of Veda's revenue is generated from the distribution of products to customers electronically on a "per click" basis, with the balance referred to as "non-click" revenue (batch data sales, decisioning software, marketing services, subscriptions, licensing and consulting services). Historically, around 87% of revenue has been generated on a click basis. However, the rate of growth in click revenue has been declining (from 16% in FY12 to 7% in FY15). This decline in growth, combined with significant growth in non-click revenue in FY15 (up by 45%) resulted in the contribution of click revenue declining to 83% in FY15:



Source: Veda and Grant Samuel analysis

The majority of Veda's non-click revenue growth is from its Marketing Services business line. Consistent with Veda's focus on data and analytics, non-click revenue is expected to contribute a larger proportion of revenue going forward.

Veda's most significant costs are staff and data acquisition, which together represent approximately 80% of total operating costs.

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Despite significant growth in revenue in FY12, EBITDA was flat and there was a small decline in EBITA (as well as a decline in margins) as a result of a proportionately larger increase in operating costs, in particular:

- a 27% increase in staff costs resulting from a strategy to invest in increased sales and product specialist teams (the sales cycle requires upfront investment in staff before revenue is achieved) and increased product development investments; and
- a 28% increase in costs of external data and products used for resale associated with increased sales volumes and Verify data acquisition related costs.

Veda achieved growth in earnings and an increase in margins in FY13 partly due to a change in the terms on which data is acquired by Veda. Veda entered into a new supply contract with ASIC from 1 February 2013, the effect of which is that Veda capitalises approximately half of the data purchased from ASIC from that date in connection with Veda's creation of value adding products (with a corresponding increase in capital expenditure and amortisation). FY13 margins also reflected the positive impact of other initiatives such as product re-engineering resulting in lower data costs, a process review that resulted in increased process efficiency and lower headcount requirements and a decrease in marketing costs as CarHistory.com.au moved beyond the launch phase.

FY14 benefited from the first full year impact of the new supply contract with ASIC, with a further uplift in margins.

The EBITDA margin in FY15 was maintained at the FY14 level as a result of active cost optimisation actions and despite an increase in staff to support the next stage of revenue growth (including CCR), recent acquisitions and the implementation of a new equity incentive scheme. A review and restructure of Veda's New Zealand operations as part of a management change also resulted in one-off costs.

The movement in Veda's EBITA margin has been more pronounced than the movement in its EBITDA margins as a result of increasing depreciation and amortisation charges. The increase in depreciation and amortisation reflects the increase in capital expenditure over the period (refer to Section 3.6 for details), including the amortisation of:

- purchases of data used to create products. This includes capitalised ASIC data costs from 1 February 2013 (\$0.4 million in FY13 (part year), increasing to \$3.1 million in FY14 (first full year) and \$5.5 million in FY15); and
- internally developed software and products, including CCR compliance and product development in FY15.

In FY13, depreciation and amortisation also reflected accelerated depreciation on some assets following a review of asset lives, while the decrease in depreciation and amortisation in FY14 reflected the impact of certain assets coming to the end of their depreciable life.

Acquisition amortisation in FY11 and FY12 relates to the acquisition of Veda in July 2007 by the PEP led consortium. These capitalised amounts were fully amortised by end of FY12. Acquisition amortisation in subsequent years is significantly lower as it relates to Veda's bolt on acquisitions.

Share of profit of associates represents the NPAT contribution from Veda's interests in its international joint ventures in Singapore, Cambodia, Malaysia and Saudi Arabia, the most significant of which is its 49% interest in IHPL (refer to Section 3.2.3 for further details).

Veda has an effective tax rate of approximately 27%, which is below the 30% corporate tax rate due to the impact of research and development offsets and share of net profit after tax from associates being included in operating profit before tax.

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Non-controlling interests represents the NPAT attributable to the 34.2%<sup>12</sup> interest in Datalicious and the 49% interest in Veda Advantage (Cambodia) Holdings Pte Ltd<sup>13</sup> not owned by Veda. The NPAT attributable to these non-controlling interests represents approximately 0.5% of NPAT and is not material in the overall context of Veda's performance.

### Outlook

Veda has not publicly released earnings forecasts although it has provided some guidance for revenue and earnings for the year ending 30 June 2016. In conjunction with the release of its results for the year ended 30 June 2015 on 27 August 2015, Veda advised that the outlook for FY16 was:

- low double digit growth in revenue and EBITDA;
- NPAT growth somewhat slower than EBITDA, reflecting an increased rate of growth in depreciation and amortisation driven by the investment in products and data to grow the business and market position (including CCR and the investment made to build the platform for the future);
- capital expenditure at broadly the same percentage of revenue as FY15, before gradually declining in the following years; and
- an average accounting tax rate in the range 27-28%, driven by research and development tax offsets. Veda expects to commence cash tax payments in FY17.

To provide an indication of the expected future financial performance of Veda, Grant Samuel has considered brokers' forecasts for Veda (refer to Appendix 2):

Veda – Forecast Financial Performance (\$ millions)		
	Year end 30 June	
	2015 actual	2016 broker consensus
Revenue	338.8	377.5
EBITDA	144.5	161.9
EBIT	116.6	126.2
NPAT	78.4	86.8

Source: Grant Samuel analysis (refer to Appendix 2)

The broker consensus forecast indicates an 11.4% increase in revenue, a 12.0% increase in EBITDA and a 10.7% increase in NPAT in the year ending 30 June 2016 which is consistent with Veda's guidance and sufficiently close to the FY16 budget to be useful for analytical purposes.

<sup>12</sup> Veda increased its interest in Datalicious from 62.8% to 65.8% in May 2015 after buying out a minority shareholder.

<sup>13</sup> Veda is a 51% shareholder in Veda Advantage Cambodia Holdings Pte Ltd which owns 49% of Credit Bureau Holding (Cambodia) Ltd.

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### 3.5 Financial Position

The financial position of Veda as at 30 June 2015 is summarised below:

Veda - Financial Position (\$ millions)	
	As at 30 June 2015 actual
Debtors and prepayments	50.0
Creditors and accruals	(32.2)
Employee benefits	(18.0)
Provisions	(10.9)
Deferred revenue	(7.4)
<b>Net working capital</b>	<b>(18.5)</b>
Property, plant and equipment	4.8
Goodwill	816.3
Other intangible assets	121.8
Investments accounted for using the equity method	33.9
Deferred tax assets (net)	14.9
Management share plan loans	2.8
Derivative financial instruments (net)	-
Other non current payables	(6.1)
<b>Total funds employed</b>	<b>970.0</b>
Cash and deposits	29.8
Bank loans	(226.6)
<b>Net borrowings</b>	<b>(196.8)</b>
<b>Net assets</b>	<b>773.2</b>
Non-controlling interests	(2.6)
<b>Equity attributable to Veda shareholders</b>	<b>770.6</b>
<i>Statistics</i>	
Shares on issue at period end (million)	842.5
Net assets per share	\$0.91
NTA <sup>14</sup> per share	\$(0.20)
Gearing <sup>15</sup>	20.3%

Source: Veda and Grant Samuel analysis

The majority of Veda's funds employed is in goodwill and other intangible assets. The majority of the goodwill has arisen from the acquisition of Veda by the PEP led consortium in 2007. The significant other intangible assets balance reflects the nature of Veda's operations as a data analytics business which requires the accounting treatment of capitalising as intangible assets purchased and developed data, software and products and amortising them over their estimated useful lives. The significant goodwill and other intangibles balance results in negative NTA per share of \$(0.20) as at 30 June 2015 (compared to net assets per share of \$0.91).

Employee benefits includes \$10.2 million for employee bonuses in respect of FY15. These bonuses have been paid subsequent to year end.

Provisions is primarily deferred acquisition consideration with a net present value as at 30 June 2015 of \$7.7 million (contractual value of \$8.2 million). This balance includes contingent

<sup>14</sup> NTA is net tangible assets, which is calculated as net assets less intangible assets.

<sup>15</sup> Gearing is net borrowings divided by net assets plus net borrowings.



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consideration in relation to ITM and Corporate Scorecard of \$2.7 million. The balance of provisions represents lease incentives and occupancy “make good” provisions.

Investments accounted for using the equity method represent Veda’s investment in its international joint ventures (refer to Section 3.2.3 for further details).

Net deferred tax assets include carried forward tax losses of \$22.3 million and the set off of \$20.4 million of deferred tax liabilities.

During the period of private equity ownership, selected members of the management team participated in an equity incentive scheme for the issue of Management Performance Shares (“MPS”). At the time of the IPO, there were 68.8 million issued MPS with an exercise price of \$1.00 and an expiry date of 10 December 2018. As part of the IPO, the MPS arrangements were renegotiated resulting in 53.3 million MPS being forfeited and 14.4 million MPS being reclassified to ordinary shares with an exercise price of \$0.25. To fund the exercise price, executives were offered a full recourse loan at market rates. These loans are repayable on the earliest of five years, sale of the shares or when the individual ceases to be an employee. As at 30 June 2015, these management share plan loans totalled \$2.8 million.

Veda enters into derivative financial instruments to hedge its interest rate risk exposures and has a policy to fix estimated interest rate risk exposure at a minimum of 75% for a period of at least 12 months. As at 30 June 2015, the net exposure was nil. As at 30 September 2015, the mark to market of Veda’s net derivative financial instruments was \$1.4 million.

Other non-current payables represent unclaimed scheme payment amounts in relation to the acquisition of Veda by the PEP led consortium in July 2007. These unclaimed dividends will be paid to the New South Wales Office of State Revenue if they are not claimed after 10 years.

In December 2013, Veda established a three year unsecured revolving facilities agreement consisting of:

- a \$240 million facility (of which up to NZ\$40 million can be drawn) which was drawn to \$144.2 million as at 30 June 2015 (including NZ\$26 million); and
- a NZ\$93 million facility which was fully drawn as at 30 June 2015.

Veda also has a \$10 million bank guarantee facility to support its business operational requirements for bank guarantees which was drawn to \$7.6 million as at 30 June 2015.

Non-controlling interests are described in Section 3.4. They represent less than 0.5% of Veda’s net assets and are not material in the context of Veda’s overall financial position.

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## 3.6 Cash Flow

Veda's cash flow for the five years ended 30 June 2015 is summarised below:

Veda - Cash Flow (\$ millions)					
	Year ended 30 June				
	2011 pro forma actual	2012 pro forma actual	2013 pro forma actual	2014 pro forma actual	2015 actual
<b>EBITDA</b>	<b>77.7</b>	<b>78.3</b>	<b>107.0</b>	<b>129.0</b>	<b>144.5</b>
Changes in working capital <sup>16</sup> and other adjustments	(4.6)	(5.1)	7.2	8.2	(3.3)
<b>Net operating cash flow</b>	<b>73.1</b>	<b>73.2</b>	<b>114.2</b>	<b>137.2</b>	<b>141.2</b>
Capital expenditure	(19.1)	(28.6)	(29.6)	(46.1)	(52.6)
<b>Free cash flow</b>	<b>54.0</b>	<b>44.6</b>	<b>84.6</b>	<b>91.0</b>	<b>88.6</b>
Acquisitions	(2.0)	(1.7)	(5.1)	(8.0)	(5.1)
<b>Net cash flow before financing and taxation</b>	<b>52.0</b>	<b>42.9</b>	<b>79.5</b>	<b>83.0</b>	<b>83.5</b>
Net interest paid					(12.4)
Tax paid					(4.5)
Dividends paid					(33.9)
Proceeds from share issues (net)					0.8
Other <sup>17</sup>					8.1
<b>Net cash generated</b>					<b>41.6</b>
Net cash/(borrowings) – opening <sup>18</sup>					(239.1)
Net cash/(borrowings) – closing <sup>18</sup>					(197.5)
<b>Statistics</b>					
Growth in operating cash flow	nc	+0.1%	+56.0%	+20.1%	+2.9%
Growth in free cash flow	nc	-17.4%	+89.7%	+7.6%	-2.7%
Capital expenditure as a percentage of revenue	9.2%	11.8%	11.0%	15.3%	15.5%

Source: Veda and Grant Samuel analysis

Veda's net operating cash flow has grown in line with growth in EBITDA over the last four years, at an average annual rate of 17.9% (compared to the average annual growth in EBITDA of 16.8% over the same period), with movements in working capital over the period largely reflecting growth in the business and changes in the business mix (particularly an increase in periodic rather than up front billing). The improvement in working capital in FY13 and FY14 was driven by:

- favourable movements in trade receivables, an increase in employee short term incentive provisions and the provision for forecast earn outs related to acquisitions (in FY13); and
- an increase in trade payables and employee provisions, higher deferred income from sales of data licences that are billed annually in advance and a reduction in debtor days (in FY14).

Capital expenditure includes maintenance and growth capital expenditure as well as capitalised costs of data. Veda has invested heavily in product development and data acquisition over the last five years:

- the increase in in FY12 related to significant product development capital expenditure (e.g. PPSR and the B2C online portal);

<sup>16</sup> Working capital includes current trade and other receivables, other current assets, trade and other payables, deferred income, employee benefits and provisions.

<sup>17</sup> Other cash flows include foreign exchange impacts.

<sup>18</sup> Net borrowings is shown on a cash basis (i.e. before adding back capitalised borrowing costs).

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- capital expenditure remained at around the same level in FY13 despite completion of FY12 projects, reflecting increased investment in preparation for CCR and an increase in capital expenditure associated with the new supply contract with ASIC under which a proportion of data purchased from ASIC is capitalised (\$4.2 million of ASIC data costs were capitalised in FY13);
- capital expenditure increased substantially in FY14 (from 11% of revenue to 15.3% of revenue) primarily driven by capital expenditure to prepare for CCR (\$14.8 million) and a full year of ASIC data acquisition costs (\$11.0 million) offset in part by lower maintenance capital expenditure; and
- capital expenditure was 15.5% of revenue in FY15. While capital expenditure on CCR declined to \$8.6 million as the project moved from development to implementation, additional capital expenditure was incurred on data acquisition, an infrastructure technology refresh (including additional capacity for CCR data volumes) and growth projects (including VedaCheck Visual and VedaScore Apply).

Veda expects capital expenditure to remain at around 15.5% of revenue in FY16 before gradually declining in subsequent years.

Acquisitions represent up front consideration for new acquisitions in each year as well as earn out payments associated with prior year acquisitions.

### 3.7 Taxation Position

Veda operates under the tax consolidation legislation. There are two tax consolidated groups in Australia and one in New Zealand. Veda is the head entity for the primary Australian tax group.

As at 30 June 2015, Veda had gross carried forward income tax losses of approximately \$74.3 million, which were recognised in the balance sheet. Veda does not expect to make income tax cash payments in FY16 due to the ability to utilise carried forward income tax losses. Veda expects to commence tax cash payments in FY17.

As at 30 June 2015, Veda had no accumulated franking credits.

### 3.8 Capital Structure and Ownership

#### *Capital Structure*

As at 4 December 2015, Veda had the following securities on issue:

- 846,425,729 ordinary shares;
- 756,023 Deferred Share Rights;
- 18,790,025 Tranche A options;
- 16,006,317 Tranche B options; and
- 5,825,045 incentive scheme options.

Deferred Share Rights are issued to the senior leadership team and certain members of the extended leadership team as part of the short-term incentive scheme. Deferred Share Rights represent 30% of each executive's short-term incentive (with the balance paid in cash) and the number of Deferred Share Rights issued is determined based on the volume weighted average price ("VWAP") of Veda shares for the 30 days prior to allocation. Deferred Share Rights are not entitled to vote or receive dividends, have no exercise price and vest in equal tranches over two or three years. The trustee of the Veda Group Employee Share Plan has acquired shares on market to satisfy all outstanding Deferred Share Rights.

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Options are issued to the senior leadership team and certain members of the extended leadership team under the long-term incentive scheme established in September 2014. The exercise price for the options is the Veda VWAP for the 30 days prior to the date of grant (\$2.15 in the case of the options currently on issue). Options vest in equal tranches at the end of years three and four and are subject to a performance hurdle. Unvested and unexercised options have no voting rights or entitlement to dividends.

Both Deferred Share Rights and options vest only if the executive is employed at the time of vesting. The Veda board has discretion to accelerate the vesting in certain circumstances (e.g. a change of control event).

As part of the IPO in December 2013, Veda issued share options to senior executives. There are two tranches of options. Tranche A options have an exercise price of \$1.90 per option and Tranche B options have an exercise price of \$2.10 per option. These options were fully vested on issue and are exercisable at any time on payment of the exercise price.

### *Ownership*

Veda has less than 6,000 registered shareholders. The top 10 registered shareholders represent approximately 83% of the ordinary shares on issue and are all institutional nominee companies.

During the year ended 30 June 2015, PEP progressively sold down its remaining shares in Veda, reducing its interest from 63.5% to nil on 26 February 2015.

Veda has received notices from the following substantial shareholders:

Veda – Substantial Shareholders as at 4 December 2015			
Shareholder	Date of Notice	Number of Shares	Percentage
Perpetual Limited	30 October 2015	109,839,467	12.98%
The Goldman Sachs Group, Inc	22 October 2015	76,176,173	9.00%
National Australia Bank Limited	6 November 2015	64,651,292	7.64%
Deutsche Bank AG	1 December 2015	44,326,625	5.24%

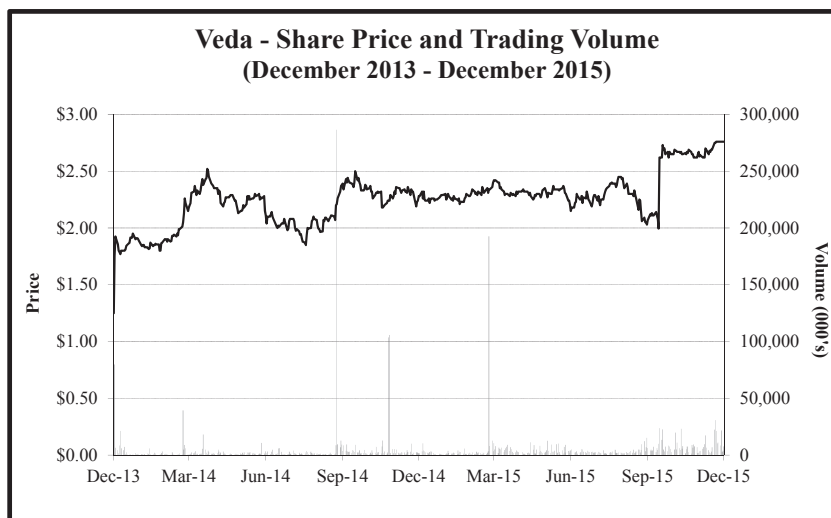
Source: IRESS

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### 3.9 Share Price Performance

The following graph illustrates the movement in the Veda share price and trading volumes since its listing on the ASX on 5 December 2013:



Source: IRESS

Veda's shares were issued at \$1.25 through the IPO. Trading in Veda shares opened on 5 December 2013 at \$1.74 and the shares traded as high as \$1.78 on the first day before closing at \$1.75. The share price continued to increase strongly over the following three months on the back of Veda releasing its half year results and confirming it was on track to meet its full year Prospectus forecast. It reached an all-time high of \$2.55 on 24 and 26 March 2014, following Veda's inclusion in the S&P/ASX 200 index from 21 March 2014.

The share price subsequently drifted downwards as demand fell once passive and index investors had rebalanced their portfolios but there was a further spike in the share price in late August-early September 2014 following the initial PEP sell down of a 32% interest (increasing liquidity, partially removing any perceived overhang and signalling that PEP would be unlikely to be a long term holder of Veda shares) and the release of Veda's FY14 full year result which exceeded the Prospectus forecast and included the announcement of a higher than expected dividend.

Veda shares generally traded in the range \$2.20-2.40 over the following 12 months, with small increases in the share price corresponding to the second PEP sell down in late October 2014, the release of Veda's FY15 half year results and the final PEP sell down in late February 2015. Recent weakness in the share price in August and September 2015 reflects the significant correction in global equities markets generally in late August 2015 as well as comments on the outlook for FY16 made on release of the FY15 full year results (slower NPAT growth and continuing high levels of capital expenditure in FY16).

The Veda share price closed at \$1.995 on 17 September 2015, the day prior to announcement of the receipt of a conditional and non-binding expression of interest from Equifax. Veda shares traded as high as \$2.80 following the announcement on 18 September 2015.

Since announcement of the revised proposal on 6 October 2015, Veda shares have traded in the range \$2.59-2.77, at a VWAP of \$2.70, below the offer price under the Proposal of \$2.825, in part reflecting the conditional and non-binding nature of the revised proposal and, once the Proposal

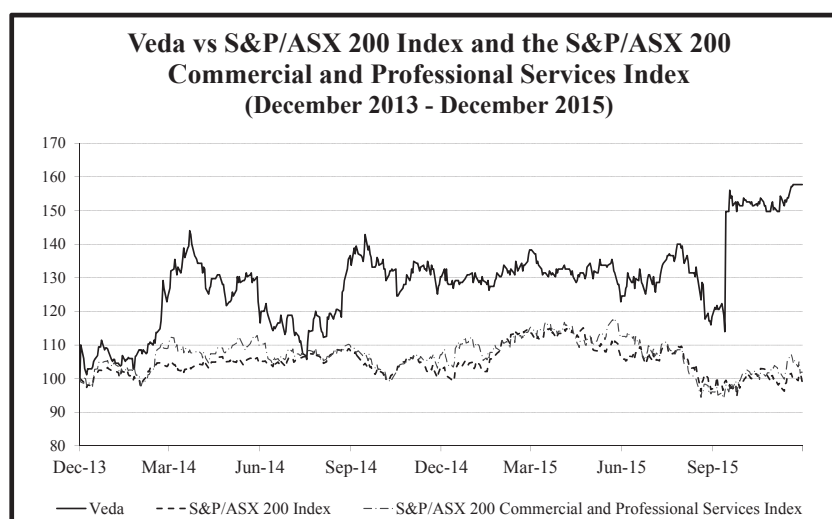
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was announced, the requirement for regulatory approval and the time until payment of the offer price.

Veda has been a reasonably liquid stock both before and after completion of the PEP sell down on 26 February 2015 (although it only had an approximate 36.5% free float prior to the PEP sell down). Average weekly volume over the period from completion of the PEP sell down on 26 February 2015 and announcement of the receipt of a conditional and non-binding expression of interest from Equifax (when Veda had a 100% free float) represented approximately 2.3% of average shares on issue or annual turnover of around 120% of total average issued capital.

Veda is a member of various indices including the S&P/ASX 200 Index and the Commercial and Professional Services Index. As at 4 December 2015 its weighting in these indices was approximately 0.2% and 5.8% respectively. The following graph illustrates the performance of Veda shares since listing on the ASX on 5 December 2013 relative to these indices:



Source: IRESS

The Veda share price has outperformed the S&P/ASX 200 Index and the S&P/ASX 200 Commercial and Professional Services Index since listing on the ASX on 5 December 2013. However, other than announcement of the receipt of a conditional and non-binding expression of interest from Equifax, the outperformance has been due to three distinct periods of significant outperformance attributable to company specific factors:

- the 40% jump in the share price on listing (not reflected in the above chart);
- inclusion in the S&P/ASX 200 Index from 21 March 2014; and
- the initial PEP sell down and the release of Veda's FY14 full year result (including announcement of a higher than expected dividend) in late August-early September 2014.

Other than the impact of these events, the Veda share price has largely tracked the S&P/ASX 200 Index and the S&P/ASX 200 Commercial and Professional Services Index. This is not unexpected given that one of the key drivers of Veda's performance is demand for credit which is, in turn, largely a reflection of economic conditions.

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### 4 Valuation of Veda

#### 4.1 Summary

Grant Samuel has valued Veda in the range \$2,352-2,557 million which corresponds to a value of \$2.65-2.88 per share. The valuation is summarised below:

Veda - Valuation Summary (\$ millions)			
	Report Section Reference	Value Range	
		Low	High
Business operations <sup>19</sup>	4.4	2,400.0	2,600.0
Interests in joint ventures	4.6	85.7	91.6
Other assets and liabilities	4.7	(3.9)	(3.9)
<b>Enterprise value</b>		<b>2,481.8</b>	<b>2,687.7</b>
Adjusted net borrowings	4.8	(115.7)	(115.7)
Non-controlling interests	4.9	(14.3)	(15.3)
<b>Value of equity</b>		<b>2,351.8</b>	<b>2,556.7</b>
Fully diluted shares on issue (millions) <sup>20</sup>	3.8	887.0	887.0
<b>Value per share</b>		<b>\$2.65</b>	<b>\$2.88</b>

The valuation represents the estimated full underlying value of Veda assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Veda shares to trade on the ASX in the absence of a takeover offer. Shares in a listed company normally trade at a discount of 15-25% to the underlying value of the company as a whole (but this discount does not always apply).

The value attributed to the operating business of \$2,400-2,600 million is an overall judgement having regard to a number of valuation methodologies and parameters, including capitalisation of earnings or cash flows (multiples of EBITDA and EBITA) and discounted cash flow ("DCF") analysis.

The valuation reflects the particular attributes of Veda's business and takes into account factors such as:

- leading market positions across the consumer and commercial credit risk enquiries markets as well as in other key markets in which it operates in Australia and New Zealand;
- track record of strong and consistent growth across economic cycles;
- extensive and high quality proprietary data assets;
- breadth and diversity of the product offering, including extensive data analytics capabilities (and the counter cyclical benefits this offers);
- established customer relationships and embedded distribution channels;
- positive short to medium term growth outlook as a result of the:
  - continued development and introduction of new products and penetration of new markets;

<sup>19</sup> The value of Veda's business operations is after corporate overhead cost savings (i.e. listed company and other costs) which are available to acquirers of 100% of the business (refer to Section 4.5 for details).

<sup>20</sup> The fully diluted shares on issue has been adjusted for the exercise of issued options. Net borrowings has also been adjusted to reflect the cash received on exercise of the options (refer to Section 4.8 for details).

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- existing pipeline of bolt on acquisitions; and
- introduction of CCR products; and
- the strategic attractions of the business to potential acquirers:
  - it provides instant market leadership across the Australian and New Zealand markets; and
  - the potential for synergies that might be available (primarily revenue synergies).

## 4.2 Methodology

### 4.2.1 Overview

The most reliable evidence as to the value of a business is the price at which the business or a comparable business has been bought and sold in an arm's length transaction. In the absence of direct market evidence of value, estimates of value are made using methodologies that infer value from other available evidence. There are four primary valuation methodologies that are commonly used for valuing businesses:

- capitalisation of earnings or cash flows;
- discounting of projected cash flows;
- industry rules of thumb; and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved.

### 4.2.2 Capitalisation of Earnings or Cash Flows

Capitalisation of earnings or cash flows is the most commonly used method for valuation of industrial businesses. This methodology is most appropriate for industrial businesses with a substantial operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. This methodology is not particularly suitable for start-up businesses, businesses with an erratic earnings pattern or businesses that have unusual capital expenditure requirements. This methodology involves capitalising the earnings or cash flows of a business at a multiple that reflects the risks of the business and the stream of income that it generates. These multiples can be applied to a number of different earnings or cash flow measures including EBITDA, EBITA or NPAT. These are referred to respectively as EBITDA multiples, EBITA multiples and price earnings multiples. Price earnings multiples are commonly used in the context of the sharemarket. EBITDA and EBITA multiples are more commonly used in valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer but are also used extensively in sharemarket analysis.

Where an ongoing business with relatively stable and predictable cash flows is being valued, Grant Samuel uses capitalised earnings or operating cash flows as a primary reference point.

Application of this valuation methodology involves:

- estimation of earnings or cash flow levels that a purchaser would utilise for valuation purposes having regard to historical and forecast operating results, non-recurring items of income and expenditure and known factors likely to impact on operating performance; and



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- consideration of an appropriate capitalisation multiple having regard to the market rating of comparable businesses, the extent and nature of competition, the time period of earnings used, the quality of earnings, growth prospects and relative business risk.

While EBITDA multiples are commonly used benchmarks they are an incomplete measure of cash flow. The appropriate multiple is affected by, among other things, the level of capital expenditure (and working capital investment) relative to EBITDA. In this respect:

- EBITA multiples can in some circumstances be a better guide because (assuming depreciation is a reasonable proxy for capital expenditure) they effectively adjust for relative capital intensity and present a better approximation of free cash flow. However, capital expenditure is lumpy and depreciation expense may not be a reliable guide. In addition, there can be differences between companies in the basis of calculation of depreciation; and
- businesses that generate higher EBITDA margins than their peer group companies will, all other things being equal, warrant higher EBITDA multiples because free cash flow will, in relative terms, be higher (as capital expenditure is a smaller proportion of earnings).

In the case of Veda and its peers, EBITDA and (to a lesser extent) EBITA are also impacted by the decision to capitalise rather than expense product development and data acquisition costs. To the extent that product development and data acquisition costs are capitalised and amortised, EBITDA and EBITA are higher than they would have been if all product development and data acquisition costs had been expensed. The uplift in EBITDA is permanent. There is an uplift in EBITA initially which will reverse in time but may continue in an environment of rising expenditure on product development and data acquisition. Caution needs to be exercised to ensure that there is consistency between the EBITDA and EBITA/EBIT multiples implied by the comparable transactions and comparable companies and the EBITDA and EBITA/EBIT multiples implied by the business being valued. However, the impact is only likely to be material when considering comparable transactions and comparable listed companies in countries where accounting standards do not allow capitalisation of product development and data acquisition costs (as where it is permitted, companies generally take advantage of it to the extent possible).

In determining a value for Veda's business operations, Grant Samuel has placed particular reliance on the EBITDA and EBITA multiples implied by the valuation range compared to the EBITDA and EBITA multiples derived from an analysis of comparable listed companies and transactions involving comparable businesses.

Determination of the appropriate earnings multiple is usually the most judgemental element of a valuation. Definitive or even indicative offers for a particular asset or business can provide the most reliable support for selection of an appropriate earnings multiple. In the absence of meaningful offers it is necessary to infer the appropriate multiple from other evidence.

The primary approach used by valuers is to determine the multiple that other buyers have been prepared to pay for similar businesses in the recent past. However, each transaction will be the product of a unique combination of factors, including:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
- strategic attractions of the business - its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;
- rationalisation or synergy benefits available to the acquirer;
- the structural and regulatory framework;

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- investment and sharemarket conditions at the time; and
- the number of competing buyers for a business.

A pattern may emerge from transactions involving similar businesses with sales typically taking place at prices corresponding to earnings multiples within a particular range. While averages or medians can be determined it is not appropriate to simply apply such measures to the business being valued. The range or multiples will generally reflect the growth prospects and risks of those businesses. Mature, low growth businesses will, in the absence of other factors, attract lower multiples than those businesses with potential for significant growth in earnings. The most important part of valuation is to evaluate the attributes of the specific business being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it appropriately belongs.

An alternative approach in valuing businesses is to review the multiples at which shares in listed companies in the same industry sector trade on the sharemarket. This gives an indication of the price levels at which portfolio investors are prepared to invest in these businesses. Share prices reflect trades in small parcels of shares (portfolio interests) rather than whole companies and it is necessary to adjust for this factor. To convert sharemarket data to meaningful information on the valuation of companies as a whole, it is market practice to add a "premium for control" to allow for the premium which is normally paid to obtain control through a takeover offer. This premium is typically in the range 20-35%.

The premium for control paid in takeovers is observable but caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply an average premium of 20-35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering.

Acquisitions of listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall sharemarket levels and ratings between countries, economic factors (economic growth, inflation, interest rates) and market structures and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or sharemarket levels.

The analysis of comparable transactions and sharemarket prices for comparable companies will not always lead to an obvious conclusion as to which multiple or range of multiples will apply. There will often be a wide spread of multiples and the application of judgement becomes critical. Moreover, it is necessary to consider the particular attributes of the business being valued and decide whether it warrants a higher or lower multiple than the comparable companies. This assessment is essentially a judgement.

#### 4.2.3 Discounted Cash Flow

Discounting of projected cash flows has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries, including resources, and for the valuation of start-up projects where earnings during the first few years can be negative but it is also widely used in the valuation of established industrial businesses. Discounted cash flow valuations involve calculating the net present value of projected cash flows. This methodology is able to explicitly capture depleting resources, development projects and fixed terms contracts (which are typical in the resources sector), the effect of a turnaround in the business, the ramp up to maturity or significant changes expected in capital

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expenditure patterns. The cash flows are discounted using a discount rate which reflects the risk associated with the cash flow stream.

Considerable judgement is required in estimating future cash flows and it is generally necessary to place great reliance on medium to long term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgement. In addition, even where cash flow forecasts are available, the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a “de facto” cash flow capitalisation valuation). The net present value is typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, discounted cash flow valuations are commonly used and can at least play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions as to expected future performance need to be made.

In the case of Veda, no detailed budgets have been prepared beyond the year ending 30 June 2016. A financial model for Veda’s business operations has been developed by Grant Samuel in conjunction with Veda management. The model allows the key drivers of revenues, costs and capital expenditure to be modelled. The model is based on a number of assumptions and is subject to significant uncertainty and contingencies, many of which are outside the control of Veda. The financial model is discussed in more detail in Section 4.4.3 of this report.

### 4.2.4 Industry Rules of Thumb

Industry rules of thumb are commonly used in some industries. These are generally used as a “cross check” of the result determined by a capitalised earnings valuation or by discounting cash flows. While they are only used as a cross check in most cases, industry rules of thumb can be the primary basis on which buyers determine prices in some industries. Grant Samuel is not aware of any commonly used rules of thumb that would be appropriate to value the business operations of Veda. In any event, it should be recognised that rules of thumb are usually relatively crude and prone to misinterpretation.

### 4.2.5 Net Assets/Realisation of Assets

Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not going concerns. They effectively reflect liquidation values and typically attribute no value to any goodwill associated with ongoing trading. Such an approach is not appropriate in Veda’s case.

## 4.3 Valuation Approach for Veda

### 4.3.1 Valuation of Business Operations

Grant Samuel’s valuation of Veda has been estimated by aggregating the estimated market value of its business operations (on a “control” basis) together with the realisable value of non-trading assets and deducting external borrowings and non-trading liabilities. The value of the operating business has been estimated on the basis of fair market value as a going concern, defined as the maximum price that could be realised in an open market over a reasonable period of time assuming that potential buyers have full information.

Both earnings multiples analyses with DCF analysis used to estimate the value of the business operations. The value range selected is a judgement derived through an iterative

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process. The objective is to determine a value that is both consistent with the market evidence as to multiples and fits with the output of DCF analysis.

Specific aspects of the methodology adopted by Grant Samuel include the following:

- Veda has been valued as a single business (i.e. the Consumer Risk & Identity, Commercial Risk & Information Services, B2C & Marketing and International business lines have not been valued separately and then aggregated). While the business lines do operate in different segments of the data and analytics market, there are a number of reasons for adopting this approach:
  - the business lines are not structured as separate businesses. The business lines use the same data and data sets, product development is integrated and there is “cross pollination” of ideas across business lines. It is unlikely that any of the business lines could easily be separated from Veda;
  - the economic drivers of each of the business lines are similar (macro-economic conditions, interest rates, employment, consumer sentiment). While the outlook for New Zealand may differ slightly from the outlook for Australia, New Zealand represents only around 10% of Veda’s total revenue and any differences are unlikely to be material in the context of the overall value of Veda;
  - evidence of transactions involving only consumer data, commercial data or data analytics businesses is limited; and
  - a number of the data analytics businesses included in the comparable evidence undertake consumer, commercial and/or analytics activities and this is reflected in their blended multiples;
- EBITA rather than EBIT has been utilised in the earnings multiple analysis as EBIT is distorted by amortisation of customer contracts and relationships as a result of prior acquisitions; and
- synergies achievable by acquirers of Veda have been considered but it needs to be recognised that:
  - normal valuation practice is to include a value for synergies that are common across multiple acquirers but to exclude those that are unique to a particular acquirer; and
  - where earnings multiples from comparable transactions are a primary reference point adding synergies to earnings would potentially double count them as the multiples from the other transactions are usually based on “standalone” earnings (either reported or forecast) and the value of synergies is therefore reflected in the multiple (i.e. the transaction multiple would be lower if based on earnings including synergy benefits).

### 4.3.2 Earnings for Valuation Purposes

Grant Samuel has considered implied multiples of EBITDA and EBITA for the year ended 30 June 2015 (historical) and the year ending 30 June 2016 (forecast).

Veda has not provided any specific guidance in relation to earnings for the year ending 30 June 2016 and the directors have decided not to include any forecasts in the Scheme Booklet. Accordingly, the multiples implied by the valuation of Veda’s business operations are based on broker consensus forecasts for Veda (refer to Appendix 2 for details).

The historical and broker consensus forecasts have been adjusted by Grant Samuel to:

- adjust broker consensus forecast for acquisition amortisation of \$1.2 million; and
- include the savings in listed company and other costs of \$4.5 million that would be available to any acquirer of Veda (refer to Section 4.5 for further discussion).

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The adjusted earnings are summarised below:

Veda – Adjustments to Earnings			
	Section Reference	Year end 30 June	
		2015 actual	2016 broker consensus
<b>Reported/Consensus EBIT</b>	3.4/App. 2	<b>116.6</b>	<b>126.2</b>
Add: acquisition amortisation		0.8	1.2
Add: corporate overhead cost savings		4.5	4.5
<b>Adjusted EBITA</b>		<b>121.9</b>	<b>131.9</b>
Depreciation and amortisation (reported/consensus)	3.4/App. 2	27.1	34.5
<b>Adjusted EBITDA</b>		<b>149.0</b>	<b>166.4</b>

Source: Veda and Grant Samuel analysis

No adjustment has been made to allow for the impact of earnings from joint ventures, acquisitions or CCR on the basis that:

- Veda's interests in joint ventures have been valued separately (refer to Section 4.6 for further information);
- bolt-on acquisitions are small and Veda has a track record of making these types acquisitions each year; and
- FY16 has no significant revenue from CCR but the significant costs incurred to date have been largely capitalised and the amortisation impact in FY16 is approximately \$3.3 million. In any event, the build up is likely to be slow (over a 12-18 month period) and the earnings impact is uncertain.

The positive impact that acquisitions and CCR would have on Veda's earnings in the longer term is reflected in the multiples implied by the valuation of Veda.

#### 4.4 Value of Business Operations

##### 4.4.1 Summary

Grant Samuel has valued Veda's business operations (including a premium for control) in the range \$2,400-2,600 million.

This valuation is a subjective judgement having regard to both earnings multiples and DCF analysis.

##### 4.4.2 Earnings Multiple Analysis

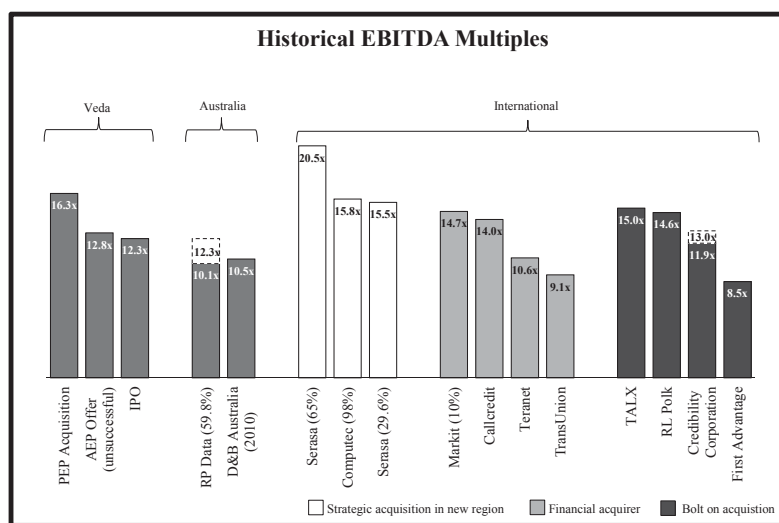
###### *Transaction Evidence*

There have been a number of transactions involving businesses in the data and analytics sectors over recent years. Appendix 1 contains an analysis of the earnings multiples implied by acquisitions of credit bureaus and data analytics business globally over the recent years. Grant Samuel has also considered the multiples implied by transactions involving Veda.

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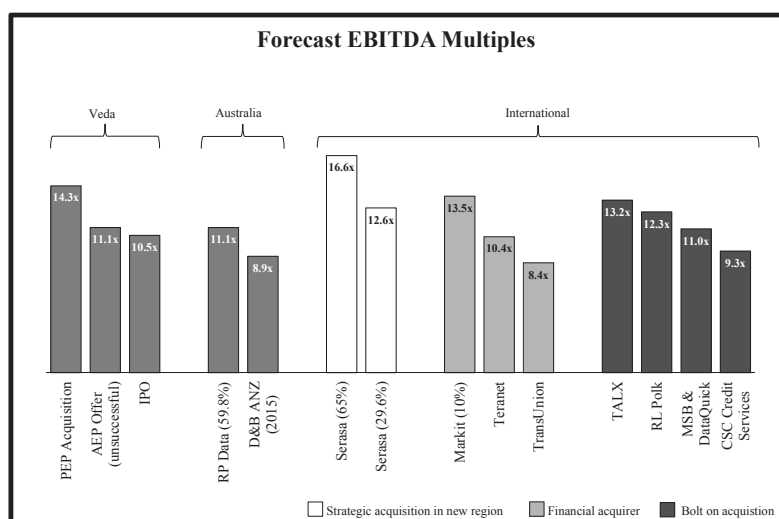
The following charts summarise the historical and forecast EBITDA multiples:



Source: Grant Samuel analysis (refer to Appendix 1)

Note:

- (1) The low multiple for RP Data includes the impact of acquisitions made (at a lower multiple) in August 2010. The high multiple excludes the impact of these acquisitions.
- (2) The low multiple for Credibility Corporation is based on the up front consideration. The high multiple allows for the earn out component of the consideration.

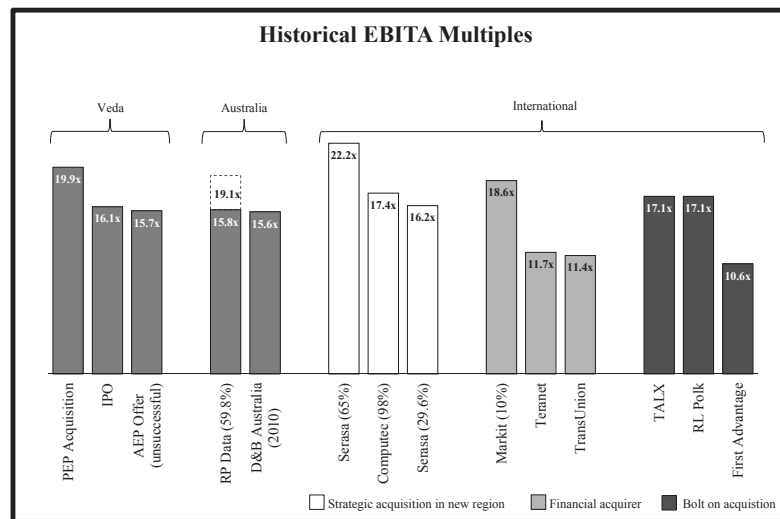


Source: Grant Samuel analysis (refer to Appendix 1)

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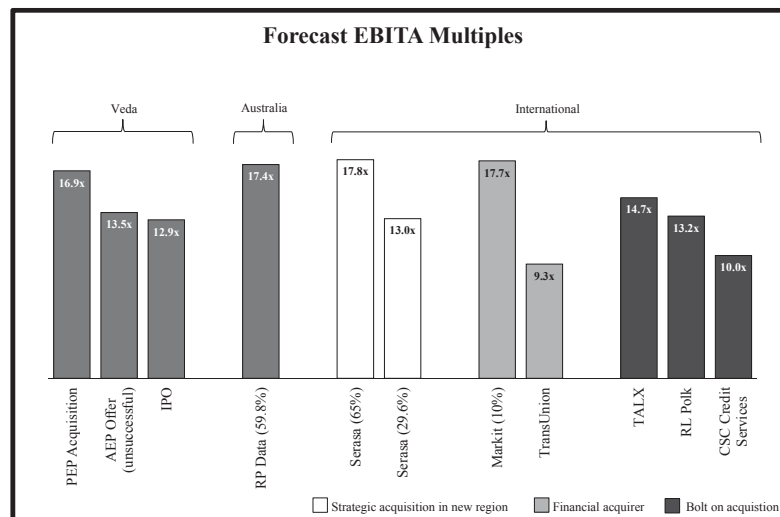


The following charts summarise the historical and forecast EBITA multiples:



Source: Grant Samuel analysis (refer to Appendix 1)

Note: The low multiple for RP Data includes the impact of acquisitions made (at a lower multiple) in August 2010. The high multiple excludes the impact of these acquisitions.



Source: Grant Samuel analysis (refer to Appendix 1)

The data indicates a very wide range of outcomes:

- historical EBITDA multiples in the range 8.5-20.5 times and forecast EBITDA multiples in the range 8.4-16.6 times; and
- historical EBITA multiples in the range 10.6-22.2 times and forecast EBITA multiples in the range 9.3-17.8 times.

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However, the characteristics of each of the transactions vary considerably and further segmentation provides a more informed analysis:

- there is limited transaction evidence in the Australian market other than transactions involving Veda:
  - the acquisitions of D&B Australia and D&B ANZ both involved businesses where Dun & Bradstreet was the data supplier (i.e. neither business had any proprietary data). In addition, as D&B ANZ was acquired by private equity, there would not have been any synergies available to the acquirer. These factors are likely to have contributed to lower implied multiples for these transactions; and
  - CoreLogic, Inc. (“CoreLogic”) already owned a 40.2% interest in the ASX-listed target RP Data Limited (“RP Data”), but would have been able to generate significant synergies from moving to 100% ownership. In addition, RP Data owned Australia’s largest residential and commercial property data base which would have been a valuable asset. These factors are reflected in the relatively high multiples implied by this transaction.

In any event, each of these transactions involves businesses that have much weaker market positions than Veda (and equity values of ~\$250 million compared to Veda’s \$2.5 billion);

- in relation to the transactions involving Veda:
  - the proportional offer from Allco Equity Partners Limited (“AEP”) was rejected on the basis that it significantly undervalued the business and was ultimately unsuccessful. As a result, the multiples implied by this transaction can be discounted;
  - the multiples implied by the IPO of Veda represent the value of a portfolio interest and therefore do not reflect a premium for control. In addition, IPOs are generally priced at a small discount to the expected trading price. The implied multiples increased by around 30% based on the closing price on the first day of trading to 16.2 times historical and 13.9 times forecast EBITDA and 21.1 times historical and 17.0 times forecast EBITA (for a portfolio interest); and
  - the PEP led consortium, as financial acquirers, would not have been able to generate any material synergies from the acquisition of Veda (although they would have expected to be able to improve the performance of the business). In addition, as Veda was listed at the time of this acquisition, any acquirer would have been able to save public company costs. If Veda’s earnings had been adjusted to add back public company costs, the implied multiples would be lower;
- the international transactions have been grouped into three categories:
  - strategic acquisitions in new geographic regions;
  - acquisitions by financial acquirers that do not generate material synergies; and
  - bolt-on acquisitions that are generally smaller but are strategically important and expected to generate significant synergies.

This analysis shows that, in general and not unexpectedly, the highest multiples are paid for strategic acquisitions in new geographic regions, followed by bolt-on acquisitions with the lowest multiples paid by financial acquirers.

The bolt-on transaction multiples provide evidence to support higher multiples being paid for proprietary data (e.g. RL Polk & Co, MSB & DataQuick and TALX Corporation (“TALX”)) rather than being a reseller of data (e.g. Credibility Corporation). One of the larger bolt-on transactions, the acquisition of First Advantage took place at relatively low multiples although this may be explained by



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the acquirer's existing controlling 74% interest and the impact on the business of the economic downturn following the global financial crisis (the acquisition was made in 2009).

Of the acquisitions by financial acquirers, the multiples for Teranet Income Fund ("Teranet") and TransUnion Corporation ("TransUnion") are particularly low. This is likely to reflect company specific factors. In particular, Teranet provided property based services in Ontario and the business had been impacted by a weakening in the Ontario housing market and a constraint on its ability to increase statutory fees. There were also ownership restrictions (with any acquisition of more than 25% requiring government approval). TransUnion, the third largest credit report provider in United States (after Equifax and Dun & Bradstreet), was facing number of issues including a slowdown in credit enquiries, increasing competition and regulatory risk.

The strategic acquisitions in new geographical regions have taken place at multiples of 15.5-20.5 times historical and 12.6-16.6 times forecast EBITDA and 16.2-22.2 times historical and 13.0-17.8 times forecast EBITA:

- the higher multiples paid by Experian for the initial acquisition of a controlling interest in Serasa S.A. ("Serasa") reflect the strategic importance of the acquisition, in particular, exposure to the emerging credit economy in Brazil, which had been experiencing strong growth of over 20% per year at that time (2007), the potential for significant synergies from cross selling value-added analytics products into Brazil and exposure to upside from expected legislative changes over the following two years to allow positive credit data;
  - the acquisition of Computec (also by Experian) had a similar strategic rationale although Columbia was already a positive credit data market (unlike Brazil) and was a considerably smaller business which may explain the lower multiples; and
  - the acquisition of the second tranche of Serasa by Experian (taking its interest to 99.6%) five years later took place at considerably lower multiples than the initial acquisition. This may have reflected the structure of the transaction, which was the result of put and call options put into place with the Brazilian banks when the initial interest was acquired. Serasa was a significantly larger business by this time (with an implied 100% equity value of US\$5 billion compared to US\$1.8 billion at the time of the initial acquisition); and
- it is also worth considering the multiples implied by other acquisitions by Equifax, certain credit services business assets and operations of CSC Credit Services, Inc. ("CSC Credit Services") and TALX. These two acquisitions were of a similar size (US\$1-1.2 billion), however, their implied multiples are at two extremes:
- the acquisition of CSC Credit Services took place at relatively low multiples of 9.3 times forecast EBITDA and 10.0 times forecast EBITA. CSC Credit Services was the largest independent United States consumer credit reporting agency, owned data in 15 states and had been an affiliate of Equifax for more than 20 years. The strategic rationale for the acquisition was that it improved profitability by removing fees paid to CSC Credit Services and gave Equifax greater control over pricing and sales in the 15 states; and
  - the acquisition of TALX took place at much higher multiples of 15.0 times historical and 13.2 times forecast EBITDA and 17.1 times historical and 14.7 times forecast EBITA (based on TALX's March year end). TALX was a leading provider of employment verification and related human resource/payroll services in the United States. The acquisition was consistent with Equifax's long term growth strategy of expanding into new markets and acquiring unique proprietary data sources and analytics and was expected to generate significant synergies. The acquisition price represented a multiple of ~11 times estimated CY07<sup>21</sup>

<sup>21</sup> CYXX is the calendar year end 31 December 20XX.

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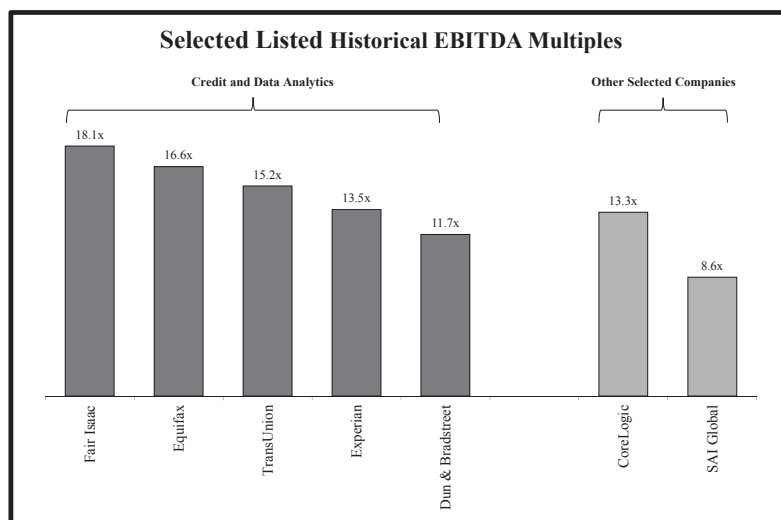


EBITDA pro forma for synergies, compared to 12.9 times excluding synergies (based on Equifax's December year end).

**Sharemarket Evidence**

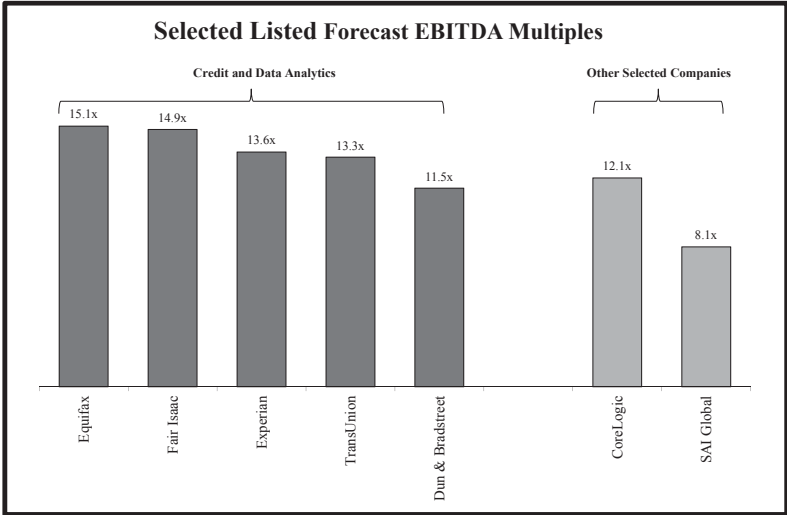
There are no companies listed on the ASX that are directly comparable to Veda. Appendix 1 contains analysis of the earnings multiples implied by the share prices as at 4 December 2015 for a selection of international companies operating in the credit reporting and data analytics sector. Grant Samuel has also considered the trading multiples of ASX listed SAI Global and United States listed CoreLogic. While not directly comparable to Veda, SAI Global does compete with Veda in the provision of information to commercial customers such as business names, PPSR searches and bankruptcy data sourced from ASIC and the AFSA. Veda is reseller of CoreLogic's property valuation data. CoreLogic owns Australia's largest property data base and has associated data analytics capability which makes it a useful reference when considering Veda.

The following charts summarise the historical and forecast EBITDA multiples:



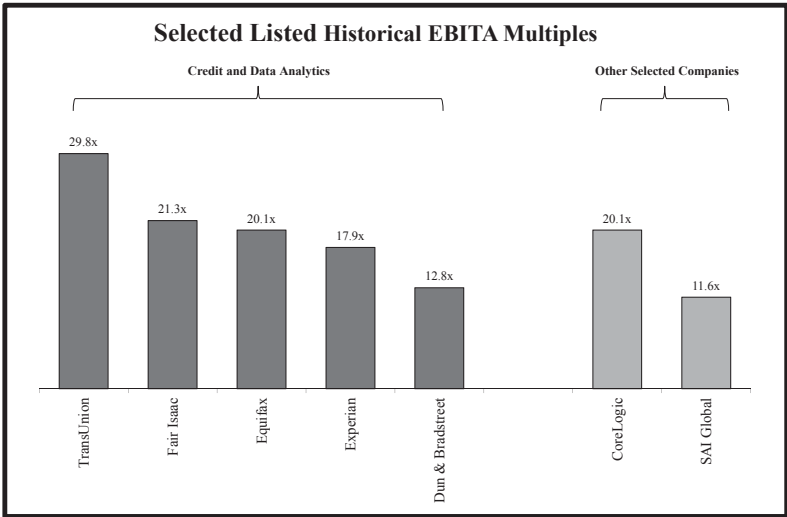
Source: Grant Samuel analysis. Multiples have been calendarised to a 30 June year end (refer to Appendix 1)

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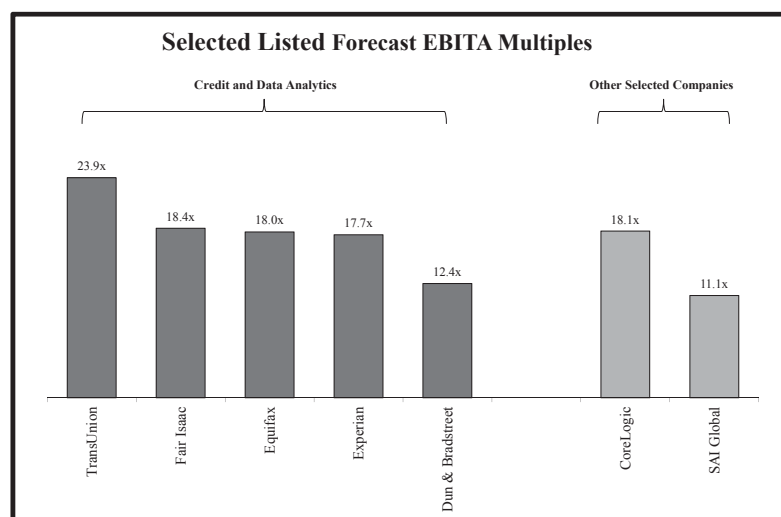
Source: Grant Samuel analysis. Multiples have been calendarised to a 30 June year end (refer to Appendix 1)

The following charts summarise the historical and forecast EBITA multiples:



Source: Grant Samuel analysis. Multiples have been calendarised to a 30 June year end (refer to Appendix 1)

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Source: Grant Samuel analysis. Multiples have been calendarised to a 30 June year end (refer to Appendix 1)

The following factors are relevant to consideration of the comparable entity multiples:

- the multiples for the listed entities are based on share prices as at 4 December 2015 and therefore do not include a premium for control;
- the listed companies are broadly trading at 12-16.5 times historical and 12-15 times forecast EBITDA and 13-21 times historical and 12.5-18.5 times forecast EBITA;
- Experian is the largest global credit and data analytics business with a market capitalisation of £12.7 billion. It has the broadest geographic footprint (compared to Equifax and TransUnion) and market leading positions in the United States, the United Kingdom and Brazil. Experian's trading multiples have been impacted by the economic slowdown in Brazil and increased competition in the United States from "freemium" providers of consumer credit services;
- Equifax is the second largest credit and data analytics business with a market capitalisation of US\$13.5 billion. It has successfully pursued a strategy of diversifying away from core credit services to data analytics and insights through investment and selective acquisitions. TransUnion is the third largest of the credit and data analytics businesses largely based in the United States and with a market capitalisation of US\$4.8 billion. TransUnion is at an earlier stage in diversifying its business mix away from core credit scores compared to Experian and Equifax. However, TransUnion has expanded into healthcare, government and insurance sectors and, combined with investments in new products during 2015, strong growth is expected in 2016. Brokers are forecasting high single digit revenue growth for Equifax and TransUnion over the next two to three years which is reflected in their high trading multiples;
- Fair Isaac Corporation ("Fair Isaac") is based in the United States and has a market capitalisation of US\$3.0 billion. Fair Isaac established the FICO Score which has become the standard measure of consumer credit risk in the United States. Fair Isaac's growth has been focused on expanding into the direct to consumer segment by partnering with Experian, Equifax and TransUnion to provide them with FICO credit scores. Fair Isaac has also invested in data management software to enhance data analytics capabilities and products. Greater penetration of the direct to consumer channel, leveraging its fraud products into a wider bank fraud market and selling

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decision management software to new industries is expected to support strong growth which is reflected in its trading multiples;

- Dun & Bradstreet is trading at lower multiples compared to the main listed credit and data analytics companies, reflecting its current focus on returning to profit growth and diversifying its business. It has refreshed its management team over the past two years, re-branded in conjunction with a focus on being a diversified information service company, invested in new technology and exited non-core markets (such as Australia and New Zealand). Dun & Bradstreet's revenue and EBITDA are forecast by brokers to decline in 2015 with a return to growth expected in 2016, which is reflected in its broadly flat historical and forecast trading multiples;
- SAI Global provides information, compliance and assurance services with operations largely in Australia and North America. It is in the early stages of implementing a significant group restructure which is expected to deliver organic revenue growth in 2016 with more material gains in the longer term. Uncertainty associated with the impact of the introduction of electronic property settlement in Australia on its mortgage settlement business and renewal of its publishing licence agreement with Standards Australia in 2018 are likely to be influencing its market rating and trading multiples;
- CoreLogic is a United States based global provider of residential property data and associated data analytics. Its key focus is a three-year productivity and cost management program that is expected to realise ongoing annualised savings of US\$60 million by 2018; and
- EBITA trading multiples show significantly greater variation than EBITDA trading multiples although the relative ranking of the listed companies is broadly the same. EBITA multiples are influenced by the amortisation of developed or acquired software, data files and other intangibles. Equifax, TransUnion, Fair Isaac and CoreLogic have high amortisation charges for intangibles relating to software and data sets from acquisitions which are reflected in their EBITA multiples.

### *Implied Multiples for Veda*

Grant Samuel has valued Veda's business operations in the range \$2,400-2,600 million. Based on the adjusted earnings set out in Section 4.3.2, the value range represents the following multiples:

Veda's Business Operations – Implied Multiples			
	Variable (\$ million)	Range of Parameters	
		Low	High
<b>Multiple of adjusted EBITDA (times)</b>			
Year ended 30 June 2015 (adjusted actual)	149.0	16.1	17.5
Year ending 30 June 2016 (adjusted broker consensus) <sup>22</sup>	166.4	14.4	15.6
<b>Multiple of adjusted EBITA (times)</b>			
Year ended 30 June 2015 (adjusted actual)	121.9	19.7	21.3
Year ending 30 June 2016 (adjusted broker consensus) <sup>22</sup>	131.9	18.2	19.7

The multiples implied by the valuation of Veda's business operations are higher than most transactions for which there is available evidence. However:

<sup>22</sup> Veda has not provided any specific guidance in relation to earnings for FY16 and the directors have decided not to include any forecasts in the Scheme Booklet. Accordingly, the forecast multiples are based on the median of broker's forecasts ("broker consensus") for Veda (refer to Appendix 2 for details). The broker consensus forecast is sufficiently close to the FY16 budget to be useful for analytical purposes.

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- most of the transactions (particularly the Australian transactions and the bolt-on acquisitions) are considerably smaller than Veda and involve businesses with weaker market shares or a more limited scope of activities;
- the lower multiples implied by transactions involving financial acquirers reflect the lack of any material synergies. In contrast, while the logical acquirers of Veda (i.e. international data and analytics companies without a major presence in Australia) may only be able to realise relatively small cost synergies given their lack of presence in Australia, there would be the potential for synergies around centralisation of back office functions and, more significantly, revenue synergies from the opportunity to cross sell products (particularly analytics products) across geographies. The potential for synergies is reflected in the higher implied multiples for Veda's business operations;
- the implied multiples for Veda's business operations are slightly below those implied by Experian's acquisition of a controlling interest in Serasa in 2007. Although this transaction occurred eight years ago, at the time Serasa had many similarities to Veda:
  - the leading consumer and commercial credit bureau in Brazil (with an estimated 60% market share) and in a country that is the largest in South America;
  - the largest database of credit information across the consumer and commercial markets; and
  - a strategically important acquisition for Experian, providing:
    - the opportunity to cross sell value-added analytics products into Brazil; and
    - exposure to upside from expected legislative changes over the following two years to allow positive credit data.

However, in contrast to Australia and New Zealand, Brazil also had an emerging credit economy that was experiencing strong growth of over 20% per year which would justify the higher multiples paid at the time.

The acquisition of the minority interests in Serasa five years later (in 2012) took place at considerably lower multiples;

- the multiples implied by past transactions involving Veda would usually be relevant benchmarks for the valuation of Veda's business operations. However, given the specific circumstances of each of the transactions (i.e. unsuccessful proportional offer, financial acquirer with no ability to generate synergies and IPO of portfolio interests), it is reasonable to expect a control transaction for Veda to be at higher multiples than these past transactions (other things being equal); and
- the multiples implied by the valuation of Veda's business operations are higher than the multiples implied by other acquisition by Equifax, CSC Credit Services (9.3 times forecast EBITDA and 10.0 times forecast EBITA) and TALX (15.0 times historical and 13.2 times forecast EBITDA and 17.1 times historical and 14.7 times forecast EBITA (based on TALX's March year end). While both transactions involved the acquisition of proprietary data, in contrast to these acquisitions, Veda is larger, operates across the whole of Australia and New Zealand (not just in a number of states), offers a full range of products and services and the potential for synergies. These factors warrant higher multiples than those paid for the acquisitions of CSC Credit Services and TALX.

The trading multiples of most listed comparable companies are around 12-15 times forecast EBITDA (median 13.4 times) and 12.5-18.5 times forecast EBITA (median 18.1 times), which is supportive of the range of 14.4-15.6 times forecast EBITDA and 18.2-19.7 times forecast EBITA for Veda in a change of control transaction and taking into account the characteristics of the comparable companies.

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All of the international comparable listed companies are larger than Veda. Equifax and Experian are significantly larger (more than 10 times the size of Veda) and have global operations. On the other hand, the international comparable listed companies also operate in less concentrated markets.

Veda has a number of attributes that justify relatively high multiples of FY15 and FY16 earnings:

- the attractions of its leading market positions across the majority of its products in Australia and New Zealand:
  - approximately 85% of the consumer credit risk enquiry market and the leading provider of commercial credit risk enquiries in Australia;
  - largest broker of business names (69% market share), ASIC (36% market share), PPSR (39% market share) and bankruptcy (30% market share) data in Australia; and
  - leading participant in consumer and commercial credit risk enquiries market in New Zealand;
- a track record of strong and consistent growth across economic cycles including the global financial crisis. Veda has recorded average annual growth in revenue of 14% over the last 20 years (FY95 to FY15) and 9% over the last 10 years (FY05 to FY15), which includes the global financial crisis (FY07 to FY09);
- a number of sustainable competitive advantages:
  - the dominant incumbent participant in the data and analytics markets in Australia and New Zealand;
  - extensive and high quality proprietary data assets built up over 48 years that are unmatched by any of Veda's competitors;
  - established customer relationships, in particular with each of the four major retail banks in Australia (Veda's major customers);
  - embedded distribution channels, where Veda's products are integrated into the technology platforms of its major customers and as a result its service offering is not able to be easily replicated;
  - secure and reliable information technology ("IT") systems which are outsourced to IBM under a long term contract. Veda has a long standing relationship with IBM; and
  - a reputation for being responsive to market changes. For example, Veda invested in a direct link to the PPSR from the time it was launched in January 2012 and, in response to customer demand, has more recently built a multi-search capability. Veda's ability to develop innovative solutions in a timely manner has enabled it become the leading broker of PPSR data in Australia;
- the breadth and diversity of Veda's product offering, including its extensive data analytics capabilities (e.g. fraud, online identity, collections and receivables analytics, products that serve the wealth and employment verification market) provide counter-cyclical benefits enabling Veda to generate growth in revenue through economic cycles;
- while the credit bureau business is mature, the short to medium term growth outlook for Veda is positive due to:
  - its exposure to the growing market for data and analytics, particularly through its B2C and Markets business line where Veda has identified a significant addressable market that it has only just started to penetrate;

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- substantial opportunities in the telecommunications, utilities and government sectors where Veda has only just started to “scratch the surface” in terms of penetration of its product and service offering. There are also future opportunities in the insurance (including health), education and superannuation sectors;
- the investment Veda has already made in a direct connection into PEXA (and its acquisition of ZipID) which is expected (once operational) to create demand for on line verification and identification services;
- the expectation for improved performance from New Zealand following a restructure completed in June 2015 and the appointment of new management (New Zealand is also ahead of Australia in the implementation of CCR);
- opportunities in the South East Asian and Middle Eastern markets through Veda’s existing joint ventures through:
  - increasing its footprint in existing markets by providing value added solutions (building on its current role as a provider of software/technology); and
  - targeting other greenfields regions. Veda is currently pursuing opportunities in Indonesia and Myanmar.

Many of these regions are emerging credit markets with significant growth potential;

- the existing pipeline of bolt-on acquisition opportunities; and
  - the potential upside from CCR. Veda has invested more than \$25 million over the last three years preparing for and implementing CCR (including increasing the capacity of its database to enable it to store additional “positive data” fields). However, no meaningful revenue has been generated from CCR to date and only a small amount of revenue is included in the FY16 budget (around \$5 million but this is primarily revenue to support customers transition to CCR data contribution and consumption). While CCR is expected to take several years to roll out fully, it has the potential to generate significant revenue as it provides additional information about the accounts individuals have and their repayment history;
- the strategic attractions of Veda’s business to potential acquirers:
    - it provides instant market leadership across the Australian and New Zealand markets that is not able to be replicated; and
    - the potential for synergies that might be available. While direct synergies for likely buyers are relatively limited (as the most likely buyers are international data and analytics companies without a major presence in Australia) there is the potential for synergies around back office functions and, more significantly, revenue synergies from the opportunity to cross sell products (particularly analytics products) across geographies;
  - the forecast EBITA multiples (at 18.2-19.7 times) are higher than the forecast EBITA multiples for comparable transactions. This reflects Veda’s relatively higher depreciation and amortisation charge as a result of a higher level of capital expenditure. Much of the additional capital expenditure in recent years has been in in preparation for CCR. Veda is incurring amortisation from capital expenditure that is largely one off in nature and has been incurred prior to any material CCR revenue being generated, resulting in lower EBITA (relative to EBITDA); and
  - the FY17 multiples implied by the valuation of Veda’s business operations (based on adjusted broker consensus forecasts) are considerably lower at 13.0-14.1 times FY17 adjusted EBITDA and 16.2-17.5 times FY17 adjusted EBITA (refer to Appendix 2 for the FY17 and FY18 broker consensus forecasts). While Grant Samuel has not relied



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on the multiples implied by FY17 broker consensus forecasts in forming its view on the value of Veda's business operations, it has had regard to these multiples in considering the reasonableness of its valuation.

At the same time, it needs to be recognised that:

- while Veda has diversified its revenue streams, particularly around data analytics products and services, the majority of its revenue is still derived from its credit bureau businesses. This part of Veda's business depends on the performance of the financial services sector generally and demand for credit in particular. A downturn in demand for credit would have an adverse impact on Veda's performance. This is likely to be the case despite Veda offering a broad range of products and services that provide counter-cyclical benefits (e.g. a greater focus on risk management in economic downturns increases the volume of enquiries);
- there is an element of customer concentration with the four major retail banks representing approximately 30% of revenue. These major clients generally have contracts with at least two providers of data (a primary and a secondary provider) to ensure the accuracy and consistency of data. The loss of a primary relationship could materially reduce the amount of business conducted with Veda. Veda mitigates this risk by having established relationships, embedded distribution channels, multi-year contracts with options to extend and staggered renewal dates and a strategy to expand into other (non-financial) sectors;
- there is the potential for increased competition:
  - across its business operations from established competitors such as D&B ANZ under private equity ownership. Funds managed by Archer Capital acquired D&B ANZ in June 2015 and will be seeking to grow the business and improve its performance as quickly as possible;
  - in niche product and service areas, from other "start up" competitors such as the National Fraud Exchange developed by the four major retail banks and the web based bankruptcy register established by AFSA; and/or
  - through on line sites that provide Veda's products for free (e.g. GetCreditScore provides consumers with access to their VedaScore for free but also generates marketing leads for credit providers. GetCreditScore was acquired by Veda in July 2015);
- Veda has consistently generated 2-3% of revenue growth from small, bolt-on acquisitions. These acquisition opportunities are often "nurtured" over a long period of time. Success depends on a number of factors:
  - Veda may not ultimately be able to agree terms for an acquisition or agree terms in the most cost effective manner (i.e. a small up front payment and deferred/contingent payments in most cases based on future performance); or
  - acquisitions may not perform to expectations,

both of which could limit Veda's ability to continue to generate future revenue growth from acquisitions;
- a considerable amount of data that is used by Veda to provide products and services is provided by external third party providers which Veda pays for (other than data provided by the major retail banks). An increase in the cost of accessing this third party data may have an adverse impact on Veda's margins and earnings. While most of the key data access contracts are multi-year or are automatically renewed (unless terminated with notice), there is a risk on renegotiation that Veda is not able to agree terms or the third party providers negotiate price increases that have a negative impact on Veda's performance. In particular, ASIC is one of largest suppliers of external third party data to Veda. The potential privatisation of ASIC's registries business may involve the government retaining ownership of the data with the private operator

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relying on revenue from providing access to the information to customers. This may result in an increase in the cost of this data for Veda. However, increases in data access costs can, in some cases, be offset by the ability to pass cost increases on to the customer (e.g. AFSA, PPSR and land titles);

- Veda is subject to significant regulation, in particular around privacy and consumer data protection. This regulation is complex, can change and has tended to become more stringent over time. Regulatory change could disrupt Veda's business operations through restricting its ability to collect, disclose or use data. However, while this type of change to regulation is possible, it has not happened to date and would need to be implemented over a long time frame, giving Veda time to mitigate its impact; and
- the growth potential of CCR will take time to pay off. While the experience in other developed countries indicates that there are material price and volume impacts from the introduction of positive data credit products and services, the timing of their introduction (i.e. only once there is sufficient critical mass of positive data) and the period of time over which products and services (once available) are taken up by customers are uncertain.

On balance, Grant Samuel believes that the multiples implied by the valuation of Veda's business operations of 15.0-16.2 times forecast EBITDA and 19.0-20.5 times forecast EBITA are appropriate.

#### 4.4.3 Discounted Cash Flow Analysis

No detailed projections are available for Veda. Nevertheless, Grant Samuel has used DCF analysis as a cross check of the capitalisation of earnings based valuation. To do so, Grant Samuel has prepared a high level DCF model that uses as its starting point the FY16 budget. Grant Samuel has extended the model for a further nine years based on assumptions in relation to revenue growth, margin and capital expenditure that have been developed in conjunction with Veda management. The DCF model is based on a number of assumptions that Grant Samuel considers reasonable. In addition to having discussions with management, Grant Samuel has considered broker consensus forecasts for FY17 and FY18 (refer to Appendix 2) in assessing the reasonableness of the assumptions in the model. However, the model does not constitute a forecast or projection by Grant Samuel of the future performance of Veda and no assurance or warranty is given that future performance will be consistent with the assumptions adopted in the model.

The DCF model forecasts nominal after tax cash flows from 1 July 2015 to 30 June 2025, a period of 10 years, with a terminal value calculated at 30 June 2025 by capitalising net after tax cash flows using a perpetual growth assumption. Other key assumptions include a nominal discount rate (weighted average cost of capital ("WACC")) in the range 8.5-9.5% and an effective corporate tax rate of 28%. The ungeared after-tax cash flows assume that tax is paid in cash from 1 July 2015 and Veda's existing tax losses have been considered separately (refer to Section 4.7).

##### *Discount Rate*

For the purposes of the analysis, Grant Samuel has utilised a discount rate in the range 8.5-9.5%. The determination of appropriate discount rates for the analysis is difficult:

- the cost of equity capital is not a precise or provable number nor can it be estimated with any degree of reliability. The cost of equity capital is not directly observable and models such as the Capital Asset Pricing Model ("CAPM") do no more than infer it from other data using one particular theory about the way in which security prices behave. Any estimate therefore depends on the efficacy of the theory and the robustness of the data but the available tools such as CAPM involve:
  - models which have limited empirical validity (and competing formulation);

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- simplifying assumptions;
- the use of historical data as proxy for estimates of forward looking parameters;
- data of dubious statistical reliability; and
- unresolved issues.

It is easy to over-engineer the process and to credit the output of models with a precision it does not warrant. The reality is that any cost of capital estimate or model output should be treated as a broad guide rather than an absolute truth. The cost of capital is fundamentally a matter of judgement, not merely a calculation; and

- strict application of the CAPM at the present time gives results that are arguably unrealistically low (primarily because of very low government bond rates) and are often inconsistent with other measures.

Use of the CAPM based on current parameters would result in a cost of equity in the range 8.3-8.9% calculated as follows:

- a risk free rate of 2.9% based on the 10 year Commonwealth Government bond rate in November 2015;
- a market risk premium of 6%, which is similar to that used by a wide variety of analysts and practitioners (typically in the range 5-7%); and
- an equity beta factor of 0.9-1.0 based on betas for international credit bureau and data analytics companies. Veda has only been listed since December 2013 and therefore does not have sufficient data points to calculate a beta using four years of data (as reported by SIRCA Technology Pty Limited). Veda's peer group companies have betas in a range around 1, with a median of 1.0-1.1 and a weighted average of 0.9-1.0.

The resultant WACC calculation is 7.4-8.1% assuming:

- a cost of debt of 5.4%, reflecting a 2.5% margin over the risk free rate; and
- a debt/equity mix of 15-20% debt and 80-85% equity, based on gearing for Veda as well as global credit bureaus and data analytics companies.

In Grant Samuel's opinion, these calculations are likely to understate the true cost of capital for Veda. In this context:

- anecdotal information suggests that equity investors have repriced risk since the global financial crisis and that acquirers are pricing offers on the basis of hurdle rates above those implied by theoretical models. However, this has yet to be translated into the measures of market risk premium (at least those based on longer term historical data). In this regard, an increase in the market risk premium of 1% (i.e. from 6% to 7%) would increase the calculated WACC range to 8.1-9.0%; and
- global interest rates, including long term bond rates, are at low levels by comparison with historical norms reflecting the very substantial amounts of liquidity being pumped into many advanced economies (particularly Western Europe and the United States) to stimulate economic activity. Effective real interest rates are now low and, in some cases, are negative. There is an argument that these conditions have now been present for some years and are therefore the "new normal". While there is some merit in this argument, Grant Samuel does not believe the current position is sustainable over the long term and, in our view, the risk is clearly towards a rise in bond yields. Indeed, the Federal Reserve in the United States has signalled that official interest rate rises are likely to occur within the reasonable near future.

Conceptually, the interest rates used to calculate the discount rate should recognise this expectation (i.e. they should be forecast for each future period) but

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for practical ease market practice is that a single average rate based on the long term bond rate is generally adopted for valuation purposes. Some academics/valuation practitioners consider it to be inappropriate to add a “normal” market risk premium (e.g. 6%) to a temporarily depressed bond yield and therefore advocate that a “normalised” risk free rate should be used. This practice has become increasingly common among broker analysts. On this basis, an increase in the risk free rate to (say) 4% (still relatively low by historical standards) would, for example, increase the calculated WACC range to 8.5-9.2%; and

- analysis of research reports on Veda indicate that brokers are currently adopting costs of equity capital in excess of 10% and WACCs in the range 8-10.8% with a median of 9.5%.

Having regard to these matters, Grant Samuel considers a discount rate above the calculated WACC to be an appropriate measure of the cost of capital. Accordingly, for this purpose Grant Samuel has adopted a discount rate in the range 8.5-9.5%.

***DCF Assumptions***

The valuation adopts as a starting date 1 July 2015 and projects cash flows for a period of 10 years. The FY16 budget prepared by Veda has been used as the basis for the cash flows in FY16.

For subsequent years, the DCF model has discrete revenue assumptions for each line of business, allowing for different revenue growth profiles. Operating costs, margins and capital expenditure assumptions have been made on a business-wide basis.

The DCF analysis considers a number of different scenarios. For Scenario A, the DCF model assumes that from FY17 onwards:

- revenue growth is forecast by line of business, resulting in annual growth in revenue for Veda over the life of the model in the high single digits (~9.5%). This revenue growth reflects:
  - Consumer Risk & Identity revenue growth declines from recent double digit levels to 8% per year over the initial forecast years and remains at this level in subsequent years. The initial decline in the rate of growth reflects the impact of the introduction of the PPSR on Consumer Risk & Identity revenue growth. While regulatory change will continue to provide revenue opportunities, PPSR generated considerable revenue and further opportunities of this magnitude are considered unlikely;
  - Commercial Risk & Information Services revenue growth slows in the initial forecast years, consistent with the historical trend after taking into account the one off impact on the rate of growth from the introduction of PPSR and reflecting the likely increase in competition from D&B ANZ under its new ownership;
  - B2C & Marketing's revenue growth continues at very high rates over the next three years before stabilising as Veda is only just starting to penetrate this significant addressable market (and noting that the growth is from a low base); and
  - International revenue is assumed to grow at a rate consistent with that in the FY16 budget, which is slightly higher than historical rates of growth (excluding the impact of foreign exchange movements) following the recent business and management restructure.

No allowance has been included for any material revenue from CCR, which has been considered as a separate Scenario;

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- the EBITDA margin is maintained at around 42% over the life of the model. The higher proportion of lower margin B2C & Marketing revenue is assumed to be offset by margin benefits from increasing scale;
- capital expenditure is calculated as a percentage of revenue and, consistent with the guidance provided by Veda, gradually declines from around 15% in FY16 to around 12% by FY18 and then gradually declines to 10% by the end of the life of the model. While Veda management believes that capital expenditure of 12% of revenue reflects a normalised level of capital expenditure, it would be expected that capital expenditure would not grow at as fast a rate as revenue indefinitely;
- depreciation and amortisation is calculated as a percentage of the average asset/intangible balance for the period. The percentage applied is consistent with the historical rate.  
This approach results in depreciation and amortisation as a percentage of total capital expenditure of 60% increasing to ~85% over the life of the model;
- a working capital adjustment based on days debtors and days creditors consistent with historical rates;
- an annual allowance for bolt-on acquisitions (after a ramp up period in FY16 and FY17 to reflect the deferred and contingent payments for past acquisitions that have been included as other assets and liabilities in the valuation of Veda);
- a corporate tax rate of 28% based on Veda's effective tax rate (excluding associates);
- approximately \$4.5 million of public company and other cost savings annually; and
- a terminal growth rate of 3.5% (implying an EBITA exit multiple of 11.2-13.4 times).

The net present value ("NPV") of Scenario A is \$2,166-2,637 million.

As with any long term projections, there are inherent uncertainties about future events and outcomes and small changes in certain assumptions (in particular, revenue growth, margins and levels of capital expenditure) can have disproportionate impacts on the calculated values. The DCF model is, at least implicitly, based on a large number of assumptions which are subject to significant uncertainty, many of which are outside the control of Veda, including macroeconomic conditions (e.g. interest rates, employment, consumer sentiment and other factors that drive credit demand by consumers and businesses) and the level of competition in the credit bureau and data analytics sector as a result of actions of other participants and new entrants.

As a result of these uncertainties, there is a wide range of potential outcomes that could occur, both positive and negative (and an even greater number of possible combinations of those outcomes). Most of these risks impact demand for Veda's services, which would likely be reflected as either higher or lower volumes or higher or lower margins than anticipated. Other potential outcomes include:

- the future impact of CCR on revenue and margins and the extent to which that impact is greater or less than anticipated and/or the timing of take up of positive credit reporting is quicker or slower than anticipated; and
- capital expenditure requirements to sustain existing business operations or for growth and development are greater or less than anticipated.

Given the high level nature of the DCF model and the purpose of the analysis, it is neither practical nor useful to analyse an exhaustive range of alternative scenarios. However, Grant Samuel has considered the impact of alternative assumptions for the key drivers to at least provide some indication of the sensitivity of the NPV outcome to changes in these drivers.

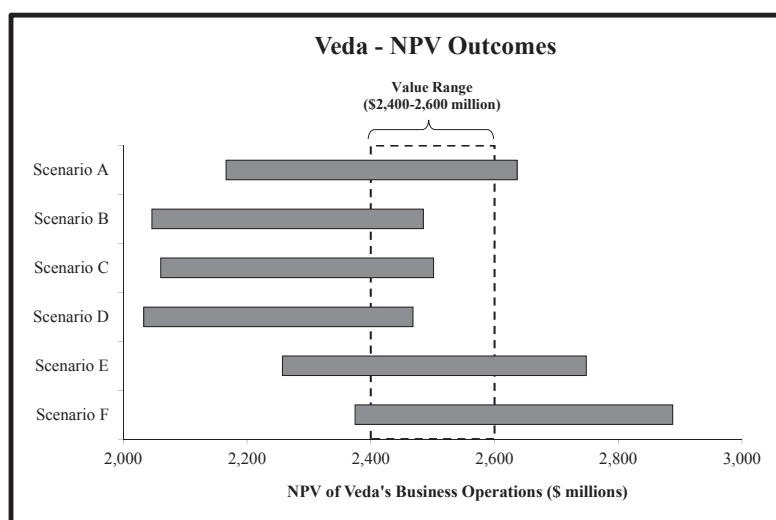
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Each scenario assumes as a starting point that Scenario A is achieved. A description of each scenario and the resulting NPV is outlined in the table below:

Veda - DCF Scenarios		
Scenario	NPV (\$ millions)	Description
Scenario A	2,166-2,637	Based on FY16 budget. From FY17 onwards, revenue growth assumptions by business line resulting in average annual growth in revenue in high single digits. EBITDA margin maintained at ~42%. Capital expenditure declines from 15% of revenue to 12% of revenue by FY18 and to 10% by the end of the life of the model. Depreciation and amortisation of 60% increasing to 85% of capital expenditure. Terminal growth rate of 3.5%.
Scenario B	2,046-2,485	Scenario A except that revenue growth average annual growth rate is ~8% post FY18, margins as per Scenario A.
Scenario C	2,060-2,501	Scenario A except that EBITDA margin declines to ~40% by the end of the life of the model.
Scenario D	2,033-2,468	Scenario A except that capital expenditure remains at 12% of revenue for the life of the model.
Scenario E	2,257-2,748	Scenario A plus a "base" allowance for CCR revenue building up over four years from FY18 at an EBITDA margin of 42%.
Scenario F	2,375-2,888	Scenario A plus an "upside" allowance for CCR revenue building up over three years from FY17 at an EBITDA margin of 42%.

The NPV outcomes are depicted diagrammatically below:



The range of net present values produced by the scenario analysis is wider than the value range Grant Samuel has placed on Veda's business operations of \$2,400-2,600 million. Grant Samuel's value range incorporates, to some extent, each of the values produced by the DCF analysis. Grant Samuel has considered the outcome of all of the scenarios in determining its value range for Veda's business operations. However, it should be noted that:

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- Scenario A reflects “business as usual” for Veda, based on assumptions developed in conjunction with Veda management (and having regard to broker consensus forecasts for FY17 and FY18) and does not include any upside from CCR. While the quantum and timing of the impact of CCR are uncertain, it is highly unlikely that it will have no impact on the value of Veda’s business operations (refer to the comments about CCR in Scenarios E and F below). Scenario A provides support for the low end of the range of values attributed to Veda’s business operations;
- Scenarios B, C and D show the sensitivity of the NPV to relatively small movements in revenue growth, margins and capital expenditure respectively:
  - while average annual revenue growth of ~8% (down from ~9.5%) is below the level of growth that Veda has achieved over recent years (average annual growth of ~13% over the last four years) it is still relatively high and it is not inconsistent with Veda’s average annual revenue growth of ~9% over the last 10 years. A slight reduction in the rate of growth possible given the potential for increased competition from D&B ANZ under private equity ownership;
  - while Veda has reported lower EBITDA margins historically, these margins were prior to the new arrangements being put in place under which Veda capitalises the majority of expenditure on ASIC data. It is possible that an increase in competition could result in lower margins or that the greater proportion of B2C & Marketing revenue could more than offset the scale benefits allowed for in Scenario A;
  - lower revenue growth and lower margins are more consistent with Veda’s international peers (albeit that they operate in more competitive and less concentrated markets); and
  - at ~12% of revenue (Scenario D) capital expenditure would double from around \$50 million in FY15 to more than \$100 million in FY25. This level of capital expenditure is considered to be very unlikely given that a significant proportion of capital expenditure over the last 2-3 years has been in preparation for CCR, and Veda would not continue to spend at this level indefinitely, particularly with no return on investment in the form of an increase in revenue.

While these are plausible scenarios, the DCF analysis does not make any allowance for mitigating actions that Veda would take if it became apparent that this type of scenario might eventuate (such as seeking new sources of revenue growth, significant reduction in costs or curtailing non-revenue generating capital expenditure). While it is possible that there may be periods of lower revenue growth and/or lower margins and/or higher capital expenditure, in Grant Samuel’s opinion, it is unlikely that Veda would continue to operate indefinitely in this environment without responding, particularly in relation to a decline in margins or an increase in non-revenue generating capital expenditure. This view is reflected in the value range selected for Veda’s business operations; and

- Scenarios E and F show the potential impact of CCR on the value of Veda’s business operations. There are any number of scenarios around the key variables of price and volume impacts and the timing of uptake of products using positive data. Veda has undertaken considerable research on the size of addressable market and the possible revenue impact, including considering the impact of CCR in other countries. Grant Samuel has considered two extreme scenarios (other than no take up, which is essentially Scenario A), a base level of revenue combined with take up over a longer time period (four years from FY18) and an upside level of revenue combined with take up over a shorter time period (three years from FY17). While the actual impact of CCR is uncertain, some allowance should be made although an acquirer would not attribute full value to the CCR potential given its early stage of development in Australia and the risks associated with executing on a CCR strategy.



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Taking these factors into account, Grant Samuel believes that the values produced by the DCF analysis support a range of values for Veda's business operations of \$2,400-2,600 million.

#### 4.5 Corporate Overhead Costs

Veda incurs corporate overhead costs related to running Veda's head office which includes the costs of:

- the Veda executive office (such as costs associated with the offices of the Managing Director and Chief Executive Officer and the Chief Financial Officer, company secretarial and legal, corporate affairs, treasury, tax etc.);
- being a listed company (such as directors fees, annual reports and shareholder communications, share registry and listing fees and dividend processing); and
- certain group shared services (such as human resources, IT etc.).

Any acquirer of 100% of Veda would be able to save the costs associated with being a publicly listed company. Furthermore, an acquirer of Veda which has an existing presence in Australia would potentially be able to eliminate some duplicated roles.

The ability to save other head office costs is less clear particularly as the most likely acquirers of Veda are large international data and analytics companies based overseas that would not be in a position to eliminate duplicate head office functions. In any event, allowing for such savings would potentially double count them given the earnings multiples from comparable transactions reflect (to some extent) synergies available to the acquirer.

For valuation purposes, Grant Samuel has reduced corporate overheads by \$4.5 million per year (reflecting listed company costs of \$2.1 million and a portion of head office costs of \$2.4 million) in the calculation of Veda's adjusted earnings described in Section 4.3.2 and consequently, no separate adjustment has been made for these cost savings.

#### 4.6 Value of Interests in Joint Ventures

A value in the range \$86-92 million has been attributed to Veda's interests in joint ventures:

Veda – Interests in Joint Ventures (\$ millions)		
	Value Range	
	Low	High
IHPL (49% interest)	73.1	78.1
Credit Bureau Cambodia (effective 24.99% interest) <sup>23</sup>	12.3	13.2
Veda@SIMAH (50% interest)	0.3	0.3
<b>Total value of interests in joint ventures</b>	<b>85.7</b>	<b>91.6</b>

Veda's interests in IHPL and Credit Bureau Cambodia have been valued on the following basis:

- the business operations were valued based on capitalisation of earnings:
  - no forecasts were provided for IHPL or Credit Bureau Cambodia;
  - historical EBITDA (\$\$11.4 million for IHPL for the year ended 30 June 2015 and US\$2 million for Credit Bureau Cambodia for the year ended 31 December 2014) was

<sup>23</sup> Veda owns a 51% interest in Veda Advantage (Cambodia Holdings) Pte Ltd which in turn owns a 49% interest in Credit Bureau Cambodia, resulting in Veda having an effective 24.99% interest in Credit Bureau Cambodia. Veda Advantage (Cambodia Holdings) Pte Ltd is a holding company that has no other material operations.



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capitalised at historical multiples consistent with those implied by Grant Samuel's valuation of Veda's business operations;

- the joint ventures do not have any external borrowings. The cash balance as at the latest available balance date has been included in the valuation (IHPL in particular has a significant cash balance);
- in the case of IHPL:
  - an allowance has been made for the non controlling interests in Dun & Bradstreet (Singapore) Pte Ltd (19%) and Credit Bureau (Singapore) Pte Ltd (25%); and
  - no value has been attributed to the effective 18.35% interest in Credit Bureau Malaysia Sdn Bhd as this investment was written down to nil in June 2014;
- the values have been converted from S\$ and US\$ to A\$ at current exchange rates; and
- a discount of 10% to the proportionate underlying value has been made to allow for the nature of the joint venture interests. While there are put and/or call options in place in particular circumstances at or around fair market value as well as pre-emptive rights and in some cases, drag along/tag along rights, Grant Samuel considers it appropriate to make some allowance from the full proportionate underlying value to allow for the non controlling nature of the joint venture interests.

Veda's 50% interest in Veda@SIMAH has been valued on a net assets basis. Veda @SIMAH's principal activities are the distribution and licensing of credit information software to SIMAH and provision of technical support for its products. Veda receives a royalty fee under the licensing agreement (this is shown as income in Veda's financial performance) and at this stage, the business effectively runs on a breakeven basis. Net assets as at 31 December 2014 was primarily cash.

The estimated value of Veda's interests in joint ventures of \$86-92 million is higher than Veda's aggregate carrying value for these interests as at 30 June 2015 of \$33.9 million (refer to Section 3.5). Veda's carrying value is on an equity accounted basis and represents the historical cost of the investments adjusted for profits and dividends received over time. In contrast, Grant Samuel's value estimate is a judgement as to the price that an acquirer may be willing to pay for Veda's interests in these joint ventures by reference to their current underlying value.

### 4.7 Other Assets and Liabilities

Veda's other assets and liabilities have been attributed a net value of \$(3.9) million:

Veda – Other Assets and Liabilities (\$ millions)			
	Section Reference	Value Range	
		Low	High
Management share plan loans	3.5	2.8	2.8
Mark to market of derivative exchange instruments	3.5	(1.5)	(1.5)
Deferred consideration for acquisitions	3.5, refer below	(8.2)	(8.2)
Contingent consideration for acquisitions	3.5, refer below	(10.8)	(10.8)
Unclaimed dividends	3.5	(6.1)	(6.1)
Tax losses	3.7, refer below	19.9	19.9
<b>Value of other assets and liabilities</b>		<b>(3.9)</b>	<b>(3.9)</b>

As at 30 June 2015, Veda had recognised deferred consideration and contingent consideration for acquisitions of \$7.7 million:

- \$5.0 million of deferred consideration in relation to KMS Data, Kingsway Financial Assessments and TPS; and

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- \$2.7 million of contingent consideration in relation to Corporate Scorecard and ITM.

Since 30 June 2015, Veda has:

- made deferred consideration payments of \$1.0 million and contingent consideration payments of \$1.5 million which have been deducted from the respective balances; and
- made a further three acquisitions (ZipID, GetCreditScore and ReachTEL) that have deferred or contingent components to their acquisition price. Grant Samuel has included these amounts in the deferred and contingent consideration balances for the purposes of the valuation, resulting in a further \$4.2 million of deferred consideration (representing the net present value of future payments for ReachTEL) and \$9.6 million of contingent consideration (representing the net present value of future contingent payments) for ZipID and GetCreditScore.

As at 30 June 2015, Veda had carried forward tax losses of \$22.3 million, which it expects to utilise during FY16. While it is sometimes debatable whether tax losses should be attributed any value, in this case Grant Samuel has attributed value to the tax losses on the basis that the losses will be utilised in the very short term. The value attributed to the tax losses has been based on the net present value of the tax payments saved at a discount rate of 9.0%.

Other assets and liabilities does not include any value for Veda's interests in joint ventures and associates (book value of \$33.9 million as at 30 June 2015). Veda's interests in joint ventures and associates have been valued separately (refer to Section 4.6).

#### 4.8 Net Borrowings

Veda's adjusted net borrowings for valuation purposes are \$115.7 million. This amount reflects Veda's reported net borrowings adjusted for non-cash capitalised borrowing costs and cash from the exercise of options as a result of the Proposal:

Veda – Adjusted Net Borrowings (\$ millions)			
	Section Reference	Value Range	
		Low	High
Net borrowings as at 30 June 2015 (per balance sheet)	3.5	(196.8)	(196.8)
Capitalised borrowing costs	refer below	(0.7)	(0.7)
Cash from exercise of options	3.8, refer below	81.8	81.8
<b>Adjusted net borrowings</b>		<b>(115.7)</b>	<b>(115.7)</b>

Capitalised borrowing costs have been added back to net borrowings as is it is non cash asset (that is amortised over the life of the relevant borrowings).

Net borrowings has been adjusted for the cash that would be received from the exercise of Veda's issued options. For the purposes of the valuation, it has been assumed that:

- all of the options are exercised (at exercise prices of \$1.90-2.15), resulting in the issue of 40,621,387 shares and raising \$81.8 million; and
- all of the Deferred Share Rights vest and are converted to 756,023 shares. No cash is received on the conversion of Deferred Share Rights as they have no exercise price. The trustee of the Veda Group Employee Share Plan Trust has acquired shares on market to satisfy all outstanding Deferred Share Rights so no additional shares are issued as a result of the conversion of the Deferred Share Rights.

As a result of the exercise of options, the number of issued shares in Veda increases by 40,621,387 to 887,047,116.

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This approach is different to the actual treatment of options and Deferred Share Rights under the Proposal (refer to Section 1 for details), where only the Deferred Share Rights (which have no exercise price and do not require the issue of new shares) will participate in the Proposal. The options will be dealt with by optionholders receiving from Equifax the difference between the offer price of \$2.825 per share and the exercise price of the relevant options (which range from \$1.90 to \$2.15). The adjustment made by Grant Samuel (i.e. assuming exercise of all options and allowing for the dilutive impact on value) is economically equivalent to the actual treatment.

Net borrowings has not been adjusted for the following:

- payment of the FY15 dividend of 6.0 cents per share (totalling \$50.5 million) on 8 October 2015;
- payment of employee bonuses in respect of FY15 of \$10.2 million;
- up front consideration paid in relation to acquisitions made after 30 June 2015 (ZipID, GetCreditScore and ReachTEL) of \$5.5 million (although any deferred or contingent payments are included in other assets and liabilities – refer to Section 4.7 for details);
- cash used to enable the trustee of the Veda Group Employee Share Plan Trust to acquire 756,023 Veda shares on market to satisfy all of the Deferred Share Rights. These shares were acquired on market in August 2015 for \$1.6 million; and
- cash from the exercise of options after 30 June 2015. Since 30 June 2015, 2,143,974 Tranche A options with an exercise price of \$1.90 and 1,826,348 Tranche B options with an exercise price of \$2.10 have been exercised, raising \$7.9 million.

While these are significant uses and sources of cash that are not reflected in net borrowings as at 30 June 2015, they will be largely offset by cash from operations generated by Veda in the period from 1 July 2015 to implementation of the Proposal.

### 4.9 Non-Controlling Interests

For the purposes of the valuation, Grant Samuel has attributed a value of \$14.3-15.3 million to non-controlling interests in Veda.

Non-controlling interests represent the:

- 34.2% interest in Datalicious<sup>24</sup>; and
- 25% interest in GetCreditScore,

not owned by Veda.

\$0.5 million of Veda's NPAT for the year ended 30 June 2015 and \$2.6 million of Veda's net assets as at 30 June 2015 were attributable to non-controlling interests (excluding the non-controlling interest in GetCreditScore, which was acquired post 30 June 2015). While these non-controlling interests are not material in the overall context of Veda's value (0.5% or less of NPAT and net assets), an allowance should be made for them.

The value of \$14.3-15.3 million is based on Grant Samuel's valuation of each of these businesses (which takes into account the contribution of each of these businesses to Veda's FY16 budget EBITDA which is reflected in the overall valuation of Veda's business operations). The value attributed to non-controlling interests represents less than 1% of the overall value of Veda.

No value has been attributed to the 49% non-controlling interest in Veda Advantage (Cambodia) Holdings Pte Ltd as this has been taken into account in attributing value to Veda's 51% interest in the joint venture (refer to Section 4.6 for details).

<sup>24</sup> Veda increased its interest in Datalicious from 62.8% to 65.8% in May 2015 after buying out a minority shareholder.

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## 5 Evaluation of the Proposal

### 5.1 Opinion

Grant Samuel has concluded that the Proposal is fair and reasonable. Accordingly, in Grant Samuel's opinion the Proposal is in the best interests of Veda shareholders, in the absence of a superior proposal.

### 5.2 Fairness

Grant Samuel has estimated the full underlying value of Veda, including a premium for control, to be in the range \$2,352-2,557 million which corresponds to \$2.65-2.88 per share. The value is the aggregate value of the estimated value of Veda's operating businesses together with other assets less external liabilities and any non trading assets or liabilities. In particular, the value estimate takes into account:

- the leading market positions that Veda holds in the key markets in which it operates in Australia and New Zealand;
- Veda's track record of strong and consistent growth across economic cycles;
- Veda's extensive and high quality proprietary data assets;
- the breadth and diversity of Veda's product offering, including extensive data analytics capabilities (and the counter cyclical benefits this offers);
- the established relationships Veda has built with its customers and the embedded distribution channels that exist with many of these customers;
- the positive short to medium term growth outlook for the business as a result of the:
  - continued development and introduction of new products and penetration of new markets;
  - the existing pipeline of bolt on acquisitions; and
  - the introduction of CCR products; and
- the strategic attractions of the business to potential acquirers:
  - it provides instant market leadership across the Australian and New Zealand markets; and
  - the potential for synergies that might be available (primarily revenue synergies).

The value range exceeds the price at which, based on current market conditions, Grant Samuel would expect Veda shares to trade on the ASX in the absence of a takeover offer (or speculation as to an offer). The valuation is set out in Section 4 of this report.

The consideration payable under the Proposal of \$2.825 per share falls within the value range of \$2.65-2.88. Accordingly, the Proposal is fair.

### 5.3 Reasonableness

As the Proposal is fair, it is also reasonable. In any event, there are a number of other factors that support a conclusion that the Proposal is reasonable and which Veda shareholders should consider in determining whether or not to vote in favour of the Proposal. These factors are set out in the following sections.

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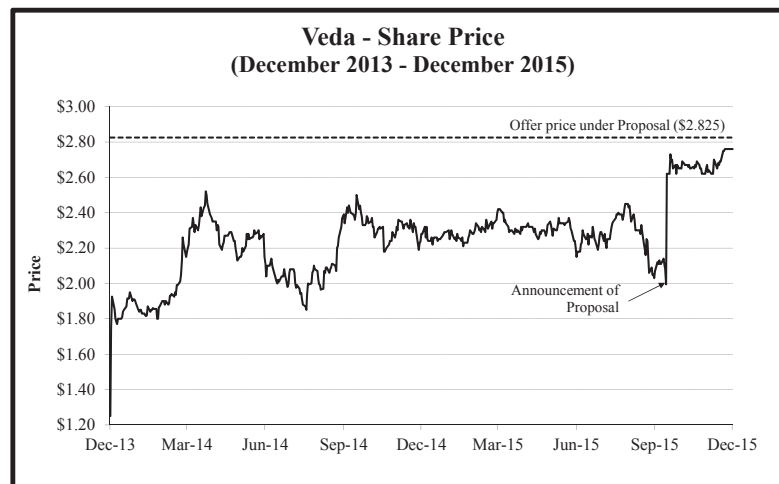


### 5.3.1 Premium for Control

Takeover transactions are commonly analysed by reference to the extent of the control premium. The cash offered under the Proposal of \$2.825 represents the following premiums to the price at which Veda shares traded in the period prior to announcement of receipt of a conditional and non-binding expression of interest from Equifax:

Premiums Implied by the Proposal		
Period	Veda share price/VWAP (\$)	Premium over prices to 17 September 2015
Closing price	1.995	41.6%
VWAP – 1 week prior	2.084	35.6%
VWAP – 1 month prior	2.109	33.9%
VWAP – 3 months prior	2.198	28.5%

The premium based on daily Veda share prices over the period since listing on the ASX of 5 December 2013 can be depicted graphically:



Source: IRESS

The Proposal represents substantial premiums for control (~30-40%) over recent trading prices. Premiums of this magnitude are at the top end of the level of control premiums typically expected in takeovers which tend to fall in the range 20-35% but it is important to recognise that:

- premiums for control are an outcome not a determinant of value; and
- they vary widely depending on individual circumstances.

Premiums of around 40% are not necessarily uncommon, particularly where there is a contested, competitive process or where there are significant strategic and/or synergistic benefits available to an acquirer but which are not available to portfolio investors in the normal course of events on a standalone basis.

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In this case, the extent of the premium (particularly over the closing price on 17 September 2015) is probably attributable to:

- the fall in Veda's share price prior to announcement of receipt of a conditional and non-binding expression of interest from Equifax on 18 September 2015:
  - Veda's share price fell sharply following release of its FY15 results as investors reacted to comments at the time on the outlook for FY16 (slower NPAT growth and continuing high levels of capital expenditure). The share price fell \$0.18 (~8%) from \$2.24 to close at \$2.06 on 28 August 2015. The market increased by around 1.8% over the same period;
  - the share price subsequently recovered to trade in a range around \$2.10 but fell again (by \$0.085 or ~4%) on 17 September, the day prior to announcement of receipt of a conditional and non-binding expression of interest from Equifax.

It is not possible to predict the extent to which movements in the Veda share price prior to announcement of receipt of a conditional and non-binding offer from Equifax were an overreaction to the outlook for FY16 and therefore temporary or were more permanent in nature. However, it is clear that Veda's share price immediately prior to announcement of receipt of a conditional and non-binding expression of interest was at a low point (and the lowest price in over 12 months);

- the higher multiples at which Equifax trades, enabling it to pay a premium without diluting earnings; and
- the strategic value to Equifax of Veda's market position in Australia and New Zealand and the synergies available to Equifax. Equifax is a global data and analytics business but has no meaningful operations in Australia and New Zealand. The acquisition fills a geographic gap in its global network. None of these factors would be reflected in the daily trading of portfolio interests on the ASX.

### 5.3.2 Share Trading in the Absence of the Offer

In the absence of the Proposal or any alternative offer, shareholders can only realise their investment by selling on the ASX at a price which does not include any premium for control and would incur transaction costs (e.g. brokerage). In these circumstances, assuming there is also no speculation as to an offer and based on trading in Veda shares prior to the Proposal, it is likely that, under current market conditions, Veda shares would trade at prices well below \$2.825.

In this regard:

- the cash offer under the Proposal of \$2.825 is above Veda's highest trading price (prior to announcement of receipt of the conditional and non-binding expression of interest from Equifax on 18 September 2015) since listing on the ASX in December 2013 of \$2.55 which occurred in March 2014;
- in the six months prior to announcement of receipt of the conditional and non-binding expression of interest, Veda shares traded in the range \$1.995 to \$2.43 and at a VWAP of \$2.25; and
- since announcement of receipt of the conditional and non-binding expression of interest, Veda shares have traded in the range \$2.51 to \$2.80 (at a VWAP to 4 December 2015 of \$2.68).

Accordingly, it is considered unlikely that Veda shares would trade at or above \$2.825 in the foreseeable future in the absence of the Proposal.

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### 5.3.3 Alternative Proposals

Sine listing on the ASX in December 2013, Veda has not been approached by (or on behalf of) any party with a view to that party making a takeover offer (or equivalent) for Veda. Similarly, since announcement of the receipt of a conditional and non-binding expression of interest from Equifax on 18 September 2015, no alternative offeror has approached Veda (or its advisers).

Nevertheless, it is conceivable that a third party (e.g. another international data analytics company) could make a higher offer for Veda:

- the Proposal has highlighted the strategic value of Veda's business operations. Veda's business could be an attractive acquisition for a number of major global data analytics companies, particularly those without a major presence in the Asia Pacific region;
- while there are a number of substantial shareholders in Veda which collectively hold around 35% of Veda's shares, these shareholders are all investment companies and there are no structural impediments to an alternative acquirer. While there are the usual exclusivity provisions in the scheme implementation deed, there is a fiduciary carve out and Veda can respond to unsolicited proposals from other parties (subject to a disclosure obligation); and
- while the extent of the premium already offered under the Proposal may be somewhat of a deterrent, it would not necessarily stop a determined bidder.

On the other hand, the Proposal is the outcome of detailed due diligence and negotiations involving Veda and Equifax and, apart from Equifax, there are few obvious candidates with scale and financial capacity that would be able to acquire Veda (the obvious candidates, Experian and Dun & Bradstreet, already have operations in Australia and/or New Zealand and would be likely to face competition hurdles).

The meeting at which Veda shareholders will vote on the Proposal is scheduled for 8 February 2016. This should be ample time for an alternative offeror to come forward. However, while it is conceivable that a third party could make a higher offer, it is unlikely.

## 5.4 Other Matters

### 5.4.1 Tax Consequences

If the Proposal is approved and is implemented, shareholders will be treated as having disposed of their shares for tax purposes. A gain on disposal may arise depending on the cost base of Veda shares, the length of time held, whether the shares are held on capital or revenue account and whether or not the shareholder is an Australian resident for tax purposes.

Details of the taxation consequences are set out in Section 10 of the Scheme Booklet. Shareholders should consult their own adviser in relation to the taxation consequences of the Proposal.

### 5.4.2 Transaction Costs

If the Proposal is not approved, Veda will incur transaction costs of approximately \$5-7 million. In certain circumstances, Veda will also be liable to pay Equifax a \$25 million reimbursement fee. If the Proposal is approved, all transaction costs will effectively be borne by Equifax.

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**5.5 Shareholder Decision**

Grant Samuel has been engaged to prepare an independent expert’s report setting out whether in its opinion the Proposal is in the best interests of shareholders and to state reasons for that opinion. Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Proposal, the responsibility for which lies with the directors of Veda.

In any event, the decision whether to vote for or against the Proposal is a matter for individual shareholders based on each shareholder’s views as to value, their expectations about the future performance of Veda and future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt as to the action they should take in relation to the Proposal, shareholders should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in Veda. This is an investment decision upon which Grant Samuel does not offer an opinion and is independent of a decision on whether to vote for or against the Proposal. Shareholders should consult their own professional adviser in this regard.



## G R A N T   S A M U E L



### 6   **Qualifications, Declarations and Consents**

#### 6.1   **Qualifications**

The Grant Samuel group of companies provide corporate advisory services (in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally) and provide marketing and distribution services to fund managers. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 500 public independent expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Jaye Gardner BCom LLB (Hons) CA SF Fin GAICD and Atagün Bensen BSc (Hons) LLB. Both have a significant number of years of experience in relevant corporate advisory matters and both are representatives of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act.

#### 6.2   **Disclaimers**

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Proposal is in the best interests of shareholders. Grant Samuel expressly disclaims any liability to any Veda shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet issued by Veda and has not verified or approved any of the contents of the Scheme Booklet. Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

#### 6.3   **Independence**

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with Veda or Equifax or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposal.

Grant Samuel commenced analysis for the purposes of this report in October 2015 prior to the announcement of the Proposal. This work did not involve Grant Samuel participating in setting the terms of, or any negotiations leading to, the Proposal.

Grant Samuel had no part in the formulation of the Proposal. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$525,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Proposal. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011.

#### 6.4   **Declarations**

Veda has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving gross negligence or wilful misconduct by Grant Samuel. Veda has also agreed to indemnify Grant Samuel and its employees and officers for time

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spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Any claims by Veda are limited to an amount equal to the fees paid to Grant Samuel. Where Grant Samuel or its employees and officers are found to have been grossly negligent or engaged in wilful misconduct Grant Samuel shall bear the proportion of such costs caused by its action.

Advance drafts of this report were provided to Veda and its advisers. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

**6.5 Consents**

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to shareholders of Veda. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

**6.6 Other**

The accompanying letter dated 11 December 2015 and the Appendices form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

**GRANT SAMUEL & ASSOCIATES PTY LIMITED**

11 December 2015

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## Appendix 1

## Market Evidence

## 1 Valuation Evidence from Transactions

Set out below is a summary of selected transactions involving credit bureau and data analytics businesses in Australia and internationally over recent years for which there is sufficient information to calculate meaningful valuation parameters:

Recent Transaction Evidence – Credit Bureau and Data Analytics Businesses										
Date	Target	Transaction	Consideration <sup>1</sup> (millions)	EBITDA Multiple <sup>2</sup> (times)		EBITA Multiple <sup>3</sup> (times)		EBIT Multiple <sup>4</sup> (times)		
				Historical	Forecast	Historical	Forecast	Historical	Forecast	
Australia										
Jun 15	D&B ANZ	Acquisition by Archer Capital	A\$220	na	8.9	na	na	na	11.9	
Apr 11	RP Data	Acquisition by CoreLogic of shares not already owned	A\$252	10.1-12.6	11.0	15.8-19.1	17.3	16.0-19.4	17.3	
Aug 10	D&B Australia	Acquisition by Dun & Bradstreet	A\$230	10.5	na	15.6	na	16.5	na	
International										
Jun 15	Credibility Corporation	Acquisition by Dun & Bradstreet	US\$320-350	11.9-13.0	na	na	na	na	na	
Feb 14	Callcredit	Acquisition by GTCR	GBP480	14.0	na	na	na	17.8 <sup>5</sup>	16.4 <sup>5,6</sup>	
Jul 13	MSB and DataQuick	Acquisition by CoreLogic	US\$523	na	11.0	na	na	na	na	
Jun 13	RL Polk	Acquisition by IHS	US\$1,380	14.6	12.3	17.1	13.2	18.9	14.3	
May 13	Markit	Acquisition of a 10% interest by Temasek	US\$5,000	14.7	13.5	18.6	17.7 <sup>6</sup>	20.7	19.9 <sup>6</sup>	
Dec 12	CSC Credit Services	Acquisition by Equifax	US\$1,000	na	9.3	na	10.0	na	10.0	
Oct 12	Serasa	Acquisition of 29.6% interest by Experian (taking total interest to 99.6%)	BRL10,473 (US\$5,023)	15.5	12.6 <sup>6</sup>	16.2	13.0 <sup>6</sup>	19.3	15.4 <sup>6</sup>	

<sup>1</sup> Implied equity value if 100% of the company or business had been acquired.

<sup>2</sup> Represents gross consideration divided by EBITDA. EBITDA is earnings before net interest, tax, depreciation, amortisation and significant and non-recurring items.

<sup>3</sup> Represents gross consideration divided by EBITA. EBITA is earnings before net interest, tax, amortisation of acquired intangible assets and significant and non-recurring items.

<sup>4</sup> Represents gross consideration divided by EBIT. EBIT is earnings before net interest, tax and significant and non-recurring items.

<sup>5</sup> EBIT multiples have been calculated using profit before tax. To the extent that there is significant net interest expense, the implied EBIT multiples would be lower.

<sup>6</sup> Forecast multiples have been calculated using actual results. In the case of TransUnion, amortisation has been adjusted to remove the impact of acquisition amortisation as a result of the transaction.

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Recent Transaction Evidence – Credit Bureau and Data Analytics Businesses									
Date	Target	Transaction	Consideration <sup>1</sup> (millions)	EBITDA Multiple <sup>2</sup> (times)		EBITA Multiple <sup>3</sup> (times)		EBIT Multiple <sup>4</sup> (times)	
				Historical	Forecast	Historical	Forecast	Historical	Forecast
Feb 12	TransUnion	Acquisition by GS Capital Partners/Advent	US\$1,685	9.1	8.4 <sup>6</sup>	11.4	9.3 <sup>6</sup>	12.2	9.8 <sup>6</sup>
May 11	ComputeC	Acquisition of a 98% interest by Experian	COP735,581 (US\$383)	15.8	na	17.4	na	17.5	na
Sept 10	Mighty Net	Acquisition by Experian	US\$208	na	na	na	na	7.4	na
Oct 09	First Advantage	Acquisition by First American (now CoreLogic) of shares not already owned	US\$1,204	8.5	na	10.6	na	12.4	na
Sep 08	Teranet	Acquisition by Borealis	C\$1,580	10.6	10.4	11.7	na	20.7	na
Jun 07	Serasa	Acquisition of 65% interest by Experian	BRL3,569 (US\$1,831)	20.5 <sup>7</sup>	16.6	22.2 <sup>7</sup>	17.8	22.2 <sup>7</sup>	17.8
Feb 07	TALX	Acquisition by Equifax	US\$1,228	15.0	13.2	17.1	14.7	19.1	16.2
<b>Veda Transactions</b>									
Dec 13	Veda	IPO	A\$1,053	12.3	10.5	16.1	12.9	16.1	12.9
Apr 07	Veda Advantage	Acquisition by PEP led consortium	A\$812	16.3	14.3	19.9	16.9	19.9	16.9
Jul 05	Baycorp Advantage	Proportional takeover offer from AEP	A\$798	12.8	11.1	15.7	13.5	15.7	13.5

Source: Grant Samuel analysis<sup>8</sup>

A brief summary of each transaction is set out below:

***Dun & Bradstreet's Australian and New Zealand business/Funds managed by Archer Capital***

Dun & Bradstreet, Inc.'s ("Dun & Bradstreet") Australian and New Zealand business ("D&B ANZ") is a leading provider of outsourced consumer and commercial risk management services and debt collection services to customers in the financial services, telecommunications, utilities and government sectors. The company's integrated offering facilitates the provision of end-to-end customer management services, from sales prospecting to customer on-boarding and receivables management. D&B ANZ operates the second largest credit bureau in the region, with access to more than 225 million company records globally. D&B ANZ provides its customers with access to this database via an ongoing relationship with Dun & Bradstreet.

<sup>7</sup> Serasa's historical and forecast earnings have been sourced from a broker's report at the time of the transaction. The broker adjusted Serasa's historical EBITDA, EBITA and EBIT to reflect the different treatment of data assets acquired by Serasa under Brazilian GAAP (expensed) compared to IFRS (capitalised) (i.e. EBITDA and EBITA are higher than reported by Serasa, reducing the implied multiples).

<sup>8</sup> Grant Samuel analysis based on data obtained from IRESS, S&P Capital IQ, company announcements, transaction documentation and, in the absence of company published financial forecasts, brokers' reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each transaction depends on analyst coverage, availability and corporate activity.

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The divestment by Dun & Bradstreet was consistent with its long term growth strategy to focus on its commercial business (approximately 67% of D&B ANZ's business is consumer related).

### ***RP Data Limited/CoreLogic, Inc.***

On 12 January 2011, RP Data Limited ("RP Data") announced that CoreLogic, Inc. ("CoreLogic"), its 40.2% shareholder, had made an offer to acquire all of the issued shares in RP Data that it did not already own for A\$1.65 per share. RP Data also intended to pay a A\$0.05 per share special dividend if the proposal was approved. RP Data provides property information, decision-making analytics and risk management services in Australia and New Zealand. It owns Australia's largest residential and commercial database of more than 150 million property records and had more than 10,000 clients which are primarily real estate agents, financial institutions, government and consumers.

The historical multiples implied by the transaction have been shown on two bases, including and excluding the impact of acquisitions made in August 2010. FY11 earnings have been adjusted to reflect full a year of the impact of the acquisitions and to exclude the impact of Megaw & Hogg National Valuers (one of the businesses acquired in August 2010). RP Data entered into a conditional and non-binding heads of agreement to divest this business in January 2011.

### ***Dun & Bradstreet Holdings Australia Limited/Dun & Bradstreet, Inc.***

On 31 August 2010, Dun & Bradstreet announced that it had acquired a 100% equity interest in a member of the Dun & Bradstreet Worldwide Network, Dun & Bradstreet Australia Holdings Limited ("D&B Australia") for US\$205 million (plus a working capital adjustment). At the time, D&B Australia had established commercial risk and receivables management businesses and an emerging consumer credit service. The acquisition of D&B Australia represented a strong fit with Dun & Bradstreet's international strategy and enabled Dun & Bradstreet to participate directly in a geographic region that had increasing importance to its global customers.

### ***Dun & Bradstreet Credibility Corporation/Dun & Bradstreet, Inc.***

On 27 April 2015, Dun & Bradstreet announced that it has entered into an agreement to acquire Dun & Bradstreet Credibility Corporation ("Credibility Corporation") from Great Hill Equity Partners IV, L.P. and others for US\$320 million plus an earn out of up to US\$30 million if certain performance milestones are met through 2018. Credibility Corporation provides credit building and credibility solutions for businesses. Dun & Bradstreet intended to combine Credibility Corporation's technology and data solutions with its small and medium sized business assets. Dun & Bradstreet regarded Credibility Corporation as an attractive asset with a focus on small and medium sized businesses and a record of strong growth that would assist Dun & Bradstreet accelerate its strategy to deliver sustainable growth under one brand.

Dun & Bradstreet originally owned Credibility Corporation and sold it to private equity in 2010, becoming the data supplier to the company. Dun & Bradstreet received a percentage of revenue for the data as well as a royalty for use of the Dun & Bradstreet name.

### ***Callcredit Information Group Limited/GTCR Fund X L.P.***

GTCR Fund X, L.P. ("GTCR") and management acquired Callcredit Information Group Limited ("Callcredit") from Vitruvian Partners LLP on 14 February 2014. Callcredit provides consumer credit data solutions and software and analytics services in the United Kingdom. It had over 3,000 customers, including the United Kingdom's largest financial institutions and organisations in the alternative lending, insurance, telecom, utilities and public sectors. The company's services enable real-time credit reporting and scoring, multi-bureau decisioning analysis, loan affordability assessments, customer account monitoring and management, identity verification and fraud protection. Callcredit also provides consumer marketing solutions that facilitate effective marketing campaigns and direct-to-consumer credit reports that allow individuals to monitor and improve their personal credit profile. GTCR intended to use Callcredit as a platform from which to grow the business through continued product innovation and investment as well as pursuing opportunities for expansion geographically and through acquisition.

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***Marshall & Swift/Boeckh, LLC, DataQuick Information Systems, Inc. and the credit and flood services operations of DataQuick Lending Solutions, Inc./CoreLogic, Inc.***

On 30 June 2013, CoreLogic signed an agreement to acquire Marshall & Swift/Boeckh, LLC (a leading provider of residential and commercial property valuation solutions to the property and casualty insurance industry), DataQuick Information Systems, Inc. (a property data and analytics information company) and the credit and flood services operations of DataQuick Lending Solutions, Inc. ("MSB and DataQuick") from Decision Insight Information Group. The businesses had strong brands and proprietary data-driven, high margin, subscription based business models. The reported purchase price of US\$661 million included cash tax benefits from certain acquired amortisable intellectual property, amortisable goodwill and net operating loss carry forwards with a present value of approximately US\$115 million and US\$28 million attributable to the acquisition of MSB's 29.5% interest in Symbility Solutions (giving an acquisition price for the businesses of US\$523 million). The acquisition significantly expanded CoreLogic's footprint in property and casualty insurance, added additional scale to its existing property data and analytics business and was expected to lead to cost synergies and significant future growth opportunities. The acquisition did not complete until 25 March 2014, following receipt of regulatory clearance.

***R. L. Polk & Co./IHS Automotive, Inc.***

On 7 June 2013, IHS Automotive, Inc. ("IHS") entered into an agreement to acquire R. L. Polk & Co. ("RK Polk") for US\$1.4 billion in cash and IHS shares. RL Polk provides information and analytics solutions to the automotive industry globally. It operates through two divisions, Polk Division (~40% of revenue), which provides sales and registration data to the global automotive industry and CARFAX (~60% of revenue) which provides vehicle history information to dealers that purchase and sell used cars. The acquisition by IHS followed an announcement by RL Polk that it was exploring strategic growth opportunities which would include a possible sale. The acquisition created a single global automotive information supply chain connecting all major segments of the automotive industry and established IHS's automotive business as a strategic partner for the automotive industry worldwide. HIS expected to generate significant cost and revenue synergies from the transaction.

***Markit Group Holdings Limited/Temasek Private (Holdings) Limited***

Temasek Private (Holdings) Limited ("Temasek"), Singapore's state-owned investment company, acquired a 10% interest in Markit Group Limited ("Markit") on 21 May 2013 for US\$500 million. Markit is a globally diversified provider of financial information services. Its products enhance transparency, reduce risk and improve operational efficiency in the financial markets. Markit's products include pricing and reference data, indices, valuation and trading services, trade processing, enterprise software and managed services.

***CSC Credit Services, Inc./Equifax Inc.***

On 1 December 2012, Equifax Inc. ("Equifax") entered into an agreement to purchase certain credit services business assets and operations of CSC Credit Services, Inc. ("CSC Credit Services") from Computer Sciences Corporation for US\$1 billion in cash (plus a working capital adjustment of US\$1 million). CSC Credit Services was the largest independent United States consumer credit reporting agency, owning consumer credit files in 15 states covering approximately 20% of the population and had been an affiliate of Equifax for more than 20 years. Under the agreement between CSC Credit Services and Equifax, CSC Credit Services had a put option to sell the business to Equifax by August 2013. Equifax expected to realise tax benefits from a step-up in the tax bases of the acquired assets having an estimated net present value of approximately US\$200 million. The implied multiples net of these tax benefits are significantly lower (7.4 times forecast EBITDA and 8.0 times forecast EBIT). The strategic rationale of the acquisition for Equifax was that it improved the profitability of its US Consumer Information Solutions division by removing fees paid to CSC Credit Services and gave Equifax greater control over pricing and sales in the region.

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### *Serasa S.A./Experian plc*

Serasa S.A. (“Serasa”) is one of the largest credit bureaux in the world and is the market leader in Brazil, with approximately 60% market share. It is the market leader in both consumer and commercial credit services, mainly competing against local competition. Dun & Bradstreet is the only global business credit services competitor. Serasa owns the most extensive databases in Brazil on the credit behaviour of consumers and companies and plays an active role in most credit and business related decisions made in Brazil on a daily basis. Serasa has extensive data-gathering capabilities, sourcing data from a network of Brazilian banking, commercial and judicial organisations. Its databases include payment practices, public defaults, social and demographic information and economic and financial information.

Experian plc (“Experian”) acquired an initial 65% interest in Serasa from a consortium of Brazilian banks on 28 June 2007 for BRL2.32 billion. Under the terms of the purchase agreement, a further 5% of Serasa was subsequently acquired in October 2007, increasing Experian’s interest to 70%. This acquisition was strategically important to Experian as it provided access to the emerging credit economy in Brazil which was experiencing strong growth of over 20% per year, the opportunity to cross sell value-added analytics products into Brazil and exposure to the upside from expected legislative changes over the next two years to allow positive credit data.

At the time the initial interest was acquired, put and call options were entered into over the minority shareholding which became exercisable in June 2012. Experian and the shareholder banks negotiated an agreement under which Experian would acquire a further 29.6% of Serasa (taking its interest to 99.6%) for US\$1.5 billion in cash. In addition to the agreed cash consideration, Experian and the shareholder banks agreed an:

- extension of existing agreements to provide negative data, and commitments for the provision of positive data once the applicable law is fully operational; and
- extension of minimum purchase guarantees.

Experian believed these extensions to existing agreements would continue to underpin its core data assets and further assist in leveraging the full Experian product suite in Brazil. In addition, the Brazilian government had just enacted legislation and published final rules for collection and use of positive credit data which was expected to support Serasa’s continued strong growth in Brazil (allowing for a period of 18-24 months to accumulate a critical mass of positive data). Serasa had already made progress in preparing for the introduction of positive credit data, holding positive data on 70 million consumers and nearly 230 million lines of credit histories.

These extensions were estimated by Experian to have a value of “several hundred million dollars”, which, if taken into account, would result in lower implied multiples.

### *TransUnion Corporation/Goldman Sachs Capital Partners VI, LP and Advent International Corporation*

On 17 February 2012, TransUnion Corp (“TransUnion”) announced that Advent International Corporation (“Advent International”) and Goldman Sachs Capital Partners VI Fund, LP and certain of its affiliates (“GS Capital Partners”) had entered into an agreement to acquire TransUnion from its current shareholders, including Madison Dearborn Partners and the Pritzker family business interests for US\$1.685 billion plus the assumption of existing debt. TransUnion is the third largest provider in the United States of information management and risk management solutions to individual consumers and to businesses across multiple industries including financial services, insurance, healthcare, automotive, collections, retail and communications. Its technology and services enable businesses to make more timely and informed credit granting, risk management, underwriting, fraud protection and customer acquisition decisions by delivering high quality data and by integrating advanced analytics and enhanced decision making capabilities. TransUnion also provides consumers with real-time access to their personal credit information and analytical tools that help them to understand and proactively manage their personal finances. TransUnion provides services in 25 countries across five continents (North America, Africa, Latin America, the Asia Pacific and India).



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TransUnion is understood to have agreed to the acquisition by private equity due to a number of risks it was facing, including a slowdown in credit inquiries, increasing competition and regulatory risk. Following an inquiry by the United States Consumer Financial Protection Bureau it had been proposed that, for the first time, credit reporting companies and debt collectors be regulated to reduce the incidence of erroneous credit reports.

***Compute S.A./Experian plc***

On 3 May 2011, Experian announced that it had entered into an agreement to acquire the majority of the shares in Compute S.A. ("Compute") at a price of COP10,419 per share (equivalent to COP736 billion or US\$383 million for 100% of the equity). Compute owns the leading credit bureau in Colombia, including the most extensive database in Colombia on the credit behaviour of consumers, with an estimated market share of around 60%. Its product range includes on line credit reports, scores, identity validation tools and fraud prevention services. Compute has a diverse customer base across financial services, telecommunications and other industry segments. It also owns the only credit bureau in Venezuela and is developing a bureau in Peru.

The acquisition further strengthened Experian's Latin American presence, building on the leading position it had established in Brazil. Columbia was an immature credit market and the acquisition provided Experian with majority control of the market leader in a high growth market. In assessing opportunities for Compute and the growth prospects of the Colombian credit market, Experian found many similarities to the assessment it made at the time of the acquisition of a majority interest in Serasa in Brazil in 2007. In addition, while Columbia was already a positive credit data market (unlike Brazil), the Colombian market did not have a developed decision analytics or business information market, enabling Experian to import services from its existing business to grow those markets.

***Mighty Net, Inc./Experian plc***

On 20 September 2010, Experian announced that it had acquired substantially all of the assets of Mighty Net, Inc. ("Mighty Net") for US\$207.5 million. Mighty Net provides online credit monitoring services to consumers. Its key products include bureau reports, bureau scores, credit score tracking and credit file monitoring services which are provided directly to consumers on a subscription basis. As at 30 June 2010, Mighty Net had approximately 680,000 subscribers in the United States. The acquisition of Mighty Net brought attractive consumer brands to Experian (enabling Experian to benefit from more effective and efficient marketing spend) and further consolidated Experian's position in this market. Experian expected to increase revenue per Mighty Net member by applying its marketing techniques to improve retention and upsell of additional products. It also expected to realise significant cost synergies in the areas of technology, infrastructure and back office functions (with savings estimated at US\$4 million in the year ending 31 March 2012 and US\$5-6 million in the year ending 31 March 2013, representing 15-20% of EBIT).

***First Advantage Corporation/The First American Corporation***

On 28 June 2009, The First American Corporation ("First American") made an unsolicited offer to acquire the issued and outstanding common stock of its publicly traded subsidiary, First Advantage Corporation ("First Advantage"). The consideration offered was 0.5375 of a First American share for each First Advantage share, equivalent to US\$14.04 per share, a 10.2% premium to First Advantage's stock price immediately prior to the announcement. This offer was rejected by First Advantage, as were two subsequent increases in the offer to 0.55 of a First American share on 14 August 2009 and 0.57 of a First American share on 31 August 2009. On 8 October 2009, First American announced a recommended offer of 0.58 of a First American share for each First Advantage share, equivalent to US\$18.86 per share and a 48% premium to First Advantage's closing price prior to the announcement of the initial offer in June 2009.

First American owned approximately 74% of First Advantage's equity (and had 97% voting power) and acquiring the minority interest was expected to enhance its financial flexibility, reduce organisational complexity and provide greater overall operational efficiency. It was also a step in preparing to separate First American's information solutions business (now CoreLogic) and financial services business.



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First Advantage provided global risk mitigation, screening services and credit reporting to commercial and consumer customers. It operated in five primary business segments, credit services, data services, employer services, multifamily services and investigative & litigation support services. The credit services, data services and employer services segments represented approximately 80% of revenue. These segments provided consumer credit information in the mortgage, automotive and specialty finance markets, business credit information in the transportation industry, lead generation services, motor vehicle record reports, employment background verifications, occupational health services, applicant tracking systems, recruiting solutions, skills and behavioural assessments and business tax consulting services.

First Advantage's business had been impacted by economic downturn, which had caused a decrease in service revenue from the mortgage industry, lead generation and specialty finance businesses (although this was partly offset through international expansion in the employer services and investigative and litigation support services segments).

### ***Teranet Income Fund/Borealis Infrastructure Trust***

On 4 September 2008, Borealis Infrastructure Management, Inc. announced that it intended to make an offer, through Borealis Acquisition Corporation ("Borealis") to acquire all the units of Teranet Income Fund and Teranet Holdings Limited Partnership ("Teranet") for C\$11 in cash per unit. On 28 October 2008, as a result of deterioration in economic and financial market conditions and increases in the cost of capital, Borealis announced that it was reducing its offer price to C\$10.25 per unit. Borealis had made three proposals to Teranet to commence negotiations to acquire the assets of the fund since June 2007 but was not able to move the discussions forward. Despite Teranet recommending that unitholders reject the C\$11 offer, the C\$10.25 offer was successful.

Teranet was the sole provider of access to the Electronic Land Registration System for the province of Ontario (until 2017) (approximately 40% of revenue) and provided electronic land-based information and complementary services (approximately 60% of revenue) to approximately 80,000 clients in the legal, real estate, government, financial and health care sectors. At the time of the transaction, Teranet's business was impacted by a weakening of the Ontario housing market and a constraint on its ability to increase statutory fees. There were also restrictions on its ownership, with any shareholder wishing to acquire in excess of 25% of the equity in the fund requiring approval from the government.

### ***TALX Corporation/Equifax Inc.***

Equifax and TALX Corporation ("TALX") announced on 14 February 2007 that Equifax would acquire TALX in a stock (75%) and cash (25%) transaction valued at approximately US\$1.4 billion, including the assumption of debt. TALX was a leading provider of employment verification and related human resource/payroll services, serving over 9,000 clients in the United States. It provided a wide range of products and services including employment and income verification, pay reporting, hiring and employment tax management services. Over the prior three years, TALX's revenue and EBIT had grown at a compound rate of 29% and 55% respectively, as TALX expanded its range of services.

The acquisition of TALX was aligned with Equifax's long term growth strategy of expanding into new markets and acquiring unique proprietary data sources and analytics and enabled Equifax to deliver complementary solutions to a broader customer base. The transaction followed a year of discussions and due diligence. Equifax expected to generate significant synergies from the acquisition. An Equifax presentation at the time of the acquisition stated that the acquisition price represented a multiple of ~11 times estimated CY07 EBITDA (pro forma for synergy opportunities). The multiples in the table above are consistent with those presented in the independent appraisal report on the transaction:

TALX – Independent Appraisal Report Multiples			
Parameter	Year ended 31 March 2006 historical	12 months ended 31 December 2006 historical	Year ending 31 December 2007 forecast
EBITDA	20.6	15.3	12.9
EBIT	25.5	20.2	na

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The transaction was announced in February 2007 (towards the end of the forecast March 2007 year) and closed on 15 May 2007 (after the end of forecast March 2007 year). Consequently, the table above shows FY07 as the historical multiples and FY08 as the forecast multiples.

***Veda Group Limited/IPO***

Veda listed on the ASX by way of an initial public offer (“IPO”) on 5 December 2013. The offer price under the IPO was \$1.25 per share. The purpose of the offer was to raise capital to reduce Veda’s existing debt, provide Veda with access to capital markets to enable Veda to pursue further growth opportunities and to provide a liquid market for its shares and an opportunity for others to invest in Veda. The existing shareholders in Veda (Pacific Equity Partners (“PEP”) and management) retained all of their shares in Veda at listing and entered into a voluntary escrow agreement until at least the release of the FY14 results. As a result, on listing PEP held a 63.5% interest in Veda and management owned a further 2.1%. PEP sold down its shareholding in Veda over the period from August 2014 to February 2015. Trading in Veda shares opened on 5 December 2013 at \$1.74 and Veda shares traded as high as \$1.78 on the first day before closing at \$1.75.

***Veda Advantage Limited/Funds managed by Pacific Equity Partners and Merrill Lynch Global Equity Partners***

On 30 January 2007, Veda Advantage Limited (“Veda Advantage”) received an indicative, non-binding and conditional proposal from a private equity consortium comprising PEP and Merrill Lynch Global Private Equity (“MLGPE”) to acquire all of the shares in Veda Advantage at an indicative price of \$3.61 per share (adjusted for any future dividends). On the basis of this indicative offer, the Veda Advantage directors agreed to allow the consortium to undertake due diligence. On 2 April 2007, Veda Advantage and the consortium announced that they had entered into a merger implementation agreement under which the consortium would acquire all of the shares in Veda Advantage at a cash price of \$3.61 per share (excluding the \$0.06 per share dividend paid on 22 March 2007), \$0.10 per share of which was to be paid by Veda Advantage as a special dividend.

***Baycorp Advantage Limited/Allco Equity Partners Limited***

On 25 July 2005, Allco Equity Partners Limited (“AEP”) announced that it had acquired a 17% interest in Baycorp Advantage Limited (“Baycorp”) for a consideration of \$136 million and that it intended to make a proportional offer for 50% of all Baycorp shares that it did not own at \$3.50 per share to achieve a majority shareholding in Baycorp. If the offer was successful, AEP would also propose a capital return by Baycorp of \$1.18 per share. Baycorp directors recommended that shareholders reject the unsolicited proportional takeover offer from AEP on the basis that it significantly undervalued Baycorp shares and was materially inadequate. The proportional offer lapsed on 30 September 2005 after receiving no acceptances from shareholders.

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## 2 Valuation Evidence from Sharemarket Prices

There are no listed companies in Australia and New Zealand with directly comparable operations to Veda. Accordingly, Grant Samuel has reviewed sharemarket ratings for the main listed international credit and data analytics companies. Grant Samuel has also considered the sharemarket ratings for SAI Global and CoreLogic. SAI Global competes with Veda in the provision of business, bankruptcy, property and other records sourced from ASIC and other agencies. CoreLogic provides real property data and supplies Veda with property valuations.

The sharemarket ratings of the selected companies are set out below:

Sharemarket Ratings of Selected Listed Companies – Credit and Data Analytics and Selected Other Businesses										
Company	Market Capital- isation <sup>9</sup> (millions)	EBITDA Multiple <sup>10</sup> (times)			EBITA Multiple <sup>11</sup> (times)			EBIT Multiple <sup>12</sup> (times)		
		Historical	Forecast Year 1	Forecast Year 2	Historical	Forecast Year 1	Forecast Year 2	Historical	Forecast Year 1	Forecast Year 2
Australia										
SAI Global	A\$889	8.6	8.1	7.6	11.6	11.1	10.2	12.3	11.7	10.7
Credit and Data Analytics										
Experian	£12,655	13.5	13.6	12.9	17.9	17.7	16.8	19.5	19.8	18.7
Equifax	US\$13,462	16.6	15.1	13.9	20.1	18.0	16.4	21.5	19.1	17.2
TransUnion	US\$4,827	15.2	13.3	12.1	29.8	23.9	19.6	35.2	27.2	21.8
Dun & Bradstreet	US\$3,989	11.7	11.5	11.0	12.8	12.4	11.7	13.2	12.7	11.9
Fair Isaac	US\$3,010	18.1	14.9	13.1	21.3	18.4	16.2	19.5	19.8	18.7
Selected Data Driven Businesses										
CoreLogic	US\$3,359	13.3	12.1	11.7	20.1	18.1	18.5	23.1	20.6	20.9
Credit and Data Analytics and Data Driven Businesses										
Minimum		11.7	11.5	11.0	12.8	12.4	11.7	13.2	12.7	11.9
Maximum		18.1	15.1	13.9	29.8	23.9	19.6	35.2	27.2	21.8
Median		14.4	13.4	12.5	20.1	18.1	16.6	21.7	19.4	17.9
Simple average		14.7	13.4	12.5	20.3	18.1	16.5	22.4	19.7	17.9
Weighted average		14.7	13.8	12.9	19.7	18.0	16.6	21.5	19.8	18.0

Source: Grant Samuel analysis<sup>13</sup>

The multiples shown above are based on sharemarket prices as at 4 December 2015 and do not reflect a premium for control.

The companies selected have a variety of year ends. Equifax, TransUnion, Dun & Bradstreet and CoreLogic have a 31 December year end, Experian has a 31 March year end, Fair Isaac Corporation

<sup>9</sup> Market capitalisation based on sharemarket prices as at 4 December 2015.

<sup>10</sup> Represents gross capitalisation (that is, the sum of the market capitalisation adjusted for minorities, plus borrowings less cash as at the latest balance date) divided by EBITDA. EBITDA is earnings before net interest, tax, depreciation, amortisation, investment income and significant and non-recurring items.

<sup>11</sup> Represents gross consideration divided by EBITA. EBITA is earnings before net interest, tax, amortisation of acquired intangible assets and significant and non-recurring items.

<sup>12</sup> Represents gross capitalisation divided by EBIT. EBIT is earnings before net interest, tax, investment income and significant and non-recurring items.

<sup>13</sup> Grant Samuel analysis based on data obtained from IRESS, S&P Capital IQ, company announcements and, in the absence of company published financial forecasts, brokers' reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each company depends on analyst coverage, availability and recent corporate activity.

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("Fair Isaac") has a 30 September year end and SAI Global Limited ("SAI Global") has a 30 June year end.

The data analysed for each company included the last two annual historical results plus the subsequent two forecast years. The data presented in the table above represents an alignment of the multiples to allow more direct comparison to Veda's multiples which are on a 30 June year end basis. The adjustment is relatively crude but is arguably more useful than leaving the data unadjusted. Under this alignment:

- the earnings for 31 December year end companies (Equifax, TransUnion, Dun & Bradstreet and CoreLogic) have been averaged (i.e. the year ended 30 June 2015 earnings are an average of the earnings for 31 December 2014 and 31 December 2015);
- the earnings of Experian, which has a 31 March year, have been aligned to a 30 June year end based on a weighting for 30 June 2015 of three quarters of the year ended 31 March 2015 and one quarter of the year ending 31 March 2016 and similarly for other years; and
- the earnings of Fair Isaac, which has a 30 September year, have been aligned to a 30 June year end based on a weighting for 30 June 2015 of one quarter of the year ended 30 September 2014 and three quarters of the year ended 30 September 2015 and similarly for other years.

Experian, Equifax and TransUnion are the three main global credit and data analytics businesses. While each business has specific characteristics there are elements and themes common to them, in particular:

- each hold extensive consumer credit files and data that are key assets for a wide range of customers making credit related decisions;
- growth and profitability in the core credit bureau segment has been maintained even though core credit scoring and reporting is relatively commoditised, particularly in the United States. This is reflected in the strong market positions held by the three credit bureaus, the value that consumer credit scoring provides to customers and the extent to which products are embedded into customers' processes and work flows;
- the businesses have expanded beyond their core credit bureau services into complimentary areas to drive higher growth and returns. Acquisitions across the sector have been focused on acquiring proprietary datasets, geographical expansion and entering new product segments such as healthcare and insurance; and
- the increasing focus on analysing large databases (their own and those of customers) to provide insights on consumer behaviour, preferences and other traits to assist customers in their marketing and other strategies.

EBITA and EBIT multiples for the listed companies show significant variation and reflect the impact of amortisation of acquired intangibles (largely data files and software). This is particularly the case for Equifax, TransUnion, Fair Isaac and CoreLogic as a result of acquisitions over the past five years.

A brief description of each company is set out below:

***SAI Global Limited***

SAI Global provides information, compliance and assurance services. Through its information services business, SAI Global aggregates and distributes a range of standards and provides property searches, conveyancing platforms and mortgage settlement services. SAI Global is in the early stages of implementing a significant group restructure to establish regional accountability as opposed to its current product-led strategy. The restructure is expected to deliver organic revenue growth during the year ending 30 June 2016 with more material gains in the longer term.

SAI Global is facing a number of issues that are creating uncertainty over its medium to longer term outlook and which are likely to be influencing its trading multiples. It will be required to re-negotiate its publishing licence agreement with Standards Australia prior to expiry in December 2018. SAI Global is currently in dispute with Standards Australia in respect of royalties under the licence agreement. Its

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mortgage settlement business (~20% of EBITDA in the year ending 30 June 2015) is facing structural challenges from the development of electronic property settlement in Australia via PEXA although SAI Global is adjusting its business model to capture potential new revenue opportunities.

### *Experian plc*

Experian is a global provider of credit data and analytics based in Ireland. It provides consumer credit data and insights to businesses, fraud and identity management services to consumers, marketing services and risk and fraud consulting services and products. In the year ended 31 March 2015, Experian generated 50% of its revenue in the United States and Canada, 20% in Latin America (predominantly Brazil), 20% in the United Kingdom and Ireland and 10% in emerging markets and the Asia Pacific.

Experian is the largest global credit bureau based on revenue (US\$4.8 billion in the year ended 31 March 2015) and has the broadest geographic footprint compared to Equifax and TransUnion. Experian is a market leader in commercial credit services in the United Kingdom and Brazil and the second largest participant in the United States in the commercial sector after Dun & Bradstreet. It is a market leader in credit monitoring and fraud services in the United States and the United Kingdom. Acquisitions have been a significant part of Experian's growth and it has been a more acquisitive company than Equifax and TransUnion.

Experian's revenue and EBITDA declined by 0.6% and 1.2% respectively in the year ended 31 March 2015. Revenue and EBITDA are forecast to decline by 2.6% and 3.0% respectively in the year ending 31 March 2016 as a result of the economic slowdown in Brazil and the impact of "freemium" competitors in the North American market, before returning to growth in 2017. "Freemium" providers, such as Credit Karma, offer credit monitoring services on a free basis to consumers, funded by revenue generated through lead generation for banks and other financial institutions. The growth of "freemium" providers in the consumer credit score sector in the United States has resulted in Experian and other participants offering similar or value added services to customers.

### *Equifax Inc.*

Equifax is a credit bureau that provides a broad range of data and analytics to corporate and government clients and directly to consumers. The company is based in the United States and has been publicly listed since 1969. In the six months ended 30 June 2015, approximately 78% of its revenue was generated in the United States with its international operations largely based in Canada, the United Kingdom and Latin America. In the last decade, Equifax has expanded from its credit bureau origins to become a diversified information and analytics business that serves a broad set of end-markets.

Equifax's strategy has broadly been to utilise datasets and analytics to provide existing and new customers with greater predictive insights through a multi-dimensional view of a consumer. It has pursued acquisitions focussed on complimentary databases and selective entry into new geographic markets with favourable regulatory regimes for credit reporting. Equifax has a revenue growth target over the medium term of 7-10% per annum, consisting of 6-8% organic revenue growth (which incorporates 2-3% market growth and 4-5% growth from new products and initiatives) and 1-2% from bolt-on acquisitions. Broker forecasts are for high single digit revenue growth in the short term supported by a generally positive consumer credit environment in the United States. Equifax's EBITDA trading multiples are higher than its main peers, TransUnion and Experian, reflecting its strong growth outlook.

### *TransUnion*

TransUnion was founded in 1968 and is headquartered in Chicago. It provides online credit data services and information and risk management solutions for financial, automotive, retail, insurance, and communications companies through both direct and indirect channels. TransUnion was acquired by private equity funds managed by Goldman Sachs and Advent in February 2012. In June 2015, it was listed on the New York Stock Exchange via an IPO at US\$22.50 per share. Since listing, TransUnion has traded in the range US\$23-27 per share.

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In the six months ended 30 June 2015, TransUnion generated 72% of its revenue in the United States. Although TransUnion's international operations represent only 18% of revenue, it has leading brands in attractive markets including India, Hong Kong, South Africa and Latin America. TransUnion has become a more competitive credit bureau by investing in technology, developing unique data assets and expanding in the healthcare, government and insurance sectors. However, TransUnion is at an earlier stage in expanding its business mix and has less diversification away from core credit scores compared to Experian and Equifax. It has undertaken a number of small acquisitions focused on adding complimentary databases. Acquisition activity for TransUnion has been constrained to some extent by its leverage with net debt at 30 September 2015 representing 4.1 times forecast EBITDA for the year ending 31 December 2015. Exposure to the healthcare, government and insurance sectors, combined with investments in new products during 2015 is expected to support strong growth in 2016. Brokers are forecasting high single digit revenue growth for TransUnion over the next two to three years which is reflected in its high trading multiples.

***Fair Isaac Corporation***

Fair Isaac established the FICO Score which has become the standard measure of consumer credit risk in the United States. Fair Isaac provides credit data, fraud detection and analytics, data management, software and consulting services to commercial customers and its FICO Score to consumers through online services. Fair Isaac's growth has been focussed on expanding its direct to consumer segment by partnering with Experian, Equifax and TransUnion to provide them with FICO credit scores. Revenue from these companies represented approximately 15% of Fair Isaac's revenues in the year ended 31 March 2015. Fair Isaac has also invested in its data management software to enhance data analytics capabilities and products. Greater penetration of the direct to consumer channel, leveraging its fraud products into a wider bank fraud market and selling decision management software to new industries is expected to support strong growth in the long term which is reflected in its multiples.

***Dun & Bradstreet Corp.***

Dun & Bradstreet is a New York based provider of commercial information and analytics. Its operations are predominantly based in North America. In the six months ended 30 June 2015, Dun & Bradstreet generated approximately 80% of its revenue in the United States, Canada and Latin America and 20% of its revenue primarily from the United Kingdom, Netherlands, Belgium, Latin America, India and China. It is a market leader in North America in the provision of commercial credit data analytics.

Dun & Bradstreet has been focused on diversifying its business and returning to profit growth. Revenues and EBITDA for Dun & Bradstreet are forecast to decline in the year ending 31 December 2015 compared to 2014 with a return to growth expected in 2016. It has refreshed its management team over the past two years, re-branded in conjunction with a focus on being a diversified information service company, and exited non-core markets (such as Australia and New Zealand which was divested in June 2015). As part of its turnaround, Dun & Bradstreet is also focusing on technology investment and innovation, expanding its presence in the small to medium business customer segment and bolt-on acquisitions. Acquisitions in the past two years have been to enhance technologies, data sets and expand its geographic footprint.

***CoreLogic Inc.***

CoreLogic is a United States based global provider of residential property data and associated analytics and data services. It generated revenue of US\$1.4 billion in the year ended 31 December 2014 with 92% of revenue derived in the United States. CoreLogic has operations in Australia and New Zealand. It has developed an extensive proprietary database covering real estate supplemented with access to public data sources accessed from land titles offices and other agencies. Veda is a reseller of CoreLogic valuation data.

CoreLogic's key focus has been on a three-year productivity and cost management program that is expected to realise ongoing annualised savings of US\$60 million by 2018. The savings are primarily targeted at reductions in general overheads, outsourcing certain functions, consolidating facilities and operational improvements.

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## Appendix 2

### Broker Consensus Forecasts

Veda has not publicly released earnings forecasts for the year ending 30 June 2016 or subsequent years. Accordingly, the prospective multiples implied by the valuation of Veda in the Grant Samuel report are based on median broker forecasts. These forecasts are sufficiently close to Veda's FY16 budget to be useful for analytical purposes.

Set out below is a summary of forecasts for the year ending 30 June 2016 prepared by brokers that follow Veda in the Australian stockmarket:

Veda – Broker Forecasts for the Year Ending 30 June 2016 (\$ millions)					
Broker	Date	Revenue	EBITDA <sup>1</sup>	EBIT <sup>2</sup>	NPAT <sup>3</sup>
Broker 1	27 August 2015	376.0	161.0	127.0	87.0
Broker 2	27 August 2015	380.0	161.0	126.0	86.0
Broker 3	27 August 2015	376.2	161.0	125.4	85.8
Broker 4	27 August 2015	378.0	162.1	126.0	85.1
Broker 5	27 August 2015	379.2	162.5	128.7	88.0
Broker 6	15 September 2015	376.0	162.0	126.0	87.0
Broker 7	18 September 2015	379.8	161.7	126.4	86.6
Broker 8	22 September 2015	376.9	163.9	128.9	87.8
<i>Minimum</i>		<i>376.0</i>	<i>161.0</i>	<i>125.4</i>	<i>85.1</i>
<i>Maximum</i>		<i>380.0</i>	<i>163.9</i>	<i>128.9</i>	<i>88.0</i>
<b><i>Median</i></b>		<b><i>377.5</i></b>	<b><i>161.9</i></b>	<b><i>126.2</i></b>	<b><i>86.8</i></b>
<i>Average</i>		<i>377.8</i>	<i>161.9</i>	<i>126.8</i>	<i>86.7</i>

Source: Brokers' reports, Grant Samuel analysis

When reviewing this data the following should be noted:

- the forecasts presented above represent the latest available broker forecasts for Veda;
- the brokers presented are those who have published research on Veda following Veda's announcement of its results for the year ended 30 June 2015 on 27 August 2015;
- Grant Samuel is not aware of any other brokers that follow Veda; and
- as far as is possible to identify from a review of the brokers' reports, Grant Samuel believes that the earnings forecasts do not incorporate any one-off adjustments or non-recurring items.

Grant Samuel has not had access to Veda's internal earnings forecasts for years subsequent to 30 June 2016. However, Grant Samuel has had regard to broker consensus forecasts for the year ending 30 June 2017 and the year ending 30 June 2018 in considering the reasonableness of:

- the assumptions used in building its high level discounted cash flow model; and
- its valuation of Veda's business operations.

Grant Samuel has not relied on the broker consensus forecasts in forming its view on the value of Veda.

<sup>1</sup> EBITDA is earnings before net interest, tax, depreciation and amortisation and significant and non-recurring items. It excludes share of net profit from associates.

<sup>2</sup> EBIT is earnings before net interest, tax and significant and non-recurring items. It excludes share of net profit from associates.

<sup>3</sup> NPAT is net profit after tax.

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■ ■ ■

Set out below is a summary of forecasts for the years ending 30 June 2017 and 2018 prepared by brokers that follow Veda in the Australian stockmarket:

Veda – Broker Forecasts for the Years Ending 30 June 2017 and 2018 (\$ millions)							
Broker	Date	Revenue		EBITDA		EBIT	
		2017	2018	2017	2018	2017	2018
Broker 1	27 August 2015	405.0	432.0	180.0	195.0	146.0	157.0
Broker 2	27 August 2015	419.0	465.0	180.0	199.0	140.0	156.0
Broker 3	27 August 2015	414.8	457.1	180.6	203.0	140.9	159.6
Broker 4	27 August 2015	413.5	448.5	176.9	191.8	139.4	151.6
Broker 5	27 August 2015	428.9	486.0	187.9	221.1	148.5	175.8
Broker 6	15 September 2015	413.0	454.0	177.0	195.0	138.0	150.0
Broker 7	18 September 2015	421.1	474.4	182.6	213.3	144.0	172.5
Broker 8	22 September 2015	419.5	466.8	187.9	211.9	149.3	169.3
<i>Minimum</i>		<i>405.0</i>	<i>432.0</i>	<i>176.9</i>	<i>191.8</i>	<i>138.0</i>	<i>150.0</i>
<i>Maximum</i>		<i>428.9</i>	<i>486.0</i>	<i>187.9</i>	<i>221.1</i>	<i>149.3</i>	<i>175.8</i>
<b>Median</b>		<b>416.9</b>	<b>461.1</b>	<b>180.3</b>	<b>201.0</b>	<b>142.5</b>	<b>158.3</b>
<i>Average</i>		<i>416.9</i>	<i>460.5</i>	<i>181.6</i>	<i>203.8</i>	<i>143.3</i>	<i>161.5</i>

Source: Brokers' reports, Grant Samuel analysis



# Annexure C

## Scheme Implementation Deed



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Deed

Execution Version

### Scheme implementation deed

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Veda Group Limited

Equifax Inc.



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## Scheme implementation deed

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Date ► **22 November 2015**

Between the parties

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**Veda**

**Veda Group Limited**

ACN 124 306 958 of Level 15, 100 Arthur Street, North Sydney, NSW  
2060

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**Bidder**

Equifax Inc.

of 1550 Peachtree Street, N.W., Atlanta, Georgia 30309

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**Recitals**

- 1 The parties have agreed that Bidder will acquire all of the ordinary shares in Veda by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Veda and the Scheme Shareholders.
  - 2 The parties have agreed to implement the scheme of arrangement on the terms of this deed.
- 

This deed witnesses as follows:

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## 1 Definitions and interpretation

### 1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
<b>aware</b>	where used in respect of Specified Executives in Schedule 2, means actually aware, and does not connote any obligation to make enquiries.
<b>Announcement</b>	the announcement made by Veda to ASX on 6 October 2015 in relation to the Proposed Transaction.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this deed and Veda was the designated body.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
<b>Bidder's Constitution</b>	the constitution, as amended from time to time, of Bidder.
<b>Bidder Group</b>	Bidder and each of its Subsidiaries, and a reference to a ' <b>Bidder Group Member</b> ' or a ' <b>member of the Bidder Group</b> ' is to Bidder or any of its Subsidiaries.
<b>Bidder Indemnified Parties</b>	Bidder, its Subsidiaries and their respective directors, officers and employees.
<b>Bidder Information</b>	information regarding the Bidder Group provided by Bidder to Veda in writing for inclusion in the Scheme Booklet, being: <ol style="list-style-type: none"> <li>1 information about Bidder, other Bidder Group members, the businesses of the Bidder Group, Bidder's interests and dealings in Veda Shares, Bidder's intentions for Veda and Veda's employees, and funding for the Scheme; and</li> <li>2 any other information required under the Corporations Act,</li> </ol>



## 1 Definitions and interpretation

Term	Meaning
	<p>Corporations Regulations or RG 60 to enable the Scheme Booklet to be prepared that the parties agree is 'Bidder Information' and that is identified in the Scheme Booklet as such.</p> <p>For the avoidance of doubt, Bidder Information does not include Veda Information, the Independent Expert's Report, any investigating accountant's report or any description of the taxation effect of the Transaction on Scheme Shareholders.</p>
<b>Bidder Representations and Warranties</b>	the representations and warranties of Bidder set out in Schedule 1.
<b>Business Day</b>	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales, Australia (so long as on that calendar day, banks are open in New York, NY, USA).
<b>Claim</b>	<p>any claim, demand, legal proceedings or cause of action (including any claim, demand, legal proceedings or cause of action:</p> <ol style="list-style-type: none"> <li>1 based in contract (including breach of warranty);</li> <li>2 based in tort (including misrepresentation or negligence);</li> <li>3 under common law or equity; or</li> <li>4 under statute (including the Australian Consumer Law (being Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) (CCA)) or Part VI of the CCA, or like provision in any state or territory legislation)),</li> </ol> <p>in any way relating to this deed or the Transaction, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this deed.</p>
<b>Competing Proposal</b>	<p>any actual, proposed or potential proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any other person) would:</p> <ol style="list-style-type: none"> <li>1 directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, or the right to vote, 20% or more of Veda Shares or the shares of any of Veda's Related Bodies Corporate which individually or collectively comprise at least 20% of the value of Veda;</li> <li>2 acquire Control of Veda or any of its Related Bodies Corporate which individually or collectively comprise at least 20% of the value of Veda;</li> <li>3 directly or indirectly acquire a legal, beneficial or economic interest in, or control of, 20% or more of the business or assets</li> </ol>



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## 1 Definitions and interpretation

Term	Meaning
	<p>of Veda and its Related Bodies Corporate, taken as a whole;</p> <p>4 otherwise directly or indirectly acquire or merge with Veda or any of its Related Bodies Corporate which individually or collectively comprise at least 20% of the value of the Veda; or</p> <p>5 require Veda to abandon, or otherwise fail to proceed with, the Transaction.</p>
<b>Condition Precedent</b>	each of the conditions set out in clause 3.1.
<b>Confidentiality Deed</b>	the Confidentiality and Exclusivity deed between Bidder and Veda dated 16 October 2015.
<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 such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and Veda.
<b>Deed Poll</b>	a deed poll in the form of Attachment 3 under which Bidder covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder under the Scheme.
<b>Disclosure Materials</b>	the documents and information contained in the data room made available by Veda to Bidder and its Related Persons (including written responses from Veda and its Related Persons to requests for further information made by Bidder and its Related Persons), the index of which has been initialled by, or on behalf of, the parties for identification prior to execution of this deed.
<b>Effective</b>	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Effective Date</b>	the date on which the Scheme becomes Effective.





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## 1 Definitions and interpretation

Term	Meaning
<b>End Date</b>	31 March 2016 or such other later date as agreed in writing by the parties.
<b>Exclusivity Period</b>	the period from and including the date of this deed to the earlier of: <ol style="list-style-type: none"> <li>1 the date of termination of this deed;</li> <li>2 the End Date, or where applicable and later than the End Date, the end of the period referred to in clause 3.4(b)(1); and</li> <li>3 the Implementation Date.</li> </ol>
<b>Executive Incentive Arrangements</b>	a performance right, performance option, restricted right or deferred equity right or similar arrangement which in each case contemplates rights in respect of Veda Shares, or any other instrument, right or security convertible into Veda Shares, issued to an employee or former employee of the Veda Group.
<b>Financial Advisor</b>	any financial advisor retained by a party in relation to the Transaction from time to time.
<b>Financial Indebtedness</b>	any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any: <ol style="list-style-type: none"> <li>1 bill, bond, debenture, note or similar instrument;</li> <li>2 acceptance, endorsement or discounting arrangement;</li> <li>3 guarantee;</li> <li>4 finance or capital lease;</li> <li>5 agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or</li> <li>6 obligation to deliver goods or provide services paid for in advance by any financier.</li> </ol>
<b>First Court Date</b>	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.



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## 1 Definitions and interpretation

Term	Meaning
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
<b>Independent Expert</b>	the independent expert in respect of the Scheme appointed by Veda.
<b>Independent Expert's Report</b>	means the report to be issued by the Independent Expert in connection with the Scheme.
<b>Insolvency Event</b>	means, in relation to an entity: <ol style="list-style-type: none"> <li>1 the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days);</li> <li>2 a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;</li> <li>3 the entity executing a deed of company arrangement;</li> <li>4 the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed;</li> <li>5 the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or</li> <li>6 the entity being deregistered as a company or otherwise dissolved.</li> </ol>
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Personal Data</b>	means information stored, used, accessed or processed by any Veda Group Member that can be used to distinguish or trace an individual's identity such as their name, date and place of birth, address, government identifying numbers and biometric records which, alone or when combined with other personal or identifying information, is linked or linkable to a specific individual.



## 1 Definitions and interpretation

Term	Meaning
<b>Policy</b>	the Veda Group Limited directors and officers insurance policy in effect at the date of this deed, including any run-off insurance policy which Veda may enter into under clause 8.3(c).
<b>RG 60</b>	Regulatory Guide 60 issued by ASIC in September 2011.
<b>Registered Address</b>	in relation to a Veda Shareholder, the address shown in the Veda Share Register as at the Scheme Record Date.
<b>Regulator's Draft</b>	the draft of the Scheme Booklet in a form which is provided to ASIC for approval pursuant to subsection 411(2) of the Corporations Act.
<b>Regulatory Approval</b>	an approval or consent set out in clause 3.1(a).
<b>Reimbursement Fee</b>	A\$25,080,438.67.
<b>Related Bodies Corporate</b>	has the meaning set out in section 50 of the Corporations Act.
<b>Related Person</b>	<ol style="list-style-type: none"> <li>1 in respect of a party or its Related Bodies Corporate, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate; and</li> <li>2 in respect of a Financial Advisor, each director, officer, employee or contractor of that Financial Advisor.</li> </ol>
<b>Relevant Employee</b>	each employee of the Veda Group whose name is listed in Part A, Part B or Part C of the document entitled 'Relevant Employees List' initialled by the parties on the date of this deed.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between Veda and the Scheme Shareholders, the form of which is attached as Attachment 2, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Bidder and Veda.
<b>Scheme Booklet</b>	the scheme booklet to be prepared by Veda in respect of the Transaction in accordance with clause 5.1(a) to be despatched to



## 1 Definitions and interpretation

Term	Meaning
	<p>Veda Shareholders and which must include or be accompanied by:</p> <ul style="list-style-type: none"> <li>• a copy of the Scheme;</li> <li>• an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations and RG 60;</li> <li>• the Independent Expert's Report;</li> <li>• a copy or summary of this deed;</li> <li>• a copy of the Deed Poll;</li> <li>• a notice of meeting; and</li> <li>• a proxy form.</li> </ul>
<b>Scheme Consideration</b>	the consideration to be provided by Bidder to each Scheme Shareholder for the transfer to Bidder of each Scheme Share, being for each Scheme Share, an amount of \$2.825.
<b>Scheme Meeting</b>	the meeting of Veda Shareholders 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 convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	5.00pm on the fifth Business Day after the Effective Date.
<b>Scheme Shares</b>	all Veda Shares held by the Scheme Shareholders as at the Scheme Record Date.
<b>Scheme Shareholder</b>	a Veda Shareholder as at the Scheme Record Date.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
<b>Security Interest</b>	has the meaning given in section 51A of the Corporations Act.
<b>Specified Executives</b>	the employees whose names are listed in Part A and Part C of the 'Relevant Employees List' initialled by the parties on the date of this deed.



## 1 Definitions and interpretation

Term	Meaning
<b>Subsidiary</b>	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
<b>Superior Proposal</b>	a bona fide written Competing Proposal (where for this purpose, paragraphs 1 and 3 of the definition of Competing Proposal are amended by replacing "20% or more" with in each case "more than 50%" and paragraph 5 is deleted) that has not resulted from a breach by Veda of its obligations under this deed and that Veda's board, acting in good faith and after taking advice from its legal and financial advisors, determines will or is reasonably likely to provide a superior outcome for Veda or Veda's shareholders than the Transaction (taking into account all aspects of the Competing Proposal, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters, any conditions precedent and any subsequent proposal received from Bidder pursuant to clause 11.4).
<b>Tax</b>	includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding that is levied or imposed by a Governmental Agency, and any related interest, penalty, charge, fee or other amount.
<b>Tax Act</b>	the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Tax Authority</b>	means any government, and any person, agency or office having the administration of any Tax.
<b>Tax Return</b>	any filing or return in relation to Tax submitted or required to be submitted to a Tax Authority under applicable Tax law.
<b>Third Party</b>	a person other than Bidder and its Associates.
<b>Timetable</b>	the indicative timetable for the implementation of the Transaction set out in Attachment 1.
<b>Transaction</b>	the acquisition of the Scheme Shares by Bidder (or its nominee pursuant to clause 2.2) through implementation of the Scheme in accordance with the terms of this deed.
<b>Veda Board</b>	the board of directors of Veda.
<b>Veda Consolidated Tax</b>	the consolidated group of which Veda is the head company (where



## 1 Definitions and interpretation

Term	Meaning
<b>Group</b>	'consolidated group' and 'head company' have the same meaning as in the Tax Act).
<b>Veda Director</b>	a director of Veda.
<b>Veda Group</b>	Veda and each of its Subsidiaries, and a reference to a ' <b>Veda Group Member</b> ' or a ' <b>member of the Veda Group</b> ' is to Veda or any of its Subsidiaries.
<b>Veda Indemnified Parties</b>	Veda, its Subsidiaries and their respective directors, officers and employees as at or after the date of this deed.
<b>Veda Information</b>	information regarding the Veda Group prepared by Veda for inclusion in the Scheme Booklet, which for the avoidance of doubt does not include the Bidder Information, the Independent Expert's Report, any investigating accountant's report or any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to Veda.
<b>Veda Material Adverse Change</b>	<p>one or more events, changes or circumstances occurring discovered or announced which, whether individually or when aggregated with all such events, changes, or circumstances or things of a like kind, has had or is reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Veda Group taken as a whole other than those events, changes or circumstances:</p> <ol style="list-style-type: none"> <li>expressly required or permitted by this deed, the Scheme or the transactions contemplated by either;</li> <li>that are fairly disclosed in the Disclosure Materials;</li> <li>done or not done at the written request or with the written acknowledgement and approval of Bidder, including any consequences arising as a result of such matters;</li> <li>resulting from changes in generally accepted accounting principles or the interpretation of them;</li> <li>arising as a result of any generally applicable change in law or governmental policy;</li> <li>arising from changes in economic or business conditions or securities markets in general; or</li> <li>that Veda fairly disclosed in an announcement made by Veda to ASX, or a document lodged by it with ASIC, prior to the date of this deed,</li> </ol> <p>but in respect of paragraphs (d), (e) and (f), in each case excluding any change, event, occurrence, circumstance or matter which has a disproportionate adverse effect on the Veda</p>



## 1 Definitions and interpretation

Term	Meaning
	Group, taken as a whole, as compared to other participants in the principal business segments in which the Veda Group operates.
<b>Veda Options</b>	options issued by Veda as set out in Schedule 3.
<b>Veda Prescribed Occurrence</b>	<p>other than:</p> <ol style="list-style-type: none"> <li>1 as expressly required or permitted by this deed, the Scheme or the transactions contemplated by either;</li> <li>2 as disclosed to Bidder in accordance with clause 5.5 of this deed, and such matter being implemented in a manner contemplated by and consistent with clause 5.5;</li> <li>3 as fairly disclosed to ASX, or to Bidder in the Disclosure Materials, prior to the date of this deed; or</li> <li>4 with the written consent of Bidder,</li> </ol> <p>the occurrence of any of the following between the date of this deed and 8:00am on the Second Court Date:</p> <ol style="list-style-type: none"> <li>5 Veda converting all or any of its shares into a larger or smaller number of shares or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</li> <li>6 Veda resolving to reduce its share capital in any way;</li> <li>7 Veda: <ul style="list-style-type: none"> <li>• entering into a buy-back agreement; or</li> <li>• resolving to approve the terms of a buy-back agreement under the Corporations Act;</li> </ul> </li> <li>8 a member of the Veda Group issuing shares, securities convertible into shares or debt securities, or granting a performance right or an option (including any form of phantom rights) over its shares or an unissued share, or agreeing to make such an issue or grant such a right or an option, other than on vesting or exercise of, or in respect of, an Executive Incentive Arrangement existing as at the date of this deed in a manner contemplated by and consistent with clause 5.5;</li> <li>9 Veda declaring, paying or distributing any dividend, bonus or other share of its profits or assets;</li> <li>10 a member of the Veda Group materially varying or terminating one or more contracts which variations or terminations have an impact of \$10,000,000 (individually) or \$25,000,000 (in aggregate) or more in gross annual revenue or expenditure for the Veda Group;</li> <li>11 a member of the Veda Group entering into contracts that generate, or are expected to generate, \$10,000,000 (individually) or \$25,000,000 (in aggregate) or more in gross annual revenue or expenditure for the Veda Group;</li> </ol>



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## 1 Definitions and interpretation

Term	Meaning
	<p>12 a member of the Veda Group acquiring or disposing, or agreeing to acquire or dispose, of one or more businesses, assets or entities the value of which exceeds \$10,000,000 (individually) or \$25,000,000 (in aggregate);</p> <p>13 a member of the Veda Group granting or entering into any new commitments for capital expenditure the effect of which will be to increase by 5% or more in aggregate the expenditure in Veda's annual budgeted capital expenditure as contained in the Disclosure Materials;</p> <p>14 a member of the Veda Group accepting as a compromise of a matter less than the full compensation due to a member of the Veda Group where the financial impact of the compromise on the Veda Group is more than \$10,000,000 (individually) or \$25,000,000 (in aggregate);</p> <p>15 a member of the Veda Group varying any employment agreement with one or more of its officers, directors or the Relevant Employees, or accelerating or otherwise increasing compensation or benefits for any of the above including any form of debt forgiveness (other than on vesting or exercise of, or in respect of, an Executive Incentive Arrangement in a manner contemplated by and consistent with clause 5.5 or otherwise on terms agreed in writing between the parties prior to or on the date of this deed);</p> <p>16 a member of the Veda Group granting or agreeing to grant any form of Security Interest over, the whole, or a substantial part, of the Veda Group's business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;</p> <p>17 an Insolvency Event occurs in relation to a Veda Group Member;</p> <p>18 a Veda Group Member making any change to its constitution;</p> <p>19 a Veda Group Member entering into, or resolving to enter into, a transaction with any related party of Veda (other than a related party that is a member of the Veda Group), as defined in section 228 of the Corporations Act;</p> <p>20 a Veda Group Member amending in any respect any agreement or arrangement with a Financial Advisor, or entering into an agreement or arrangement with a new Financial Advisor, in respect of the Transaction or a Competing Proposal;</p> <p>21 a Veda Group Member paying any of its directors, officers or employees any payment (including any form of debt forgiveness, retention payment or exertion bonus), other than in accordance with existing contractual arrangements as at the date of this deed or otherwise on terms agreed in writing between the parties prior to or on the date of this deed; or</p> <p>22 Veda Shares cease to be quoted on the ASX.</p>
<b>Veda Registry</b>	Link Market Services ACN 083 214 537.





## 1 Definitions and interpretation

Term	Meaning
<b>Veda Representations and Warranties</b>	the representations and warranties of Veda set out in Schedule 2.
<b>Veda Share</b>	a fully paid ordinary share in the capital of Veda.
<b>Veda Shareholder</b>	each person who is registered as the holder of a Veda Share in the Veda Share Register.
<b>Veda Share Register</b>	the register of members of Veda maintained in accordance with the Corporations Act.

## 1.2 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency, as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (k) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;



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## 2 Agreement to proceed with the Transaction

- (l) a reference to an agreement other than this deed includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (m) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (n) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (o) a reference to a body (including an institute, association or authority), other than a party to this deed, whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (q) a reference to any time, unless otherwise indicated, is to the time in Sydney, Australia;
- (r) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (s) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (t) if an act prescribed under this deed to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (u) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this deed; and
- (v) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

### 1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### 1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

### 1.5 Deed components

This deed includes any schedule.



## 2 Agreement to proceed with the Transaction

## 2 Agreement to proceed with the Transaction

### 2.1 Proposing and implementing the Scheme

- (a) Veda agrees to propose the Scheme on and subject to the terms and conditions of this deed.
- (b) Bidder agrees to assist Veda to propose the Scheme on and subject to the terms and conditions of this deed.
- (c) Veda and Bidder agree to implement the Scheme on and subject to the terms and conditions of this deed.

### 2.2 Bidder may elect to nominate Subsidiary

- (a) Bidder may elect to nominate a Subsidiary of Bidder to acquire all of the Scheme Shares under the Scheme by giving written notice to Veda of that relevant Subsidiary no less than 10 Business Days before the First Court Date.
- (b) Bidder warrants, agrees and undertakes that, if it nominates a Subsidiary to acquire all of the Scheme Shares pursuant to clause 2.2(a):
  - (1) Bidder and the Subsidiary will both enter into the Deed Poll;
  - (2) Bidder will continue to be bound by this deed; and
  - (3) Bidder will ensure that the Subsidiary completes the acquisition in accordance with the terms of this deed and the Deed Poll.

## 3 Conditions Precedent and pre-implementation steps

### 3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, until each of the following Conditions Precedent is satisfied or waived to the extent and in the manner set out in this clause 3.

- (a) **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date:
  - (1) **FIRB:** one of the following has occurred:
    - (A) Bidder has received 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 has no objections to the Transaction, either unconditionally or on terms that are acceptable to Bidder acting reasonably; or
    - (B) no order being made in relation to the Transaction under section 18 or 22 of the FATA within a period of 40 days after Bidder has notified the Treasurer that Bidder proposes to acquire Veda Shares pursuant to the Scheme, and no notice being given by the Treasurer to Bidder during that period to the effect that there are any objections to the Transaction; or



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### 3 Conditions Precedent and pre-implementation steps

- (C) where an order is made under section 22 of the FATA, a period of 90 days having expired after the order comes into operation and no notice having been given by the Treasurer to Bidder during that period to the effect that there are any objections to the Transaction; and
- (2) **NZ OIO Approval:** Bidder has received in writing all consents, approvals or clearances required under the *Overseas Investment Act 2005 (New Zealand)* and the *Overseas Investment Regulations 2005 (New Zealand)* for the implementation of the Scheme, either unconditionally or on terms that are acceptable to Bidder acting reasonably, and such consents, approvals or clearances (as the case may be) have not been withdrawn, suspended, revoked or adversely amended.
- (b) **Shareholder approval:** Veda Shareholders agree to the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.
- (c) **Court approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.
- (d) **Restraints:** no law, rule, regulation, restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency preventing or restraining implementation of the Transaction is in effect at 8.00am on the Second Court Date.
- (e) **No Veda Material Adverse Change:** no Veda Material Adverse Change occurs between (and including) the date of this deed and 8:00am on the Second Court Date.
- (f) **No Veda Prescribed Occurrence:** no Veda Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (g) **Executive Incentive Arrangements:** Each party has taken all necessary steps by 8.00 am on the Second Court Date to give effect to the treatment of Executive Incentive Arrangements as contemplated in clause 5.5.

### 3.2 Reasonable endeavours

- (a) Veda must, to the extent it is within its power to do so, use its reasonable endeavours to procure that each of the Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(e), 3.1(f) and 3.1(g) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (b) Bidder must, to the extent it is within its power to do so, use its reasonable endeavours to procure that the Conditions Precedent in clause 3.1(a) and 3.1(g) is satisfied as soon as practicable after the date of this deed and continue to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (c) Each party must, to the extent it is within its power to do so, use its reasonable endeavours to procure that:
  - (1) the Condition Precedent in clause 3.1(d) continues to be satisfied at all times until 8.00 am on the Second Court Date; and
  - (2) there is no occurrence within its control or the control of any of its Subsidiaries that would prevent any of the Conditions Precedent in



### 3 Conditions Precedent and pre-implementation steps

clause 3.1, which that party (alone or together with the other party) must use reasonable endeavours to satisfy, being or remaining satisfied.

- (d) Without limiting this clause 3.2:
- (1) Bidder must promptly apply for the Regulatory Approvals and provide to Veda a copy of all those applications, having, a reasonable time prior to sending any submission or correspondence to a Government Agency in relation to a Regulatory Approval, provided a draft copy of such submission or correspondence to Veda for comment, and taken into account (in good faith) any comments provided by Veda;
  - (2) Bidder must consult with Veda in advance in relation to the progress of obtaining, and promptly notify Veda of all communications with Government Agencies regarding, the Regulatory Approvals, provide copies of any written correspondence from those Government Agencies and keep Veda informed of the progress in relation to obtaining the approvals, consents or confirmations, including any matters raised or conditions or other arrangements proposed by the relevant Government Agency;
  - (3) each party must take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information from the relevant Government Agencies at the earliest practicable time;
  - (4) each party must provide the other party with all information reasonably requested in respect of the applications for the Regulatory Approvals; and
  - (5) each party must provide the other party with all assistance and information that the other party reasonably requests in connection with an application for a Regulatory Approval to be lodged by that other party.

### 3.3 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a), 3.1(b), 3.1(c) and 3.1(d) cannot be waived.
- (b) The Conditions Precedent in clauses 3.1(e) and 3.1(f) are for the sole benefit of Bidder and may only be waived by Bidder (in its absolute discretion) in writing.
- (c) The Condition Precedent in clause 3.1(g) is for the benefit of both parties and may only be waived by agreement between them.
- (d) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:
  - (1) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same event; or
  - (2) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event.

### 3.4 Termination on failure of Condition Precedent

- (a) If:



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### 3 Conditions Precedent and pre-implementation steps

- (1) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied by the time and date specified in this deed for the satisfaction of that Condition Precedent; or
- (2) it becomes more likely than not that the Scheme will not become Effective by the End Date,

the parties must consult in good faith to:

- (3) change the date of the application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Bidder and Veda (being a date no later than 5 Business Days before the End Date);
- (4) extend the relevant date or End Date; or
- (5) determine whether the Transaction may proceed by way of alternative means or methods.

- (b) Subject to clause 3.4(d), if the parties are unable to reach agreement under clause 3.4(a):

- (1) within 10 Business Days of first becoming aware of the relevant event or occurrence described in clause 3.4(a)(1); or
- (2) by the End Date,

then, unless that Condition Precedent has been waived in accordance with clause 3.3, either party may terminate this deed without any liability to the other party because of that termination (except under clause 12 if applicable) unless:

- (3) the relevant occurrence or the failure of the Condition Precedent to be satisfied; or
- (4) the failure of the Scheme to become Effective,

arises out of a breach of clause 3.2 by the party purporting to terminate this deed under this clause 3.4(b).

- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of clause 13.3), on termination of this deed, no party shall have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued prior to termination.
- (d) If the Condition Precedent in clause 3.1(b) is not satisfied only because of a failure to obtain the majority required by sub-subparagraph 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that sub-subparagraph, provided the party has, in good faith, reasonably formed the view that the prospect of the Court exercising its discretion in that way is reasonable.

### 3.5 Certain notices relating to Conditions Precedent

- (a) Veda and Bidder (as the case may be) must promptly advise each other of satisfaction of a Condition Precedent.
- (b) If a Condition Precedent is not satisfied by the time and date specified for satisfaction of that Condition Precedent, then, unless there is no reasonable prospect that the Condition Precedent will be satisfied before the End Date,



## 4 Transaction steps

Veda must make an application to defer the Second Court Date until such time (being not later than the Business Day before the End Date) as reasonably required to enable the relevant Condition Precedent to be satisfied.

- (c) If, before the time and date specified for satisfaction of a Condition Precedent, an event or occurrence that will prevent, or is reasonably likely to prevent, that Condition Precedent being satisfied occurs, the party with knowledge of that event must give the other party written notice of that event or occurrence as soon as possible.

## 4 Transaction steps

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### 4.1 Scheme

Veda must propose the Scheme to Veda Shareholders in accordance with the terms of this deed and the Scheme.

### 4.2 No amendment to the Scheme without consent

Veda must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder (such consent not to be unreasonably withheld).

### 4.3 Scheme Consideration

Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder in accordance with the terms and conditions of this deed and the Scheme.

### 4.4 Payment of Scheme Consideration

- (a) Bidder undertakes and warrants to Veda (in Veda's own right and on behalf of each Scheme Shareholder) that, in consideration of the transfer to Bidder of each Scheme Share under the terms of the Scheme, on the Implementation Date Bidder will:
  - (1) accept that transfer; and
  - (2) provide to each Scheme Shareholder the Scheme Consideration for each Scheme Share,
 in each case in accordance with the terms and conditions of this deed and the Scheme.
- (b) Where the calculation of the aggregate payment to be made to a particular Scheme Shareholder in accordance with clause 4.4(a) would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.



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## 5 Implementation

## 5 Implementation

### 5.1 Veda's obligations

Veda must take all reasonably necessary steps to implement the Scheme as soon as is reasonably practicable, including using reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step, doing any acts it is authorised and able to do on behalf of Veda Shareholders and each of the following:

- (a) **preparation of Scheme Booklet:** subject to clause 5.2(a), prepare and despatch the Scheme Booklet in accordance with the Timetable and all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules;
- (b) **directors' recommendation:** include in the Scheme Booklet and all public announcements by Veda in relation to the Transaction a statement by the Veda Board:
  - (1) unanimously recommending that Veda Shareholders vote in favour of the Scheme in the absence of a Superior Proposal; and
  - (2) that each Veda Director intends to vote any Shares he or she holds or controls at the time of the Scheme Meeting in favour of the Scheme,
 and Veda must do all things within its power to procure that the Veda Board does not change, withdraw or modify this recommendation unless:
  - (3) the Independent Expert provides a report to Veda (including any update, addendum or variation) that concludes that the Scheme is any one or more of the following: not fair, or not reasonable to, Scheme Shareholders; or
  - (4) Veda has received a Superior Proposal.
- (c) **paragraph 411(17)(b) statement:** apply to ASIC for the production of:
  - (1) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
  - (2) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (d) **Court direction:** apply to the Court for orders pursuant to subsection 411(1) of the Corporations Act directing that the Scheme Meeting be convened;
- (e) **Scheme Meeting:** convene the Scheme Meeting to seek Veda Shareholders' agreement to the Scheme in accordance with the orders made by the Court pursuant to subsection 411(1) of the Corporations Act;
- (f) **Court documents:** prepare the documents required for the purpose of each of the Court hearings held for the purpose of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders), provide copies of those draft documents to the Bidder and consider in good faith any comments from Bidder and its Related Persons on those documents, provided such comments are provided in a timely manner;
- (g) **Court approval:** (subject to all Conditions Precedent in clause 3.1, other than the Condition Precedent in clause 3.1(c), being satisfied or waived in accordance with this deed) apply to the Court for orders approving the Scheme as agreed to by the Veda Shareholders at the Scheme Meeting;





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## 5 Implementation

- (h) **Certificate:** at the hearing on the Second Court Date provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent in clause 3.1 (other than the Condition Precedent in clause 3.1(c)) have been satisfied or waived in accordance with this deed;
- (i) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing by Bidder);
- (j) **Scheme Consideration:** close the Share Register as at the Scheme Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;
- (k) **transfer and registration:** if the Scheme becomes Effective and subject to Bidder having paid the Scheme Consideration in accordance with the Scheme and Deed Poll:
  - (1) execute, on behalf of Scheme Shareholders, instruments of transfer of Veda Shares held by Scheme Shareholders to Bidder; and
  - (2) register all transfers of Veda Shares held by Scheme Shareholders to Bidder on the Implementation Date;
- (l) **consultation with Bidder in relation to Scheme Booklet:** consult with Bidder as to the content and presentation of the Scheme Booklet including:
  - (1) providing to Bidder drafts of the Scheme Booklet and the factual information sections of the Independent Expert's Report which relate to the Bidder for the purpose of enabling Bidder to review and comment on those draft documents. In relation to the Independent Expert's Report, Bidder's review is to be limited to a factual accuracy review;
  - (2) considering all reasonable and timely comments made by Bidder in good faith when producing a revised draft of the Scheme Booklet;
  - (3) obtaining written approval from Bidder in respect of the inclusion of the Bidder Information in the Scheme Booklet in the form and context in which it appears in the Scheme Booklet; and
  - (4) providing Bidder a copy of the Regulator's Draft within a reasonable time before that is provided to ASIC;
- (m) **ASIC:** keep Bidder reasonably informed of any material issues raised by ASIC in relation to the Scheme Booklet or the Transaction, and where such matters relate to Bidder Information, Veda must use reasonable endeavours to take into consideration any comments from the Bidder in resolving such material issues raised by ASIC;
- (n) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (o) **Independent Expert:** appoint the Independent Expert and promptly provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to that report) and any other materials to be prepared by the Independent Expert for inclusion in the Scheme Booklet (including any updates to it);



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- (p) **compliance with laws:** comply with applicable laws and regulations in connection with the Transaction;
- (q) **listing:** not do anything to cause Veda Shares to cease being quoted on ASX or to become permanently suspended from quotation prior to implementation of the Transaction other than in accordance with the Timetable unless Bidder has agreed in writing;
- (r) **update Scheme Booklet:** until the date of the Scheme Meeting, promptly update the Scheme Booklet with any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (s) **suspension of trading:** apply to ASX to suspend trading in Veda Shares with effect from the close of trading on the Effective Date; and
- (t) **delisting:** apply to ASX for Veda to be removed from the official list of ASX, with effect shortly after Implementation Date (on a date to be agreed with Bidder) and not do anything to cause it to be done earlier.

### 5.2 Bidder's obligations

Bidder must take all reasonably necessary steps to implement the Scheme as soon as is reasonably practicable, including using reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step and doing each of the following:

- (a) **Bidder Information:** as soon as reasonably practicable after the date of this deed, prepare and promptly provide to Veda the Bidder Information for inclusion in the Scheme Booklet (to the extent not already provided as at the date of this deed), including all information regarding the Bidder Group and the Scheme Consideration required by all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60 and the Listing Rules, and consent to the inclusion of that information in the Scheme Booklet, and take into account all reasonable and timely comments from Veda and its Related Persons on those drafts;
- (b) **review of Scheme Booklet:** review the drafts of the Scheme Booklet prepared by Veda and provide comments promptly on those drafts in good faith;
- (c) **Independent Expert's Report:** provide any assistance or information reasonably requested by Veda or its Related Persons or by the Independent Expert in connection with the preparation of the Independent Expert's Report (and any updates to it) to be sent together with the Scheme Booklet;
- (d) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (e) **Deed Poll:** by no later than the Business Day prior to the First Court Date, execute and deliver to Veda the Deed Poll and, if the Scheme becomes Effective, comply with its obligations under the Deed Poll;
- (f) **accuracy of Bidder Information:** promptly after Veda requests that it does so, but in any event before the Regulator's Draft is lodged with ASIC, and again before the Scheme Booklet is despatched to Veda Shareholders, confirm in writing to Veda the accuracy of the Bidder Information in the Scheme Booklet, including that it does not contain any material statement



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that is false or misleading in a material respect including because of any material omission;

- (g) **share transfer:** if the Scheme becomes Effective:
  - (1) accept a transfer of the Scheme Shares as contemplated by clause 4.4(a); and
  - (2) execute instruments of transfer in respect of the Scheme Shares;
- (h) **Scheme Consideration:** if the Scheme becomes Effective, pay the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll;
- (i) **update Bidder Information:** until the date of the Scheme Meeting, as soon as reasonably practicable provide to Veda any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Bidder Information contained in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (j) **compliance with laws:** comply with applicable laws and regulations in connection with the Transaction; and
- (k) **financing:** do everything necessary to ensure that all finance agreements and arrangements to which Bidder is party relating to the availability of funds for the purposes of paying the Scheme Consideration remain on foot, that all conditions precedent to draw down of funds have been satisfied or waived under those agreements or arrangements and to hold the proceeds of the financing to the extent required to pay the Scheme Consideration to the Scheme Shareholders in the Implementation Date.

### 5.3 Conduct of business

- (a) Subject to clauses 5.3(b) and 5.3(c), from the date of this deed up to and including the Implementation Date, and without limiting any other obligations of Veda under this deed, Veda must:
  - (1) conduct its businesses and operations, and must cause each other Veda Group Member to conduct its respective business and operations, in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this deed;
  - (2) ensure that between (and including) the date of this deed and 8.00am on the Second Court Date no Veda Prescribed Occurrence occurs; and
  - (3) use reasonable efforts, and procure that each other Veda Group Member uses reasonable efforts, to:
    - (A) retain the services of the current directors, officers and Relevant Employees of each member of the Veda Group; and
    - (B) preserve their relationships with Government Agencies, customers, suppliers and others having business dealings with any Veda Group Member.
- (b) Nothing in clause 5.3(a) restricts the ability of Veda to take any action:
  - (1) which is required or permitted by this deed or the Scheme;



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- (2) which has been agreed to in writing by Bidder; or
- (3) which is fairly disclosed in the Disclosure Materials, in Veda's announcements to ASX or a document lodged with ASIC, in each case prior to the date of this deed.
- (c) For the avoidance of doubt, nothing in this clause 5.3 restricts the ability of Veda to respond to a Competing Proposal in accordance with clause 11.

### 5.4 Appointment of directors

On the Implementation Date, subject to the Scheme Consideration having been paid to Scheme Shareholders and receipt by Veda of signed consents to act, Veda must take all actions necessary to cause the appointment of the nominees of Bidder to the Veda Board in replacement of the existing members of the Veda Board.

### 5.5 Executive Incentive Arrangements

Veda must give effect to the treatment of Executive Incentive Arrangements in the form agreed between the parties prior to the date of this deed, with any vesting or payment to be subject to the Scheme becoming Effective and otherwise in accordance with the agreement between the parties.

### 5.6 Conduct of Court proceedings

- (a) Veda and Bidder are entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) This deed does not give Veda or Bidder any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.
- (c) Veda and Bidder must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this deed.

### 5.7 Responsibility statements

- (a) The Scheme Booklet will contain a responsibility statement to the effect that:
  - (1) Veda is responsible for the Veda Information contained in the Scheme Booklet;
  - (2) Bidder is responsible for the Bidder Information contained in the Scheme Booklet; and
  - (3) The Independent Expert is responsible for the Independent Expert's Report.
- (b) If after 2 Business Days consultation, Veda and Bidder are unable to agree on the form or content of the Scheme Booklet:
  - (1) where the determination relates to Bidder Information, Bidder will make the final determination (acting reasonably and in good faith) as to the form and content of the Bidder Information; and
  - (2) in any other case, Veda will make the final determination (acting reasonably and in good faith) as to the form and content of the Scheme Booklet.



## 5.8 US Tax treatment

From the date of this deed until the date of termination of this deed or the Implementation Date, no Veda Group Member will make, change or revoke any election with the U.S. Internal Revenue Service.

## 5.9 Consents

- (a) From the date of this deed up to and including the Implementation Date, Veda and Bidder must seek to identify and confirm any change of control or unilateral termination rights in material contracts and leases to which a member of the Veda Group is party which may be triggered by or exercised in response to the implementation of the Transaction. In respect of those contracts and leases, Veda and Bidder will:
  - (1) agree a proposed course of action (which, among other things, will have due regard to applicable legal restrictions) and then each party will use its reasonable endeavours to take any agreed steps to request that relevant counterparties provide any consents or confirmations required or appropriate; and
  - (2) where applicable, promptly provide any information reasonably required by counterparties or landlords.

## 5.10 Financing and Reporting Cooperation

The Veda Group agrees to provide the following cooperation in connection with acquisition or debt financings in connection with the Scheme Consideration by any member of the Bidder Group and preparation of financial information for the purposes of the Bidder Group's reporting requirements if requested by Bidder:

- (a) furnishing Bidder and its financing sources within a reasonable timeframe having regard to Veda Group's other commitments including its half year reporting obligations and Australian holiday periods (including providing any consent required under the Confidentiality Deed which Bidder reasonably requests to such disclosure) with historical financial and other relevant information regarding Veda, the Veda Group or any other entity in which any Veda Group Member has an investment as may be reasonably requested by Bidder in connection with its registered offering of debt securities in the United States;
- (b) assisting Bidder and its financing sources, within a reasonable timeframe having regard to Veda Group's other commitments including its half year reporting obligations and Australian holiday periods, in the preparation of any offering document to be used in obtaining or syndicating any acquisition or debt financing, and any materials required in connection with ratings agency presentations; and
- (c) requesting, within a reasonable timeframe having regard to Veda Group's other commitments including its half year reporting obligations and Australian holiday periods and on terms acceptable to Veda acting reasonably, advisors of the Veda Group to:
  - (1) undertake a reconciliation of financial statements of the Veda Group for the years ended 30 June 2014 and 30 June 2015 to generally acceptable accounting standards in the United States, prepare audited financial statements for those periods and related notes that



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## 6 Access to information

are in compliance with Regulation S-X of the U.S. *Securities Act of 1933*, and issue related opinions;

- (2) undertake a reconciliation of financial statements of the Veda Group for the half years ended 31 December 2014 and, subject to point (f) below, 31 December 2015 to generally acceptable accounting standards in the United States, prepare reviewed financial statements of the Veda Group for those periods and related notes that are in compliance with Regulation S-X of the U.S. *Securities Act of 1933*, and issue related opinions; and
- (3) undertake a reconciliation and review of financial statements of the Veda Group for the quarters ended 31 March 2015, 30 June 2015, and, subject to point (f) below, 30 September 2015 and 31 December 2015 to generally acceptable accounting standards in the United States in compliance with Regulation S-X of the U.S. *Securities Act of 1933*,

provided, in each case, that:

- (d) neither Veda, nor any Veda Indemnified Party, shall be required to incur any liability in connection with any acquisition or debt financing prior to implementation of the Scheme that is not funded in advance by Bidder. For the avoidance of doubt, this paragraph (d) does not limit any other obligations of Veda under this deed;
- (e) Bidder must indemnify and hold harmless the Veda Indemnified Parties from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with any acquisition or debt financing, any reporting obligations of the Bidder Group and any information utilised in connection therewith, in each case other than to the extent any of the foregoing arises from wilful misconduct or fraud by the relevant Veda Indemnified Party; and
- (f) Bidder must not cause, suffer or permit any financial information of any entity in the Veda Group to be communicated to any person, with respect to a period for which Veda Group has not already publicly released its accounts, save for Bidder's Specified Persons (as defined in the Confidentiality Deed) or otherwise with the prior consent of Veda (which consent is not to be unreasonably withheld). For the avoidance of doubt, nothing in this clause will require Veda to act inconsistently with its continuous disclosure obligations.

## 6 Access to information

### 6.1 Access Protocol

- (a) Between (and including) the date of this deed and the Implementation Date, Veda will provide Bidder with limited access to senior executives and information of Veda in accordance with the Access Protocol approved by the Veda Board and initialled by the parties as at the date of this deed.
- (b) Both parties will comply with the terms of the Access Protocol.



## 7 Representations and warranties

### 6.2 Confidentiality and restrictions on use of information

For the avoidance of doubt, the Confidentiality Deed applies to all information shared under the Access Protocol, whether oral or in writing, and Bidder acknowledges that it must keep that information confidential and comply with the:

- (a) restrictions on use;
- (b) restrictions on disclosure; and
- (c) all other applicable obligations,

in the Confidentiality Deed with respect to any information it receives from Veda under the Access Protocol.

## 7 Representations and warranties

### 7.1 Bidder's representations and warranties

Bidder represents and warrants to Veda (in Veda's own right and separately as trustee or nominee for each of the other Veda Indemnified Parties) each of the Bidder Representations and Warranties.

### 7.2 Bidder's indemnity

Bidder agrees with Veda (in Veda's own right and separately as trustee or nominee for each of the other Veda Indemnified Parties) to indemnify Veda and each of the Veda Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Veda or any of the other Veda Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Bidder Representations and Warranties.

### 7.3 Veda's representations and warranties

Veda represents and warrants to Bidder (in Bidder's own right and separately as trustee or nominee for each of the other Bidder Indemnified Parties) each of the Veda Representations and Warranties.

### 7.4 Veda's indemnity

Veda agrees with Bidder (in Bidder's own right and separately as trustee or nominee for each Bidder Indemnified Party) to indemnify Bidder and each of the Bidder Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Bidder or any of the other Bidder Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Veda Representations and Warranties.

### 7.5 Qualifications on Veda's representations, warranties and indemnities

The Veda Representations and Warranties in clause 7.3 and the indemnity in clause 7.4, are each subject to matters that have been fairly disclosed in:

- (a) the Disclosure Materials; or





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8 Releases

- (b) Veda's announcements to ASX, or a document lodged with ASIC, prior to the date of this deed.

## 7.6 Survival of representations and warranties

Each representation and warranty in clauses 7.1 and 7.3:

- (a) is severable;
- (b) survives the termination of this deed; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this deed.

## 7.7 Survival of indemnities

Each indemnity in this deed (including those in clauses 7.2 and 7.4):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

## 7.8 Timing of representations and warranties

Each representation and warranty made or given under clauses 7.1 or 7.3 is given:

- (a) at the date of this deed and at 5.00 pm on the Business Day before the Second Court Date; or
- (b) where expressed to be given at a particular time, at that time.

## 7.9 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.





## 8 Releases

### 8.1 Veda Indemnified Parties

- (a) Bidder releases any and all rights that it may have, and agrees not to make any claim, against any Veda Indemnified Party (other than Veda) as at the date of this deed or from time to time in connection with:
  - (1) any breach of any representations and warranties of Veda or any other member of the Veda Group in this deed;
  - (2) any disclosures containing any statement which is false or misleading (whether in content or by omission); or
  - (3) any failure to provide information,
 whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Veda Indemnified Party has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 8.1(a) limits Bidder's rights to terminate this deed under clause 13.2(a).
- (b) Veda receives and holds the benefit of this clause to the extent it relates to each Veda Indemnified Party as trustee for each of them.
- (c) Bidder agrees, to the maximum extent permitted by law, that, at any time after the Implementation Date, it will not cause, suffer or permit Veda to make any Claim against a Veda Indemnified Party in respect of any matter arising in connection with this deed, the Transaction or any act or omission whatsoever which occurred or is alleged to have occurred on or before Implementation Date, except where and to the extent that the relevant Veda Indemnified Party has engaged in wilful misconduct or fraud.

### 8.2 Bidder Indemnified Parties

- (a) Veda releases any and all rights that it may have, and agrees not to make any claim, against any Bidder Indemnified Party (other than Bidder) as at the date of this deed or from time to time in connection with:
  - (1) any breach of any representations and warranties of Bidder or any other member of the Bidder Group in this deed;
  - (2) any disclosure containing any statement which is false or misleading (whether in content or by omission); or
  - (3) any failure to provide information,
 whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Bidder Indemnified Party has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 8.2(a) limits Veda's rights to terminate this deed under clause 13.2(b).
- (b) Bidder receives and holds the benefit of this clause to the extent it relates to each Bidder Indemnified Party as trustee for each of them.



### 8.3 Deeds of indemnity and insurance

- (a) Subject to the Scheme becoming Effective and the Transaction completing, Bidder undertakes in favour of Veda and each other person who is a Veda Indemnified Party that it will:
  - (1) for a period of 7 years from the Implementation Date, ensure that the constitutions of Veda and each other Veda Group Member continues to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a Veda Group Member;
  - (2) procure that Veda and each Veda Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time (**Relevant Deed**) and without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained in the form as entered into pursuant to and in accordance with Veda's existing policies immediately prior to the date of this deed for a period of 7 years from the retirement date of each director and officer and without limiting the foregoing, not take any action or make any omission which would prejudice or adversely affect any such directors' and officers' run-off insurance cover taken out pursuant to and in accordance with Veda's existing policies immediately prior to the date of this deed (including, without limitation, ensuring that if a Veda Group Member ceases to exist or ceases to be a Bidder Group Member after the Implementation Date, each Veda Indemnified Person continues to have the benefit of an indemnity from the Bidder on terms no less favourable than those contained in the Relevant Deed as at the Effective Date);
  - (3) not vary or cancel the run-off insurance policy referred to in clause 8.3(c); and
  - (4) not commit any act or omission that may prejudice any claim by a beneficiary under that run-off insurance policy.
- (b) The undertakings contained in this clause 8.3 are subject to any Corporations Act restriction, or any restriction in the law of a jurisdiction in which an entity is incorporated, and will be read down accordingly.
- (c) Bidder acknowledges that, notwithstanding any other provision of this deed, Veda will, prior to the Implementation Date, enter into a run-off insurance policy in respect of any Veda Indemnified Party for a 7 year period (or longer if Bidder agrees, acting reasonably), such run-off policy to be pursuant to and in accordance with Veda's existing policies immediately prior to the date of this deed, and that any actions to facilitate that insurance or in connection with it will not be a Veda Prescribed Occurrence or breach any provision of this deed.
- (d) Veda receives and holds the benefit of clause 8.3(a), to the extent it relates to the other Veda Indemnified Parties, as trustee for each of them.



## 9 Public announcement

### 9.1 Announcement of the Transaction

- (a) Immediately after the execution of this deed, Veda and Bidder must issue public announcements in a form previously agreed to in writing between them.
- (b) The Veda announcement must include a unanimous recommendation by the Veda Board to Veda Shareholders that, in the absence of a Superior Proposal and subject to the Independent's Expert's concluding that the Scheme is fair and reasonable, Veda Shareholders vote in favour of the Scheme and that subject to the same qualifications all the members of the Veda Board will vote (or will procure the voting of) any Shares he or she holds or controls at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting.

### 9.2 Public announcements

Subject to clause 9.3, before making a public announcement or public disclosure of the Transaction or the Scheme, a party must to the extent practicable and lawful to do so provide the other party with a draft copy before it is proposed that the public announcement is made, and where the proposed announcement or any aspect of it relates to or is in connection with the Transaction or Scheme or any aspect of either, it must give the other party a reasonable opportunity to comment on the form and content of the public announcement and must consider in good faith any such comments from the other party and its Related Persons.

### 9.3 Required disclosure

Where a party is required by applicable law, the Listing Rules or the rules of any other stock exchange to make any announcement or to make any disclosure in connection with the Transaction or the Scheme, it must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

## 10 Confidentiality Deed

### 10.1 Parties bound

Each party acknowledges and agrees that it continues to be bound by the Confidentiality Deed after the date of this deed.

### 10.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Deed survive termination of this deed.



## 11 Exclusivity

**10.3 Inconsistency**

In the event of any inconsistency between the Confidentiality Deed and this deed, the terms of this deed prevail.

**11 Exclusivity****11.1 No shop and no talk**

During the Exclusivity Period, Veda must not, and must ensure that its Related Persons do not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any person other than Bidder) any inquiry, expression of interest, proposal or discussion by any person in relation to a Competing Proposal or communicate to any person an intention to do anything referred to in this clause 11.1(a); or
- (b) **(no talk)** subject to clause 11.2:
  - (1) participate in or continue any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a Competing Proposal or to Veda abandoning or not proceeding with the Transaction;
  - (2) provide any material non-public information about the business or affairs of the Veda Group to a Third Party (other than a Government Agency) in connection with, or where provision of that non-public information may reasonably be expected to lead to, a Competing Proposal; or
  - (3) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.1(b),

but nothing in this clause 11.1 prevents Veda from making normal presentations to, or responding to enquiries from, brokers, proxy advisers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Transaction, so long as such actions are not directed toward obtaining any Competing Proposal.

**11.2 Fiduciary exception**

- (a) Clause 11.1(b) does not apply to or prohibit any action or inaction by Veda or any of its Related Persons in relation to a bona fide written Competing Proposal, provided that:
  - (1) the Competing Proposal did not result from a breach of this clause 11; and
  - (2) in the opinion of the Veda Board, formed in good faith after receiving advice from its external legal and financial advisers, the failure to take such action or to not act would constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of Veda.
- (b) Each party acknowledges that the parties have agreed to include clause 11.2(a) in contemplation of a circumstance where a Competing Proposal



## 11 Exclusivity

constitutes, or would reasonably be expected to result in, a Superior Proposal.

### 11.3 Notification of approaches

- (a) During the Exclusivity Period, Veda must notify Bidder in writing if it is approached, or any of its Related Persons is approached, by any person in relation to a Competing Proposal. Veda will in good faith seek to provide such notice to Bidder within 24 hours of the approach and, in any event, will provide such notice to Bidder by the later of: (a) 48 hours; and (b) 1 Business Day, following the approach.
- (b) A notification given under clause 11.3(a) must set out reasonable details of the approach, including the identity of the person making the Competing Proposal and the price and terms of the Competing Proposal.

### 11.4 Matching right

Without limiting clause 11.1 during the Exclusivity Period, Veda:

- (a) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, proposes to undertake or give effect to a Competing Proposal; and
- (b) must do all things reasonably within its power to procure that none of its directors change their recommendation in favour of the Scheme to publicly recommend a Competing Proposal (or recommend against the Scheme by reason of a Competing Proposal),

unless:

- (c) Veda receives a bona fide written Competing Proposal which did not result from a breach of this clause 11, and the Veda Board, acting in good faith, after consultation with its external legal and financial advisers, determines that such Competing Proposal constitutes a Superior Proposal;
- (d) Veda has provided Bidder with reasonable details of the approach, including the identity of the person making the Competing Proposal and the price and terms of the Competing Proposal;
- (e) Veda has given Bidder 4 Business Days after the date of the provision of the information referred to in clause 11.4(d) to provide a matching or superior proposal to the terms of the Competing Proposal (and, if required by Bidder, Veda has negotiated with Bidder in good faith during such period regarding any revisions to the terms of the transaction proposed by Bidder in response to the Competing Proposal); and
- (f) Bidder has not made or announced a matching or superior proposal to the terms of the Competing Proposal by the expiry of the 4 Business Day period in clause 11.4(e) above.

### 11.5 Cease discussions

On the date of the Announcement, Veda ceased any discussions or negotiations (if and to the extent that they were in existence) with any Third Party in relation to a Competing Proposal and withdrew any access to any Third Party to undertake diligence investigations on the Veda Group in connection with, or in furtherance of, any actual or potential Competing Proposal.



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## 12 Reimbursement Fee

### 11.6 Equal access to information

At any time after the date of this deed, Veda must not provide materially more extensive access to due diligence information relating to Veda or any of its businesses or operations to any person than it has provided, or provides substantially concurrently, to Bidder in connection with or for the purpose of an actual or potential Competing Proposal. For the purpose of this clause 11.6, Veda will not be regarded as providing materially more extensive access to due diligence information to another person by reason of the information provided being different (although as a whole not materially more extensive) because the other person makes different requests for information than Bidder requests. For the avoidance of doubt, any such provision of information to any person other than Bidder may only be undertaken if permitted by this clause 11.

## 12 Reimbursement Fee

### 12.1 Background to Reimbursement Fee

- (a) Bidder and Veda acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, Bidder will incur significant costs, including those set out in clause 12.4.
- (b) In these circumstances, Bidder has requested that provision be made for the payments outlined in clause 12.2, without which Bidder would not have entered into this deed or otherwise agreed to implement the Scheme.
- (c) The Veda Board considers, having taken advice from its legal advisors and Financial Advisors, that the implementation of the Scheme will provide benefits to Veda and it is appropriate for Veda to agree to the payments referred to in clause 12.2 in order to secure for Veda Shareholders the opportunity to vote on the Scheme.

### 12.2 Reimbursement Fee triggers

Veda must pay the Reimbursement Fee to Bidder, without set-off or withholding, if:

- (a) during the Exclusivity Period, a Veda Director fails to recommend, or withdraws or adversely revises his or her support of the Scheme (including by recommending or supporting a Competing Proposal) or his or her recommendation that Veda Shareholders vote in favour of the Scheme, or, having made such a recommendation, withdraws or adversely revises that recommendation for any reason, other than:
  - (1) as a result of the Independent Expert concluding in the Independent Expert's Report (or any update of, or revision, amendment or addendum to, that report) that the Scheme is any one or more of the following: not fair, or not reasonable to Veda Shareholders (except where that conclusion is due to a Competing Proposal);
  - (2) as a result of any matter or thing giving Veda the right to terminate this deed pursuant to clause 13.1(a)(1) or 13.2;
  - (3) as a result of a failure of a condition precedent in clause 3.1(a) (Regulatory Approvals), 3.1(b) (Shareholder Approval), 3.1(c) (Court Approval) or 3.1(e) (Restraints), other than as a result of a breach by Veda of clause 3.2; or



## 12 Reimbursement Fee

- (b) a Competing Proposal is announced prior to the Second Court Date (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, any Third Party completes a Competing Proposal of a kind referred to in any of paragraphs 2, 3 or 4 of the definition of Competing Proposal; or
- (c) Bidder terminates this deed:
  - (1) pursuant to clause 13.1(a)(1);
  - (2) pursuant to clause 13.2 (other than in relation to a breach of a Veda Representation and Warranty contained in paragraphs (a) (Information in Scheme Booklet) to (d) (Updating information) (inclusive); (h) (No default); (j) Disclosure); or (k) (Capital structure) to (u) (certain payments) (inclusive), of Schedule 2 which is given at 5:00 p.m. on the Business Day before the Second Court Date where the relevant breach giving rise to termination was not within the control of Veda); or
  - (3) due to a failure of a Condition Precedent in clauses 3.1(f) (Veda Prescribed Occurrence) or 3.1(g) (Executive Incentive Arrangements) to be fulfilled which failure was within the control of Veda.

**12.3 Timing of payment of Reimbursement Fee**

- (a) A demand by Bidder for payment of the Reimbursement Fee under clause 12.2 must:
  - (1) be in writing;
  - (2) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (3) state the circumstances which give rise to the demand; and
  - (4) nominate an account in the name of Bidder into which Veda is to pay the Reimbursement Fee.
- (b) Veda must pay the Reimbursement Fee into the account nominated by Bidder, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Bidder is entitled under clause 12.2 to the Reimbursement Fee.

**12.4 Basis of Reimbursement Fee**

The Reimbursement Fee has been calculated to reimburse Bidder for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction; and
- (d) out of pocket expenses incurred by Bidder and Bidder's employees, advisers and agents in planning and implementing the Transaction.



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## 12 Reimbursement Fee

### 12.5 Compliance with law and other qualifications

- (a) This clause 12 does not impose an obligation on Veda to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:
  - (1) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
  - (2) is determined to be unenforceable or unlawful (including by virtue of it being a breach of the fiduciary or statutory duties of the members of the Veda Board) by a court,

Bidder will refund to Veda within 5 Business Days any amount in excess of its obligation under this clause that Veda has already paid to Bidder when that declaration or determination is made. For the avoidance of doubt, any part of that fee that would not constitute 'unacceptable circumstances' or that is not unenforceable or unlawful (as applicable) must be paid by Veda. The parties must not make or cause to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 12.5(a) in respect of the Reimbursement Fee.

- (b) A statement that a shareholder should 'take no action pending further advice' (or words to that effect) is not regarded as an adverse modification of a recommendation for the purposes of clause 12.2(a), provided that the Veda Board publicly re-affirms its recommendation in favour of the Transaction at least 5 Business Days before the earlier of the date that the Scheme is considered by Veda Shareholders and the End Date.

### 12.6 Reimbursement Fee payable only once

Where the Reimbursement Fee becomes payable to Bidder under clause 12.2 and is actually paid to Bidder, Bidder cannot make any claim against Veda for payment of any subsequent Reimbursement Fee.

### 12.7 Other claims

The maximum aggregate amount which Veda is required to pay in relation to this deed (including any breach of this deed by Veda) is an amount equal to the Reimbursement Fee and in no event will the aggregate liability of Veda or any other Veda Indemnified Party under or in connection with this deed exceed an amount equal to the Reimbursement Fee.

### 12.8 Remedies

- (a) Notwithstanding any other provision under this deed, but subject to clause 12.8(b), where the Reimbursement Fee is paid to Bidder under this deed (or would be payable if a demand was made), Bidder cannot make any Claim against Veda or any other Veda Indemnified Party in relation to any event or circumstance referred to in clause 12.2 or for any material breach referred to in clauses 13.1(a) or 13.1(c) or for any other matter arising out of or connected in any way with this deed or the transactions and matters contemplated by it.
- (b) Veda acknowledges and agrees that in respect of knowing and deliberate actions to avoid implementing the Transaction that are or would constitute a breach of this deed, the amount of the Reimbursement Fee may not be an





## 13 Termination

adequate remedy for Bidder and in such circumstances, Bidder may seek specific performance or similar remedies.

### 12.9 No Reimbursement Fee if Scheme Effective

Despite anything to the contrary in this deed, the Reimbursement Fee will not be payable to Bidder if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.2 and, if the Reimbursement Fee has already been paid it must be refunded by Bidder.

## 13 Termination

### 13.1 Termination

- (a) Either party may terminate this deed by written notice to the other party:
  - (1) other than in respect of a breach of either a Bidder Representation and Warranty or a Veda Representation and Warranty (which are dealt with in clause 13.2), at any time before 8.00am on the Second Court Date if the other party has materially breached this deed, the party entitled to terminate has given written notice to the party in breach of this deed setting out the relevant circumstances and stating an intention to terminate this deed, and the other party has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; or
  - (2) in the circumstances set out in, and in accordance with, clause 3.4.
- (b) Bidder may terminate this deed by written notice to Veda until 8.00am on the Second Court Date if:
  - (1) the Veda Board fails to recommend the Scheme or any Veda Director withdraws or adversely revises his or her recommendation that Veda Shareholders vote in favour of the Scheme; or
  - (2) Veda enters into an agreement to implement a Competing Proposal.
- (c) Veda may terminate this deed by written notice to Bidder at any time before 8.00am on the Second Court Date if the Veda Board or a majority of the Veda Board has adversely changed or withdrawn its recommendation as permitted under clause 5.1(b).

### 13.2 Termination for breach of representations and warranties

- (a) Bidder may, at any time prior to 8.00am on the Second Court Date, terminate this deed for breach of a Veda Representation and Warranty only if:
  - (1) Bidder has given written notice to Veda setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
  - (2) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the date on which the notice is given under clause 13.2(a)(1); and



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#### 14 Duty, costs and expenses

- (3) one of the following applies:
- (A) a Veda Representation and Warranty contained in paragraphs (e) (Validly Existing), (f) (Authority), (g) (Power), (i) (Deed Binding) or (p) (Solvency) of Schedule 2 is not true and correct in all material respects as at the date of this deed and as at 8.00am on the Second Court Date; or
  - (B) any other Veda Representation and Warranty is not true and correct (without giving effect to any limitation as to “materiality” or “Veda Material Adverse Change” set forth therein) as at the date of this deed or as at 8.00am on the Second Court Date (or if a representation or warranty is expressed to be operative as at any other date, as at that date) and the loss that would reasonably be expected to follow from such a breach, individually or in the aggregate with respect to all other breaches of the Veda Representations and Warranties, would constitute a Veda Material Adverse Change.
- (b) Veda may, at any time before 8.00am on the Second Court Date, terminate this deed for breach of a Bidder Representation and Warranty only if:
- (1) Veda has given written notice to Bidder setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
  - (2) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 13.2(b)(1); and
  - (3) the loss that would reasonably be expected to follow from such a breach is material in the context of the Scheme taken as a whole.

### 13.3 Effect of termination

If this Deed is terminated by either party under clauses 3.4, 13.1 or 13.2:

- (a) each party will be released from its obligations under this deed, except that this clause 13.3, and clauses 1, 7.6 to 7.8 (inclusive), 10, 12, 14, 15, 16 and 17 (except clause 17.9), will survive termination and remain in force;
- (b) each party will retain the rights it has or may have accrued against the other party under this deed (including any past breach of this deed); and
- (c) in all other respects, all future obligations of the parties under this deed will immediately terminate and be of no further force and effect including any further obligations in respect of the Scheme.

### 13.4 Termination

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this deed and the provision under which it is terminating the deed.

### 13.5 No other termination

Neither party may terminate or rescind this deed except as permitted under clause 3.4, 13.1 or 13.2.



## 14 Duty, costs and expenses

### 14.1 Stamp duty

Bidder:

- (a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme; and
- (b) indemnifies Veda against any liability arising from its failure to comply with clause 14.1(a).

### 14.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

## 15 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with clause 15(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 15(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 15(b):
  - (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing



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## 16 Notices

to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

- (e) Despite any other provision in this deed if an amount payable under or in connection with this deed, other than the Reimbursement Fee, (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

## 16 Notices

### 16.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party as nominated below (or any alternative details nominated to the sending party by Notice):

Party	Address	Addressee	Email
<b>Veda</b>	Veda Group Limited Level 15, 100 Arthur Street, North Sydney NSW 2060	Company Secretary	co.sec@veda.com.au
	Copy to: Herbert Smith Freehills 161 Castlereagh Street, Sydney NSW 2000	Rebecca Maslen- Stannage and Catriona McGregor	Rebecca.Maslen- Stannage@hsf.com and Catriona.McGregor@hsf.com
<b>Bidder</b>	Equifax Inc. 1550 Peachtree Street Atlanta, Georgia 30309 United States of America	Shawn K. Baldwin Senior Vice President and Group Counsel	Shawn.baldwin@equifax.com
	Copy to Allens Deutsche Bank Place	Vijay Cugati and Tom Story	Vijay.Cugati@allens.com.au and Tom.Story@allens.com.au



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## 17 General

Party	Address	Addressee	Email
	126 Phillip Street Sydney NSW 2000		
	Copy to King & Spalding LLP 1180 Peachtree Street Atlanta, GA 30309 United States of America	C. William Baxley and Carrie A. Ratliff	<a href="mailto:BBaxley@KSLAW.com">BBaxley@KSLAW.com</a> and <a href="mailto:cratliff@kslaw.com">cratliff@kslaw.com</a>

### 16.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

### 16.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email in accordance with clause 16.2).

## 17 General

### 17.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in New South Wales.
- (b) Each party irrevocably submits to the exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal



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## 17 General

process in these courts on the basis that the process has been brought in an inconvenient forum.

### 17.2 Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being communicated in accordance with clause 16, and will be taken to have been served at the time when clause 16 specifies that it is taken to have been given and received.

### 17.3 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

### 17.4 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 17.4(a) does not apply where enforcement of the provision of this deed in accordance with clause 17.4(a) would materially affect the nature or effect of the parties' obligations under this deed.

### 17.5 Waiver

No party to this deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 17.5 are set out below.

Term	Meaning
<b>conduct</b>	includes delay in the exercise of a right.
<b>right</b>	any right arising under or in connection with this deed and includes the right to rely on this clause.
<b>waiver</b>	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

### 17.6 Variation

A variation of any term of this deed must be in writing and signed by the parties.



### **17.7 Assignment of rights**

- (a) Except as provided in clause 2.2(a), a party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other party.
- (b) A breach of clause 17.7(a) by a party shall be deemed to be a material breach for the purposes of clause 13.1(a)(1).
- (c) Clause 17.7(b) does not affect the construction of any other part of this deed.

### **17.8 No third party beneficiary**

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other person, other than the Bidder Indemnified Parties and the Veda Indemnified Parties to the extent set forth in clauses 7, 8, 12.7 and 12.8, any third party beneficiary rights.

### **17.9 Further action to be taken at each party's own expense**

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

### **17.10 Entire agreement**

This deed states all the express terms agreed by the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings and agreements in respect of its subject matter (other than the Confidentiality Deed).

### **17.11 Counterparts**

This deed may be executed in any number of counterparts.

### **17.12 Relationship of the parties**

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

### **17.13 Remedies cumulative**

Except as provided in this deed and permitted by law, the rights, powers and remedies provided in this deed are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this deed.

### **17.14 Exercise of rights**

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.



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- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

#### **17.15 Warranty of authority**

Each person executing this deed on behalf of a party warrants that the person is authorised to bind the relevant party to this deed.





## Schedules

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## Schedule 1

### Bidder Representations and Warranties

Bidder represents and warrants to Veda (in its own right and separately as trustee or nominee for each of the other Veda Indemnified Parties) that:

- (a) **Bidder Information:** the Bidder Information provided for inclusion in the Scheme Booklet, as at the date the Scheme Booklet is despatched to Veda Shareholders, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion having been formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of Bidder Information:** the Bidder Information:
  - (1) will be provided to Veda in good faith and on the understanding that Veda and each other Veda Indemnified Party will rely on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme; and
  - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and the Listing Rules,
 and all information provided by Bidder to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (c) **new information:** it will, as a continuing obligation, provide to Veda all further or new information which arises after the Scheme Booklet has been despatched to Veda Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Bidder Information is not misleading or deceptive in any material respect (including by way of omission);
- (d) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (e) **authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action of Bidder;
- (f) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed and does not require shareholder approval or any other form of corporate approval which it has not already obtained to do so;
- (g) **no default:** this deed does not conflict with or result in the breach of or a default under:
  - (1) any provision of Bidder's Constitution; or
  - (2) any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other Bidder Group Member is bound;
- (h) **deed binding:** this deed is a valid and binding obligation of Bidder, enforceable in accordance with its terms;



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Schedule 1 Representations and Warranties

- (i) **Insolvency Event or regulatory action:** no Insolvency Event has occurred in relation to it or another Bidder Group Member, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict its ability to fulfil its obligations under this deed;
- (j) **regulatory approvals:** no regulatory approval is required to be obtained by Bidder in order for it to execute, deliver and perform this deed, other than those approvals set out in clauses 3.1(a); and
- (k) **financing:**
  - (1) Bidder has legally binding finance agreements or arrangements in respect of all financing, together with cash on hand, required for Bidder to fund the Scheme Consideration under the Scheme;
  - (2) it has done everything necessary within its control to ensure that the finance agreements or arrangements remain in force and that all conditions precedent to draw down of funds under the finance agreements or arrangements have been satisfied or waived on or prior to the Implementation Date;
  - (3) on the Implementation Date, Bidder will pay the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this deed and the Deed Poll; and
  - (4) it acknowledges that any financing by Bidder will not be a condition to any obligation on the Bidder under this deed and the Deed Poll.



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## Schedule 2

### Veda Representations and Warranties

Veda represents and warrants to Bidder (in its own right and separately as trustee or nominee for each of the other Bidder Indemnified Parties) that:

- (a) **Information in Scheme Booklet:** the Veda Information contained in the Scheme Booklet as at the date the Scheme Booklet is despatched to Veda Shareholders:
  - (1) will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion having been formed on a reasonable basis), including by way of omission from that statement;
  - (2) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, RG 60 and the Listing Rules;
- (b) **Information provided to the Independent Expert:** all information provided by Veda to the Independent Expert, as at the date that information is provided, will be provided in good faith and on the understanding that, to the extent accepted by the Independent Expert, the Independent Expert will rely on that information for the purpose of preparing its report for inclusion in the Scheme Booklet;
- (c) **Scheme Booklet:** no information (other than the Bidder Information, the Independent Expert's Report or any investigating accountant's report) contained in the Scheme Booklet, as at the date the Scheme Booklet is despatched to Veda Shareholders, will contain any statement which is materially misleading or deceptive, including by way of omission from that statement;
- (d) **Updating information:** the Scheme Booklet (but in respect of Bidder Information, subject to Bidder complying with its obligations to update the Bidder Information) will be updated by all such further or new information which may arise after the Scheme Booklet has been despatched until the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive in any material respect (including because of any material omission);
- (e) **Validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (f) **Authority:** the execution and delivery of this deed has been properly authorised by all necessary corporate action of Veda;
- (g) **Power:** has full capacity, corporate power and lawful authority to execute, deliver and perform this deed;
- (h) **No default:** this deed does not conflict with or result in the breach of or a default under:
  - (1) Veda's constitution or other constituent documents; or
  - (2) so far as the Specified Executives are aware and except as fairly disclosed in the Disclosure Materials, any material term or provision of any material agreement (including any financing arrangements) or any



## Schedule 2 Representations and Warranties

writ, order or injunction, judgment, law, rule or regulation to which it is party or by which it is bound;

- (i) **Deed binding:** this deed is a valid and binding obligation of Veda, enforceable in accordance with its terms;
- (j) **Disclosure:** as at the date of this deed:
  - (1) Veda is in compliance in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, except as fairly disclosed in the Disclosure Materials, Veda is not withholding from disclosure to ASX any material information in reliance on Listing Rule 3.1A; and
  - (2) the Disclosure Materials were compiled and made available to Bidder and its Related Persons in good faith and, so far as the Specified Executives are aware, the contents of the Disclosure Materials are not materially misleading or deceptive (including by omission, where such omission was with intent to mislead or deceive). For the avoidance of doubt, this is not to be read as a representation or warranty that the data room is complete;
- (k) **Capital structure:** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 3 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Veda Shares other than as set out in Schedule 3 and it is not otherwise under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any Veda Shares, options, warrants, performance rights or other securities or instruments in Veda;
- (l) **Diluted Capital:** as at 8.00am on the Second Court Date, there will be on issue no more than 846,425,729 Veda Shares (together with any Veda Shares issued on vesting or exercise of, or in respect of, an Executive Incentive Arrangement existing as at the date of this deed in a manner contemplated by and consistent with clause 5.5) and other than as set out in Schedule 3, no Executive Incentive Arrangements or any other securities, options, performance rights or instruments will be outstanding or become outstanding or convertible into Veda Shares;
- (m) **Indebtedness:** except as fairly disclosed in the Disclosure Materials:
  - (1) no member of the Veda Group has incurred or agreed to incur any material Financial Indebtedness under any bank facility or other similar material arrangement providing financial accommodation of any description (excluding usual terms of trade with customers and suppliers and excluding hedges, swaps and similar arrangements); and
  - (2) no member of the Veda Group has engaged in financing of a type which is not required to be shown or reflected in its accounts;
- (n) **No material undisclosed liability:** so far as the Specified Executives are aware and except as fairly disclosed in the Disclosure Materials, there is no current claim (and Veda has not received written notice of any pending claim), dispute, demand, action, litigation, prosecution, arbitration, investigation, mediation or other proceeding commenced, which could reasonably be expected to result in an award, settlement, fine, penalty, order, loss or other liability to the Veda Group of more than \$10,000,000 and the Specified Executives are not aware of any anticipated matter of this kind;



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Schedule 2 Representations and Warranties

- (o) **Restrictions on business activities:** so far as the Specified Executives are aware and except as fairly disclosed in the Disclosure Materials, there is no agreement or order binding on any Veda Group Member that has or would reasonably be likely to have the effect of materially prohibiting, materially restricting or materially impairing after the Implementation Date any business of the Veda Group;
- (p) **Solvency:** neither Veda nor any other member of the Veda Group is subject to an Insolvency Event;
- (q) **Taxes:**
  - (1) there are no outstanding and overdue income Tax Returns or other material Tax Returns which were required to be filed by a Veda Group Member;
  - (2) there are no material outstanding and overdue Taxes owed by a Veda Group Member except where appropriate reserves have been recorded in the financial statements of Veda;
  - (3) so far as the Specified Executives are aware, neither Veda nor any other a Veda Group Member: (i) is currently the subject of a material Tax audit or examination and, no such audit, examination or proceeding is threatened in writing; (ii) has received from any Tax Authority any written notice of a material proposed adjustment, deficiency or underpayment of Taxes which has not been satisfied by payment or been withdrawn;
- (r) **No Undisclosed Indebtedness or Liabilities:** no member of the Veda Group has any indebtedness or material liabilities arising after 30 June 2015 required under generally accepted Australian accounting principles or Australian GAAP to be reflected on a balance sheet or the notes thereto, other than those: (i) reflected in, fully reserved against or otherwise described in the Veda audited annual financial statements for the period ended 30 June 2015 or the notes thereto; (ii) incurred in the ordinary course of business consistent with past practice since such date; or (iii) incurred under this deed or in connection with the Transaction;
- (s) **No Material Adverse Change:** since 31 December 2014, there has not been a Veda Material Adverse Change and no Veda Material Adverse Change has been discovered;
- (t) **Compliance with law:** so far as the Specified Executives are aware, no Veda Group Member is in material breach of any law applicable to its business, as would reasonably be expected to have or result in a Veda Material Adverse Change. So far as the Specified Executives are aware, no Veda Group Member has received any written notice of or been charged with the violation of any laws, as would reasonably be expected to have or result in a Veda Material Adverse Change. So far as the Specified Executives are aware, no Veda Group Member is under investigation with respect to the violation of any laws and, so far as the Specified Executives are aware, no Veda Group Member has received any written notice or communication of any such violation that has not been cured as of the date of this deed, as would reasonably be expected to have or result in a Veda Material Adverse Change; and
- (u) **Certain payments:** so far as the Specified Executives are aware, no member of the Veda Group is in breach of any Australian anti-corruption or anti-bribery law.



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## Schedule 3

### Veda details

Veda Group Limited

Security	Total number on issue
Veda Shares	846,425,729 Ordinary Shares
Veda unquoted securities	<p><b>Veda Options</b></p> <p>18,790,025 Tranche A Options (\$1.90 exercise price);</p> <p>16,006,317 Tranche B Options (\$2.10 exercise price); and</p> <p>5,825,045 Options (\$2.15 exercise price),</p> <p>and</p> <p><b>Veda Deferred Share Rights</b></p> <p>756,023 Deferred Share Rights,</p> <p>together consisting of 41,377,410 unquoted securities, which collectively are capable of being converted into 41,377,410 Veda Shares.</p>



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## Signing page

Executed as a deed

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### Veda

Signed sealed and delivered by  
**Veda Group Limited**  
by

sign here ►   
Company Secretary/Director

print name HELEN M. NUGENT

sign here ►   
Director

print name STEVEN A. SARGENT

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## Signing page

### Equifax

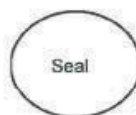
Signed sealed and delivered by  
**Equifax Inc.**  
by

sign here ▶   
Signature of Authorised Signatory

print name Richard F. Smith

sign here ▶   
Signature of Witness

print name Shawn K. Baldwin





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## Attachment 1

### Indicative Timetable

Event	Indicative date
Announcement of signing of scheme implementation deed	23 November 2015
Scheme Booklet provided to ASIC in draft	24 November 2015
First Court hearing	11 December 2015
Scheme Meeting	8 February 2016
Second Court hearing	10 February 2016
Effective Date	11 February 2016
Scheme Record Date	18 February 2016
Implementation Date	25 February 2016



## Attachment 2

### Scheme of arrangement

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Please refer to Annexure D of the Scheme Booklet.



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## Attachment 3

### Deed poll

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Please refer to Annexure E of the Scheme Booklet.

# Annexure D

## Scheme of Arrangement



### Scheme of arrangement – share scheme

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Veda Group Limited

Scheme Shareholders



## Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

**Veda Group Limited**

ACN 124 306 958 of Level 15, 100 Arthur Street, North Sydney, NSW 2060

(Veda)

The Scheme Shareholders

### 1 Definitions, interpretation and scheme components

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#### 1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

#### 1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

#### 1.3 Scheme components

This Scheme includes any schedule to it.

### 2 Preliminary matters

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- (a) Veda is a public company limited by shares, registered in Victoria, and has been admitted to the official list of the ASX. Veda Shares are quoted for trading on the ASX.
- (b) Equifax is a listed company limited by shares registered in Georgia, United States of America.
- (c) Equifax Sub, a wholly-owned Subsidiary of Equifax, is a company limited by shares registered in New South Wales, Australia.
- (d) If this Scheme becomes Effective:
  - (1) Equifax and Equifax Sub must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and



## 3 Conditions

- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Equifax Sub and Veda will enter the name of Equifax Sub in the Share Register in respect of the Scheme Shares on the Implementation Date.
- (e) Veda and Equifax have agreed, by executing the Scheme Implementation Deed, to implement this Scheme subject to its terms and conditions.
- (f) This Scheme attributes actions to Equifax and Equifax Sub but does not itself impose an obligation on them to perform those actions. Equifax and Equifax Sub have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

### 3 Conditions

#### 3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3 of the Scheme Implementation Deed (other than the condition in the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Equifax and Veda in accordance with clause 8.1;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Equifax and Veda having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Veda and Equifax agree in writing).

#### 3.2 Certificate

- (a) Veda and Equifax will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived as at 8.00am (AEST) on the Second Court Date.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.



## 4 Implementation of this Scheme

**3.3 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date or any later date that Veda and Equifax agree; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms, unless Veda and Equifax otherwise agree in writing.

**4 Implementation of this Scheme****4.1 Lodgement of Court orders with ASIC**

Veda must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm (AEST) on the first Business Day after the day on which the Court approves this Scheme or such later date as Equifax and Veda agree.

**4.2 Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Equifax Sub on the Implementation Date, without the need for any further act by any Scheme Shareholder (other than acts performed by Veda as attorney and agent for Scheme Shareholders under clause 8.5), by:
  - (1) Veda delivering to Equifax Sub a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Veda, for registration; and
  - (2) Equifax Sub duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Veda for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Veda must enter, or procure the entry of, the name of Equifax Sub in the Share Register in respect of all the Scheme Shares transferred to Equifax Sub in accordance with this Scheme.

**5 Scheme Consideration****5.1 Provision of Scheme Consideration**

- (a) Equifax must by no later than 5.00pm (AEST) on the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Shareholder, in an Australian dollar denominated trust account operated by





## 5 Scheme Consideration

Veda as trustee for the Scheme Shareholders, and notified to Equifax at least three Business Days prior to the Implementation Date (provided that any interest on the amounts deposited (less bank fees and other third party charges directly in connection with the account) will be credited to Equifax's account).

- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), Veda must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of Veda under clause 5.1(b) will be satisfied by Veda (in its absolute discretion):
  - (1) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Veda Registry to receive dividend payments from Veda by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
  - (2) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.1(c)(1), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of Veda's obligations under clause 5.1(b), there is a surplus in the amount held by Veda as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus must be paid by Veda to Equifax.

### 5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(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 Veda, the holder whose name appears first in the Share Register as at the Scheme 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 Veda, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

### 5.3 Fractional entitlements and splitting

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.

### 5.4 Unclaimed monies

- (a) Veda may cancel a cheque issued under this clause 5 if the cheque:
  - (1) is returned to Veda; or



## 6 Dealings in Veda Shares

- (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 6 years commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Veda (or the Veda Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), Veda must reissue a cheque that was previously cancelled under this clause 5.4.
- (c) The Unclaimed Money Act 1995 (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the Unclaimed Money Act 1995 (NSW)).

### 5.5 Orders of a court or Government Agency

- (a) If written notice is given to Veda (or the Veda Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:
  - (1) 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 Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Veda in accordance with this clause 5, then Veda shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
  - (2) prevents Veda from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Veda shall be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.
  - (3) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

## 6 Dealings in Veda Shares

### 6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Veda Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Veda Shares on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on



## 7 Quotation of Veda Shares

or before the Scheme Record Date at the place where the Share Register is kept,

and Veda must not accept for registration, nor recognise for any purpose (except a transfer to Equifax Sub pursuant to this Scheme and any subsequent transfer by Equifax Sub or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

## 6.2 Register

- (a) Veda must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Veda to register a transfer that would result in a Veda Shareholder holding a parcel of Veda Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Veda shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Veda must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Veda Shares (other than statements of holding in favour of Equifax Sub or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Equifax Sub or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Veda Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm (AEST) on the first Business Day after the Scheme Record Date, Veda will ensure that details of the names, Registered Addresses and holdings of Veda Shares for each Scheme Shareholder as shown in the Share Register are available to Equifax in the form Equifax reasonably requires.

## 7 Quotation of Veda Shares

- (a) Veda must apply to ASX to suspend trading on the ASX in Veda Shares with effect from the close of trading on the Effective Date.
- (b) Veda must apply:
  - (1) for termination of the official quotation of Veda Shares on the ASX; and
  - (2) to have itself removed from the official list of the ASX,



## 8 General Scheme provisions

with effect shortly after the Implementation Date, on a date to be agreed with Equifax.

## 8 General Scheme provisions

### 8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Veda may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Equifax has consented. For the avoidance of doubt, Veda must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Equifax (such consent not to be unreasonably withheld); and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Veda has consented to.

### 8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (1) agrees to the transfer of their Veda Shares together with all rights and entitlements attaching to those Veda Shares in accordance with this Scheme;
  - (2) agrees to the variation, cancellation or modification of the rights attached to their Veda Shares constituted by or resulting from this Scheme;
  - (3) agrees to, on the direction of Equifax, destroy any holding statements or share certificates relating to their Veda Shares; and
  - (4) acknowledges and agrees that this Scheme binds Veda and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Veda and Equifax and Equifax Sub on the Implementation Date, and appointed and authorised Veda as its attorney and agent to warrant to Equifax and Equifax Sub on the Implementation Date, that all their Veda Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Veda Shares to Equifax Sub together with any rights and entitlements attaching to those shares. Veda undertakes that it will provide such warranty to Equifax and Equifax Sub as agent and attorney of each Scheme Shareholder.



### 8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Equifax Sub will, at the time of transfer of them to Equifax Sub, vest in Equifax Sub free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, Equifax Sub will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Veda of Equifax Sub in the Share Register as the holder of the Scheme Shares.

### 8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5, and until Veda registers Equifax Sub as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Equifax Sub as attorney and agent (and directed Equifax Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Equifax Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not 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 clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Equifax Sub reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Equifax Sub and any director, officer, secretary or agent nominated by Equifax Sub under clause 8.4(a) may act in the best interests of Equifax Sub as the intended registered holder of the Scheme Shares.

### 8.5 Authority given to Veda

Each Scheme Shareholder, without the need for any further act:

- (a) from the Effective Date, irrevocably appoints Veda and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Equifax and Equifax Sub, and Veda undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Equifax and Equifax Sub on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) from the Implementation Date, irrevocably appoints Veda and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this



## 9 General

Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Veda accepts each such appointment. Veda as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

### 8.6 Binding effect of Scheme

This Scheme binds Veda and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Veda.

## 9 General

### 9.1 Stamp duty

Equifax will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

### 9.2 Consent

Each of the Scheme Shareholders consents to Veda doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Veda or otherwise.

### 9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Veda, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Veda's registered office or at the office of the Veda Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Veda Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### 9.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in



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9 General

these courts on the basis that the process has been brought in an inconvenient forum.

#### **9.5 Further action**

Veda must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

#### **9.6 No liability when acting in good faith**

Each Scheme Shareholder agrees that neither Veda, Equifax nor Equifax Sub nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



## Schedule 1

### Definitions and interpretation

#### 1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
<b>Business Day</b>	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales, Australia.
<b>CHESS</b>	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	the Federal Court of Australia, New South Wales Registry, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Equifax and Veda.
<b>Deed Poll</b>	the deed poll substantially in the form of Attachment 1 under which Equifax and Equifax Sub each covenants in favour of the Scheme Shareholders to perform the obligations attributed to Equifax and Equifax Sub under this Scheme.
<b>Effective</b>	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
<b>Effective Date</b>	the date on which this Scheme becomes Effective.





## Schedule 1 Definitions and interpretation

Term	Meaning
<b>End Date</b>	31 March 2016, or such other date as agreed in writing by Equifax and Veda.
<b>Equifax</b>	Equifax Inc. of 1550 Peachtree Street, N.W., Atlanta, Georgia 30309.
<b>Equifax Group</b>	Equifax and each of its Subsidiaries and a reference to a 'Equifax Group Member' or 'a member of the Equifax Group' is to Equifax or any of its Subsidiaries.
<b>Equifax Sub</b>	Equifax Australia Pty Ltd ACN 609 501 180 of 'Deutsche Bank Place' Level 5, 126-130 Phillip Street, Sydney NSW 2000, being a wholly owned Subsidiary of Equifax.
<b>Excluded Shareholder</b>	any Veda Shareholder who is a member of the Equifax Group or any Veda Shareholder who holds any Veda Shares on behalf of, or for the benefit of, any member of the Equifax Group and does not hold Veda Shares on behalf of, or for the benefit of, any other person.
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date, or such other date as agreed in writing by Veda and Equifax.
<b>IPO</b>	Initial Public Offering.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Operating Rules</b>	the official operating rules of ASX.
<b>Registered Address</b>	in relation to a Veda Shareholder, the address shown in the Share Register as at the Scheme Record Date.
<b>Scheme</b>	this scheme of arrangement under Part 5.1 of the Corporations Act between Veda and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under



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Schedule 1 Definitions and interpretation

Term	Meaning
	subsection 411(6) of the Corporations Act and agreed to by Veda and Equifax.
<b>Scheme Booklet</b>	the scheme booklet published by Veda and dated 11 December 2015.
<b>Scheme Consideration</b>	for each Scheme Share held by a Scheme Shareholder, an amount of \$2.825, subject to the terms of this Scheme.
<b>Scheme Implementation Deed</b>	the scheme implementation deed dated 22 November 2015 between Veda and Equifax relating to the implementation of this Scheme.
<b>Scheme Meeting</b>	the meeting of the Veda Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	5.00pm (AEST) on the fifth Business Day after the Effective Date.
<b>Scheme Shareholder</b>	a holder of Veda Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
<b>Scheme Shares</b>	all Veda Shares held by the Scheme Shareholders as at the Scheme Record Date.
<b>Scheme Transfer</b>	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Equifax Sub as transferee, which may be a master transfer of all or part of the Scheme Shares.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
<b>Share Register</b>	the register of members of Veda maintained by Veda or the Veda Registry in accordance with the Corporations Act.
<b>Subsidiary</b>	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.



## Schedule 1 Definitions and interpretation

Term	Meaning
<b>Veda</b>	Veda Group Limited ACN 124 306 958.
<b>Veda IPO Prospectus</b>	the prospectus dated 25 November 2013 issued in connection with the IPO of Veda.
<b>Veda Registry</b>	Link Market Services ACN 083 214 537.
<b>Veda Share</b>	a fully paid ordinary share in the capital of Veda.
<b>Veda Shareholder</b>	each person who is registered as the holder of a Veda Share in the Share Register.

## 2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;



## Schedule 1 Definitions and interpretation

- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (p) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (s) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm (AEST) on that day, it is taken to be done on the next day; and
- (t) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

### 3 Interpretation of inclusive expressions

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Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### 4 Business Day

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Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



## Attachment 1

### Deed Poll

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Please refer to Annexure E of the Scheme Booklet.

# Annexure E

## Deed Poll



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Deed

### Share scheme deed poll

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Equifax Inc.

Equifax Australia Pty Ltd



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## Share scheme deed poll

Date ► **4 December 2015**

This deed poll is made

By **Equifax Inc.**  
of 1550 Peachtree Street, N.W., Atlanta, Georgia 30309  
**(Equifax)**  
and  
**Equifax Australia Pty Ltd**  
ACN 609 501 180 of Deutsche Bank Place, Level 5, 126-130 Phillip  
Street, Sydney NSW 2000  
**(Equifax Sub)**

in favour of each person registered as a holder of fully paid ordinary shares in  
Veda Group Limited (**Veda**) in the Share Register as at the Scheme  
Record Date.

Recitals

- 1 Veda and Equifax entered into the Scheme Implementation Deed.
- 2 In the Scheme Implementation Deed, Equifax agreed to make this deed poll and to procure that Equifax Sub makes this deed poll.
- 3 Equifax and Equifax Sub are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Scheme Implementation Deed and the Scheme.

This deed poll provides as follows:

## 1 Definitions and interpretation

### 1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
<b>First Court Date</b>	the first day on which an application made to the Court for an order



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## 2 Conditions to obligations

Term	Meaning
	under subsection 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
<b>Scheme Implementation Deed</b>	the scheme implementation deed entered into between Veda and Equifax dated 22 November 2015.
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between Veda and the Scheme Shareholders, the form of which is set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Equifax and Veda.
(b)	Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

### 1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

### 1.3 Nature of deed poll

Equifax and Equifax Sub acknowledge that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, from the Effective Date, each Scheme Shareholder irrevocably appoints Veda and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Equifax and Equifax Sub.

## 2 Conditions to obligations

### 2.1 Conditions

This deed poll and the obligations of Equifax and Equifax Sub under this deed poll are subject to the Scheme becoming Effective.





## 2.2 Termination

The obligations of Equifax and Equifax Sub under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
  - (b) the Scheme is not Effective on or before the End Date,
- unless Equifax, Equifax Sub and Veda otherwise agree in writing.

## 2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Equifax and Equifax Sub are released from their obligations to further perform this deed poll except those obligations under clause 7.1; and
- (b) each Scheme Shareholder retains the rights they have against Equifax and Equifax Sub in respect of any breach of this deed poll which occurred before it was terminated.

# 3 Scheme obligations

## 3.1 Undertaking to pay Scheme Consideration

Subject to clause 2, each of Equifax and Equifax Sub undertakes in favour of each Scheme Shareholder to:

- (a) deposit, or procure the deposit of, in cleared funds, by no later than 5.00pm (AEST) on the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account operated by Veda as trustee for the Scheme Shareholders, and notified to Equifax at least three Business Days prior to the Implementation Date, except that any interest on the amounts deposited (less bank fees and third party charges directly in connection with the account) will be credited to Equifax's account; and
- (b) undertake all other actions attributed to it under the Scheme, subject to and in accordance with the terms of the Scheme.

# 4 Warranties

Each of Equifax and Equifax Sub represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;



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## 5 Continuing obligations

- (b) it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed poll and does not require shareholder approval or any other form of corporate approval which it has not already obtained to do so;
- (c) it has taken all necessary corporate action to properly authorise the execution and delivery of this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject.

## 5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Equifax and Equifax Sub have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

## 6 Notices

### 6.1 Form of Notice

A notice in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Equifax and Equifax Sub in accordance with the details set out below (or any alternative details nominated by Equifax or Equifax Sub by Notice).

**Attention**

Shawn K. Baldwin  
Senior Vice President and Group Counsel

**Address**

Equifax Inc.  
1550 Peachtree Street  
Atlanta, Georgia 30309  
United States of America

**Email address**

[Shawn.Baldwin@equifax.com](mailto:Shawn.Baldwin@equifax.com)

**Copy to**

Vijay Cugati and Tom Story  
Allens  
Deutsche Bank Place



## 7 General

126 Phillip Street  
Sydney NSW 2000

[Vijay.Cugati@allens.com.au](mailto:Vijay.Cugati@allens.com.au) and  
[Tom.Story@allens.com.au](mailto:Tom.Story@allens.com.au)

C. William Baxley and Carrie A. Ratliff

King & Spalding LLP  
1180 Peachtree Street  
Atlanta, GA 30309  
United States of America

[BBaxley@KSLAW.com](mailto:BBaxley@KSLAW.com) and [CRatliff@kslaw.com](mailto:CRatliff@kslaw.com)

## 6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

## 6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

## 7 General

### 7.1 Stamp duty

Equifax and Equifax Sub:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and



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7 General

- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

## 7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.
- (b) Equifax and Equifax Sub irrevocably submits to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Equifax and Equifax Sub irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

## 7.3 Waiver

- (a) Equifax and Equifax Sub may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Equifax or Equifax Sub as a waiver of any right unless the waiver is in writing and signed by Equifax or Equifax Sub, as appropriate.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
<b>conduct</b>	includes delay in the exercise of a right.
<b>right</b>	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
<b>waiver</b>	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

## 7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Veda; or
- (b) if on or after the First Court Date, the variation is agreed to by Veda and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Equifax and Equifax Sub will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.



### **7.5 Cumulative rights**

The rights, powers and remedies of Equifax, Equifax Sub and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

### **7.6 Assignment**

- (a) The rights created by this deed poll are personal to the Equifax, Equifax Sub and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Equifax.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

### **7.7 Joint and several obligations**

Equifax and Equifax Sub are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

### **7.8 Further action**

Equifax and Equifax Sub must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.



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## Attachment 1

### Scheme

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Please refer to Annexure D of the Scheme Booklet.



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## Signing page

### Executed as a deed poll

#### Equifax

Signed sealed and delivered by  
**Equifax Inc.**  
by

sign here ▶ *Shawn K. Baldwin*  
Signature of Authorised Signatory

print name Shawn K. Baldwin

sign here ▶ *Donna N. Kendrick*  
Signature of Witness

print name Donna N. Kendrick



#### Equifax Sub

Signed sealed and delivered by  
**Equifax Australia Pty Ltd**  
by

sign here ▶ *Shawn K. Baldwin*  
Company Secretary/Director

print name Shawn K. Baldwin

sign here ▶ *John T. Hartman*  
Director

print name John T. Hartman

# Annexure F

## Notice of Scheme Meeting of shareholders

Veda Group Limited ACN 124 306 958 (**Veda**)

Notice is hereby given that, by an order of the Federal Court of Australia made on 11 December 2015, pursuant to subsection 411(1) of the Corporations Act, a Scheme Meeting of Veda Shareholders will be held at Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 on 8 February 2016, commencing at 10.30am (AEDT).

### Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Federal Court to which Veda and Equifax agree) proposed to be made between Veda and Veda Shareholders (**Scheme**).

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 forms part.

### Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (**Scheme Resolution**):

*'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Veda Group Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Veda Group Limited and Equifax Inc. agree.'*

### Chairman

The Federal Court has directed that Dr Helen Nugent AO is to act as chairman of the Scheme Meeting (and that, if Dr Helen Nugent AO is unable or unwilling to attend, Peter Shergold is to act as chairman of the Scheme Meeting) and has directed the chairman to report the result of the Scheme Resolution to the Federal Court.

Dated 11 December 2015

By order of the Federal Court and the Veda Board



Company Secretary  
Tim Woodforde



## Explanatory notes

### 1. General

This Notice of Scheme Meeting relates to the Scheme and should be read in conjunction with the Scheme Booklet of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure D of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in Section 13 of the Scheme Booklet, unless the context otherwise requires.

### 2. Shareholder approval

For the Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Federal Court orders otherwise, a majority in number of Veda Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Veda Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution (either in person or by proxy, attorney or, in the case of corporate Veda Shareholders, body corporate representative).

### 3. Federal Court approval

Under subsection 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alterations or conditions required by the Federal Court to which Veda and Equifax agree) is subject to the approval of the Federal Court. If the Scheme Resolution is agreed to by the requisite majorities and the other Conditions Precedent to the Scheme (other than approval by the Federal Court) are satisfied or waived by the time required under the Scheme, Veda intends to apply to the Federal Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Federal Court and an office copy of the orders of the Federal Court approving the Scheme must be lodged with ASIC.

### 4. Entitlement to vote

The time for determining eligibility to vote at the Scheme Meeting is 7.00pm (AEDT) on Saturday 6 February 2016. Only those Veda Shareholders entered on the Share Register at that time will be entitled to attend and vote at the Scheme Meeting, either in person, or by proxy, attorney or, in the case

of a corporate Veda Shareholder, body corporate representative. The remaining comments in these explanatory notes are addressed to Veda Shareholders entitled to attend and vote at the Scheme Meeting.

### 5. How to vote

Voting will be conducted by poll.

If you are a Veda Shareholder entitled to vote at the Scheme Meeting, you may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the proxy form that accompanied this Scheme Booklet;
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

### 6. Attendance

If you or your proxies, attorneys or body corporate representative(s) plan to attend the Scheme Meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the Scheme Meeting, so that your shareholding can be checked against the Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

### 7. Jointly held securities

If you hold Veda Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the Scheme Meeting, only the vote of the holder whose name appears first on the Share Register will be counted.

See also the comments in paragraph 8.2 below regarding the appointment of a proxy by persons who jointly hold Veda Shares.

### 8. Voting

#### 8.1 Voting in person

To vote in person, you must attend the Scheme Meeting.

Eligible Veda Shareholders who wish to attend and vote at the Scheme Meeting in person will be admitted and given a voting card at the point of entry to the Scheme Meeting, once they have disclosed their name and address.

## 8.2 Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Veda Shareholder. Each proxy will have the right to vote on the poll and also to speak at the Scheme Meeting.

To appoint a proxy, you should complete and return the proxy form that accompanied this Scheme Booklet in accordance with the instructions on that form. You must deliver the signed and completed proxy form to the Veda registry at Link Market Services Limited (**Veda Registry**) by 10.30am (AEDT) on Saturday 6 February 2016, other than such proxies delivered by hand which must be received by the Veda Registry by 5.00pm (AEDT) on Friday 5 February 2016 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the following ways:

- online by logging on to the Veda Registry website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form)
- by post in the provided reply paid envelope to the Veda Registry:  
Veda Group Limited  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235
- by hand delivery to the Veda Registry:  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138
- by fax to the Veda Registry on +61 2 9287 0309.

Proxy forms received after this time will be invalid.

If a proxy form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been noted by the Veda Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Veda Registry by 10.30am (AEDT) on Saturday 6 February 2016, other than such notice of revocation delivered by hand which must be received by the Veda Registry by 5.00pm (AEDT) on Friday 5 February 2016 (or, if the Scheme Meeting is adjourned or postponed,

no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the four ways above.

If you wish to appoint a second proxy, a second proxy form should be used and you should clearly indicate on the second proxy form that it is for a second proxy and not a revocation of your first proxy. You can obtain a second proxy form from the Veda Registry. Replacement proxy forms can also be obtained from the Veda Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the proxy forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you hold Veda Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the proxy form.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the Shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the Scheme Meeting, the chairman of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chairman of the Scheme Meeting intends to vote all valid undirected proxies which nominate the chairman in favour of the Scheme Resolution, in the absence of a Superior Proposal.

Proxies of eligible Veda Shareholders will be admitted to the Scheme Meeting and given a voting card on providing at the point of entry to the Scheme Meeting written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person and voting at the Scheme Meeting.

### 8.3 Voting by attorney

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf. Your attorney need not be another Veda Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to attend and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (i.e. Veda), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged at the registration desk on the day of the Scheme Meeting or with the Veda Registry before 10.30am (AEDT) on Saturday 6 February 2016, other than such powers of attorney delivered by hand which must be received by the Veda Registry by 5.00pm (AEDT) on Friday 5 February 2016 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the following ways:

- online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
- by post in the provided reply paid envelope to the Veda Registry:  
Veda Group Limited  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235
- by hand delivery to the Veda Registry:  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138
- by fax to the Veda Registry on +61 2 9287 0309.

Attorneys of eligible Veda Shareholders will be admitted to the Scheme Meeting and given a voting card on providing at the point of entry to the Scheme Meeting, written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the Scheme Meeting.

### 8.4 Voting by body corporate representative

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Veda will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Veda Registry by calling

+61 1300 554 474. The certificate of appointment may set out restrictions on the representative's powers.

The certificate should be lodged at the registration desk on the day of the Scheme Meeting or with the Veda Registry before 10.30am (AEDT) on Saturday 6 February 2016, other than such certificates delivered by hand which must be received by the Veda Registry by 5.00pm (AEDT) on Friday 5 February 2016 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the following ways:

- online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
- by post in the provided reply paid envelope to the Veda Registry:  
Veda Group Limited  
c/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235
- by hand delivery to the Veda Registry:  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138
- by fax to the Veda Registry on +61 2 9287 0309.

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Veda Registry.

Body corporate representatives of eligible corporate Veda Shareholders will be admitted to the Scheme Meeting and given a voting card on providing at the point of entry to the Scheme Meeting, written evidence of their appointment, their name and address and the name of their appointors.

## 9. Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the Scheme Meeting from Veda's website ([www.veda.com.au](http://www.veda.com.au)) or by contacting the Company Secretary of Veda or the Veda Registry.



Veda Group Limited  
ABN 26 124 306 958

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Veda Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: +61 1300 180 103



X99999999999

## PROXY FORM

I/We being a member(s) of Veda Group Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the  
Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting  
as your proxy, please write the name of the person or  
body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10:30am (AEDT) on Monday, 8 February 2016 at the Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolution

For Against Abstain\*

##### 1 Scheme Resolution

*'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Veda Group Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Veda Group Limited and Equifax Inc. agree.'*



\* 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 votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

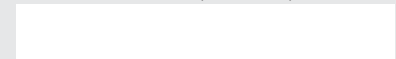
Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy 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).

VED PRX601N

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

If you return your proxy form without identifying a proxy on it, you will be taken to have appointed the Chairman of the Meeting as your proxy to vote on your behalf.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate on a portion of voting rights are to be voted on any item. **If you wish only a portion of your voting rights to be voted on any item, indicate the portion by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box. The sum of the votes cast must not exceed your voting entitlement or 100%.** If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) **clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy;**
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or 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
- (c) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all shareholders must sign.

**Power of Attorney:** to sign under 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 must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) 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.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (AEDT) on Saturday, 6 February 2016**, being not later than 48 hours before the commencement of the Meeting, other than Proxy Forms delivered by hand, which must be received by **5:00pm (AEDT) on Friday, 5 February 2016**. Any Proxy Form received after these times will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Veda Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* Proxy Forms delivered by hand must be delivered during business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**





Veda Group Limited  
ABN 26 124 306 958

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Veda Group Limited  
C/- Link Market Services Limited  
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Sydney South NSW 1235 Australia



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1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: +61 1300 180 103



X99999999999

## PROXY FORM

I/We being a member(s) of Veda Group Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10:30am (AEDT) on Monday, 8 February 2016 at the Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

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#### Resolution

##### 1 Scheme Resolution

*'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Veda Group Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which Veda Group Limited and Equifax Inc. agree.'*

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



\* 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 votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all shareholders must sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy 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).

VED PRX601N

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#### BY MAIL

Veda Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* Proxy Forms delivered by hand must be delivered during business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

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# Corporate Directory

## Registered and Corporate Office

Level 15  
100 Arthur Street  
North Sydney NSW 2060

## Investor Enquiries

Veda Shareholder Information Line  
Phone +61 1300 180 103  
Operates Monday to Friday between 8.30am  
and 5.30pm (AEDT)

## Veda Share Registry

Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

## Financial Adviser

Macquarie Capital (Australia) Limited  
50 Martin Place  
Sydney NSW 2000

## Legal Adviser

Herbert Smith Freehills  
ANZ Tower  
161 Castlereagh Street  
Sydney NSW 2000

## Auditor

KPMG  
10 Shelley Street  
Sydney NSW 2000

## Stock Exchange Listing

Veda ordinary shares are quoted by the  
Australian Securities Exchange (ASX: VED)



