

MCM Entertainment Group Limited (ACN 006 173 271)

Offer to Buy-Back Shares

1. The Offer

- 1.1 [Insert name of Shareholder Offeree] (Holder) is the registered owner of [insert number of shares held in words] ([insert figure]) fully paid ordinary shares (Shares) in MCM Entertainment Group Limited (ACN 006 173 271) of Level 4, 21-31 Goodwood Street, Richmond, Victoria 3121 (Company).
- 1.2 In accordance with the selective share buy-back procedure in Division 2 of Chapter 2J of the *Corporations Act 2001* (Cth), the Company intends to buy-back all ordinary shares on issue in the Company that are held by the Holder (Offer).
- 1.3 Accordingly, the Company hereby offers you, the Holder, the ability to sell all of your fully paid ordinary shares in the Company. The share register of the Company discloses that the number of shares held by you in the Company is [insert number of shares held] so that the offer to buy all of your shares is an offer to buy [insert number of shares held] shares.
- 1.4 The terms and conditions of the buy-back offer are contained in the Buy-Back Agreement (the **Buy-Back Agreement**).

2. Disclosure of Relevant Information

For the purpose of section 257G of the *Corporations Act 2001* (Cth), the attached Information Memorandum for Shareholders sets out all of the information known to the Company that is material to the Holder's decision of whether or not to accept the Offer.

3. Acceptance of Offer

This Offer commences on **Monday 3 December 2012** and remains open until 5 pm on **Monday 17 December 2012**.

The Holder may accept the Offer by signing the Buy-Back Agreement and related share transfer form and returning it to the Company, Level 4, 21-31 Goodwood Street, Richmond, Victoria 3121 (Attention: Company Secretary) at any time, but prior to 5pm on the closing date.

The Holder is requested to provide relevant bank account details for the payment of the consideration and email address and other contact details upon acceptance of the Offer in the Buy-Back Agreement.

Dated: [Insert date] 2012

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For and on behalf of the Board
of the Company

Buy-Back Agreement

MCM Entertainment Group Limited (ACN 006 173 271)
(Company)

The Party set out in Item 1 of Schedule 1
(Holder)

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Buy-Back Agreement

Date

2012

Parties

MCM Entertainment Group Limited (ACN 006 173 271)
Level 4, 21-31 Goodwood Street, Richmond, Victoria 3121
(Company)

The Party set out in Item 1 of Schedule 1

(Holder)

Recitals:

- A. In compliance with the provisions of Division 2 of Chapter 2J of the Act, the Company intends to undertake a selective share buy-back of all ordinary shares on issue in the Company held by the Holder.
- B. The Holder is the registered owner of the Shares.
- C. In an offer dated **Monday 3 December** 2012 the Company has offered to buy back all of the Holder's shares in the Company subject to the terms of this Agreement.
- D. The Holder has agreed to accept the buy-back offer by executing this Agreement.
- E. This Agreement sets out the terms and conditions on which the Company will buy back the Shares from the Holder and the Holder will transfer the Shares to the Company.

Operative Provisions

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

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

Agreement means this agreement together with its recitals, schedules and annexures (if any);

ASIC means Australian Securities & Investments Commission;

ASX means Australian Securities Exchange;

Business Day means a day which is not a Saturday, Sunday, a public holiday or a bank holiday in the State of Victoria;

Completion means the completion of the transfer and buy-back of the Shares in accordance with clause 5;

Completion Date means **Wednesday 19 December** 2012 or any other date about that date nominated by the Company to be the Completion Date;

Information Memorandum means the information memorandum set out in Schedule 2 prepared by the Company in compliance with section 257G of the Act;

Insolvency Event means, in respect of a party, any one or more of the following events or circumstances:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration or bankruptcy;
- (b) having a controller or analogous person appointed to it or any of its property;
- (c) being unable to pay any of its debts as and when due and payable or being deemed to be insolvent under any provision of the Act or any other Law;
- (d) seeking protection from its creditors under any Law, entering into a compromise, moratorium, assignment, composition or arrangement with, or for the benefit of, any of its members or creditors; or
- (e) any analogous event or circumstance to those described in paragraphs (a) to (d) under any Law,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation approved by the other party, (which approval is not to be unreasonably withheld or delayed);

Law means:

- (a) principles of law or equity established by decisions of courts;
- (b) statutes, regulations or by-laws of the Commonwealth of Australia, or any State or Territory of the Commonwealth of Australia or a government agency; and
- (c) requirements and approvals (including conditions) of the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia or a Government Agency that have the force of law;

Security Interest includes:

- (a) a 'security interest' as defined in the *Personal Property Securities Act 2009* (Cth);
- (b) any mortgage, pledge, lien, retention of title or charge or any security or preferential interest or arrangement of any kind or any other right of, or arrangement with, any creditor to have its claim satisfied in priority to other creditors with, or from the proceeds of, any asset; and
- (c) any agreement to create any of (a) or (b) or to allow them to exist,

Shares means the number of fully paid ordinary shares in the capital of the Company owned by the Holder as specified in Item 2 of Schedule 1 which the Holder has agreed to transfer to the Company and which will be bought back by the Company in accordance with the terms and conditions of this Agreement.

Tax, Taxes or Taxation means all forms of present and future taxes, excise, stamp or other duties, imposts, deductions, charges, withholdings, rates, levies or other governmental impositions imposed, assessed or charged by any government agency,

together with all interest, penalties, fines, expenses and other additional statutory charges relating to any of them, imposed or withheld by a government agency;

Transfer Price means the amount to be paid for the transfer of the Shares as set out in Item 3 of Schedule 1; and

Warranties means the warranties of the Holder detailed in clause 6.1;

1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes the other genders;
- (c) the index (if any) and the headings are used for convenience only and do not affect the interpretation of this Agreement;
- (d) a reference to a thing includes a reference to a part of that thing;
- (e) a reference to a document includes the document as modified from time to time and any document replacing it;
- (f) if something is to be done on a day which is not a Business Day then that thing must be done on the next or following Business Day;
- (g) the word "person" includes a natural person and any body or entity whether incorporated or not;
- (h) the word "month" means calendar month and the word "year" means twelve months;
- (i) the words "in writing" include any communication sent by letter, email, facsimile transmission, or telegram;
- (j) a reference to any statute, proclamation, rule, regulation or ordinance includes any amendments, consolidation, modification, re-enactment or reprint of it or any statute, proclamation, rule, regulation or ordinance replacing it. A reference to a specified section, clause, paragraph, schedule or item of any statute, proclamation, rule, regulation or ordinance means a reference to the equivalent section of the statute, proclamation, rule, regulation or ordinance which is for the time being in force;
- (k) money amounts are stated in Australian currency unless otherwise specified; and
- (l) a reference to any agency or body, if that agency or body ceases to exist or is reconstituted renamed or replaced or has its powers or functions removed ("defunct body"), means the agency or body which performs most closely the functions of the defunct body.

2. Conditions Precedent

This Agreement and the buy back of the Shares are subject to any actions required by ASIC and ASX in connection with the buy-back generally.

3. **Buy Back of Shares**

- (a) The Holder accepts the Company's offer to buy back the Shares and agrees to transfer the Shares to the Company on the terms and conditions set out in this Agreement, and subject to Division 2 of Chapter 2J of the Act, the Company agrees to buy back the Shares from the Holder on the terms and conditions set out in this Agreement.
- (b) The Holder agrees to transfer the Shares to the Company on and with effect from the Completion Date free from all Security Interests.

4. **Transfer Price**

- (a) In consideration of the transfer and buy-back of the Shares, the Company must pay to the Holder the Transfer Price on the Completion Date.
- (b) All payments of any nature to the Holder under this Agreement must be made:
 - (i) unless otherwise specified in this Agreement, to the Holder or to the person or persons and in the manner that the Holder directs in writing not less than two (2) Business Days before the due date for payment; and
 - (ii) by bank cheque or electronic transfer to an account or accounts nominated by the Holder in Item 4 of Schedule 1 or otherwise in cleared funds.

5. **Completion**

- (a) Completion of the transfer and buy-back of the Shares must take place on the Completion Date at the offices of the Company or such other place agreed between the parties.
- (b) Subject to clause 5(d), on Completion the Holder must deliver to the Company:
 - (i) a duly executed and completed transfer in favour of the Company for all of the Shares in registrable form and in the form of Schedule 3; and
 - (ii) share certificates (if any) in respect of the Shares.
- (c) The Holder authorises the Company to complete on behalf of the Holder, in accordance with the terms of this Agreement, any share transfer provided by the Holder to the Company for the purposes of satisfaction of the obligations of the Holder under clause 5(b).
- (d) The Holder irrevocably appoints each director or secretary of the Company severally the attorney of the Holder with power:
 - (i) in the name of the Holder to complete, execute and deliver to the Company a transfer of shares for the transfer of the Shares from the Holder to the Company and also to do anything necessary or desirable (including to complete, execute and deliver to the Company any other document in connection with or incidental to a transfer of shares) to effect such transfer of shares; and

- (ii) to delegate his or her powers (including, without limitation, this power to delegate) to any person who is an employee of the Company for any period and to revoke a delegation.
- (e) On Completion the Company must pay to the Holder the Transfer Price.

6. Warranties and acknowledgements

6.1 Warranties

- (a) The Holder warrants to the Company that each of the Warranties is true and correct as at the date of this Agreement and will be true and correct as at Completion.
- (b) If prior to Completion there is a material breach of any Warranty, the Company may terminate this Agreement by notice to the Holder given on or prior to the Completion Date.
- (c) The Holder warrants as follows:
 - (i) the Holder has obtained all consents and approvals necessary and has the requisite power in each case to enter into and perform its obligations under this Agreement;
 - (ii) the Holder is the registered owner of the Shares;
 - (iii) other than as provided under this Agreement, the Shares will be free from all liens, Security Interests and encumbrances of any nature whatsoever; and
 - (iv) the Holder will not sell, transfer, assign, create or permit to subsist any lien, Security Interest or encumbrance over or otherwise deal with in any manner the Shares on and from the date of the return of this Agreement to the Company executed by the Holder.

6.2 Acknowledgements

The Holder agrees that:

- (a) it has carefully read the provisions of this Agreement and has understood them;
- (b) it has had sufficient time to adequately review this Agreement and the Information Memorandum and to make all enquiries it considers necessary of professional advisers in relation to this Agreement;
- (c) it has not been induced to enter into this Agreement by the Company or any officer of the Company and has not relied on any representation, warranty or statement, whether oral or written, made by or on behalf of the Company; and
- (d) the Company has not made any representation in relation to the merits of entering into this Agreement.

7. General

7.1 Duration of Provisions

The covenants, conditions, provisions and warranties contained in this Agreement will not merge or terminate at Completion and to the extent that they have not been fulfilled and satisfied will remain in full force and effect.

7.2 No assignment

A party cannot assign or otherwise transfer the benefit of this Agreement without the prior written consent of the other party.

7.3 Entire understanding

- (a) This Agreement contains the entire understanding between the parties concerning the subject matter of the Agreement and supersedes all prior communications between the parties.
- (b) Each party acknowledges that, except as expressly stated in this Agreement, that party has not relied on any representation, warranty or undertaking of any kind made by or on behalf of the other party in relation to the subject matter of this Agreement.

7.4 Time of the Essence

In this Agreement, time is of the essence unless otherwise stipulated.

7.5 Further assurances

A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this Agreement.

7.6 No waiver

- (a) A failure, delay, relaxation or indulgence by a party in exercising any power or right conferred on the party by this Agreement does not operate as a waiver of the power or right.
- (b) A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this Agreement.
- (c) A waiver of a breach does not operate as a waiver of any other breach.

7.7 Severability

Any provision of this Agreement which is invalid in any jurisdiction must, in relation to that jurisdiction:

- (a) be read down to the minimum extent necessary to achieve its validity, if applicable; and
- (b) be severed from this Agreement in any other case,

without invalidating or affecting the remaining provisions of this Agreement or the validity of that provision in any other jurisdiction.

7.8 **Governing law and jurisdiction**

- (a) This Agreement is governed by and must be construed in accordance with the laws in force in Victoria.
- (b) The parties submit to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters arising out of or relating to this Agreement, its performance or subject matter.

Executed by the parties as an Agreement

Company:

Executed by **MCM Entertainment Group**)
Limited (ACN 006 173 271) in accordance)
with Section 127 of the *Corporations Act 2001*:)

Director

Director/Secretary

Name (please print)

Name (please print)

Holder:

[If a company or company acting in its capacity as trustee]

Executed by the party set out in Item 1 of)
the Schedule 1 in accordance with Section)
127 of the *Corporations Act 2001*:)

Director

Director/Secretary

Name (please print)

Name (please print)

[If an individual or individual acting in its capacity as trustee]

Signed by the party set out in Item 1 of the)
Schedule 1 in the presence of:)
)

Witness

Name

Name (please print)

Schedule 1 – General Information

Item 1	Holder: [insert name] [insert address]
Item 2	Shares: [insert in words] ([insert in figures]) fully paid ordinary shares in the capital of the Company owned by the Holder the subject of the buy-back.
Item 3	Transfer Price: The transfer price which the Company will pay the Holder for the Shares is calculated as follows: Number of Shares the subject of the buy-back: [insert] multiplied by \$[insert] per share = \$[insert].
Item 4	Bank Account Details: The bank account details into which the Holder authorises the Company to deposit the Transfer Price are: <i>(Please complete below)</i> Account Name: _____ Bank: _____ BSB: _____ Account No: _____
Item 5	Contact Details: _____ Contact Person _____ Contact Person Phone Number _____ Email Address

Schedule 2 – Information Memorandum

[To be inserted based on section 8 of the Explanatory Notes accompanying the Notice of AGM]

Schedule 3 – Share Transfer Form

STANDARD TRANSFER FORM			
Affix Stamp Duty Here		Marking Stamp	
FULL NAME OF COMPANY OR CORPORATION	MCM ENTERTAINMENT GROUP LIMITED (ACN 006 173 271)		
JURISDICTION OF INCORPORATION OF COMPANY	VICTORIA		
DESCRIPTION OF SECURITIES	Class ORDINARY	If not fully, paid to FULLY PAID	Register
QUANTITY	Words Figures [insert] [insert]		
FULL NAME(S) OF TRANSFEROR(S) (SELLER(S))	[insert]		Broker's Transfer Identification Number
CONSIDERATION	[insert in words] (\$[insert figure])		Date of Purchase / / 2012
FULL NAME(S) OF TRANSFEREE(S) BUYER(S))	MCM ENTERTAINMENT GROUP LIMITED (ACN 006 173 271)		
FULL POSTAL ADDRESS OF TRANSFEREE(S) (BUYER(S))	LEVEL 4, 21-31 GOODWOOD STREET, RICHMOND, VICTORIA 3121		
REMOVAL REQUEST	Please enter these securities on the		REGISTER
<p>I/We the registered holder(s) and undersigned seller(s) for the above consideration do hereby transfer to the above name(s) hereinafter called the Buyer(s) the securities as specified above standing in my/our name(s) in the books of the above-named Company, subject to the several conditions on which I/We held the same at the time of signing hereof and I/We the Buyer(s) do hereby agree to accept the said securities to the same conditions. I/We have not received any notice of revocation of the Power of Attorney by death of the grantor or otherwise, under which this transfer is signed.</p>			
TRANSFEROR(S) SELLER(S) SIGN HERE Name/Title: [insert]		(FOR COMPANY USE)
DATE SIGNED	/ /2012		

TRANSFeree(S) BUYER(S) SIGN HERE Name/Title: MCM Entertainment Group Limited	
DATE SIGNED	/ /2012	

STANDARD TRANSFER FORM			
Affix Stamp Duty Here		Marking Stamp	
FULL NAME OF COMPANY OR CORPORATION	MCM ENTERTAINMENT GROUP LIMITED (ACN 006 173 271)		
JURISDICTION OF INCORPORATION OF COMPANY	VICTORIA		
DESCRIPTION OF SECURITIES	Class ORDINARY	If not fully, paid to FULLY PAID	Register
QUANTITY	Words Figures [insert] [insert]		
FULL NAME(S) OF TRANSFEROR(S) (SELLER[S])	[insert]		Broker's Transfer Identification Number
CONSIDERATION	[insert in words](\$[insert figure])		Date of Purchase / / 2012
FULL NAME(S) OF TRANSFEREE(S) BUYER[S])	MCM ENTERTAINMENT GROUP LIMITED (ACN 006 173 271)		
FULL POSTAL ADDRESS OF TRANSFEREE(S) (BUYER[S])	LEVEL 4, 21-31 GOODWOOD STREET, RICHMOND, VICTORIA 3121		
REMOVAL REQUEST	Please enter these securities on the		REGISTER
I/We the registered holder(s) and undersigned seller(s) for the above consideration do hereby transfer to the above name(s) hereinafter called the Buyer(s) the securities as specified above standing in my/our name(s) in the books of the above-named Company, subject to the several conditions on which I/We held the same at the time of signing hereof and I/We the Buyer(s) do hereby agree to accept the said securities to the same conditions. I/We have not received any notice of revocation of the Power of Attorney by death of the grantor or otherwise, under which this transfer is signed.			
TRANSFEROR(S) SELLER[S] SIGN HERE Name/Title: [insert]		(FOR COMPANY USE)
DATE SIGNED	/ /2012		
TRANSFEREE(S) BUYER[S] SIGN HERE Name/Title: MCM Entertainment Group Limited		
DATE SIGNED	/ /2012		