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2 September 2014

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Richard Rees – Form 603 - Notice of Initial Substantial Holder in relation to BluGlass Limited (ASX: BLG)

We are instructed to lodge the **enclosed** Form 603 (Notice of Initial Substantial Holder) in relation to BluGlass Limited ACN 116 825 793. The person giving the notice has, under the Deferred Consideration Agreement (Annexure A to the enclosed Form 603), control, jointly, over the exercise of a power to dispose of 57,261,995 fully paid ordinary shares in BluGlass Limited.

Yours faithfully

Ashurst Australia

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme: BluGlass Limited

ACN/ARSN: 116 825 793

This notice is given by Richard Rees.

1. Details of substantial holder (1)

Name: Richard Rees

ACN/ARSN (if applicable): N/A

The holder became a substantial holder on 7/8/2014

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary	57,261,995	57,261,995	19.90%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Richard Rees	Power to control disposal pursuant to the Deferred Consideration Agreement dated 7 August 2014, a redacted copy of which accompanies this notice and is marked **A**.	57,261,995

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
SPTS Technologies UK Limited (**SPTS**)	SPTS	SPTS	57,261,995

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Richard Rees	7 August 2014	N/A	57,261,995

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Richard Rees	41 Hollybush Road Cardiff, CF23 6SY United Kingdom

Signature

print name	RICHARD REES	capacity	INDIVIDUAL
sign here		date	01 / 09 / 14

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.

(6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(7) Include details of:

(a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."

(9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A to Form 603

This is Annexure A of 27 pages referred to in Form 603 prepared by Richard Rees in respect of BluGlass Limited and signed by me and dated:

print name RICHARD REES capacity INDIVIDUAL

sign here _____ date 01/07/14

Deferred Consideration Agreement

TRAVERS SMITH

DATED 7 August 2014

(1) THE BRIDGEPOINT SELLERS (AS DEFINED HEREIN)

(2) THE MANAGEMENT SELLERS (AS DEFINED HEREIN)

(3) SUMITOMO PRECISION PRODUCTS CO. LTD

(4) THE BUYER (AS DEFINED HEREIN)

(5) THE GUARANTOR (AS DEFINED HEREIN)

(6) THE COMPANY (AS DEFINED HEREIN)

DEFERRED CONSIDERATION AGREEMENT

RELATING TO THE SHARE SALE OF SPTS TECHNOLOGIES GROUP LIMITED

THIS AGREEMENT is executed as a deed on 7 August 2014

BETWEEN:

(1) **THE BRIDGEPOINT FUNDS** which are set out in Part I of Schedule 3 (together the **"Bridgepoint Sellers"**);

(2) **SUMITOMO PRECISION PRODUCTS CO. LTD** incorporated and registered in Japan with company number 1400-01-049416 whose office is at 1-10 Fuso-cho, Amagasaki, Hyogo 660-0891 (**"SPP"**);

(3) **THE SEVERAL PERSONS** whose names and addresses are set out in Part II of Schedule 3 (the **"Management Sellers"**);

(4) **ORBOTECH HOLDING U.K. LIMITED** incorporated in England and Wales with registered number 09098431 and whose registered office is at 20-22 Bedford Row London WC1R 4JS (the **"Buyer"**);

(5) **ORBOTECH LTD.** incorporated in the State of Israel with registered number 52-003521-3 and whose registered office is at 7 Sanhedrin Boulevard, PO Box 215, Yavne 8110101, Israel (the **"Guarantor"**); and

(6) **SPTS TECHNOLOGIES GROUP LIMITED** incorporated in England and Wales with registered number 07635249 and whose registered office at Ringland Way, Newport, Gwent NP18 2TA (the **"Company"**).

INTRODUCTION

(A) Pursuant to the share sale agreement between (1) the Bridgepoint Sellers, (2) the Management Sellers, (3) SPP, (4) the Trustee Seller, (5) the EBT Beneficiaries, (6) the Buyer, (7) the Guarantor, (8) the Company and (9) the Borrower (where appropriate, each as defined therein) dated 4 July 2014 (the **"Share Sale Agreement"**), it was agreed that the consideration for the sale of the Shares comprised:

[redacted]

(c) the Deferred Consideration.

(B) This Agreement sets out how the Deferred Consideration (if any) shall be calculated and payable to the relevant Sellers.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Capitalised words and expressions used in this Agreement have the meanings given to them in the Share Sale Agreement, save as otherwise expressly stated.

Deferred Consideration means the aggregate amount of the [redacted] and the BluGlass Deferred Consideration;

[redacted]

BluGlass Deferred Consideration means that part of the Deferred Consideration which may become due to the Relevant Sellers, calculated and payable in accordance with Schedule 2 of this Agreement; and

Relevant Sellers means the Bridgepoint Sellers, SPP and the Management Sellers.

1.2 Unless the context requires otherwise, references in this Agreement to:

1.2.1 any of the masculine, feminine and neuter genders shall include other genders;

1.2.2 the singular shall include the plural and vice versa;

1.2.3 a **"Person"** shall include a reference to any natural person, body corporate (wherever incorporated), unincorporated association, partnership or trust;

1.2.4 any statute or statutory provision shall be deemed to include any instrument, order, regulation or direction made or issued under it and shall be construed so as to include a reference to the same as it may have been amended, modified, consolidated, re-enacted or replaced except to the extent that any amendment or modification made after the date of this Agreement would increase any liability or impose any additional obligation upon any party under this Agreement;

1.2.5 any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than that of England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term; and

1.2.6 unless stated otherwise, any time or date shall be construed as a reference to the time or date prevailing in England.

1.3 The headings in this Agreement are for convenience only and shall not affect its meaning. References to a **"clause"**, **"Schedule"** or **"paragraph"** are (unless otherwise stated) to a clause of and Schedule to this Agreement and to a paragraph of the relevant Schedule. The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

1.4 In construing this Agreement, general words introduced by the word **"other"** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word **"including"** shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.5 Any reference in this Agreement to "£" shall be a reference to pounds sterling and any reference in this Agreement to "$" shall be a reference to US dollars.

1.6 For the avoidance of doubt, this Agreement shall constitute a Transaction Document as defined in the Share Sale Agreement and any reference to a Transaction Document within the Share Sale Agreement shall be deemed to include this Agreement.

2. DEFERRED CONSIDERATION

2.1 In the event that any Deferred Consideration becomes payable in accordance with Schedule 1 of this Agreement [redacted] and/or Schedule 2 of this Agreement (the BluGlass Deferred Consideration), such Deferred Consideration shall be apportioned from time to time (as nearly as practicable) between the Relevant Sellers in the proportion set out opposite their respective names in column 2 of the table set out below:

(1) **Name**	(2) **Relevant Proportion of Deferred Consideration (%)**
Bridgepoint Europe IV (Nominees) Limited (on behalf of all the Bridgepoint Sellers)	[redacted]
Sumitomo Precision Products Co. Ltd	
William Johnson	
Kevin Crofton	
Richard Rees	
Vivek Rao	
Andrew Noakes	
Paul Rich	
David Butler	
Rutgers Chow	
Henry Nothhaft	

2.2 The Relevant Sellers and the Buyer agree that any payments due from the Buyer or the Buyer Group to:

2.2.1 the Relevant Sellers (other than SPP) pursuant to the terms of this Agreement shall be made to the Sellers' Solicitors by way of payment to the Sellers' Solicitors Account; and

2.2.2 SPP pursuant to the terms of this Agreement shall be made to SPP's Solicitors by way of payment to the SPP's Solicitors' Account,

in each case which shall constitute a full and valid discharge of the Buyer's obligation to pay such amount and the Relevant Sellers hereby agree that the Sellers' Solicitors and/or SPP's Solicitors (as applicable) shall receive any such payment, as agent for the Relevant Sellers and

the Buyer shall not be concerned with the basis upon which any such payment shall be distributed between the Relevant Sellers or be answerable for the loss or misapplication thereof.

2.3 Except as otherwise provided for herein, the Buyer shall procure that all monies payable to any Relevant Seller under or pursuant to this Agreement shall be paid in full without any deduction, set-off or counterclaim whatsoever (except as may be required by law, in which case such deduction or withholding shall not exceed the minimum amount required to be deducted or withheld under law except as specifically provided for in this Agreement) and the Buyer irrevocably waives any other right to set-off or counterclaim against, or deduct from, any monies owed by it to any Relevant Seller hereunder.

2.4 All payments of Deferred Consideration pursuant to this Agreement shall be made in US dollars. Where any Deferred Consideration becomes payable in respect of a payment which is received or made in a currency other than US dollars (the "**Non-USD Payment**"), the amount of the Deferred Consideration shall be converted into US dollars at the prevailing exchange rate of the Target Group's main relationship bank on the first Business Day following receipt thereof and the amount received upon such conversion, less any bank or other related charges or fees and other deductions provided for herein shall be paid to the relevant recipient.

3. OTHER

3.1 For the avoidance of doubt, the following clauses of the Share Sale Agreement shall apply to this Agreement *mutatis mutandis*:

Clause 12 (Confidentiality), 13 (Announcements), 14 (Costs), 16 (Applicable Law and Jurisdiction), 17 (General), 18 (Notices), 19 (Guarantee), 22 (Grossing Up), 23 (Taxation) and 24 (Further Assurance).

THIS AGREEMENT has been duly executed and delivered as a deed on the date first stated above.

SCHEDULE 2 - BLUGLASS

1. DEFINITIONS

1.1 For the purposes of this Schedule:

ASX means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires;

BluGlass means BluGlass Limited, an Australian public company limited by shares and which is listed on the ASX;

BluGlass Consideration means the aggregate of all Net BluGlass Amounts payable in accordance with paragraph 3 of this Schedule;

BluGlass Representative means any individual notified in writing to the Buyer by the Sellers' Representatives in relation to the conduct of the BluGlass Sale. The first BluGlass Representative shall be [redacted];

BluGlass Shares means the shares in the capital of BluGlass held by any member of the Target Group at Completion; and

BluGlass Sale means the sale or transfer of any of the BluGlass Shares in accordance with this Schedule.

2. BLUGLASS SALE

2.1 The parties agree that, following Completion, the Buyer shall, and shall procure that each member of the Buyer Group shall, use their reasonable endeavours to assist the Relevant Sellers with an orderly sale of the BluGlass Shares to persons other than any Seller, any EBT Beneficiary, or any of their respective Related Persons.

2.2 The Buyer shall procure that until all of the BluGlass Shares have been sold, transferred or otherwise disposed of by the Target Group in accordance with the provisions of this Schedule:

2.2.1 the Buyer shall not, and shall procure that no member of the Buyer Group shall without the prior written consent of the Sellers' Representatives (in the case of paragraph 2.2.1(a), such consent not to be unreasonably withheld or delayed):

(a) sell, transfer or otherwise dispose of (directly or indirectly) SPTS Technologies UK Limited (or any entity which, from time to time, holds the BluGlass Shares) unless the transferee thereof agrees and undertakes in writing to the Relevant Sellers, prior to any such sale, transfer or disposal, to be bound by the terms hereof; or

(b) sell, transfer or otherwise dispose of, (directly or indirectly) or grant any Encumbrance over, or in respect of, the BluGlass Shares;

2.2.2 the Relevant Sellers (acting via the BluGlass Representative) shall have sole conduct of any BluGlass Sale and accordingly the Buyer shall, and shall

procure that each member of the Buyer Group shall, (i) take such action in connection with a BluGlass Sale as is reasonably requested by the BluGlass Representative (including without limitation signing and/or authorising any transfer documentation to give effect to a BluGlass Sale) and (ii) take no material action in connection with a BluGlass Sale or the BluGlass Shares (including, without limitation, voting or otherwise exercising any rights attaching to the BluGlass Shares) without the prior written consent of the BluGlass Representative (such consent not to be unreasonably withheld or delayed); and

2.2.3 the BluGlass Representative is provided with all material information and correspondence in relation to the BluGlass Shares (including, without limitation, all correspondence, resolutions, proxies, or other documentation received by any member of the Buyer Group from, or on behalf of, BluGlass) and such other information in relation to a BluGlass Sale and the BluGlass Shares as the BluGlass Representative reasonably requests from time to time,

provided, with respect to each of paragraphs 2.2.2 and 2.2.3 that such requests, actions or inactions are in accordance with and subject to all applicable laws, including the rules and regulations of any applicable securities exchange.

3. BLUGLASS CONSIDERATION

3.1 [redacted]

3.2 The BluGlass Consideration, and any individual Net BluGlass Amount, shall be apportioned (as nearly as practicable) between the Relevant Sellers in the proportions set out opposite their respective names (if applicable) in column (2) of the table set out in clause 2.1 of this Agreement.

4. GENERAL

4.1 The Relevant Sellers shall be solely responsible for any and all Taxes assessable against the Relevant Sellers in connection with any BluGlass Payments or Net BluGlass Amount.

4.2 The Buyer Group shall have no liability, and each of the Relevant Sellers hereby irrevocably waives any claim it may have against the Buyer Group, concerning, with respect to or in

connection with (i) the value of, or the consideration received for, the BluGlass Shares; or (ii) provided that the Buyer has complied in all material respects with its obligations pursuant to this Schedule, any actions by any Buyer Group Company in accordance with this Schedule.

SCHEDULE 3 – THE SELLERS

PART I – THE BRIDGEPOINT SELLERS

Name	Address
Bridgepoint Europe IV 'A' L.P.	95 Wigmore Street, London W1U 1FB
Bridgepoint Europe IV 'B' L.P.	95 Wigmore Street, London W1U 1FB
Bridgepoint Europe IV 'C' L.P.	95 Wigmore Street, London W1U 1FB
Bridgepoint Europe IV 'D' L.P.	95 Wigmore Street, London W1U 1FB
Bridgepoint Europe IV 'E' L.P.	95 Wigmore Street, London W1U 1FB
Bridgepoint Europe IV 'F' L.P.	95 Wigmore Street, London W1U 1FB
Bridgepoint Europe IV 'G' LP	50 Lothian Road, Festival Square, Edinburgh EH3 9WJ

PART II – THE MANAGEMENT SELLERS

Names	Address
William Johnson	[redacted]
Kevin Crofton	
Richard Rees	
Vivek Rao	
Andrew Noakes	
Paul Rich	
David Butler	
Rutgers Chow	
Henry R. Nothhaft	