

22 November 2013

Company Announcements
ASX Limited

Off-market bid by Gro-Aust Holdings Limited (Bidder) to acquire all ordinary shares in Tranzact Financial Services Limited (Target) (Offer)

Notice is given in accordance with item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (**Act**) that Gro-Aust Holdings Limited's bidder's statement and the offers have been sent to the Target's security holders as required by item 6 of section 633(1).

In accordance with section 633(6) of the Act, the notice includes a copy of the bidder's statement dated 6 November 2013 (which incorporates the offer document) and copies of the following documents sent together with the bidder's statement and the offers:

1. a cover page;
2. the first supplementary bidder's statement dated 20 November 2013; and
3. the acceptance forms.

Yours faithfully



Paul Foley
Director
Gro-Aust Holdings Limited

enclosure

**FIRST SUPPLEMENTARY
BIDDER'S STATEMENT
and
BIDDER'S STATEMENT**

FOR CASH OFFER BY

GRO-AUST HOLDINGS LIMITED

(a company incorporated in New Zealand (Company Number 1262146))

to acquire all your ordinary shares in

TRANZACT FINANCIAL SERVICES LIMITED

ABN 84 089 997 731

for \$0.12 cash per share

The Offer is dated 20 November 2013 and expires at 7.00pm Sydney, Australia time on Friday 20 December, unless withdrawn or extended.

This is an important document and requires your immediate attention

If you are in doubt as to how to deal with this document or the Offer contained in it, please consult your financial or other professional adviser.

FIRST SUPPLEMENTARY BIDDER'S STATEMENT

20 NOVEMBER 2013

IN RESPECT OF THE CASH OFFER BY

GRO-AUST HOLDINGS LIMITED

(a company incorporated in New Zealand (Company Number 1262146))

to acquire all the ordinary shares in

TRANZACT FINANCIAL SERVICES LIMITED

ABN 84 089 997 731

This is the first supplementary bidder's statement ('First Supplement') to the Bidder's Statement dated 6 November 2013 ('Bidder's Statement') issued by Gro-Aust and lodged with ASIC on 6 November 2013 in relation to the offer by Gro-Aust for all the ordinary shares in Tranzact.

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this First Supplement. This First Supplement prevails to the extent of any inconsistency with the Bidder's Statement.

A copy of this First Supplement was lodged with ASIC on 20 November 2013. Neither ASIC nor its officers takes any responsibility for the contents of this First Supplement.

Part A – Letter to Tranzact Shareholders

20 November 2013

Dear Tranzact Shareholder,

Cash takeover bid for Tranzact – the First Supplementary Bidder's Statement.

We refer to our Bidder's Statement dated 6 November 2013 containing an offer to acquire all of your shares in Tranzact Financial Services Limited (**Tranzact**). As set out in the Bidder's Statement, Gro-Aust is offering \$0.12 cash for each Tranzact Share that you own (the **Offer**).

Enclosed are the details of the Offer, which are contained in two parts: the first part is this First Supplementary Bidder's Statement (**First Supplement**), and the second part is the Bidder's Statement dated 6 November 2013. The First Supplement amends the Bidder's Statement as set out in Part C of this document.

The Offer is compelling and provides you with an opportunity to extract substantial value from your shares. I am confident that you will find the benefits of the Offer attractive.

The Offer provides you with certainty as to the value of your Tranzact Shares.

You will be paid \$0.12 in cash by Gro-Aust for each Tranzact Share you own if you accept this Offer and the Conditions are satisfied or waived.

The Offer by Gro-Aust is the only offer available to Tranzact Shareholders.

To date, no party other than Gro-Aust has formally announced an offer or any intention to make an offer for your Tranzact Shares. Gro-Aust currently owns 60.4% of the total ordinary shares on issue in Tranzact, which is a controlling shareholding and Gro-Aust believes that a competing offer for the Tranzact Shares is unlikely.

The Offer Price of \$0.12 per share in cash represents a significant premium to the price of \$0.09 per share prior to the Offer being made public.

The Offer of \$0.12 per Tranzact Share represents a significant premium to Tranzact's trading prices prior to Gro-Aust's announcement on 6 November 2013. The Offer represents a:

- 33% premium to the \$0.09 closing Tranzact Share price on 5 November 2013;
- 28.6% premium to the 3 month VWAP of Tranzact Shares on ASX up to and including 5 November 2013;
- 30.6% premium to the 6 month VWAP of Tranzact Shares on ASX up to and including 5 November 2013.

The Offer Price reflects what Gro-Aust considers to be the Net Asset Value of Tranzact and does not reflect any discount for the lack of liquidity of Tranzact Shares (less than 0.9% of the total shares on issue had been traded in the 3 months leading up to the Offer being made public).

Whether or not the Offer is successful, Gro-Aust believes that Tranzact should not be allowed to continue to incur significant costs associated with its listing on the ASX when its remaining business is too small to be sustainable in the longer term and Gro-Aust, as the majority shareholder, sees limited prospects to profitably expand the business. For this

reason, Gro-Aust will review Tranzact's listing on ASX after the Offer closes – see section 5 of Part 1 of the Bidder's Statement as amended by Part C of this First Supplement.

The Offer is subject to a number of conditions, including Gro-Aust acquiring, in summary, a relevant interest in at least 90.11% of Tranzact Shares. The full list of conditions is outlined in clause 7.1 of Part 2 of the Bidder's Statement as amended by Part C of this First Supplement.

I strongly recommend you read the Bidder's Statement as amended by Part C of this First Supplement carefully and encourage you to accept the Offer for the reasons outlined in the Bidder's Statement as amended by Part C of this First Supplement.

This Offer should be considered against the risks and uncertainties relevant to each Tranzact Shareholder. If you do not accept the Offer, and the Offer is not successful, you may wish to consider the implications of being a minority shareholder in Tranzact in a context where there has been a lack of liquidity in Tranzact Shares, as well as the implications of a probable decline in the market price of Tranzact Shares to price levels prior to our announcement of the Offer.

Instructions on how to accept the Offer are set out on page 4 of this First Supplement, in the Bidder's Statement as amended by Part C of this First Supplement and in the Acceptance Form that accompanies the Bidder's Statement. If you have any further questions, please contact Gary Scott on +61 2 9236 5600 or +64 4 473 0262 (for callers in New Zealand), or consult your financial or other professional adviser.

The Offer is scheduled to close at 7.00pm Sydney time on 20 December 2013 (but may be extended).

Thank you for your consideration of this Offer. We look forward to receiving your acceptance.

Yours sincerely



Paul Foley

Chairman

Gro-Aust Holdings Limited

Part B – Additional offer information

This summary gives an overview of the instructions on how to accept the Offer and some additional offer information. Further details are set out in the Bidder's Statement as amended by Part C of this First Supplement and in the accompanying Acceptance Form.

How to accept

Your acceptance must be received before the end of the Offer Period (7.00pm Sydney, Australia time on 20 December 2013, unless the Offer Period is extended). Depending on the nature of your holding, you may accept the Offer in the following ways.

CHES Holding

If there is an 'X' appearing next to your holder number on the enclosed Acceptance Form, then your Tranzact Shares are in a CHES Holding. To accept:

- instruct your Controlling Participant to initiate acceptance of the Offer; or
- complete the enclosed Acceptance Form in accordance with the instructions on the form and send it in the enclosed reply paid envelope to the address below.

Issuer sponsored holding

If there is an 'I' appearing next to your holder number on the enclosed Acceptance Form, then your Tranzact Shares are in an Issuer Sponsored Holding. To accept:

- complete the enclosed Acceptance Form in accordance with the instructions on the form; and
- send it with all other documents required by the instructions on the Acceptance Form in the enclosed reply paid envelope to the address below.

You will only be sent one Acceptance Form with the Bidder's Statement, depending on whether your Tranzact Shares are in a CHES Holding or in an Issuer Sponsored Holding. That will be the Acceptance Form to be used in relation to your Tranzact Shares.

For full details, see clause 3 of Part 2 of the Bidder's Statement as amended by Part C of this First Supplement.

Send your Acceptance Form

Send your Acceptance Form and other documents (if any) required by the instructions on the Acceptance Form:

By post to:

Computershare Investor Services Pty Limited
GPO Box 1326
Adelaide, South Australia 5001, Australia

Or, by facsimile to:

(within Australia) 1300 534 987
(outside Australia) +61 3 9473 2408

Closing Date

The Offer is scheduled to close at 7.00pm Sydney, Australia time on 20 December 2013 (but it may be extended).

Key conditions of the Offer

The Offer is subject to the conditions set out in clause 7.1 of Part 2 of the Bidder's Statement as amended by Part C of this First Supplement. They broadly include:

	<ul style="list-style-type: none"> • Gro-Aust acquiring a relevant interest in at least 90.11% of Tranzact Shares; • a majority of the independent directors of Tranzact do not recommend, in the Target's Statement or subsequently, that the Offer not be accepted; and • the All Ordinaries Index (XAO) not falling to 4,500 or less and remaining at or below that level (at the close of trade) for five consecutive Business Days or until 6 Business Days before the end of the Offer Period. <p>The above is a summary only and full details of all the conditions are set out in clause 7.1 of Part 2 of the Bidder's Statement as amended by Part C of this First Supplement.</p> <p>Gro-Aust will not waive the first condition above (set out fully in clause 7.1(a) of the terms of the Offer in Part 2 of the Bidder's Statement as amended by Part C of this First Supplement) if funding for the Offer remains contingent on satisfaction of a corresponding finance condition (see section 4.4(b)(i) of Part 1 of the Bidder's Statement as amended by Part C of this First Supplement).</p> <p>Subject to law, Gro-Aust will only seek to rely on the non-satisfaction of the second condition above (set out fully in clause 7.1(b) of the terms of the Offer in Part 2 of the Bidder's Statement as amended by Part C of this First Supplement) if funding for the Offer is unavailable because of non-satisfaction of a corresponding finance condition (see section 4.4(b)(ii) of Part 1 of the Bidder's Statement as amended by Part C of this First Supplement).</p>
Funding for the Offer	The funding arrangements for the Offer are described in section 4 of Part 1 of the Bidder's Statement as amended by Part C of this First Supplement.
When you will be paid if you accept the Offer	<p>If you accept the Offer (and return the documents required with your acceptance), your consideration will be sent to you by cheque on the earliest of:</p> <ul style="list-style-type: none"> • if the Offer is unconditional when you accept the Offer, one month after the date you accept the Offer; • if the Offer is not unconditional when you accept the Offer, one month after the date the Offer becomes unconditional; and • 21 days after the end of the Offer Period provided that the Offer has become unconditional. <p>However, there are certain exceptions to the above timetable for payment.</p> <p>See clause 2 of Part 2 of the Bidder's Statement as amended by Part C of this First Supplement for further information.</p>
Where to go for further information	Please refer to the Bidder's Statement as amended by Part C of this First Supplement. For queries on how to accept the Offer, refer to the Acceptance Form accompanying the Bidder's Statement, or if you have any additional questions about the Offer or the actions you are required to take to accept the Offer, you should seek legal, financial and/or taxation advice from your professional adviser. Alternatively, please contact Gary Scott on +61 2 9236 5600 or +64 4 473 0262 (for callers in New Zealand).

Part C – Changes to the Bidder's Statement

The Bidder's Statement is changed as set out below.

1. Letter to Tranzact Shareholders – page ii

In the letter to Tranzact Shareholders on page ii:

- (a) under the sub- heading 'The Offer provides you with certainty as to the value of your Tranzact Shares', after the words 'You will be paid \$0.12 in cash by Gro-Aust for each Tranzact Share you own if you accept this Offer' insert 'and the Conditions are satisfied or waived'; and
- (b) in the sentence 'The Offer Price reflects what Gro-Aust considers to be the Net Asset Value of Tranzact and does not reflect any discount for the lack of liquidity of Tranzact Shares (less than 0.9% of the total shares on issue had been traded in the 3 months leading up to the date of this Offer)', replace the words 'date of this Offer' with the words 'Offer being made public'.

2. Summary of the Offer and how to accept – page 2

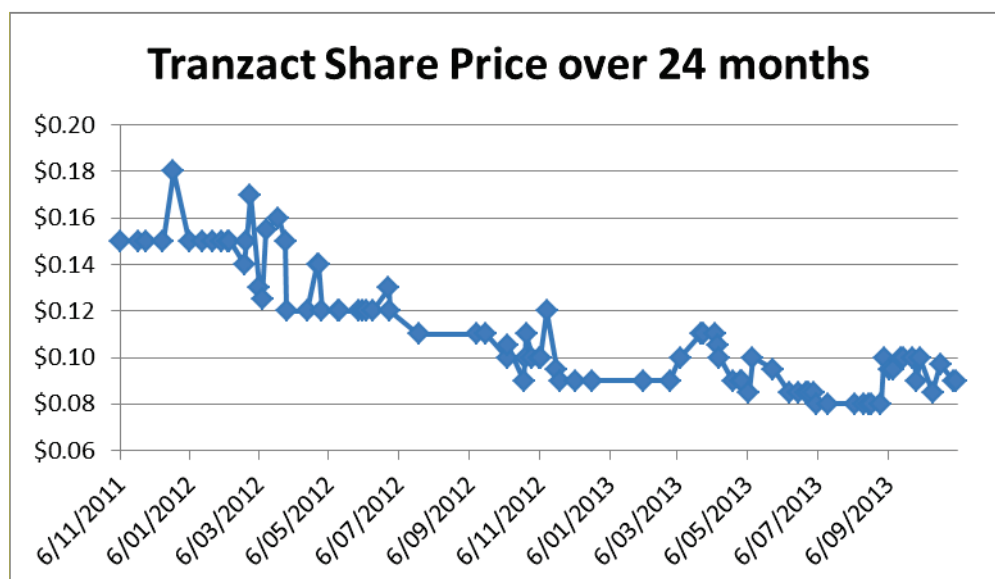
In the summary of the Offer and how to accept beginning on page 2:

- on page 3, in relation to the rows with the sub-headings 'Send your Acceptance Form' and 'Key conditions to the Offer', replace the rows with the corresponding rows from Part B of this First Supplement, but omit the words 'as amended by Part C of this First Supplement' wherever occurring.

3. Why you should accept this Offer – page 5

In the section titled 'Why you should accept this Offer' beginning on page 5:

- (a) on page 6, under the sub-heading '2. Cash offer delivers certain value for your Tranzact Shares':
 - (i) in the first bullet point replace the word 'receive' with 'be paid'; and
 - (ii) in the third bullet point replace the words 'receive payment' with 'be paid';
- (b) on page 7:
 - (i) under the sub-heading '3. The Tranzact share price may fall if the Offer does not succeed', insert the words 'for the six months' before the words 'prior to the announcement of Gro-Aust's Offer'; and
 - (ii) under the sub-heading '4. The risks of continuing to be a minority shareholder in Tranzact as Gro-Aust is already a majority shareholder in Tranzact':
 - (A) in the last paragraph (before the chart), replace the words 'trading price' with 'daily VWAP'; and
 - (B) at the end of the last paragraph, insert the words 'The diamonds on the chart represent the daily VWAP of Tranzact Shares on ASX on each day that trades were recorded.'; and
 - (iii) replace the existing chart with the following chart:



4. Statutory information – Part 1

In the statutory information contained in Part 1 beginning on page 9:

- (a) on page 9, in section 1.1 insert new paragraphs at the end of that section as follows:

'Grosvenor's four top shareholders are:

- (a) Yeo Family Trustee Limited, which holds 17.51% of Grosvenor's issued shares;
- (b) Fidelity Life Assurance Company Limited, which holds 13.29% of Grosvenor's issued shares; and
- (c) Murray Alexander McCaw, Milton John Jennings, Paul Gerard Foley, Allan Seng Tong Yeo, Peter Brian Christensen and Stephen Charles Benton, who together hold 8.95% of Grosvenor's issued shares; and
- (d) Taupo Moana Investments Limited, which holds 7.75% of Grosvenor's issued shares.

Further information on Grosvenor's shareholders is available free-of-charge from the New Zealand Companies Office website at www.business.govt.nz/companies.'

- (b) in the table containing the profile information of Gro-Aust and Grosvenor directors under section 1.3 of Part 1, on page 10, insert a new row at the end of the table as follows:

Milton John Jennings B.Com Age, 56	Grosvenor: Non-Executive Director (Director since 7 November 2013) Mr Jennings is the Chief Executive Officer of Fidelity Life Assurance Company Limited and has been the CEO for over 12 years. Mr Jennings has significant experience in the life insurance and funds management industry, and has successfully defended the Fidelity Life business from a hostile takeover from TOWER and two years later was instrumental in the acquisition of TOWER's Life and Group Risk business.
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Note: Mr Jennings was only appointed as a director of Grosvenor after the date of the Bidder's Statement.

- (c) on page 13, in section 3.1 of Part 1, replace the words before 'neither Gro-Aust nor any of its Associates has provided or agreed to provide consideration for a Tranzact Share' with 'During the four months before 20 November 2013,';
- (d) on page 14, in section 4.3 of Part 1, in the second paragraph:
 - (i) delete the words ', net operating cash flows';
 - (ii) replace the words 'a New Zealand Registered Bank' with 'ANZ Bank New Zealand Limited'; and
 - (iii) at the end of the paragraph, insert the words 'Grosvenor has set aside its \$2,300,000 cash reserves for the purposes of funding the Offer and these cash reserves are not presently required for any other purposes.'
- (e) on page 16, in section 5.3(d) of Part 1, replace the entire paragraph with:

'Gro-Aust estimates that the cost savings which might emerge from the consolidation described above would reflect savings on some of the total annual director fees of over \$200,000 currently paid, and savings related to the costs of ASX listing of approximately \$50,000. These costs could substantially be saved if Gro-Aust achieves 100% ownership, and to a lesser extent should Gro-Aust not be successful in achieving 100% ownership.'; and
- (f) on page 17, in section 5.4(b) of Part 1, delete the words 'be able to' in the first sentence.

5. Terms of the Offer – Part 2

In the terms of the Offer contained in Part 2 beginning on page 25:

- (a) on page 27, in clause 2.2(c) of Part 2, insert a footnote marked '†' at the end of '(unless you include valid account details on the Acceptance Form for the payment to be made by direct deposit as specified on the Acceptance Form)' as follows:

'It is not possible to receive payment by direct deposit because the Acceptance Form does not provide for payment in that form.';
- (b) on page 28, in clause 3.6 of Part 2, insert a footnote marked '††' at the end of the first sentence as follows:

'It is preferable for acceptances sent by facsimile to be sent to Gro-Aust's registry for the Offer on the following facsimile numbers.
Fax: (within Australia) 1300 534 987 (outside Australia) +61 3 9473 2408'; and
- (c) on page 32, in clause 7.1(a)(ii) of Part 2, insert a footnote marked '‡' at the end of the sentence as follows:

'Given Gro-Aust's interests described in section 2.6 of Part 1 of this Bidder's Statement, the combined effect of conditions 7.1(a)(i) and 7.1(a)(ii) is that Gro-Aust needs to have a 90.11% relevant interest in Tranzact Shares in order to satisfy the minimum acceptance condition.'

6. Defined terms and interpretation – Part 3

In the defined terms and interpretation contained in Part 3, beginning on page 35:

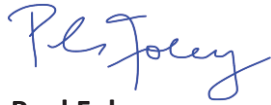
- (a) in the definition of 'ASX', add at the end of the definition the words 'or the financial products market, Australian Securities Exchange, as the context requires' and
- (b) insert the following new definition on page 36:

'Net Asset Value' means the company's total assets minus its total liabilities.'

Signing page

DATED 20 November 2013

Signed on behalf of Gro-Aust according to a resolution of the directors of Gro-Aust dated 20 November 2013.



Paul Foley

Chairman

Gro-Aust Holdings Limited

BIDDER'S STATEMENT

FOR CASH OFFER BY

GRO-AUST HOLDINGS LIMITED

(a company incorporated in New Zealand (Company Number 1262146))

to acquire all your ordinary shares in

TRANZACT FINANCIAL SERVICES LIMITED

ABN 84 089 997 731

for \$0.12 cash per share

The Offer is dated 20 November 2013 and expires at 7.00pm Sydney, Australia time on Friday 20 December, unless withdrawn or extended.

This is an important document and requires your immediate attention

If you are in doubt as to how to deal with this document or the Offer contained in it, please consult your financial or other professional adviser.

Important Information

Key Dates

Announcement Date	6 November 2013
Bidder's Statement lodged with ASIC	6 November 2013
Date Offer is made	20 November 2013
Offer ends, unless extended or withdrawn	7.00pm Sydney, Australia time on 20 December 2013
Record Date	18 November 2013 (the date set by Gro-Aust under s 633(2) of the <i>Corporations Act</i>).

This Bidder's Statement is dated 6 November 2013. It includes an Offer dated 20 November 2013.

A copy of this Bidder's Statement was lodged with ASIC on 6 November 2013. ASIC takes no responsibility for the content of this Bidder's Statement.

Defined Terms

Defined terms in this Bidder's Statement and accompanying material are capitalised. The defined terms are in section 1 of Part 3 of this Bidder's Statement.

All amounts are in Australian dollars unless otherwise stated.

Investment decisions

This document contains general advice only and does not take into account the individual investment objectives, financial situation or particular needs of each Tranzact Shareholder or any other person.

Tranzact Shareholders may wish to seek independent financial and taxation advice before deciding whether to accept the Offer.

Forward looking statements

This Bidder's Statement may include certain forward looking statements which have been based on current expectations about future events. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such forward looking statements. These factors include matters not yet known to Gro-Aust or not currently considered by Gro-Aust to be material.

None of Gro-Aust or Gro-Aust's officers and employees, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (expressed or implied) as to

the accuracy or likelihood of fulfilment of any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect the views held only as at the date of this Bidder's Statement.

Foreign jurisdictions

The distribution of this document and the making of the Offers may, in certain jurisdictions, be restricted by law. The Offers are not being made, directly or indirectly, in or into, and will not be capable of acceptance from within, any jurisdiction in which the making of the Offers or the acceptance thereof would not be in compliance with the laws of that jurisdiction. Persons who come into possession of this document should inform themselves of and observe any of these restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of these jurisdictions. Gro-Aust assumes no responsibility for any violation by any person of any of these restrictions.

Privacy statement

Gro-Aust will collect personal information about Tranzact Shareholders' holdings of Tranzact Shares in accordance with the Corporations Act. Gro-Aust will share that personal information with its advisers and service providers only to the extent necessary for purposes relating to the Offers. Under the *Privacy Act 1988* (Cth), Tranzact Shareholders may request access to personal information about them held by Gro-Aust and its agents. Tranzact Shareholders can contact Gro-Aust's share registry, Computershare Investor Services Pty Ltd if they have questions about their personal information.

Letter to Tranzact Shareholders

6 November 2013

Dear Tranzact Shareholder,

Cash takeover bid for Tranzact

I am pleased to provide you with this compelling Offer to acquire all of your shares in Tranzact Financial Services Limited (**Tranzact**). Gro-Aust is offering \$0.12 cash for each Tranzact Share that you own (the **Offer**).

The Offer is compelling and provides you with an opportunity to extract substantial value from your shares. I am confident that you will find the benefits of the Offer attractive.

The Offer provides you with certainty as to the value of your Tranzact Shares

You will be paid \$0.12 in cash by Gro-Aust for each Tranzact Share you own if you accept this Offer.

The Offer by Gro-Aust is the only offer available to Tranzact Shareholders

To date, no party other than Gro-Aust has formally announced an offer or any intention to make an offer for your Tranzact Shares. Gro-Aust currently owns 60.4% of the total ordinary shares on issue in Tranzact, which is a controlling shareholding and Gro-Aust believes that a competing offer for the Tranzact Shares is unlikely.

The Offer Price of \$0.12 per share in cash represents a significant premium to the price of \$0.09 per share prior to the Offer being made public.

The Offer of \$0.12 per Tranzact Share represents a significant premium to Tranzact's trading prices prior to Gro-Aust's announcement on 6 November 2013. The Offer represents a:

- 33% premium to the \$0.09 closing Tranzact Share price on 5 November 2013;
- 28.6% premium to the 3 month VWAP of Tranzact Shares on ASX up to and including 5 November 2013;
- 30.6% premium to the 6 month VWAP of Tranzact Shares on ASX up to and including 5 November 2013;

The Offer Price reflects what Gro-Aust considers to be the Net Asset Value of Tranzact and does not reflect any discount for the lack of liquidity of Tranzact Shares (less than 0.9% of the total shares on issue had been traded in the 3 months leading up to the date of this Offer).

Whether or not this Offer is successful, Gro-Aust believes that Tranzact should not be allowed to continue to incur significant costs associated with its listing on the ASX when its remaining business is too small to be sustainable in the longer term and Gro-Aust, as the majority shareholder, sees limited prospects to profitably expand the business. For this reason, Gro-Aust will review Tranzact's listing on ASX after the Offer closes – see section 5.3 of Part 1 of this Bidder's Statement.

The Offer is subject to a number of conditions, including Gro-Aust acquiring, in summary, a relevant interest in at least 90.11% of Tranzact Shares. The full list of conditions is outlined in clause 7.1 of Part 2 of this Bidder's Statement.

I strongly recommend you read this Bidder's Statement carefully and encourage you to accept the Offer for the reasons outlined in the Bidder's Statement.


This Offer should be considered against the risks and uncertainties relevant to each Tranzact Shareholder. If you do not accept the Offer, and the Offer is not successful, you may wish to consider the implications of being a minority shareholder in Tranzact in a context where there has been a lack of liquidity in Tranzact Shares, as well as the implications of a probable decline in the market price of Tranzact Shares to price levels prior to our announcement of the Offer.

Instructions on how to accept the Offer are set out on page 8 of this Bidder's Statement and in the Acceptance Form that accompanies this Bidder's Statement. If you have any further questions, please contact Gary Scott on +61 2 9236 5600 or +64 4 473 0262 (for callers in New Zealand), or consult your financial or other professional adviser.

The Offer is scheduled to close at 7.00pm Sydney time on 20 December 2013.

Thank you for your consideration of this Offer. We look forward to receiving your acceptance.

Yours sincerely


Paul Foley
Chairman
Gro-Aust Holdings Limited

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Summary of the Offer and how to accept

This summary gives an overview of the Offer. Part 2 of the Bidder's Statement contains the full terms and conditions of the Offer. You should read the Bidder's Statement in full before deciding whether to accept the Offer.

The bidder	<p>Gro-Aust Holdings Limited (Company Number 1262146) (Gro-Aust) is the company making the Offer. Gro-Aust is a subsidiary company of Grosvenor Financial Services Group Limited (Grosvenor) which is based in Wellington, New Zealand.</p> <p>Further information about Gro-Aust and Grosvenor is set out in section 1 of Part 1 of this Bidder's Statement and may also be obtained at www.gfsg.co.nz.</p>
The Offer	<p>Gro-Aust is offering to acquire all Tranzact Shares of which you are the registered holder.¹</p>
Offer Price	<p>Gro-Aust is offering \$0.12 cash for each Tranzact Share that you hold.</p>
Requirement for an independent expert's report	<p>An independent expert's report is required where a bidder is entitled to not less than 30% of the target company's voting shares. Due to Gro-Aust's existing 60.4% holding in Tranzact, an independent expert's report must accompany Tranzact's Target's Statement.</p>
When will Tranzact Shareholders receive the independent expert's report?	<p>The independent expert's report will accompany the Target's Statement and be mailed to all Tranzact Shareholders. Gro-Aust expects that you will receive the Target's Statement within approximately two weeks after you receive this Offer.</p>
How to accept	<p>Your acceptance must be received before the end of the Offer Period (7.00pm Sydney, Australia time on 20 December 2013, unless the Offer Period is extended). Depending on the nature of your holding, you may accept the Offer in the following ways.</p> <p>CHESS Holding</p> <p>If there is an 'X' appearing next to your holder number on the enclosed Acceptance Form, then your Tranzact Shares are in a CHESS Holding. To accept:</p> <ul style="list-style-type: none">• instruct your Controlling Participant to initiate acceptance of the Offer; or• complete the enclosed Acceptance Form in accordance with the instructions on the form and send it in the enclosed reply paid envelope to the address below. <p>Issuer sponsored holding</p> <p>If there is an 'I' appearing next to your holder number on the enclosed Acceptance Form, then your Tranzact Shares are in an Issuer Sponsored Holding. To accept:</p> <ul style="list-style-type: none">• complete the enclosed Acceptance Form in accordance with

¹ For further information, see clause 4 of Part 2 of this Bidder's Statement.

	<p>the instructions on the form; and</p> <ul style="list-style-type: none">• send it with all other documents required by the instructions on the Acceptance Form in the enclosed reply paid envelope to the address below. <p>You will only be sent one Acceptance Form with this Bidder's Statement, depending on whether your Tranzact Shares are in a CHESS Holding or in an Issuer Sponsored Holding. That will be the Acceptance Form to be used in relation to your Tranzact Shares. For full details, see clause 3 of Part 2 of this Bidder's Statement.</p>												
Send your Acceptance Form	<p>Send your Acceptance Form and other documents (if any) required by the instructions on the Acceptance Form to:</p> <table><tr><td><i>Post:</i></td><td>OR</td><td><i>Delivery:</i></td></tr><tr><td>Gro-Aust Holdings Limited</td><td></td><td>Gro-Aust Holdings Ltd</td></tr><tr><td>PO Box 20314World Square</td><td></td><td>Level 5, 241 Castlereagh Street</td></tr><tr><td>Sydney, NSW 2000</td><td></td><td>Sydney, NSW 2000</td></tr></table>	<i>Post:</i>	OR	<i>Delivery:</i>	Gro-Aust Holdings Limited		Gro-Aust Holdings Ltd	PO Box 20314World Square		Level 5, 241 Castlereagh Street	Sydney, NSW 2000		Sydney, NSW 2000
<i>Post:</i>	OR	<i>Delivery:</i>											
Gro-Aust Holdings Limited		Gro-Aust Holdings Ltd											
PO Box 20314World Square		Level 5, 241 Castlereagh Street											
Sydney, NSW 2000		Sydney, NSW 2000											
Closing Date	<p>The Offer is scheduled to close at 7.00pm Sydney, Australia time on 20 December 2013 (but it may be extended).</p>												
Key conditions of the Offer	<p>The Offer is subject to the conditions set out in clause 7.1 of Part 2 of the Bidder's Statement. They broadly include:</p> <ul style="list-style-type: none">• Gro-Aust acquiring a relevant interest in at least 90.11% of Tranzact Shares;• a majority of the independent directors of Tranzact do not recommend, in the Target's Statement or subsequently, that the Offer not be accepted; and• the All Ordinaries Index (XAO) not falling to 4,500 or less and remaining at or below that level for five Business Days. <p>The above is a summary only and full details of all the conditions are set out in clause 7.1 of Part 2 of this Bidder's Statement.</p>												
What happens if the conditions of the Offer are not satisfied or waived?	<p>If the conditions of the Offer are not satisfied or waived before the Offer closes, the Offer will lapse.</p> <p>Gro-Aust will make an announcement to ASX if the conditions of the Offer are satisfied or waived during the Offer Period.</p>												
When you will be paid if you accept the Offer	<p>If you accept the Offer (and return the documents required with your acceptance), your consideration will be sent to you by cheque on the earliest of:</p> <ul style="list-style-type: none">• if the Offer is unconditional when you accept the Offer, one month after the date you accept the Offer;• if the Offer is not unconditional when you accept the Offer, one month after the date the Offer becomes unconditional; and• 21 days after the end of the Offer Period provided that the Offer has become unconditional. <p>However, there are certain exceptions to the above timetable for payment.</p> <p>See clause 2 of Part 2 of the Bidder's Statement for further</p>												

	information.
No brokerage or stamp duty	You will not pay brokerage or stamp duty if you accept the Offer.
Tax implications of accepting the Offer	<p>A general outline of the tax implications of accepting the Offer for Australian and New Zealand resident Tranzact Shareholders is set out in clause 6 of Part 1 of the Bidder's Statement.</p> <p>As the outline is a general guide only, Tranzact Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.</p>
What happens if you do not accept the Offer?	<p>Subject to what is stated below, you will remain the holder of your Tranzact Shares if you do not accept the Offer.</p> <p>If you do not accept the Offer and Gro-Aust obtains sufficient acceptances under the Offer so that it becomes entitled to exercise the right of compulsory acquisition under the Corporations Act and the other Conditions to this Offer are fulfilled or waived, Gro-Aust intends to proceed to compulsorily acquire all outstanding Tranzact Shares. You will be paid the consideration for your Tranzact Shares sooner if you accept the Offer rather than having your Tranzact Shares compulsorily acquired.</p> <p>If the Offer becomes or is declared unconditional but Gro-Aust does not become entitled to compulsorily acquire your Tranzact Shares under the Corporations Act, unless you sell your Tranzact Shares, you will remain a Shareholder of Tranzact.</p> <p>In these circumstances and, depending on the level of acceptances under the Offer, you may be a minority Tranzact Shareholder in what may be an even less liquid stock. Refer to clause 5.4 for Gro-Aust's intentions in the event that Gro-Aust increases its controlling interest in Tranzact but does not acquire 100% of Tranzact Shares.</p>
Can Gro-Aust acquire Tranzact Shares on-market on ASX?	<p>Gro-Aust is permitted to acquire Tranzact Shares on-market on ASX during the Offer Period if all the Offer Conditions are satisfied or waived.</p> <p>Gro-Aust has not yet determined whether it will acquire Tranzact Shares on-market should the Offer become unconditional.</p>
Where to go for further information	For queries on how to accept the Offer, refer to the accompanying Acceptance Form, or if you have any additional questions about the Offer or the actions you are required to take to accept the Offer, you should seek legal, financial and/or taxation advice from your professional adviser. Alternatively, please contact Gary Scott on +61 2 9236 5600 or +64 4 473 0262 (for callers in New Zealand).

Why you should accept this Offer

- 1. Gro-Aust is offering an attractive premium to recent trading prices for your Tranzact Shares**
- 2. The cash offer delivers certain value for your Tranzact Shares**
- 3. The Tranzact share price may fall if the Offer does not succeed**
- 4. There may be risks with continuing to be a minority shareholder in Tranzact as Gro-Aust is already a majority shareholder in Tranzact**
- 5. The Offer is the only offer for your Tranzact Shares**

1. Gro-Aust is offering an attractive premium to recent trading prices for your Tranzact Shares

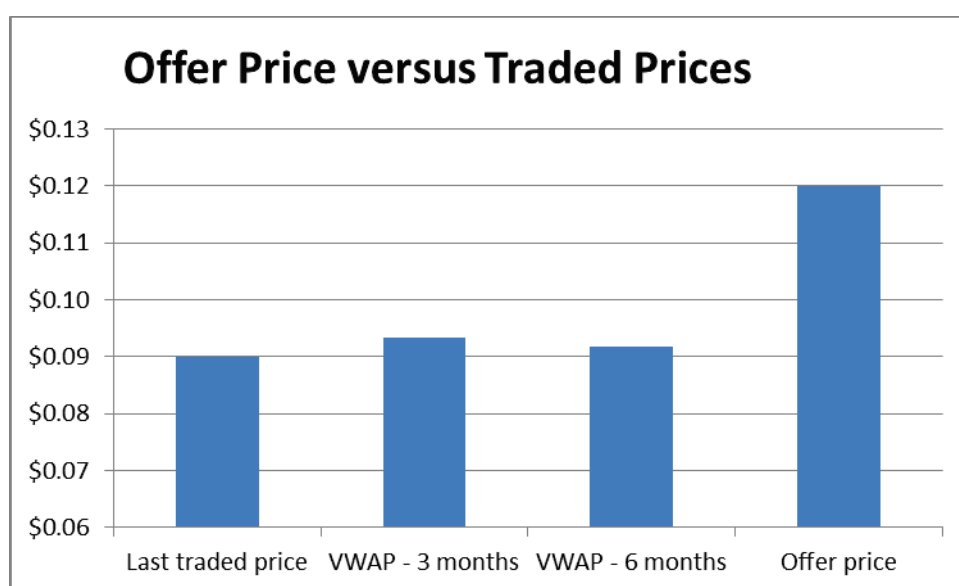
Gro-Aust is offering cash consideration of \$0.12 per Tranzact Share you own. The price of the Offer values Tranzact at approximately \$13.8 million.

The Offer represents a significant premium to the trading price of Tranzact's Shares prior to Gro-Aust's announcement on 6 November 2013.

The Offer represents a:

- 33% premium to the \$0.09 closing Tranzact Share price on 5 November 2013;
- 28.6% premium to the 3 month VWAP of Tranzact Shares on ASX up to and including 5 November 2013;
- 30.6% premium to the 6 month VWAP of Tranzact Shares on ASX up to and including 5 November 2013.

The chart below illustrates the premium reflected in the Offer.



2. Cash offer delivers certain value for your Tranzact Shares

The Offer provides certainty of value by providing only cash consideration for your Tranzact Shares.

If you accept the Offer and the Offer becomes or is declared unconditional, you will:

- receive \$0.12 cash for each of your Tranzact Shares;
- not incur any brokerage fees which you would otherwise likely incur if you sell your Tranzact Shares on market; and
- receive payment for your Tranzact Shares via a cheque mailed to you by the earliest of:
 - if the Offer has become unconditional when you accept the Offer, one month after the date of your acceptance;
 - if the Offer is not unconditional when you accept the Offer, one month after the date the Offer becomes unconditional; and
 - 21 days after the end of the Offer Period provided that the Offer has become unconditional.

However, there are certain exceptions to the above timetable for payment.

See clause 2 of Part 2 of the Bidder's Statement for further information.

3. The Tranzact share price may fall if the Offer does not succeed

The Offer is at a significant premium to the historical trading prices of Tranzact Shares prior to the announcement of Gro-Aust's Offer.

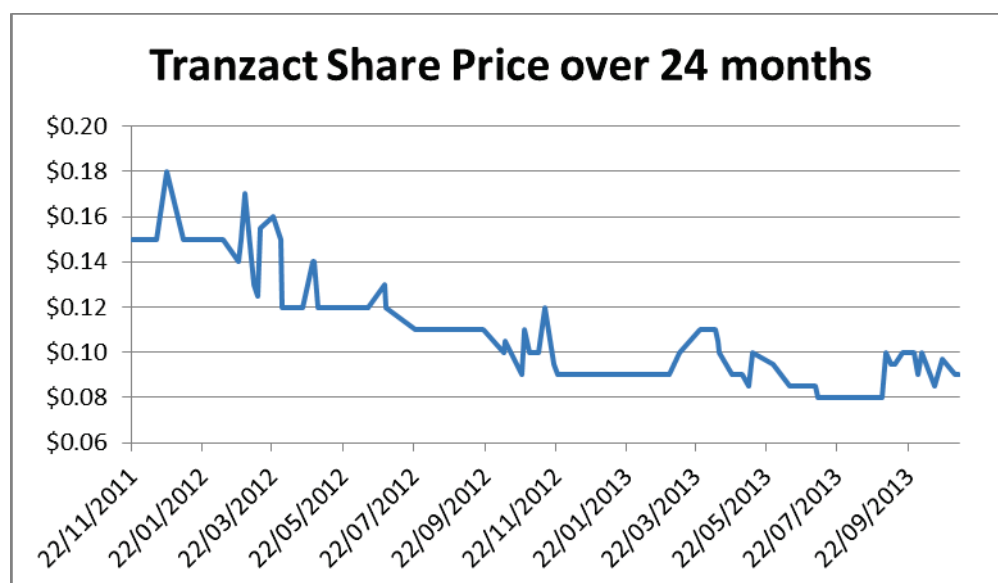
If the Offer is not successful (and there is no other offer made available for your Tranzact Shares), it is expected that the Tranzact share price will fall to a level below the Offer Price of \$0.12 cash per Tranzact Share.

4. The risks of continuing to be a minority shareholder in Tranzact as Gro-Aust is already a majority shareholder in Tranzact

Gro-Aust currently holds 60.4% of all Tranzact Shares on issue. It is highly unlikely that there will be an alternate bidder for the Tranzact shares that Gro-Aust does not own because a person making such an offer would not achieve majority control of the company.

Tranzact may not continue to be listed on ASX. Even if it continues to be listed, it is possible that the market for your Tranzact Shares may become even less liquid than the current market for those Tranzact Shares. A less active or less liquid market for Tranzact Shares may result in increased difficulty in selling your Tranzact Shares at a date after the close of the Offer.

The trading price of Tranzact Shares on the ASX over the 24 months prior to 6 November 2013 is shown on the chart below.



5. The Offer is the only offer for your Tranzact Shares

As at the date of this Bidder's Statement, Gro-Aust is not aware of any competing offer for your Tranzact Shares.

How to accept

Complete and sign the enclosed Acceptance Form and return it to one of the addresses specified on the form.

OR

Instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf. This applies if your Tranzact Shares are in a CHESS Holding.

The Offer is scheduled to close on 20 December 2013, unless extended.

Part 1 - Statutory information

1. About Gro-Aust

1.1 Gro-Aust

The Offer is being made by Gro-Aust, a privately held company incorporated in New Zealand.

The majority shareholder of Gro-Aust is Grosvenor Financial Services Group Limited (**Grosvenor**), which is also a privately held company incorporated in New Zealand.

1.2 Principal activities of Gro-Aust and Grosvenor

Gro-Aust was incorporated in New Zealand in December 2002. Gro-Aust only operates as a holding company for Grosvenor's and others investment in Tranzact and, as a partly-owned subsidiary of Grosvenor, Gro-Aust can be expected to implement the wishes of Grosvenor where they are not inconsistent with the interests of Gro-Aust's minority shareholders (who are themselves directly or indirectly involved with Grosvenor).

Gro-Aust's shareholders are:

- (a) Grosvenor, which holds 70% of Gro-Aust's issued shares;
- (b) Asty Holdings Limited, which holds 20% of Gro-Aust's issued shares; and
- (c) Allan Seng Tong Yeo, Stephen Charles Benton, Peter Brian Christensen and Paul Foley, who together hold the remaining 10% of Gro-Aust's issued shares (in their capacity as trustees of the Grosvenor Group Employee Bonus and Share Scheme).

Grosvenor's principal activities are investment management, administration and custodial services and being the manager of a registered unit trust and two KiwiSaver schemes. Grosvenor predominantly operates in New Zealand, although it does also provide investment management and administration services in Australia, through the Tranzact Group of companies

Both Gro-Aust's and Grosvenor's headquarters are in Wellington, New Zealand.

1.3 Directors

The directors of each of Gro-Aust and Grosvenor are as follows:

Name	Profile and Directorships
Allan Seng Tong Yeo	Gro-Aust: Director (Director since 2002)
<i>BCA (Hons), BA</i>	Grosvenor: Managing Director (Director since 1998)
<i>Age, 52</i>	Mr Yeo has held a number of senior banking roles with Barclays Bank PLC in New Zealand, Australia and the United Kingdom. Mr Yeo is a director of TriMax Assurance Services Limited, an innovative insurance joint venture company. Mr Yeo is also Managing Director of Tranzact, a 20% indirect shareholder of Gro-Aust via a related company Yeo Family Trustee Limited and (together with others) holds 10% of the shares in Gro-Aust in his capacity as trustee of the Grosvenor Group Employee Bonus and Share Scheme.

Name	Profile and Directorships
Paul Gerard Foley <i>BCA, LLB</i> <i>Age, 51</i>	Gro-Aust: Chairman (Director since April 2013) Grosvenor: Chairman (Director since 2012) <p>Mr Foley is a corporate/commercial partner with Minter Ellison Rudd Watts in New Zealand with over 25 years experience across a range of industries including financial services, manufacturing and resources. He is also a director of NZX/ASX listed New Zealand Oil and Gas Limited, Deputy Chair of the Board of The National Provident Fund which oversees a \$1.6b fund for employees across the local government and related sectors and Chairman of the Racing Integrity Unit Limited which provides race day control and integrity services to the NZ racing industry. Mr Foley is a member of the board of management of Minter Ellison Rudd Watts and Chair of the Board of Queen Margaret College in Wellington. Together with others, Mr Foley holds 10% of the shares in Gro-Aust in his capacity as trustee of the Grosvenor Group Employee Bonus and Share Scheme.</p>
Peter Brian Christensen <i>BA (Hons), Dip. Tchg, CFPCM</i> <i>Age, 59</i>	Grosvenor: Non-Executive Director (Director since 2001) <p>Mr Christensen has over 27 years experience in the financial planning industry and is a key principal in Camelot NZ Limited Partnership which is one of the largest independent financial advisory groups in New Zealand. Mr Christensen is an Authorised Financial Adviser, CFPCM and member of the FPIA. Together with others, Mr Christensen holds 10% of the shares in Gro-Aust in his capacity as trustee of the Grosvenor Group Employee Bonus and Share Scheme.</p>
Stephen Charles Benton <i>Dip Bus Studies CFPCM</i> <i>Age, 54</i>	Grosvenor: Non-Executive Director (Director since 2004) <p>Mr Benton has 30 years experience in the financial services industry specialising in corporate financial planning and personal investment advice. Mr Benton has extensive knowledge and expertise in Government Superannuation and National Provident Fund analysis, and is an Authorised Financial Adviser, and a CFPCM qualified member of the IFA. Together with others, Mr Benton holds 10% of the shares in Gro-Aust in his capacity as trustee of the Grosvenor Group Employee Bonus and Share Scheme.</p>
Murray Alexander McCaw <i>AMP Harvard</i> <i>Age, 64</i>	Grosvenor: Non-Executive Director (Director since 2013) <p>Mr McCaw has over 20 years' experience as a Chief Executive and independent director across a broad spectrum of New Zealand industries, including energy, motor vehicles and information technology. Amongst other governance roles, Mr McCaw is Chairman of Luxury Lodges of New Zealand, a member of the NEC New Zealand Limited Advisory Board, and a trustee and the Chairman of the Audit Committee of the Hawke's Bay Sport Park Trust.</p>

1.4 Common Director(s)

Allan Seng Tong Yeo is a Director and shareholder of Gro-Aust and the Managing Director of Grosvenor and of Tranzact.

Paul Foley is Chairman and a shareholder of Gro-Aust and Chairman of Grosvenor.

Anthony Ractliffe, who is Chairman of Tranzact, was a Director and Chairman of Grosvenor from 1998 to 31 March 2013 and a Director of Gro-Aust from 2002 to March 2013.

1.5 Where to find further information on Grosvenor

More information on Grosvenor can be found on www.gfsg.co.nz.

2. About Tranzact

2.1 Disclaimer

The information in this Section 2 concerning Tranzact has been prepared on a review of publicly available information. Gro-Aust does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Tranzact in this Bidder's Statement should not be considered comprehensive.

Further information relating to Tranzact's businesses or Tranzact's securities may be included in the Target's Statement in relation to the Offer, which will be sent to you directly by Tranzact.

2.2 Overview of Tranzact

Tranzact is an ASX listed boutique financial services provider with a stated strategy of specialising in providing superannuation services such as promotership, administration and investment management. Tranzact's core business is providing administration services to superannuation entities.

Tranzact announced on 17 September 2013 that it was to undertake a review of its businesses and it has subsequently sold or earmarked for sale certain of its businesses. As a result, currently Tranzact's principal assets are:

- (a) the Superannuation Fund Administration, Asset Consulting and Sponsorship business;
- (b) the Investor Directed Portfolio Service (**IDPS**) and custodial services, but this has been resolved to be closed. The decision to close the IDPS and custodial services was announced by the Tranzact Board on 17 September 2013².
- (c) Partnership for Growth, which now comprises the Camelot NZ Business, which operates wholly in New Zealand and is integrally associated with Grosvenor, which is the ultimate parent company of both Tranzact and Gro-Aust. The Tranzact Board announced³ that the independent directors of Tranzact were having discussions with Grosvenor with a view to Grosvenor acquiring Tranzact's interest in Camelot NZ Business. As noted in the ASX Announcement, any such transaction would require shareholder approval and an independent expert's report while Tranzact remains listed.

As part of Tranzact's realisation process:

- (d) the Self Managed Superannuation Fund (**SMSF**) administration business was sold for total gross cash proceeds of approximately \$1.35 million prior to redundancy and other exit costs. The decision to sell the SMSF administration business was announced by the Tranzact Board on 21 October 2013⁴;

² ASX Announcement dated 17 September 2013.

³ ASX Announcement dated 17 September 2013.

⁴ ASX Announcement dated 21 October 2013.

- (e) the Templetons Business, a financial advisory business which was sold for total proceeds of approximately \$3.6 million. The decision to sell the Templetons Business was announced by the Tranzact Board on 17 September 2013⁵ and the completion of the sale of the business was announced on 9 October 2013⁶;

In Tranzact's Annual Report for the financial year ending 30 June 2013⁷, Tranzact notes that following the sale of Tranzact's interest in Templetons and its proposed sale of its interest in Camelot NZ Business, the Company's cash position is expected to increase significantly, even after full retirement of debt, and that the Board will consider strategic options for the most effective use of the cash proceeds from the sale and proposed sale of the relevant businesses.

2.3 Principal activities of Tranzact

During the year ended 30 June 2013, the principal activities of the consolidated entity were:⁸

- (a) Providing specialist administration services to various superannuation entities;
- (b) Providing asset consulting and investment management services;
- (c) Acting as a promoter of superannuation entities;
- (d) Operating the IDPS and custodial services;
- (e) Providing financial planning and insurance services; and
- (f) Acting as an Australian Financial Services Licensee.

2.4 Publicly available information

Tranzact Shares are listed on ASX and Tranzact is obliged to comply with the continuous disclosure requirements of ASX and the Corporations Act.

The ASX website (www.asx.com.au) and Tranzact's website (www.tranzact.com.au) list announcements issued by Tranzact.

2.5 Tranzact issued securities

As at the date of this Bidder's Statement, the total number of securities on issue (according to documents lodged by Tranzact with ASX) was a total of 115,025,613.

2.6 Gro-Aust's interest in Tranzact securities

As at 20 November 2013, Gro-Aust's current interest in Tranzact Shares is as follows:

Shareholder	Relevant interest	% Issued Capital
Gro-Aust Holdings Limited	<ul style="list-style-type: none"> • 61,725,732 directly held Tranzact Shares • 7,787,379 beneficially held through Asset Custodian Nominees Limited 	60.43

⁵ ASX Announcement dated 17 September 2013.

⁶ ASX Announcement dated 9 October 2013.

⁷ ASX Announcement dated 26 September 2013.

⁸ ASX Announcement dated 26 September 2013.

Shareholder	Relevant interest	% Issued Capital
	as custodian for Gro-Aust Holdings Limited.	

2.7 Voting power

As at the date of this Bidder's Statement, Gro-Aust's voting power in Tranzact is 60.43%.

3. Dealings in Tranzact Shares

3.1 Consideration provided for Tranzact Shares during previous four months

During the period beginning four months before the 20 November 2013 and ending on the day immediately before the date of this Bidder's Statement, neither Gro-Aust nor any of its Associates has provided or agreed to provide consideration for a Tranzact Share.

3.2 No inducing benefits given, offered or agreed during previous four months

During the four months before 20 November 2013, neither Gro-Aust nor any of its Associates gave, offered to give or agreed to give a benefit to another person that induced, or was likely to induce, the other person or an associate to:

- (a) accept the Offer; or
- (b) dispose of Tranzact Shares,

that was not offered to all holders of securities in the bid class.

4. Funding

4.1 Total cash consideration

The Offer is an all-cash offer.

The total maximum amount of cash that Gro-Aust would be required to pay if acceptances are received for all Tranzact Shares on issue (other than those in which Gro-Aust and its Associates already have a relevant interest) as at the date of this Bidder's Statement is \$5,461,500.24 (excluding any transaction costs ancillary to the Offer).

As at the date of this Bidder's Statement, the securities Tranzact has on issue are 115,025,613 Tranzact Shares, and Gro-Aust had a relevant interest in 69,513,111 Tranzact Shares.

4.2 Gro-Aust's internal funding arrangements

Grosvenor, as majority shareholder of Gro-Aust, has (subject only to the bank funding arrangements noted in sections 4.3 and 4.4) irrevocably and unconditionally undertaken to Gro-Aust that it will provide such funds to Gro-Aust as are necessary to fund the total cash consideration required to satisfy Gro-Aust's obligations under the Offers, together with amounts required to cover all transaction costs.

These funds will be provided by Grosvenor to Gro-Aust as loans or through subscriptions for shares in Gro-Aust.

Grosvenor and its subsidiaries will make such amounts available to Gro-Aust for the period of the Offer, together with any period during which compulsory acquisition is proceeding and not yet complete.

4.3 Grosvenor's funding arrangements

Grosvenor will provide Gro-Aust with the necessary funds to pay the consideration for the acquisition of the Tranzact Shares pursuant to the Offer.

Grosvenor will source the funds it has undertaken to provide to Gro-Aust from a combination of its cash reserves (in excess of NZ\$2,300,000 is currently on deposit), net operating cash flows and from committed bank funding from a New Zealand Registered Bank.

Grosvenor has secured a committed credit facility which permits drawings of not less than NZ\$4,500,000 to fund the Offers (**Bid Facility**) for a three month period from the date of drawdown. Together with the funds on deposit this facility is sufficient to satisfy the total maximum amount of cash that Gro-Aust may be required to pay under the bid assuming that the exchange rate for NZ\$ expressed in A\$ does not exceed 1.25.

4.4 Particulars of Bid Facility

(a) **Summary of credit facility**

Grosvenor's Bid Facility is a committed credit facility for the purpose of funding the Offers.

(b) **Conditions precedent to availability**

The credit facility is immediately available for drawdown subject to:

- (i) Gro-Aust satisfying the requirements in section 661A of the Corporations Act to enable Gro-Aust to exercise its rights of compulsory acquisition;
- (ii) a majority of the independent directors of Tranzact do not recommend, in the Target Statement or subsequently, that the Offer not be accepted;
- (iii) execution of long-form documentation amending an existing facility;
- (iv) confirmation that no event of default has occurred or is continuing, the satisfaction of mechanical conditions precedent (such as the giving of a drawdown notice) and the making of customary representations, warranties by Grosvenor and provision of directors' certificates.

(c) **Period of commitment**

The credit facility is available for a 3-month period beginning on the date of drawdown.

(d) **Events of default**

The relevant facility agreement will contain usual events of default for a facility of this nature including:

- (i) non-payment of any due amount;
- (ii) breach of usual covenants, including an interest cover ratio; and

- (iii) the lender not assessing that a Material Adverse Effect as defined in the facility documentation has occurred (being a material adverse effect on the Grosvenor group business, or its ability to perform its obligations under the facility agreement or invalidity of the facility documentation).

(e) **Changes to funding arrangements**

Gro-Aust and Grosvenor reserve their rights to vary the funding arrangements set out above provided that disclosure of the funding arrangements as varied is made by a supplementary bidder's statement if required by the Corporations Act and that the arrangements as varied are not materially less favourable to Tranzact Shareholders than those disclosed in this section 4.

4.5 Payment of cash consideration

Gro-Aust 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 pay the consideration required to pay Tranzact Shareholders who accept the Offers and to meet all its other obligations under the Offers, together with amounts required to cover all transaction costs associated with the Offers. Gro-Aust does not believe there is any reasonably foreseeable reason why any of the conditions precedent to the bank facility will not be satisfied or that any event of default might occur.

5. Gro-Aust's intentions for the business, assets and employees of Tranzact

5.1 Introduction

This Section 5 sets out Gro-Aust's current intentions on the basis of facts and information concerning Tranzact which are known to it as at the date of this Bidder's Statement.

This is in relation to:

- (a) the continued operation of the Tranzact business;
- (b) any material structural or operational changes to the business of Tranzact; and
- (c) the continued employment of the employees of Tranzact.

Gro-Aust's statements of current intentions as set out in this section 5 are subject to change as new information becomes available to Gro-Aust.

5.2 Compulsory acquisition

If Gro-Aust becomes entitled to compulsorily acquire Tranzact Shares under section 661A of the Corporations Act, Gro-Aust will give notices to compulsorily acquire any outstanding Tranzact Shares in accordance with section 661B of the Corporations Act and will arrange for Tranzact to be removed from the official list of ASX.

Tranzact Shareholders should be aware that if they do not accept the Offer and their Tranzact Shares are compulsorily acquired under Part 6A.1 of the Corporations Act, they will face delays in receiving consideration for their Tranzact Shares compared with Tranzact Shareholders who have accepted the Offer.

Even if Gro-Aust does not become entitled to exercise compulsory acquisition rights following the Offer under section 661A of the Corporations Act, it may nevertheless be or become entitled

to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act. Gro-Aust intends to exercise such rights if they become available.

5.3 Intentions for Tranzact as a wholly owned subsidiary

This section 5.3 sets out Gro-Aust's current intentions if at the end of the Offer Period it has a Relevant Interest in 90.11% or more of the Tranzact Shares and is entitled to proceed to compulsory acquisition of the outstanding Shares.

(a) Compulsory acquisition and ASX delisting

If it becomes entitled to do so under the Corporations Act, Gro-Aust will proceed with compulsory acquisition in accordance with the Corporations Act.

(b) Directors

Gro-Aust will also seek the resignation of the existing independent directors of Tranzact and appoint, in their place, nominees of Gro-Aust. Gro-Aust has not yet determined the identity of its proposed nominees, although the candidates who are likely to be considered by Gro-Aust for appointment to the Tranzact board will be executives or officers of Gro-Aust or Grosvenor with appropriate experience, qualifications and skills for Tranzact and its business and to implement Gro-Aust's intentions for Tranzact.

(c) ASX delisting

At the conclusion of the compulsory acquisition process, Gro-Aust will request that Tranzact be removed from the official list of ASX.

(d) Potential benefits from changes to directors and ASX delisting

Tranzact's 2013 Annual Report identified Administration expenses for the year ended 30 June 2013 of \$1.169 million. It is estimated the cost savings which might emerge from the consolidation described above, Gro-Aust would reflect that that total annual director fees of over \$200,000 are currently paid, and costs related to the ASX listing are approximately \$50,000. These costs could substantially be saved if Gro-Aust achieves 100% ownership, and to a lesser extent should Gro-Aust not be successful in achieving 100% ownership.

(e) Strategic and financial review

Gro-Aust continually looks for opportunities to maximise shareholder value from all its investments, and the acquisition of Tranzact will be no exception. Gro-Aust intends to undertake a detailed review of Tranzact's operations from a strategic and financial perspective to:

- (i) assess and evaluate the performance, profitability and commercial prospects of the business of Tranzact;
- (ii) evaluate potential operational and/or strategic opportunities; and
- (iii) identify any synergies that can be achieved by pooling the assets and operations of Tranzact with those of Gro-Aust.

Gro-Aust believes that some of the operations and assets of Tranzact complement the Gro-Aust and Grosvenor portfolios. However, as part of the review, it may become apparent that assets and operations of Tranzact may not be regarded as having strategic relevance to Gro-Aust or Grosvenor. Gro-Aust's review of those assets and businesses will also consider the merits of, and opportunities for, divestiture.

Based on the information currently available to Gro-Aust and Grosvenor, if Gro-Aust attains full control of Tranzact, it is currently considering:

- (i) combining Tranzact's Camelot NZ Business with Grosvenor's existing business. The Camelot NZ Business operates wholly in New Zealand and is integrally associated with Grosvenor; and
- (ii) undertaking a return of capital and paying dividend(s) to Tranzact's then shareholders (in this scenario, only Gro-Aust).

In addition, the strategic review will consider the appropriateness of further investing in, or divesting, the Superannuation Fund Administration, Asset Consulting and Sponsorship business. If those businesses were divested, then consideration would be given to winding up the Tranzact legal entity.

(f) **Employees and management functions**

Depending on the outcome of its strategic review outlined above in 5.3(e), at this stage, Gro-Aust intends that those employees involved with the businesses to be consolidated with Gro-Aust or Grosvenor will be retained to support those businesses. If any business was identified for divestment the intention would be that employees will be transferred or sold along with those businesses (subject to the availability of a suitable role in the consolidated or divested business and subject to their legal and contractual entitlements).

(g) **Potential benefits from optimisation and rationalisation opportunities**

The reduction in costs will provide Tranzact with the opportunity to operate its remaining businesses profitably, whereas without those cost reductions the profits available for distribution to shareholders could be expected to reduce over time.

5.4 Intentions for Tranzact as a partly owned subsidiary

This section 5.4 sets out Gro-Aust's current intentions if, at the end of the Offer Period, Gro-Aust has a Relevant Interest in less than 90%, and either the Offer does not succeed and Gro-Aust retains its current shareholding in Tranzact or the Offer results in Gro-Aust increasing its shareholding in Tranzact to a level between 60.43% and less than 90%.

(a) **Active major shareholder: operations, assets and employees**

If, following the close of the Offer, Tranzact continues to be a controlled entity but not a wholly owned subsidiary of Gro-Aust, it is Gro-Aust's present intention to attempt to procure that the board of directors of Tranzact implement the steps outlined in Section 5.3 above to the extent possible and appropriate.

Any transactions between members of Gro-Aust and Tranzact required to effect those steps will be entered into on arm's length terms. In addition, if required by law, Gro-Aust will seek any necessary approval of the shareholders of Tranzact to implement those steps.

(b) **Directors**

Given that Gro-Aust already controls Tranzact, regardless of the outcome at the close of the Offer Period, Gro-Aust will be able to implement its intentions set out in section 5.3 above and procure that all directors of Tranzact are nominees of Gro-Aust. These nominees will ensure that they comply with their fiduciary duties and obligations as Tranzact Directors, in particular in dealing with any potential conflicts of interest and acting for proper purposes and in the best interests of the Tranzact Shareholders as a whole.

(c) **ASX de-listing**

Having regard to the low volume of Tranzact Shares traded in the last 2 years (average daily trading volumes have been less than 0.05% of Tranzact's issued shares and the highest daily volume in that period was less than 0.38% of Tranzact's issued shares of the Tranzact Shares), the board of Gro-Aust has formed the view that the costs of maintaining Tranzact as a company with official listing on ASX exceed the benefits of doing so and, accordingly, it is not in the interests of shareholders of Tranzact to maintain that listing.

It is Gro-Aust's present intention to review circumstances after the close of the Offer Period and, having regard to the fact that Tranzact Shareholders have been given the opportunity to sell their holdings by accepting the Offer, form a view as to whether Tranzact should apply to be removed from the official list of the ASX.

If:

- (i) as a result of the Offer or otherwise, Tranzact has only a small number of remaining shareholders; or
- (ii) the price at which Shares in Tranzact trade is substantially lower than the underlying value of Tranzact's net assets,

Gro-Aust presently intends to delist Tranzact.

5.5 Limitation to giving effect to intentions

The capacity of Gro-Aust to give effect to the intentions set out in sections 5.3 and 5.4 may be affected by:

- (a) the legal obligations of Tranzact Directors to act in good faith and to act in the best interests of the Tranzact business and for the proper purposes, and to have regards to the interests of Tranzact Shareholders; and
- (b) the requirements of the Corporations Act and Listing Rules, particularly the requirements related to conflicts of interest and related party transactions if Gro-Aust is unsuccessful in acquiring all the Tranzact Shares; and
- (c) the outcome of any reviews to be undertaken by Gro-Aust as referred to in this section 5.

5.6 Other intentions

Subject to the foregoing, it is the present intention of Gro-Aust:

- (a) to continue the business of Tranzact;
- (b) not to make any major changes to the business of Tranzact, nor to redeploy any of the fixed assets of Tranzact; and
- (c) to continue the employment of Tranzact's present employees.

5.7 Value of benefits

As noted in section 5.3(d), Gro-Aust estimates that cost savings of \$200,000 to \$300,000 may be available in the event that it achieves 100% ownership of Tranzact from those identified actions which may be supplemented by reduced external auditing costs and other administrative savings

arising from reduced reporting obligations. If Tranzact becomes a partly owned subsidiary, Gro-Aust believes that the value of any savings would be less than if Tranzact were 100% owned.

6. Australian and New Zealand tax considerations

6.1 Introduction

The following is a general description of the principal Australian and New Zealand tax consequences for the registered holders of Tranzact Shares upon the disposal of their shareholding to Gro-Aust.

The following description is based upon the law in effect at the date of this Bidder's Statement, but it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered holder of Tranzact Shares. In particular, the registered holders of Tranzact Shares should be aware that the levels and bases of taxation can change and that where reference is made to tax concessions, this is to tax concessions as currently applying. It is recommended that registered holders seek independent professional advice in relation to their own particular circumstances.

Any persons who may be subject to tax in any jurisdiction outside Australia and New Zealand should obtain independent professional advice on their particular circumstances.

The Australian tax implications outlined below are relevant to registered holders who hold their Tranzact Shares as capital assets for the purposes of investment and who do not hold their Tranzact Shares as trading stock, as part of a profit-making undertaking or scheme, or otherwise on revenue account.

6.2 Australian capital gains tax (CGT) implications

Australian CGT event

For Australian CGT purposes, a 'CGT event' will occur when you dispose of your Tranzact Shares to Gro-Aust. The time of your disposal will depend on your circumstances as follows:

- (a) if you accept the Offer, your disposal should take place on the date the Offer is accepted by you; and
- (b) if you do not accept the Offer and your Tranzact Shares are compulsorily acquired (as described in accordance with Section 7.1 of Part 1 of this Bidder's Statement (Compulsory Acquisition)), your disposal should take place on the date Gro-Aust becomes the owner of your Tranzact Shares.

Determining your capital gain or loss under Australian law

Any capital gain or loss from the CGT event will be determined by comparing the total consideration that you receive for your Tranzact Shares in accordance with clause 2.1 of Part 2 of this Bidder's Statement (Price Payable) with the CGT cost base or reduced cost base of your Tranzact Shares.

If Gro-Aust reduces the Offer Price under clause 6 (Dividends and other entitlements) of Part 2 of this Bidder's Statement, that reduced consideration will be the amount of consideration taken into account in calculating your capital gain or loss.

The cost base or reduced cost base of your Tranzact Shares should broadly equal the money you paid or were required to pay to acquire your Tranzact Shares plus any non-deductible incidental costs incurred in acquiring and disposing of the shares.

Where you acquired your Tranzact Shares before 21 September 1999, in calculating a capital gain, the cost base of your shares may be increased for indexation based on the CPI movement from your date of acquisition to 30 September 1999. Alternatively, if you are entitled to, you may choose to claim the CGT discount to reduce your capital gain (refer below).

You will make a capital gain from the disposal of your Tranzact Shares to Gro-Aust if the consideration that you received exceeds the cost base of your shares.

Conversely, you will make a capital loss if the reduced cost base of your Tranzact Shares exceeds the consideration that you received.

The tax treatment of your capital gain or capital loss arising from the disposal of your Tranzact Shares depends on whether or not you are an Australian resident for taxation purposes:

(a) **Australian tax consequences for Australian residents**

You may be entitled to the CGT discount if:

- (i) you are an Australian resident individual, trust or complying superannuation fund;
- (ii) you have held your Tranzact Shares for at least 12 months; and
- (iii) you make a capital gain from the disposal of your Tranzact Shares.

The CGT discount will result in:

- (i) 50% of your capital gain being assessable, if you are an individual or a trust; or
- (ii) 66⅔% of your capital gain being assessable, if you are a complying superannuation fund.

No CGT discount is available for companies.

If you make a capital gain from the disposal of your Tranzact Shares, that capital gain will be combined with any other capital gains you have made for the income year, then the total will be applied against any capital losses you have made in the income year or prior year capital losses (before taking into account the CGT discount, if applicable). Any resulting net capital gain will be included in your assessable income for the income year. Any resulting net capital loss will be carried forward and may be applied against any future assessable capital gains (before taking into account the CGT discount, if applicable).

If you make a capital loss from the disposal of your Tranzact Shares, that capital loss may only be offset against your assessable capital gains (before taking into account the CGT discount, if applicable) for the current income year. Any excess capital loss may be applied against your future assessable capital gains (before taking into account the CGT discount, if applicable).

(b) **Australian tax consequences for non-Australian residents**

Capital gains or capital losses made by registered holders of Tranzact Shares who are non-Australian residents will be disregarded.

Non-Australian resident registered holders of Tranzact Shares who hold their Tranzact Shares through a permanent establishment in Australia should seek independent professional advice in respect of their own particular circumstances.

6.3 Australian stamp duty and the goods and services tax (GST)

No stamp duty or GST is payable by you on the sale of your Tranzact Shares to Gro-Aust pursuant to the Offer.

You may be charged GST on incidental costs (for example, brokerage or advisory fees) incurred in acquiring and disposing of your Tranzact Shares. You may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent professional advice in relation to your own particular circumstances.

6.4 New Zealand capital gains tax (CGT) implications

Although New Zealand does not have a capital gains tax, there are instances where if you are subject to taxation in New Zealand you will be subject to New Zealand tax on gains you make on the sale or disposal of your Tranzact Shares or be allowed a deduction for any loss you make. You must consider your individual circumstances to determine whether any gain on the sale or disposal of your Tranzact Shares will be taxable.

Generally, you will be subject to tax on any gain (or allowed to deduct any loss) arising from the sale or disposal of your Tranzact Shares if you:

- are in the business of dealing in shares
- acquired your Tranzact Shares as part of a profit making undertaking or scheme, or
- acquired your Tranzact Shares with the dominant purpose of selling them.

Your taxable gain (or tax deductible loss) will be the difference between the cost of your Tranzact Shares and the market value of the consideration received for their sale or disposal. If you have a taxable gain you will most likely be required to include that gain in a tax return for the tax year in which the sale occurs. You will need to pay any tax owing in respect of that gain at your marginal tax rate.

6.5 New Zealand stamp duty and GST

No stamp duty or NZ GST is payable by you on the sale of your Tranzact Shares to Gro-Aust pursuant to the Offer or in relation to incidental NZ based brokerage or advisory fees incurred in acquiring and disposing of your Tranzact Shares.

7. Additional information

7.1 Compulsory acquisition

(a) Post-bid compulsory acquisition provisions

If Gro-Aust becomes entitled to compulsorily acquire Tranzact Shares under section 661A of the Corporations Act, Gro-Aust will give notices to compulsorily acquire any outstanding Tranzact Shares in accordance with section 661B of the Corporations Act. Gro-Aust may compulsorily acquire all outstanding Tranzact Shares at the Offer Price under these provisions if, during or at the end of the Offer Period:

- (i) Gro-Aust and its Associates have relevant interests in at least 90% (by number) of Tranzact Shares; and
- (ii) Gro-Aust and its Associates have acquired at least 75% (by number) of the Tranzact Shares that Gro-Aust offered to acquire under the bid.

Holders of Tranzact Shares covered by a compulsory acquisition notice under Part 6A.1 may apply to the court for an order that the Tranzact Shares not be compulsorily acquired. The court may only make such an order if it is satisfied that the consideration is not fair value for the securities.

(b) General compulsory acquisition provisions

If Gro-Aust becomes entitled to compulsorily acquire Tranzact Shares under section 664A of the Corporations Act, Gro-Aust will give notices to Tranzact Shareholders to compulsorily acquire any outstanding Tranzact Shares in accordance with section 664C of the Corporations Act.

Gro-Aust will be able to compulsorily acquire all outstanding Tranzact Shares under Part 6A.2 of the Corporations Act if:

- (i) Gro-Aust's voting power in Tranzact is at least 90% and Gro-Aust (either in its own right or through related bodies corporate) acquires full beneficial interests in at least 90% (by value) of the aggregate of all Tranzact Shares; and
- (ii) Gro Aust lodges a compulsory acquisition notice with ASIC in accordance with section 664C(2)(a) within six months of achieving that 90% holding (and despatches the notice to Tranzact security holders by the following Business Day); and
- (iii) Gro Aust obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value for the securities covered.

Tranzact security holders whose Tranzact securities are covered by the compulsory acquisition notice are entitled to object to the acquisition by signing an objection form and returning it to Gro-Aust. If more than 10% of the holders of securities covered by the notice object, Gro-Aust will need court approval before the acquisition can proceed.

(c) Compulsory buy-out of Tranzact Shares

If Gro-Aust is required to compulsorily offer to buy out outstanding Tranzact Shares under section 662A and section 663A of the Corporations Act (and no relevant modification of those sections applies), Gro-Aust will give notices to Tranzact Shareholders offering to buy out their Tranzact Shares in accordance with section 662B and section 663C of the Corporations Act.

Gro-Aust must serve a notice offering to buy out all remaining holders of Tranzact Shares if, at the end of the Offer Period, Gro-Aust and its Associates have relevant interests in at least 90% (by number) of Tranzact Shares. Tranzact security holders who hold securities covered by the notice may, but need not, accept the offer in the notice. The notices must be lodged with ASIC within one month after the end of the Offer Period (and must be despatched to Tranzact security holders on the same day or the next Business Day). Tranzact security holders who wish to accept the Offer must do so within one month after the notice is lodged with ASIC.

7.2 Agreements with Tranzact Directors

Other than as set out elsewhere in this Bidder's Statement, there is no agreement between Gro-Aust and a director or another officer of Tranzact in connection with or conditional on the outcome of the Offers.

7.3 Potential for waiver of defeating Conditions

The Offer is subject to a number of conditions set out in Part 2 of this Bidder's Statement. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by Gro-Aust.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, Gro-Aust might not make a decision as to whether they will either rely on that non-fulfilment, or instead waive the Condition, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act (see clause 7.5 of Part 2). If Gro-Aust decides that it will waive a Condition, it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are not fulfilled, and Gro-Aust decides to rely on the non-fulfilment, then any contract resulting from acceptance of the Offer will become void at the end of the Offer Period, and the relevant Tranzact Shares will be returned to the holder.

7.4 Broker commission

Gro-Aust may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, but has made no final decision in relation to the matter at this stage.

Any commission payments will be paid only in respect of parcels of Tranzact Shares held by retail shareholders who accept the Offer.

If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Tranzact Shares held by retail shareholders who accept the Offer, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$750) for each acceptance.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on, or paid, to Tranzact Shareholders.

If and when Gro-Aust decides to offer such a commission to any broker, it will make an announcement to ASX.

It is Gro-Aust's intention that, if and when an offer of commission has been made to any broker by Gro-Aust, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

7.5 Tranzact's material disclosures to ASX

Tranzact is a disclosing entity for the purposes of the Corporations Act and therefore is subject to regular reporting and disclosure obligations.

Annexure A contains a description of each announcement made by Tranzact to ASX between 30 June 2013 (the end of Tranzact's 2013 financial year) and the date of this Bidder's Statement. If you would like to receive a copy of any of these announcements, please refer to www.asx.com.au (TFS), or contact Gary Scott on +61 2 9236 5600 or +64 4 473 0262 (for callers in New Zealand), and you will be send copies free of charge.

Information about Tranzact's reporting and disclosing activities may also be obtained from Tranzact's website at www.tranzact.com.au.

7.6 Approvals for payment of consideration

Gro-Aust is not aware of any Tranzact Shareholders who require any approval referred to in clause 2.4 of Part 2 of this Bidder's Statement in order to be entitled to receive any consideration under the Offer.

7.7 Consents

This Bidder's Statement contains statements made by, or statements stated in this Bidder's Statement to be based on statements made by, Grosvenor. Grosvenor has consented to the inclusion of such statements in the form and context in which they appear and has not withdrawn that consent as at the date of this Bidder's Statement.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX by Tranzact and others. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

7.8 Date for determining holders of securities

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for each Offer is the Record Date.

7.9 Information

Except for the information contained in this Bidder's Statement and in Tranzact's releases to ASX prior to the date of this Bidder's Statement, there is no information known to Gro-Aust which:

- (a) is material to the making of a decision by a holder of Tranzact Shares whether to accept the Offer; and
- (b) has not been previously disclosed to the holders of Tranzact Shares.

Part 2 – Terms of the Offer

1. Offer

1.1 The Offer

Gro-Aust offers to acquire all of your Tranzact Shares and all the Rights attaching to them on the terms set out in this Offer.

1.2 Persons to whom offers are made

Gro-Aust is making an offer in the form of this Offer to each holder of Tranzact Shares registered in Tranzact's register of members at 7.00pm Sydney, Australia time on the Record Date.

Accordingly, the Offers and copies of this Bidder's Statement will be sent to holders of Tranzact Shares on the Record Date.

1.3 Offer Date

This Offer is dated 20 November 2013, being the date on which the first of the Offers is sent to the persons referred to in clause 1.2.

1.4 Offer Period

The Offers will remain open for the one month period:

- (a) starting on the Offer Date; and
- (b) ending at 7.00pm Sydney, Australia time on 20 December 2013,

unless this period is extended in accordance with the Corporations Act or the Offers are withdrawn in accordance with the Corporations Act.

1.5 Extension of the Offer Period

- (a) Gro-Aust may, in its sole discretion, extend the Offer Period in accordance with the Corporations Act.
- (b) If, within the last seven days of the Offer Period the Offer is varied to improve the consideration offered the Offer Period will be extended automatically so that it ends 14 days after that event.

1.6 Conditions

Each Offer is subject to the Conditions in clause 7.1.

1.7 If you have sold any of your Tranzact Shares

If you have sold some or all of your Tranzact Shares when this Offer is made to you, or you sell some or all of your Tranzact Shares during the Offer Period, please refer to clause 4.1.

1.8 If you are a trustee or nominee

If you are a trustee or nominee of some or all of your Tranzact Shares, please refer to clause 4.2.

2. Price

2.1 Price payable

The amount offered for each of your Tranzact Shares is \$0.12 in cash.

2.2 Time of payment

- (a) If the Acceptance Form does not require you to give another document for your acceptance, Gro-Aust will despatch payment to you for your Tranzact Shares by the end of whichever of the following periods ends earliest:
 - (i) if this Offer is unconditional when you accept this Offer, within one month after the date this Offer is accepted by you;
 - (ii) if this Offer is subject to a defeating condition when you accept this Offer, within one month after the date the takeover contract resulting from your acceptance of this Offer becomes unconditional; and
 - (iii) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional.
- (b) If the Acceptance Form requires another document to be given for your acceptance (such as a power of attorney):
 - (i) if the document is given with your acceptance, Gro-Aust will despatch payment to you in accordance with clause 2.2(a);
 - (ii) if the document is given after your acceptance and before the end of the Offer Period and this Offer is subject to a defeating condition at the time Gro-Aust is given the document, Gro-Aust will despatch payment to you by the end of whichever of the following periods ends earlier:
 - (A) one month after the date the takeover contract resulting from your acceptance of this Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional;
 - (iii) if the document is given after your acceptance and before the end of the Offer Period and this Offer is unconditional at the time Gro-Aust is given the document, Gro-Aust will despatch payment to you by the end of whichever of the following periods ends earlier:
 - (A) one month after the date that document is given; or

- (B) 21 days after the end of the Offer Period if the takeover contract resulting from your acceptance of this Offer becomes unconditional; or
- (iv) if the document is given after your acceptance and after the end of the Offer Period and at the time Gro-Aust is given the document the takeover contract is unconditional, Gro-Aust will despatch payment to you within 21 days after the date Gro-Aust is given the document.
- (c) Payment will be by cheque in Australian currency (unless you include valid account details on the Acceptance Form for the payment to be made by direct deposit as specified on the Acceptance Form). The cheque will be sent to you at your address stated on the Acceptance Form or another address notified by you to Gro-Aust.

2.3 Contract avoided

Gro-Aust may avoid a contract between Gro-Aust and you if Gro-Aust has not been given a document required in the Acceptance Form within one month after the end of the Offer Period.

2.4 Certain overseas residents

If, at the time you accept this Offer, any authority or clearance of the Department of Foreign Affairs and Trade or of the Australian Taxation Office is required for you to receive any consideration under this Offer, or you are resident in, or a resident of, a place to which, or you are a person to whom:

- (a) the *Autonomous Sanctions Regulations 2011* (Cth);
- (b) the *Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008* (Cth);
- (c) the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth); or
- (d) any other law of Australia that would make it unlawful for Gro-Aust to provide consideration for your Tranzact Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by you in favour of Gro-Aust.

3. How to accept

3.1 Full acceptance required

Subject to clause 4.2, you may only accept this Offer during the Offer Period for all your Tranzact Shares.

3.2 Acceptance Form

Clauses 3.3 and 3.5 refer, among other things, to the different Acceptance Forms to be used depending on whether your Tranzact Shares are in a CHESS Holding or in an Issuer

Sponsored Holding. You will only be sent one Acceptance Form with this Bidder's Statement, which will be the Acceptance Form to be used in relation to your Tranzact Shares.

3.3 CHESS Holdings

If your Tranzact Shares are in a CHESS Holding and you are not a Participant, you may:

- (a) instruct your Controlling Participant to initiate acceptance of this Offer for your Tranzact Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (b) authorise Gro-Aust to instruct your Controlling Participant (usually your broker) on your behalf to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, by completing, signing and returning the enclosed Acceptance Form in accordance with the instructions on it. The Acceptance Form must be received at the address stated on it in sufficient time before the end of the Offer Period (7.00pm Sydney, Australia time on 20 December 2013, unless the Offer Period is extended) to enable Gro-Aust to instruct your Controlling Participant to effect acceptance of the Offer for your Tranzact Shares before the end of the Offer Period.

3.4 Participant

If your Tranzact Shares are in a CHESS Holding and you are a Participant, acceptance of this Offer may be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period (7.00pm Sydney, Australia time on 20 December 2013, unless the Offer Period is extended).

3.5 Issuer Sponsored Holdings

If you hold Tranzact Shares in an Issuer Sponsored Holding, to accept this Offer you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the instructions on it; and
- (b) send it, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period (7.00pm Sydney, Australia time on 20 December 2013, unless the Offer Period is extended) at the address stated on the Acceptance Form.

A reply paid return addressed envelope is enclosed for your use.

3.6 Faxed acceptances

You may also send your acceptance form by facsimile to Gro-Aust Holdings Limited Fax: +61 2 9236 5699.

If your acceptance form is returned by facsimile it will be deemed to be received in time if the facsimile transmission is received before the end of the Offer Period, but you will not be entitled to receive the consideration under this Offer to which you are entitled

until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at the address stated on the Acceptance Form.

3.7 Gro-Aust's discretion regarding incomplete or invalid acceptance

Gro-Aust may, in its absolute discretion, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements set out in the Acceptance Form has not been complied with or you have been sent (and you have therefore completed) the wrong Acceptance Form for the subregister on which your Tranzact Shares are held, but Gro-Aust may, in its absolute discretion, decide not to pay you until:

- (a) the irregularity has been resolved; and
- (b) any document required to enable Gro-Aust to be registered as the holder of your Tranzact Shares, have been given to Gro-Aust.

4. Application of this Offer

4.1 If another person is entitled to your Tranzact Shares

If, when this Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of your Tranzact Shares (**Transferred Shares**), then Gro-Aust will be taken to have:

- (a) made to the other person a corresponding offer for the Transferred Shares;
- (b) made you a corresponding offer for your Tranzact Shares except the Transferred Shares; and
- (c) withdrawn this Offer.

4.2 If you are a trustee or nominee

If at any time during the Offer Period you are a trustee for or nominee of two or more persons or your Tranzact Shares for some other reason consist of two or more separate parcels within the meaning of section 653B of the Corporations Act, then:

- (a) a separate Offer will be taken to have been made to you in relation to each separate parcel of Tranzact Shares; and
- (b) an acceptance by you of the Offer in respect of any separate parcel of Tranzact Shares will be ineffective unless:
 - (i) you have given Gro-Aust a notice, delivered in accordance with clause 4.3, stating that your Tranzact Shares consist of separate parcels; and
 - (ii) your acceptance specifies the number of Tranzact Shares in each separate parcel to which the acceptance relates.

4.3 Notice of separate parcels

A notice in accordance with clause 4.2 must:

- (a) if it relates to Tranzact Shares not in a CHESS Holding, be in writing; or

- (b) if it relates to Tranzact Shares in a CHESS Holding, be in an electronic form approved by the ASX Operating Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

5. Effect of acceptance

By initiating acceptance of this Offer through CHESS in accordance with clause 3.3 or 3.4, or signing and returning an Acceptance Form in accordance with clause 3.3, 3.5 or 3.6, you will have:

- (a) accepted this Offer (and each variation of the Offer (if any) permitted under Part 6.6 of the Corporations Act) for all your Tranzact Shares;
- (b) subject to the Conditions in clause 7 being fulfilled, agreed to transfer your Tranzact Shares to Gro-Aust;
- (c) represented and warranted to Gro-Aust that:
 - (i) your Tranzact Shares are at the time of acceptance, and will be on registration of the transfer of your Tranzact Shares to Gro-Aust, fully paid up, and Gro-Aust will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens and other encumbrances and restrictions on transfer of any kind; and
 - (ii) you have full power and capacity to sell and transfer those securities;
- (d) irrevocably and unconditionally authorised Gro-Aust (by its servants or agents) to complete or alter the Acceptance Form on your behalf (and irrevocably and unconditionally appoint Gro-Aust, its directors, secretaries, officers, servants and agents as your attorney for that purpose) by:
 - (i) inserting correct details of your Tranzact Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form;
 - (iii) rectifying any error in or omission from the Acceptance Form; and
 - (iv) completing and signing on your behalf (or as your attorney) any other instrument or transfer,as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Tranzact Shares to Gro-Aust;
- (e) if any of your Tranzact Shares are held in a CHESS Holding and you have signed an Acceptance Form for them, irrevocably authorised Gro-Aust (by its servants or agents) to:
 - (i) instruct your Controlling Participant to initiate acceptance of this Offer for those Tranzact Shares in accordance with the ASX Settlement Operating Rules; and
 - (ii) give any other instructions in relation to those Tranzact Shares to your Controlling Participant on your behalf under the Sponsorship Agreement

between you and the Controlling Participant as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Tranzact Shares to Gro-Aust;

- (f) irrevocably appointed Gro-Aust and its directors, secretaries and officers jointly and each of them severally as your attorney, with effect from the date this Offer or any contract resulting from the acceptance of this Offer is declared free from all its conditions or those conditions are fulfilled, with power to exercise the powers and rights which you could lawfully exercise as the registered holder of your Tranzact Shares, including:
 - (i) requesting Tranzact to register your Tranzact Shares in the name of Gro-Aust;
 - (ii) applying for a replacement certificate in respect of any share certificate that has been lost or destroyed;
 - (iii) attending and voting at a meeting of Tranzact;
 - (iv) demanding a poll for a vote taken at or proposing or seconding a resolution to be considered at a meeting of Tranzact;
 - (v) requisitioning a meeting of Tranzact;
 - (vi) signing any form, notice or instrument relating to your Tranzact Shares; and
 - (vii) doing all things incidental and ancillary to any of clauses 5(f)(i) to 5(f)(vi), and you acknowledge and agree that the attorney may exercise those powers in the interests of Gro-Aust as the intended registered holder of your Tranzact Shares;
- (g) agreed not to attend or vote in person at any meeting of Tranzact, except as permitted by Gro-Aust, or to exercise or purport to exercise any of the powers conferred on Gro-Aust and its directors, secretaries and officers in clause 5(f);
- (h) irrevocably authorised and directed Tranzact to pay or account to Gro-Aust for all Rights if and when the contract resulting from your acceptance of the Offer becomes unconditional. Gro-Aust will account to you for any Rights received by it if this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rescinded under clause 7.3 or is rendered void under clause 7.6;
- (i) except where Rights have been paid or accounted for under clause 5(h), irrevocably authorised Gro-Aust to deduct from the consideration payable for your Tranzact Shares, the amount or value of all Rights under clauses 6.1 and 6.2;
- (j) irrevocably authorised Gro-Aust to transmit a message to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to enter your Tranzact Shares which are in a CHESS Holding to the Takeover Transferee Holding (even if Gro-Aust has not yet paid the consideration due to you);

- (k) agreed to execute all documents, transfers and assurances as may be necessary or desirable to convey your Tranzact Shares and Rights to Gro-Aust; and
- (l) agreed to fully indemnify Gro-Aust in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or your Security Reference Number or in consequence of the transfer of your Tranzact Shares to Gro-Aust being registered by Tranzact without production of your Holder Identification Number or your Security Reference Number.

6. Dividends and other entitlements

6.1 Cash Rights

If any cash Rights are declared, paid, made, arise or accrue to you as the holder of your Tranzact Shares, Gro-Aust may reduce the price specified in clause 2.1 by the amount of the Rights, unless the benefit of the Rights is passed to Gro-Aust under clause 5(h).

6.2 Non-cash Rights

If any non-cash Rights are issued, made, arise or accrue to you as the holder of your Tranzact Shares, Gro-Aust may reduce the price specified in clause 2.1 by the value (as reasonably determined by the chair of ASX or his nominee or, if such a determination is not made within two weeks of a request being made of them by Gro-Aust, as reasonably determined by Gro-Aust) of the non-cash Rights, unless the benefit of the Rights is passed on to Gro-Aust under clause 5(h).

7. Conditions of the Offer

7.1 Conditions

(a) **Minimum acceptance condition**

Before the end of the Offer Period, Gro-Aust and its Associates together have:

- (i) Relevant Interests in such number of Tranzact Shares which represent at least 90% of Tranzact Shares then on issue; and
- (ii) acquired at least 75% (by number) of the Tranzact Shares that Gro-Aust offered to acquire under the Offer.

(b) **Not hostile**

A majority of the independent directors of Tranzact do not recommend, in the Target's Statement or subsequently, that the Offer not be accepted.

(c) **Index decline**

Between the Announcement Date and the Business Day that is 6 Business Days before the end of the Offer Period, it is not the case that:

- (i) the All Ordinaries Index (**XAO**) falls to 4,500 or less; and

- (ii) the All Ordinaries Index (**XAO**) remains at or below that level (at the close of trade) for at least five consecutive Business Days or until the Business Day that is 6 Business Days before the end of the Offer Period.

7.2 Declaration of Offer being free from conditions

- (a) Gro-Aust may, subject to the Corporations Act, declare this Offer and all other Offers and all contracts resulting from the acceptance of Offers free from the conditions (or any one or more or any part of them) in clause 7.1.
- (b) Subject to compliance with sections 630 and 650F of the Corporations Act, a declaration made under this clause 7.2(a) must be made by Gro-Aust by notice in writing to Tranzact not less than seven days before the end of the Offer Period.

7.3 Breach of Conditions

Each of the Conditions in clause 7.1 is a condition subsequent and does not prevent a contract to sell your Tranzact Shares resulting from an acceptance of this Offer. However, if a Condition in clause 7.1 is breached or not fulfilled, Gro-Aust may by notice in writing to you rescind that contract as if that contract had not been formed.

7.4 Benefit of Conditions

Subject to the Corporations Act:

- (a) Gro-Aust alone has the benefit of the Conditions in clause 7.1; and
- (b) a breach or non-fulfilment of any of those Conditions may be relied on only by Gro-Aust; and
- (c) Gro-Aust may, at its sole discretion, waive the breach or non-fulfilment of all or any of those Conditions.

7.5 Status notice

The date for giving the notice referred to in section 630(1) of the Corporations Act relating to the status of the conditions in clause 7.1 is 13 December 2013. This date may be extended in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

7.6 Void contracts

If at the end of the Offer Period the Conditions in clause 7.1 have not been fulfilled and Gro-Aust has not declared this Offer and all contracts resulting from the acceptance of Offers free from those Conditions, all contracts resulting from the acceptance of Offers and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void.

In that event Gro-Aust will, if you have accepted this Offer, return at your risk your Acceptance Form together with all documents forwarded by you with the Acceptance Form to your address shown in the Acceptance Form.

8. Withdrawal

Gro-Aust may withdraw this Offer with the written consent of ASIC. That consent may be given subject to any conditions specified in the consent.

9. Variation

9.1 Gro-Aust's entitlement

Gro-Aust may at any time before the end of the Offer Period vary this Offer in accordance with the Corporations Act:

- (a) by extending the Offer Period;
- (b) by increasing the consideration payable under the Offer; and
- (c) with the written consent of ASIC, and subject to any conditions specified by ASIC in that consent, in the manner that ASIC permits.

9.2 Extension of Offer

If Gro-Aust extends the Offer Period, you will receive notice of the extension, unless, at the date of the extension, you have already accepted this Offer and the Offer has become free from the Conditions in clause 7.1 or those Conditions have been fulfilled.

10. Costs

All costs and expenses of the preparation of this statement, and any stamp duty payable on the transfer of Tranzact Shares for which Offers are accepted, will be paid by Gro-Aust.

11. Notices

11.1 Service on Tranzact

Gro-Aust may give a notice to Tranzact under the Bid by leaving it at, or sending it by prepaid ordinary post to, the registered office of Tranzact.

11.2 Service on Gro-Aust

You or Tranzact may give a notice to Gro-Aust under the Bid by leaving it at, or sending it by prepaid ordinary post to, Gro-Aust at the address set out in the Acceptance Form.

11.3 Service on you

Gro-Aust may give a notice to you under the Bid by leaving it at, or sending it by prepaid ordinary post or by airmail (if your address is outside Australia), to your address given to Gro-Aust by Tranzact under section 641 of the Corporations Act.

12. Governing law

This Offer and any contract resulting from your acceptance of it is governed by the laws in force in New South Wales.

Part 3 - Defined terms and interpretation

1. Defined terms

In this Bidder's Statement:

Acceptance Form means the form of acceptance and transfer enclosed with this Bidder's Statement and which forms part of this Offer.

Announcement Date means 6 November 2013, being the date of the announcement by Gro-Aust of its intention to make the Bid.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to it in the Corporations Act.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia.

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

ASX means the ASX Limited ACN 008 624 691.

Bid means the off-market bid constituted by the Offers.

Bidder's Statement means the bidder's statement in respect of the Offers given by Gro-Aust under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act.

Business Day means a day on which banks are open for business in Sydney, Australia but not a Saturday, Sunday or public holiday.

CGT means capital gains tax.

CHESS means the Clearing House Electronic Subregister System established and operated by ASX Settlement.

CHESS Holding means a holding of Tranzact Shares on the CHESS Subregister of Tranzact (usually a CHESS holding will be through a Controlling Participant).

Conditions means the conditions of the Offer set out in clause 7.1 of Part 2 of this Bidder's Statement.

Control has the meaning given under section 50AA of the Corporations Act. **Controlled** has the same meaning.

Controlling Participant means, in relation to Tranzact Shares in a CHESS Holding, the Participant with whom the holder has a sponsorship agreement as defined in the ASX Settlement Operating Rules (usually, your broker).

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

Gro-Aust means Gro-Aust Holdings Limited (New Zealand Company Number 1262146) having its registered office at Level 5, Alcatel-lucent Building, 13-27 Manners Street, Wellington, 6011, New Zealand.

Grosvenor means Grosvenor Financial Services Group Limited (New Zealand Company Number 891419) having its registered office at Level 5, Alcatel-lucent Building, 13-27 Manners Street, Wellington, New Zealand.

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

Listing Rules means the official listing rules of ASX.

Offer or **Gro-Aust's Offer** means the offer contained in Part 2 of this Bidder's Statement.

Offer Date means the date referred to in clause 1.3 of Part 2 of this Bidder's Statement.

Offer Period means the period referred to in clause 1.4 of Part 2 of this Bidder's Statement.

Offer Price means the price referred to in clause 2.1 of Part 2 of this Bidder's Statement.

Participant has the meaning given to that term in the ASX Settlement Operating Rules.

Record Date means the 'Record Date' under the heading 'Key Dates' in the 'Important Information' section of this Bidder's Statement, being the date set by Gro-Aust under subsection 633(2) of the Corporations Act.

Regulatory Authority includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under a statute;
- (d) in particular, ASX, ASIC and the Foreign Investment Review Board.

Related Entity means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

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

Rights means all accretions and rights that accrue to or arise from Tranzact Shares after the date this Bidder's Statement is lodged with ASIC, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Tranzact after that date.

Takeover Transferee Holding has the meaning given to that term in the ASX Settlement Operating Rules.

Target's Statement means the target's statement in response to the Offers given by Tranzact under Part 6.5 of Chapter 6 of the Corporations Act.

Tranzact means Tranzact Financial Services Limited (ABN 84 089 997 731).

Tranzact Directors means the directors of Tranzact.

Tranzact Group means Tranzact and its Related Entities.

Tranzact Shares means fully paid ordinary shares in the capital of Tranzact.

Tranzact Shareholder means a holder of Tranzact Shares.

VWAP means volume weighted average price.

2. Interpretation

In this Bidder's Statement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (d) a reference in Part 1 of this Bidder's Statement to a section, paragraph or part is to a section, paragraph or part in Part 1 of this Bidder's Statement;
- (e) a reference in Part 2 of this Bidder's Statement to a clause, paragraph or part is to a clause, paragraph or part of Part 2 of this Bidder's Statement;
- (f) a reference in Part 1 of this Bidder's Statement to an annexure is to an annexure of this Bidder's Statement, and a reference to this Bidder's Statement includes its annexures;
- (g) a reference to \$, A\$, dollars, or cents or ¢ is to Australian currency;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- (i) a word or phrase defined in the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules has the meaning given to it in that Act or those rules.

3. Headings

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

Signing page

DATED 6 November 2013

Signed on behalf of Gro-Aust according to a resolution of the directors of Gro-Aust dated 6 November 2013.



Paul Foley

Chairman

Gro-Aust Holdings Limited

Annexure A

Tranzact's ASX Announcements since 30 June 2013

Date	Announcement
21/10/2013	Sale of Self Managed Superannuation Fund Admin Business
17/10/2013	Notice of Annual General Meeting/Proxy Form
09/10/2013	Completion of Sale of Interest in Templetons
26/09/2013	Annual Report to shareholders
24/09/2013	Change of Director's Interest Notice - minor amendment
23/09/2013	Change of Director's Interest Notice
23/09/2013	Change of Director's Interest Notice
23/09/2013	Change of Director's Interest Notice
23/09/2013	Change of Director's Interest Notice
23/09/2013	Change of Director's Interest Notice
17/09/2013	Outcome of the Board Strategic Review
30/08/2013	Preliminary Final Report

Corporate Directory for Gro-Aust Holdings Limited

incorporated in New Zealand (Company Number 1262146)

Directors

Allan Seng Tong Yeo
Paul Gerard Foley

Registered Office

Level 5, Alcatel-lucent Building,
13-27 Manners Street,
Wellington 6011, New Zealand

Share registry for this Offer and address for acceptances:

Computershare Investor Services Pty Limited
GPO Box 1326
Adelaide, South Australia 5001, Australia
Facsimile:
(within Australia) 1300 534 987
(outside Australia) +61 3 9473 2408

Gro-Aust Holdings Limited

a company incorporated in New Zealand
(Company Number 1262146)

Return your Form:



To Your Controlling Participant:
Return this form directly to your
stockbroker



By Mail:
Computershare Investor Services Pty Limited
GPO Box 1326
Adelaide South Australia 5001
Australia

For all enquiries:



Phone:
(within Australia) +61 2 9236 5600
(within New Zealand) +64 4 473 0262

Takeover and Acceptance Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Gro-Aust Holdings Limited ("Gro-Aust") to acquire all of your ordinary shares in Tranzact Financial Services Limited ("Tranzact") ABN (84 089 997 731) the terms of which are set out in the Bidder's Statement from Gro-Aust dated 6 November 2013 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Tranzact register, as provided to Gro-Aust. The current address recorded by Gro-Aust is printed above and overleaf. If you have recently bought or sold ordinary shares your holding may differ from that shown. If you have already sold all your ordinary shares in Tranzact, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your ordinary shares.

As your Tranzact ordinary shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Gro-Aust to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Gro-Aust and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Gro-Aust (and authorise Gro-Aust to warrant on your behalf) that you have full legal and beneficial ownership of the ordinary shares to which this form relates and that Gro-Aust will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Gro-Aust to initiate the acceptance of Gro-Aust's Offer on your behalf. Neither Gro-Aust or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.


Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Takeover and Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Controlling Participant Identifier:

Offer Details:

Securityholding as at Monday 18 November 2013:

Consideration to be issued to you on the basis of \$0.12 for every 1
Tranzact ordinary shares accepted.

By accepting the Offer for ALL of your ordinary shares, you are accepting
the Offer for ALL the Tranzact ordinary shares as recorded by Gro-Aust as
being held by you at the date your acceptance is processed (even if
different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your ordinary shares in Tranzact. The consideration applicable
is set out in the terms of Gro-Aust's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Gro-Aust for ordinary shares in Tranzact and I/we agree to be bound by the terms and conditions of the
Offer and transfer ALL of my/our ordinary shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers
of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be
disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or
permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate,
incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material)
approved by Gro-Aust Holdings Limited in addition to general corporate communications. You may elect not to receive marketing material by
contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

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Gro-Aust Holdings Limited

a company incorporated in New Zealand
(Company Number 1262146)

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 1326
Adelaide South Australia 5001
Australia

For all enquiries:

Phone:



(within Australia) +61 2 9236 5600
(within New Zealand) +64 4 473 0262

Takeover and Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Gro-Aust Holdings Limited ("Gro-Aust") to acquire all of your ordinary shares in Tranzact Financial Services Limited ("Tranzact") ABN (84 089 997 731) the terms of which are set out in the Bidder's Statement from Gro-Aust dated 6 November 2013 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Tranzact register, as provided to Gro-Aust. The current address recorded by Gro-Aust is printed above and overleaf. If you have recently bought or sold ordinary shares your holding may differ from that shown. If you have already sold all your ordinary shares in Tranzact, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your ordinary shares.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

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Takeover and Acceptance Form

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STEP 2

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is set out in the terms of Gro-Aust's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Gro-Aust for ordinary shares in Tranzact and I/we agree to be bound by the terms and conditions of the
Offer and transfer ALL of my/our ordinary shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

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incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material)
approved by Gro-Aust Holdings Limited in addition to general corporate communications. You may elect not to receive marketing material by
contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

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