



This document is important and requires your immediate attention

If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible

BIDDER'S STATEMENT

containing a Recommended Offer by

Steadfast Group Limited
(ABN 98 073 659 677)

to acquire all of your shares in

IBNA Limited
(ABN 43 086 563 055)

You will receive 2.54 New Steadfast Shares for every 1 of your IBNA Shares

The IBNA Directors UNANIMOUSLY recommend you ACCEPT the Offer in the absence of a Superior Proposal

The Offer is dated 22 August 2019 and will close at 7.00pm (Sydney Time) on 23 September 2019, unless extended or withdrawn. This Bidder's Statement was lodged with ASIC on 21 August 2019.

Please call Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time) if you require assistance.

Key dates

Announcement of Offer	26 July 2019
Bidder's Statement lodged with ASIC and dated	21 August 2019
Date of Offer	22 August 2019
Offer Period opens	22 August 2019
Offer Period closes (unless extended or withdrawn)	7.00pm (Sydney Time) on 23 September 2019

Important information

Nature of this document

This Bidder's Statement is given by Steadfast Group Limited (ABN 98 073 659 677) (**Steadfast**) to IBNA Limited (ABN 43 086 563 055) (**IBNA**) under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms and conditions of the Offer to acquire your IBNA Shares.

This Bidder's Statement is dated 21 August 2019 and includes an Offer dated 22 August 2019 on the terms and conditions set out in Appendices 1 and 2.

A copy of this Bidder's Statement was lodged with ASIC on 21 August 2019. ASIC takes no responsibility for the content of this Bidder's Statement.

Defined terms

Terms used in this Bidder's Statement are defined in the Glossary in section 11 along with certain rules of interpretation which apply to this Bidder's Statement.

Investment decisions

You should read this Bidder's Statement in its entirety before deciding whether to accept the Offer. The information in this Bidder's Statement is general information only and does not take into account the individual investment objectives, financial and taxation situation or particular needs of each IBNA Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consider seeking independent financial, tax or other professional advice.

Disclaimer as to forward looking statements

This Bidder's Statement contains certain forward-looking statements which have not been based solely on historical facts, but are rather based on Steadfast's current expectations about future events and results. These forward looking statements are, however, subject to risks, uncertainties and assumptions, in that they may be affected by a variety of known and unknown risks, variables and other factors which are beyond the control of Steadfast and the Merged Group (to the extent it incorporates or reflects information on IBNA) which could cause actual events or results to differ materially from the expectations described in such forward looking statements. These factors include, amongst other things, the risks identified in section 9, as well as other matters not yet known to Steadfast or not currently considered material by Steadfast. None of the Steadfast Group and its respective officers, employees, agents or advisors, nor any persons named in this Bidder's Statement, make any representation or warranty (express or implied), assurance or guarantee (express 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 views held only as at the date of this Bidder's Statement.

Disclaimer as to IBNA information

The information on IBNA, IBNA Shares and the IBNA Group's business, capital structure and assets contained in this Bidder's Statement has been prepared by Steadfast using publicly available information and certain information provided by IBNA to Steadfast, and should not be considered comprehensive.

Information in this Bidder's Statement concerning IBNA, IBNA Shares and the IBNA Group and the assets and liabilities, financial position and performance, profits and losses and prospects of the IBNA Group has not been independently verified by Steadfast. Accordingly, none of Steadfast, the Steadfast Board, nor any member of the Steadfast Group or their respective officers, employees, agents or advisors, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to IBNA's business may be included in IBNA's Target Statement which IBNA must provide to IBNA Shareholders in response to this Bidder's Statement.

No guarantee of capital or investment returns

Except as required by law, and only to the extent so required, no person named in this Bidder's Statement nor any other person, warrants or guarantees Steadfast's performance with or without the acquisition of IBNA or any return on investment made pursuant to this Bidder's Statement.

Acceptance of the Offer is not a deposit with or other liability of Steadfast or any other related party or associate of Steadfast. The Offer Consideration to be received under the Offer is subject to investment risk including loss of income or principal invested. Neither Steadfast nor any of its related parties or associates, gives any representation or warranty (express or implied), assurance or guarantee (express or implied), as to the performance of the New Steadfast Shares, any particular rate of return on the New Steadfast Shares or the repayment of capital or principal.

Foreign law restrictions

This Bidder's Statement does not constitute an offer to sell, nor the solicitation of an offer to buy, any New Steadfast Shares in any jurisdiction other than Australia.

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law. Accordingly, persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register this Bidder's Statement or qualify Steadfast or to otherwise permit a public offering of Steadfast Shares outside Australia.

Investors residing in places other than Australia should note that the Offer is being proposed and will be conducted in accordance with the laws in force in Australia. The disclosure requirements in relation to the Offer in Australia will differ from those applying in other jurisdictions. The financial statements included in this Bidder's Statement have been prepared in accordance with generally accepted accounting principles in Australia that will differ from those in other jurisdictions.

Privacy

Steadfast has collected your information from the register of IBNA Shareholders for the purposes of making this Offer and, if accepted, administering acceptances over your holding of IBNA Shares and accounting to you for the consideration for the Offer. The type of information Steadfast has collected about you includes your name, contact details and information on your shareholding in IBNA. Without this information, Steadfast would be hindered in its ability to carry out the Offer. The Corporations Act requires the names and addresses of IBNA Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Steadfast's Related Bodies Corporate, external service providers and advisers, and may be required to be disclosed to regulators, such as ASIC. The registered office of Steadfast is Level 4, 97-99 Bathurst Street, Sydney, NSW, 2000, Australia.

Diagrams

Any diagrams, charts or graphs appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the date of this Bidder's Statement. Any discrepancies in any diagram, chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

Value

The value of the Offer will vary with the value or price of Steadfast Shares from time to time. Further information on the value of the Offer is contained in this Bidder's Statement.

Websites

Both Steadfast and IBNA maintain websites. The Steadfast website is at www.steadfast.com.au. The IBNA website is at www.ibna.com.au.

Information contained in, or otherwise accessible through, these websites does not form part of this Bidder's Statement. All references in this Bidder's Statement to those websites are inactive textual references to those websites and are for your information only.

Updated information

Information contained in this Bidder's Statement is subject to change from time to time. This information may be updated and made available to you on Steadfast's website at www.steadfast.com.au where that information is not of a kind that is required to be included in a supplementary Bidder's Statement (that is, where that information is not material). Requests for free hard copies of any updated information may be made by contacting Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time).

Enquiries

If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your legal, financial or other professional adviser as soon as possible.

If you have any questions about the Steadfast Application Form, the Steadfast Licence Agreement, the Offer or how to accept it, please call Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time).

How to accept the Offer

The Offer may only be accepted for all of your IBNA Shares. You may accept the Offer during the Offer Period in the manner specified below.

Acceptance Form, Steadfast Application Form and Steadfast Licence Agreement

To accept the Offer you must complete, sign and return the Acceptance Form which accompanies this Bidder's Statement in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address indicated on the form (and set out below) so that your acceptance is received by Steadfast before the Offer Period closes, being 7.00pm (Sydney Time) on 23 September 2019 (unless extended or withdrawn).

The Acceptance Form forms part of the Offer. The requirements on the Acceptance Form must be observed to validly accept the Offer for your IBNA Shares. In particular, the Acceptance Form requires that:

- you return with the Acceptance Form a completed Steadfast Application Form, if you have not done so already;
- you or your relevant associated IBNA Broker sign and return a Steadfast Licence Agreement, if you have not done so already; and
- you return with the Acceptance Form original copies of any IBNA share certificates that you hold, or if you do not hold original IBNA share certificates you must make certain representations about them.

The postal and email delivery addresses for your completed Acceptance Form and other documents are as follows:

BY MAIL

A reply paid envelope is enclosed

Steadfast Group Limited (IBNA Takeover Offer)
Level 4, 97-99 Bathurst Street
Sydney NSW 2000

BY HAND

Steadfast Group Limited
Level 4, 97-99 Bathurst Street
Sydney NSW 2000

BY EMAIL

acceptance@steadfast.com.au

To accept via email, scan your completed Acceptance Form and accompanying documentation, and send a copy to:

The transmission of your completed Acceptance Form and other documents is at your own risk.

Full details on how to accept the Offer are set out in clause 5 of Appendix 1.

Further information

If you are in any doubt as to how to deal with the Application Form, the Steadfast Application Form and/or the Steadfast Licence Agreement you should consult your professional adviser.

If you have any questions about the Steadfast Application Form, the Steadfast Licence Agreement, the Offer or how to accept it, please call Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time).

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Chairman's letter

Dear IBNA Shareholder,

On behalf of Steadfast Group Limited (**Steadfast**), I am pleased to present you with this Offer to acquire all of your IBNA Shares. The Offer is **an all-scrip offer under which you will receive 2.54 New Steadfast Shares per 1 IBNA Share that you hold**, which provides you with an opportunity to realise value and liquidity for your IBNA Shares, subject to the Conditions of the Offer being satisfied or waived.

REASONS TO ACCEPT THE OFFER

This Offer will enable Steadfast to grow its broker network, which is already the largest general insurance broker network and underwriting agency group in Australia with growing operations in Asia and Europe. In addition to becoming a Steadfast Shareholder, as part of your acceptance of the Offer, you will be required to apply to join the Steadfast Network as a broker. Upon joining the Steadfast Network of 398 broker businesses (as at 30 June 2019), you would access our substantial range of services, including access to innovative and market leading products and services to help you retain and provide more options to your clients.

There are several other reasons to accept the Offer, including:

- you will become a shareholder in a larger company and potentially benefit from greater economies of scale; and
- you will be able to trade your Steadfast Shares on ASX or hold your Steadfast Shares to benefit from any future increase in their market value. Steadfast has consistently delivered increased profits and dividends for its shareholders since its listing on ASX in August 2013, though there is no guarantee that this will continue.

As a result of accepting the Offer, you will give up your rebate rights that you had with IBNA effective from 1 July 2019 (but will retain such rights that accrued prior to that date).

UNANIMOUSLY RECOMMENDED BY THE IBNA BOARD

The Offer has been unanimously recommended by the IBNA Board, with all IBNA Directors recommending that IBNA Shareholders **ACCEPT** the Offer and having stated an intention to accept the Offer in respect of any IBNA Shares that they hold or control (each in the absence of a Superior Proposal).

ACCEPTING THE OFFER

Please carefully read this Bidder's Statement. The Offer is subject to a number of conditions, including Steadfast obtaining a Relevant Interest in 80% of IBNA Shares on issue. The Offer relates to all IBNA Shares that exist, or will exist, on 20 August 2019. Full terms and conditions of the Offer are set out in Appendices 1 and 2.

I strongly encourage you to carefully consider the Offer and if you agree, accept the Offer as soon as possible. The Offer is scheduled to close at 7.00pm (Sydney Time) on 23 September 2019, unless extended or withdrawn. To accept the Offer, you must sign and return a completed Acceptance Form and, if you have not already done so, a completed Steadfast Application Form and signed Steadfast Licence Agreement. Further instructions on how to accept the Offer are set out in the Acceptance Form which accompanies this Bidder's Statement.

If you require any assistance, please contact Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time).

If you decide to accept our Offer, we look forward to welcoming you as a Steadfast Shareholder.

Yours sincerely

Frank O'Halloran, AM
Chairman
Steadfast Group Limited

Overview of the Offer

1. **If you accept the Offer, you will receive 2.54 New Steadfast Shares for every 1 IBNA Share which you hold**

Based on the trading price of Steadfast Shares on ASX on the day before the date of this Bidder's Statement, the Offer represents attractive consideration for IBNA Shareholders. Because you are being offered New Steadfast Shares for your IBNA Shares, the "value" of the Offer depends on the value or price of Steadfast Shares from time to time. Each participating IBNA Shareholder will receive New Steadfast Shares issued at \$3.28 per New Steadfast Share (being the average daily volume weighted average sale price during the 30 days on which sales were recorded prior to 26 June 2019, being the Announcement Date).¹

The value of the Offer may change as a consequence of changes in the market price of Steadfast Shares after the date of this Bidder's Statement.

2. **The Offer Consideration provides liquidity**

IBNA Shares are not listed on a securities exchange and there is no active market or mechanism for achieving liquidity for IBNA Shares. The Offer provides IBNA Shareholders with the ability to trade the Steadfast Shares on ASX.

3. **Membership of the Steadfast Network**

IBNA Shareholders who accept the Offer and apply (or procure that their relevant affiliated IBNA Broker applies) to join the Steadfast Network by returning a valid Steadfast Application Form and Steadfast Licence Agreement will, upon acceptance by Steadfast, become part of the Steadfast Network, the largest general insurance broker network in Australasia. As at 30 June 2019, the Steadfast Network comprised 398 broker businesses with over 1,900 offices, who receive superior market access and exclusive products and services backed by the scale of the Steadfast Group. This allows Steadfast Network Brokers to focus on servicing their clients' insurance and risk management needs.

4. **CGT rollover relief**

IBNA Shareholders that accept the Offer and receive the Offer Consideration and make a capital gain from the disposal of their IBNA Shares may be able to choose to obtain CGT rollover relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth) in respect of the Offer Consideration.

5. **If the Offer is not successful, and no alternative proposal emerges, you may not be able to sell your IBNA Shares**

If the Offer is not successful, and in the absence of competing offers, there is a real risk that the value of your IBNA Shares may decrease, therefore reducing the value of your investment and your exit opportunities. Notably, IBNA has agreed to terminate the AIMS JVA and, if the Offer is unsuccessful, IBNA may not be able to provide the services to IBNA Brokers that they require to service their clients.

¹ This page contains references to trading data. This trading data was prepared by IRESS. IRESS has not consented to the use of the references to this trading data in this Bidder's Statement.

Frequently asked questions

You may have questions in relation to the Offer. The following set of questions and answers is intended to assist in your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information contained the remainder of this Bidder's Statement. You should read the Bidder's Statement in its entirety before deciding whether to accept the Offer.

Part A of this section deals with the Offer. Part B deals with Steadfast, its business and assets and Steadfast Shares. Part C deals with risks relating to Steadfast, IBNA, the Offer and the Merged Group. Part D deals with other relevant questions.

PART A - OVERVIEW OF THE OFFER

No.	Question	Answer	Further information
1	What is the Offer?	<p>Steadfast is offering to acquire ALL of your IBNA Shares (and all Rights attaching to your IBNA Shares) by way of an off-market takeover bid.</p> <p>The Offer relates to all IBNA Shares that exist, or will exist, on the Register Date.</p>	<i>Appendices 1 and 2 contain the full terms and conditions of the Offer.</i>
2	Who is making the Offer?	Steadfast Group Limited (ABN 98 073 659 677) (ASX: SDF).	<i>The answers to questions 16 to 24 and section 2 provide further information on Steadfast.</i>
3	What will I receive if I accept the Offer?	If you accept the Offer and the Offer becomes unconditional, you will receive 2.54 New Steadfast Shares for every 1 IBNA Share that you own.	<i>Appendices 1 and 2 contain the full terms and conditions of the Offer. The answer to question 31 summarises the Conditions.</i>
4	Why should I accept the Offer?	<p>The Steadfast Board believes that there are a number of reasons why you as an IBNA Shareholder should accept the Offer, namely:</p> <ul style="list-style-type: none"> The IBNA Directors UNANIMOUSLY recommend you ACCEPT the Offer in the absence of a Superior Proposal. Based on the trading price of Steadfast Shares on ASX on the day before the date of this Bidder's Statement, the Offer provides attractive consideration for your IBNA Shares. You (or your relevant affiliated IBNA Broker) will, upon acceptance by Steadfast, become a member of the Steadfast Network. You will become a shareholder in a larger company and potentially benefit from greater economies of scale. You will be able to trade your Steadfast Shares on ASX or hold your Steadfast Shares to benefit from any future increase in their market value. You will have the opportunity to share in the potential upside of Steadfast's business. Steadfast has an experienced management team. 	<i>Section 1 sets out the reasons why the Steadfast Board believes you as an IBNA Shareholder should accept the Offer.</i>
5	What is the value of the Offer?	Because you are being offered New Steadfast Shares for your IBNA Shares, the "value" of the Offer depends on the value or price of Steadfast Shares from time to time. Each participating IBNA Shareholder will receive New Steadfast Shares issued at \$3.28 per New Steadfast Share (being the average daily volume weighted average sale price during the 30 days on which sales were recorded prior to 26 June 2019, being the Announcement	<p><i>Questions 16 to 24 and sections 2, 3 and 9 contain more information regarding Steadfast, its business and assets and the risks that apply to Steadfast.</i></p> <p><i>Section 1 contains the view of the Steadfast Board as to why they</i></p>

No.	Question	Answer	Further information
		<p>Date).²</p> <p>Based on the trading price of Steadfast Shares on ASX on the day before the date of this Bidder's Statement, Steadfast believes that its Offer represents attractive consideration for the IBNA Shares. However, the value of the Offer may change as a consequence of changes in the market price of Steadfast Shares after the date of this Bidder's Statement.</p>	<p><i>consider you should accept the Offer.</i></p>
6	<p>What is the Steadfast Application Form?</p>	<p>The Steadfast Application Form is a form which Steadfast uses to collect information about brokers who wish to apply to become a Steadfast Network Broker.</p> <p>A Steadfast Application Form is attached to or accompanies this Bidder's Statement.</p> <p>The Steadfast Application Form forms part of the Offer. To accept the Offer, you must return a completed copy of the Steadfast Application Form in accordance with the terms of the Offer and the instructions on the Steadfast Application Form.</p> <p>Steadfast may, in its absolute discretion, decline to accept a Steadfast Application Form. If this occurs in relation to a participating IBNA Shareholder who has validly accepted the Offer, that IBNA Shareholder would still receive the Offer Consideration in accordance with the terms of the Offer.</p>	<p><i>Appendices 1 and 2 contain the full terms and conditions of the Offer.</i></p>
7	<p>What is the Steadfast Licence Agreement?</p>	<p>The Steadfast Licence Agreement covers key aspects of the relationship between each Steadfast Network Broker and Steadfast. The key terms of the Steadfast Licence Agreement to be signed by each participating IBNA Shareholder (or their relevant affiliated IBNA Broker) include:</p> <ul style="list-style-type: none"> • an acknowledgement that there are no professional services fee rebate arrangements under the terms of the Steadfast Licence Agreement; • the provision by Steadfast of an entitlement to use the trademarks and other intellectual property of Steadfast; • the provision of services by Steadfast, such as group insurance and purchasing arrangements and access to compliance and business systems and tools; • termination rights in favour of Steadfast on the occurrence of certain termination events; and • mutual rights to terminate the Steadfast Licence Agreement at any time by 60 days' written notice to the other party. <p>The Steadfast Licence Agreement does not contain a term that requires participating IBNA Shareholders to remain a Steadfast Shareholder, or to dispose of any Steadfast Shares if the participating IBNA Shareholder terminates the Steadfast Licence Agreement and ceases to be a Steadfast Network Broker after completion of the Offer.</p> <p>A Steadfast Licence Agreement is attached to or accompanies this Bidder's Statement. Steadfast may, in its absolute discretion, decline to accept a Steadfast Application Form and not execute a Steadfast License Agreement. If this occurs in relation to a participating IBNA Shareholder who has validly accepted the Offer, that IBNA Shareholder would still receive the Offer Consideration in accordance with the terms of the Offer.</p>	<p><i>Section 10.3 contains more information regarding the Steadfast Licence Agreement.</i></p> <p><i>Appendices 1 and 2 contain the full terms and conditions of the Offer.</i></p>

² This page contains references to trading data. This trading data was prepared by IRESS. IRESS has not consented to the use of the references to this trading data in this Bidder's Statement.

No.	Question	Answer	Further information
		The Steadfast Licence Agreement forms part of the Offer. To accept the Offer, you must return a signed copy of the Steadfast Licence Agreement in accordance with the terms of the Offer.	
8	When does the Offer open and close?	The Offer opens on 22 August 2019 and is currently scheduled to close at 7.00pm (Sydney Time) on 23 September 2019, unless extended or withdrawn.	
9	Can Steadfast extend the time at which the Offer closes?	Yes, the Offer Period can be extended at Steadfast's election or otherwise in accordance with the Corporations Act. Steadfast will give written notice of any extension of the Offer Period in accordance with the Corporations Act.	
10	What choices do I have as an IBNA Shareholder?	As an IBNA Shareholder, you have the following choices in respect of your IBNA Shares: <ul style="list-style-type: none"> accept the Offer; sell your IBNA Shares (unless you have already accepted the Offer for your IBNA Shares); or do nothing. 	
11	How do I accept the Offer?	See the section titled 'How to accept the Offer' and the instructions on your Acceptance Form.	<i>The section titled 'How to accept this Offer' in clause 5 of Appendix 1 sets out the manner in which the Offer may be accepted.</i>
12	Can I accept the Offer for only a portion but not all my IBNA Shares?	No. You may only accept the Offer in respect of all (and not a lesser proportion) of the IBNA Shares you hold.	<i>Clause 1 of Appendix 1 sets out the relevant term of the Offer.</i>
13	If I accept the Offer, when will I receive the Offer Consideration?	If you validly accept the Offer and the Offer becomes unconditional then you will be provided with the Offer Consideration on or before the earlier of: <ul style="list-style-type: none"> 1 month after the contract resulting from your acceptance of the Offer becomes unconditional; and 21 days after the end of the Offer Period. 	<i>Clause 6.2 of Appendix 1 sets out the relevant term of the Offer.</i>
14	Will I receive fractional Steadfast Shares?	No. If you accept the Offer and the number of New Steadfast Shares you become entitled to is not a whole number, that fraction shall be rounded up to the nearest whole number of New Steadfast Shares.	<i>Clause 2 of Appendix 1 sets out the relevant term of the Offer.</i>
15	What is the Register Date?	This is the date set by Steadfast pursuant to section 633(2) of the Corporations Act (being 20 August 2019). The Offer relates to all IBNA Shares that exist, or will exist, on the Register Date.	

PART B - OVERVIEW OF STEADFAST

No.	Question	Answer	Further information
16	Who is Steadfast?	<p>Steadfast Group was established in 1996 and is the largest general insurance broker network and the largest underwriting agency group in Australasia with growing operations in Asia and Europe.</p> <p>The Steadfast Network has grown to 398 broker businesses as at 30 June 2019 (of which Steadfast Group has equity in 65) and created a portfolio of 26 underwriting agencies.</p> <p>Its network of brokers and underwriting agencies generated annual billings of over \$7.2 billion GWP in FY19.</p> <p>Steadfast also operates as a consolidator through its equity interests in a number of insurance brokers, underwriting agencies and complementary businesses, including IQumulate</p>	<i>Sections 2 and 3 contain further information regarding Steadfast's assets, financial position and details of Steadfast's securities currently on issue.</i>

No.	Question	Answer	Further information
		<p>Premium Funding, Steadfast Technologies, a reinsurance broker and other complementary businesses.</p> <p>Steadfast is listed on ASX and has a market capitalisation of approximately \$2,823 million based on Steadfast's closing share price on the day prior to the date of this Bidder's Statement.</p>	
17	What is the financial profile and performance of Steadfast?	<p>Steadfast recently reported the following results for FY19:</p> <ul style="list-style-type: none"> • Revenue: \$578 million • Underlying EBITA: \$193.3 million • Underlying NPAT: \$89.2 million • Underlying EPS: 11.27 cents per share 	<i>Sections 2.8 and 7.5 set out certain historical and pro forma financial information relating to Steadfast.</i>
18	Who are the Steadfast Directors and what experience do they have?	<p>The Steadfast Directors are:</p> <ul style="list-style-type: none"> • Mr Frank O'Halloran AM, Independent Non-Executive Chairman • Mr Robert Kelly, Managing Director and Chief Executive Officer • Mr David Liddy AM, Independent Non-Executive Director • Ms Gai McGrath, Independent Non-Executive Director • Ms Anne O'Driscoll, Independent Non-Executive Director • Mr Philip Purcell, Independent Non-Executive Director • Mr Greg Rynenberg, Independent Non-Executive Director. <p>The Steadfast Directors, together with the Steadfast management team, have significant business experience in insurance, brokerage, reinsurance, underwriting, acquisitions & integrations, banking and legal industries.</p>	<i>Section 2.6 sets out a brief profile for each Steadfast Director as at the date of this Bidder's Statement.</i>
19	Will my New Steadfast Shares be listed on ASX?	<p>Within 7 days after this Bidder's Statement is given to IBNA, Steadfast will apply to ASX for quotation of the New Steadfast Shares on the official list of ASX. Quotation of the New Steadfast Shares will depend on ASX exercising its discretion to admit them to the Official List. However, as Steadfast is already admitted to the official list of ASX and shares in Steadfast in the same class as the New Steadfast Shares are already quoted, Steadfast is of the view that quotation of the New Steadfast Shares to be issued under the Offer will be granted.</p>	<i>Clause 4 in Appendix 1 sets out further information regarding admission of the New Steadfast Shares.</i>
20	What rights and liabilities will attach to my New Steadfast Shares?	<p>The New Steadfast Shares issued under this Offer will be issued fully paid and will from the time of issue rank equally with existing Steadfast Shares.</p>	<i>Section 3.5 and clause 2(d) in Appendix 1 sets out further information regarding the rights and liabilities that will attach to your New Steadfast Shares.</i>
21	Do the Steadfast Directors have any securities, or potential conflicts of interest, in relation to IBNA?	<p>No, none of the Steadfast Directors hold any IBNA Shares nor do they have any interests in relation to IBNA that could be seen to conflict with their duties as Steadfast Directors.</p>	

No.	Question	Answer	Further information
22	Do the Steadfast Directors and management have any interest in Steadfast Shares?	Yes, the Steadfast Directors and management have various interests in Steadfast Shares. Mr Robert Kelly, the Managing Director and Chief Executive Officer of Steadfast, has a beneficial interest in 3,062,209 Steadfast Shares as at 30 June 2019. The interests held by other Steadfast Directors are disclosed in section 10.7.	<i>Section 10.7 sets out further information regarding the interests of Steadfast Directors and management.</i>
23	What Relevant Interest does Steadfast have in IBNA Shares?	As of the date of this Bidder's Statement, Steadfast does not have a Relevant Interest or voting power in any IBNA Shares.	
24	How will Steadfast fund the Offer Consideration?	The consideration for the acquisition of the IBNA Shares will be satisfied by the issue of Steadfast Shares. Steadfast has the capacity to issue the maximum number of Steadfast Shares which it may be required to issue under the Offer.	<i>Section 3.1 sets out further information regarding the Offer Consideration.</i>

PART C - OVERVIEW OF RISKS

If you accept the Offer and it becomes unconditional, you will be issued New Steadfast Shares. A summary of some of the key risks associated with an investment in Steadfast Shares and with the Offer itself is set out below. These key risks, together with other risk factors, including general industry and investment risks, are described in detail in section 9. You should carefully consider each of the risks in section 9 before deciding whether to accept the Offer.

No.	Question	Answer	Further information
25	What are some of the key risks of an investment in Steadfast?	Set out below is a summary of some of the key risks specific to an investment in Steadfast: <ul style="list-style-type: none"> • Loss of Steadfast Network Brokers: Steadfast Network Brokers are able to leave the Steadfast Network at any time, which would result in a reduction in SDF PSF revenue for Steadfast. • Reliance on strategic partners: Steadfast is continually adding new strategic partners. However, if its strategic partners are lost and not replaced, this could have an adverse impact on SDF PSF revenue and the earnings of operating businesses and Steadfast Network Brokers. • Adverse movements in GWP and premium rates: GWP and claims trends in general insurance are cyclical in nature and can fluctuate. As a number of Steadfast's revenue sources are linked to the size and growth of GWP, any adverse fluctuations could impact Steadfast's financial position. • Reduction in rates for SDF PSF, commission or dividends: There is a risk that strategic partners (i.e. insurers) may seek to reduce SDF PSF rates paid to Steadfast or the rates of commission paid to Steadfast Network Brokers, either of which would adversely impact Steadfast's financial position. 	<i>Section 9.2 sets out these and other risks specific to an investment in Steadfast in further detail.</i>

PART D - OTHER RELEVANT QUESTIONS

No.	Question	Answer	Further information
26	What is the Restructure?	<p>The Restructure is the IBNA capital restructure required to be undertaken pursuant to which each IBNA Shareholder were to receive an amount of IBNA Shares pursuant to an application deed poll calculated to reflect the proportional contribution of that IBNA Shareholder to the genuine and reasonable estimate of the aggregate amount of professional services fees (otherwise known as marketing and administration fees) attributable to IBNA Brokers for the financial year ended 30 June 2019.</p> <p>Steadfast understands that the Restructure was to be undertaken on 19 August 2019. However, Steadfast was not involved in the implementation of the Restructure. It is a condition of the Offer that the Restructure has been implemented in compliance with all relevant laws and such that the Offer is able to be completed in accordance with the terms of the Bid Implementation Agreement.</p>	<i>Appendices 1 and 2 contain full terms and Conditions of the Offer.</i>
27	Can I sell my shares to Steadfast without applying to becoming a Steadfast Network Broker?	<p>No, you cannot sell your IBNA Shares to Steadfast without applying (or procuring that your relevant affiliated IBNA Broker applies) to become a Steadfast Network Broker.</p> <p>To accept the Offer, you must return a completed copy of the Steadfast Application Form and a signed copy of the Steadfast Licence Agreement.</p>	<i>Section 10.3 sets out further information regarding the Steadfast Licence Agreement. Appendices 1 and 2 contain the full terms and conditions of the Offer.</i>
28	If I accept the Offer, can I withdraw my acceptance?	<p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, Steadfast varies the Offer in a way that postpones for more than 1 month the time that Steadfast has to meet its obligations under the Offer (for example, if Steadfast extends the Offer for more than 1 month while the Offer remains subject to any of the Conditions).</p>	<i>Clause 8.1 in Appendix 1 sets out further information as to the limited circumstances in which you may be able to revoke or withdraw your acceptance.</i>
29	Can I trade my IBNA Shares after I have accepted the Offer?	<p>No, once you have accepted the Offer, you agree not to sell your IBNA Shares to anyone other than Steadfast.</p>	<i>Clause 8 in Appendix 1 sets out the effect of your acceptance of the Offer.</i>
30	What happens if I do not accept the Offer?	<p>Subject to the explanation below, you will remain the holder of your IBNA Shares if you do not accept the Offer.</p> <p>If Steadfast acquires at least 90% of IBNA shares</p> <p>If you do not accept the Offer and Steadfast acquires a Relevant Interest in 90% of IBNA Shares and the conditions of the Offer are satisfied or waived, Steadfast does not presently intend to compulsorily acquire the remaining IBNA Shares pursuant to the Corporations Act. In these circumstances, unless you sell your IBNA Shares, you will be a minority shareholder in IBNA and exposed to the consequences of minority ownership, including those set out in section 9.5(g).</p> <p>If Steadfast acquires less than 90% of IBNA shares</p> <p>If you do not accept the Offer and Steadfast acquires a Relevant Interest in at least 80% of IBNA Shares, you will remain the holder of your IBNA Shares.</p> <p>In these circumstances you will be a minority shareholder in IBNA and exposed to the consequences of minority ownership, including those set out in section 9.5(g).</p>	<i>Section 6 sets out further information regarding Steadfast's intentions.</i>

No.	Question	Answer	Further information
31	What are the Conditions of the Offer?	<p>The Offer is subject to customary conditions and other conditions including a minimum acceptance condition.</p> <p>Under the minimum acceptance condition, the Offer is conditional on minimum acceptance of the Offer by IBNA Shareholders such that, when taken together with IBNA Shares already held by Steadfast (if applicable), Steadfast would have a Relevant Interest in at least 80% of IBNA Shares.</p> <p>In addition, the Offer is also subject to the following Conditions:</p> <ul style="list-style-type: none"> • (Restructure) IBNA having obtained IBNA Shareholder approval of the matters required to implement the Restructure and having implemented the Restructure in compliance with all relevant laws and such that the Offer is able to be completed in accordance with the terms of the Bid Implementation Agreement; and • (termination of the AIMS JVA) IBNA having terminated the AIMS JVA, such termination (or any related arrangement with Austbrokers or any other person) not having any material ongoing financial or legal liability or other impact on IBNA, and IBNA obtaining a formal release from all relevant parties to the AIMS joint venture. <p>Steadfast has agreed in the Bid Implementation Agreement that, within 5 Business Days of the last of the Conditions set out in paragraphs (a), (b) and (c) of Appendix 2 having been satisfied or waived, it will give IBNA a notice declaring the Offer free from all other Conditions in accordance with section 650F of the Corporations Act.</p>	<p><i>Question 26 sets out further information in relation to the Restructure.</i></p> <p><i>Appendix 2 sets out the Conditions in full.</i></p>
32	What happens if the Conditions of the Offer are not satisfied or waived?	<p>If the Conditions are not satisfied or waived at the end of the Offer Period, then the Offer will lapse and your acceptance will be void. You will continue to hold your IBNA Shares and be free to deal with your IBNA Shares as if the Offer had not been made.</p>	<p><i>Clause 7.3 in Appendix 1 sets out further information regarding what happens if the Conditions are not satisfied or waived.</i></p>
33	What happens if IBNA declares a dividend during the Offer Period?	<p>If you continue to hold your IBNA Shares on the record date for any IBNA dividend, you will be entitled to receive that dividend.</p> <p>The value of the Offer Consideration will not be reduced by the amount of any IBNA dividend which arises or accrues after the date of this Bidder's Statement.</p>	<p><i>Clause 6.4 and 6.5 in Appendix 1 set out further information regarding the entitlement of Steadfast to any Rights.</i></p>
34	How will IBNA PSF be dealt with?	<p>IBNA is entitled to the FY19 PSF Receivables and may distribute such amounts to the IBNA Shareholders provided that it would not have the effect of reducing IBNA's consolidated net assets to less than the amount required to be retained by IBNA pursuant to the Bid Implementation Agreement.</p> <p>To the extent that any FY19 PSF Receivable is received after the Offer becomes unconditional, IBNA must, and Steadfast must procure that IBNA, pay such amounts to the relevant IBNA Broker responsible for generating that FY19 PSF Receivable.</p> <p>Steadfast is entitled to all IBNA PSF generated in the financial year ended 30 June 2020 which is attributable to an IBNA Broker who joins the Steadfast Broker Network, and IBNA will pay any such amounts to Steadfast following receipt provided that the Offer has become unconditional.</p>	<p><i>Section 10.1 sets out further information regarding the treatment of IBNA PSF.</i></p>

No.	Question	Answer	Further information
35	What are the taxation implications of accepting the Offer?	<p>Section 8 contains a general overview of the Australian taxation implications of accepting this Offer.</p> <p>Steadfast recommends you seek independent professional advice in relation to your own particular circumstances.</p> <p>Tax consequences of IBNA Shareholders in countries other than Australia are not included in this Bidder's Statement. Non-resident IBNA Shareholders are urged to seek their own advice as to their tax consequences of accepting this Offer.</p> <p>IBNA Shareholders that accept the Offer and receive the Offer Consideration and make a capital gain from the disposal of their IBNA Shares may be able to choose to obtain CGT rollover relief under Subdivision 124-M of the <i>Income Tax Assessment Act 1997</i> (Cth) in respect of the Offer Consideration</p>	<p><i>Section 8 sets out further information on the Australian taxation implications of accepting this Offer.</i></p>
36	What if I have further questions?	<p>If you have any questions about the Steadfast Application Form, the Steadfast Licence Agreement, the Offer or how to accept it, please call Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time).</p>	

1 WHY YOU SHOULD ACCEPT THE OFFER

The Steadfast Board believes that there are a number of reasons why you as an IBNA Shareholder should accept the Offer, namely:

- | | |
|----|--|
| 1. | The IBNA Directors UNANIMOUSLY recommend you ACCEPT the Offer in the absence of a Superior Proposal. |
| 2. | The Offer provides attractive consideration for your IBNA Shares. |
| 3. | You (or your affiliated IBNA Broker) will, upon acceptance by Steadfast, become a member of the Steadfast Network. |
| 4. | You will become a shareholder in a larger company and potentially benefit from greater economies of scale. |
| 5. | You will be able to trade your Steadfast Shares on ASX or hold your Steadfast Shares to benefit from any future increase in their market value. |
| 6. | You will have the opportunity to share in the potential upside of Steadfast's business. |
| 7. | Steadfast has an experienced management team. |

The above table is only a headline summary of some of the benefits to IBNA Shareholders that the Steadfast Board considers the Offer provides. Some of these benefits are explained in further detail within this section 1. In considering these benefits, IBNA Shareholders should also bear in mind that the Offer is subject to a number of risks, which are set out in section 9.

1.1 THE IBNA DIRECTORS UNANIMOUSLY RECOMMEND YOU ACCEPT THE OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL

The IBNA Directors UNANIMOUSLY recommend you ACCEPT the Offer in the absence of a Superior Proposal.

1.2 THE OFFER PROVIDES ATTRACTIVE CONSIDERATION FOR YOUR IBNA SHARES

Based on the trading price of Steadfast Shares on ASX on the day before the date of this Bidder's Statement, the Offer represents attractive consideration for IBNA Shareholders who will each receive New Steadfast Shares.

Steadfast is offering you 2.54 New Steadfast Shares for every 1 IBNA Share that you own, at an issue price of \$3.28 per New Steadfast Share (being the average daily volume weighted average sale price during the 30 days on which sales were recorded on ASX prior to the Announcement Date).

The Offer issue price of \$3.28 represents a:

- discount of 7.9% to the closing price of \$3.56 for Steadfast Shares traded on ASX on the last trading day before the date of this Bidder's Statement;
- discount of 5.2% to the 60 day VWAP of \$3.46 for Steadfast Shares (being the average daily volume weighted average sale price during the 60 days on which sales were recorded prior to the date of this Bidder's Statement); and
- discount of 3.9% to the 90 day VWAP of \$3.41 for Steadfast Shares (being the average daily volume weighted average sale price during the 90 days on which sales were recorded prior to the date of this Bidder's Statement).³

³ This page contains references to trading data. This trading data was prepared by IRESS. IRESS has not consented to the use of the references to this trading data in this Bidder's Statement.

1.3 YOU WILL, UPON ACCEPTANCE BY STEADFAST, BECOME A MEMBER OF THE STEADFAST NETWORK

IBNA Shareholders who accept the Offer and return a valid Steadfast Application Form and Steadfast Licence Agreement will (or their relevant affiliated IBNA Broker will), upon acceptance by Steadfast⁴, become part of the Steadfast Network, the largest general insurance broker network in Australasia. As at 30 June 2019, the Steadfast Network is made up of 398 broker businesses (of which Steadfast has equity in 65) with over 1,900 offices, who receive superior market access and exclusive products and services backed by the scale of the Steadfast Group. This allows Steadfast Network Brokers to focus on servicing their clients' insurance and risk management needs. Steadfast makes no distinction between equity and non-equity Steadfast Network Brokers in terms of the product and services offerings available to its broker members.

1.4 YOU WILL BECOME A SHAREHOLDER IN A LARGER COMPANY AND MAY BENEFIT FROM GREATER DIVERSIFICATION

IBNA Shareholders who accept the Offer will be issued with New Steadfast Shares and become part of a larger and more diversified ASX-listed company that provides services to Steadfast Network Brokers, distribution of insurance policies via insurance brokerages and underwriting agencies, and related services.

Steadfast is in a strong financial position, with:

- underlying net profit after tax (**NPAT**) of \$89.2 million (representing 19% growth year-on-year) as at 30 June 2019;
- prudent debt management (gearing ratio of 23.9%, excluding premium funding borrowings, which is below the Steadfast Board-mandated maximum of 30%); and
- a market capitalisation of approximately \$2,823 million.^{5 6}

Steadfast has forecast FY20 earnings before interest, taxes and amortisation (**EBITA**) of between \$215 million and \$225 million and underlying NPAT of between \$100 million and \$110 million. This assumes insurers continuing to drive moderate premium price increases, increasing contribution from Steadfast Client Trading Platform, ongoing technology investment, the level of acceptance of the Takeover Offer, PSF Rebate Acquisition proceeds with a 33% minimum take-up and completion of the Capital Raising.

Given Steadfast's larger balance sheet, and greater options for raising funds from the capital markets, the Steadfast Board believes that Steadfast is better placed to fund the ongoing costs of providing services to the IBNA Brokers than IBNA is as a standalone entity.

On 26 June 2019 Austbrokers announced that IBNA and Austbrokers had mutually agreed to end their AIMS joint venture relationship. The loss of services from the AIMS joint venture is likely to have a significant impact on the ability of IBNA to provide the services that IBNA Brokers require to service their clients. IBNA Brokers who become Steadfast Network Brokers will benefit from the services and collective buying power of the larger Steadfast Network.

1.5 YOU WILL BE ABLE TO TRADE YOUR NEW STEADFAST SHARES ON ASX OR HOLD YOUR STEADFAST SHARES TO POTENTIALLY BENEFIT FROM ANY FUTURE INCREASE IN THEIR MARKET VALUE

IBNA Shareholders who accept the Offer will benefit from ASX trading liquidity. This liquidity will enable IBNA Shareholders to realise the value of their investment at a time of their choosing, which may not be possible for any IBNA Shareholder who continues to hold IBNA Shares as IBNA Shares are not listed on a securities exchange and there is no active market or mechanism for achieving liquidity for IBNA Shares.

⁴ Steadfast may, in its absolute discretion, decline to accept a Steadfast Application Form and not execute a Steadfast License Agreement. If this occurs in relation to a participating IBNA Shareholder who has validly accepted the Offer, that IBNA Shareholder would still receive the Offer Consideration in accordance with the terms of the Offer.

⁵ Based on 793,035,955 issued Steadfast Shares and a closing share price of \$3.56 per share on 20 August 2019.

⁶ This page contains references to trading data. This trading data was prepared by IRESS. IRESS has not consented to the use of the references to this trading data in this Bidder's Statement.

IBNA Shareholders may also hold their Steadfast Shares to potentially benefit from any future increase in their market value and future rights to receive dividends attaching Steadfast Shares.

1.6 OPPORTUNITY TO SHARE IN THE POTENTIAL UPSIDE OF STEADFAST'S BUSINESS

By accepting Steadfast's Offer, IBNA Shareholders will gain exposure to the potential upside from Steadfast's growth prospects, which may arise from:

- **organic and acquisition growth:** Steadfast's organic growth is driven by premium price and volume uplift, which increases professional services fees and dividends from equity brokers and underwriting agencies. The IBNA Brokers' contributions are expected to enhance Steadfast's existing business and further contribute to its growth.
- **premium price increases:** Steadfast expects the moderate premium price increases recorded across key markets in FY19 to continue through FY20 as insurers look to improve their profitability. This is expected to drive growth in broker business income and enhance client relationships as brokers demonstrate their value proposition in a hardening market.
- **technological innovation:** Steadfast is focused on rolling out and driving usage of its technology offerings, including the Steadfast Client Trading Platform. This is expected to drive improved outcomes for clients, offer fixed remuneration for brokers and insurers and higher shareholder returns.

Since its establishment in 1996, Steadfast has become the largest general insurance broker network and largest underwriting agency group in Australasia with growing operations in Asia and Europe. The diversified drivers of Steadfast's business model has positioned the group well to maintain and grow its market position.

Over time, the Steadfast Board believes this will have the potential to deliver further growth and upside for IBNA Shareholders through their ownership of Steadfast Shares.

1.7 STEADFAST HAS AN EXPERIENCED MANAGEMENT TEAM

The Steadfast Board believes that Steadfast is well-placed to support the IBNA Brokers in conducting their insurance broking business given the depth of its management team and their operational experience.

Managing Director & Chief Executive Officer, Robert Kelly, co-founded Steadfast and has over 50 years' experience in the insurance industry. He is ranked the second most influential person in insurance by Insurance News and was awarded the ACORD Rainmaker Award in 2014. Robert is a Qualified Practising Insurance Broker, a Fellow of NIBA, a Senior Associate of ANZIIF, a Certified Insurance Professional, a Graduate member of the Australian Institute of Company Directors, and sits on the ACORD Board in New York.

Under Mr Kelly's leadership, the Steadfast Network reported a GWP of \$6.1 billion in Australasia and Asia, an excellent performance by the Steadfast Network Brokers who are supported by Steadfast's offerings of over 160 products and services and market leading policy wording in FY19. Combined with reported GWP of \$1.17 billion from the Steadfast Underwriting Agencies and \$440 million from the Steadfast Client Trading Platform as well as its complementary businesses, this has driven Steadfast's strong performance in FY19.

See sections 2.6 and 2.7 for more detail on the Steadfast Board and management team.

2 INFORMATION ON STEADFAST

2.1 OVERVIEW OF STEADFAST

Steadfast was established in 1996 and is the largest general insurance broker network and the largest underwriting agency group in Australasia, with growing operations in Asia and Europe. The business model comprises 3 primary business units:

- **Steadfast Network:** a network of 398 general insurance broker businesses across Australia, New Zealand and Singapore (as at 30 June 2019) who pool their GWP under a mutual banner to obtain market-leading support services. Brokers in the Steadfast Network have access to over 160 products and services which support their business and allow them to focus on their clients' insurance and risk management needs. Steadfast has equity holdings in 65 broker businesses (all of which are members of the Steadfast Network);
- **Steadfast Underwriting Agencies:** offering brokers specialised capacity and products in niche markets. Steadfast has equity holdings in all 26 underwriting agencies; and
- **Complementary businesses:** there are 7 businesses supporting the Steadfast Network and Steadfast Underwriting Agencies, including IQumulate Premium Funding, Steadfast Technologies, Steadfast Life, Steadfast Business Solutions and Steadfast Re.

2.2 STEADFAST'S SIZE AND SCALE

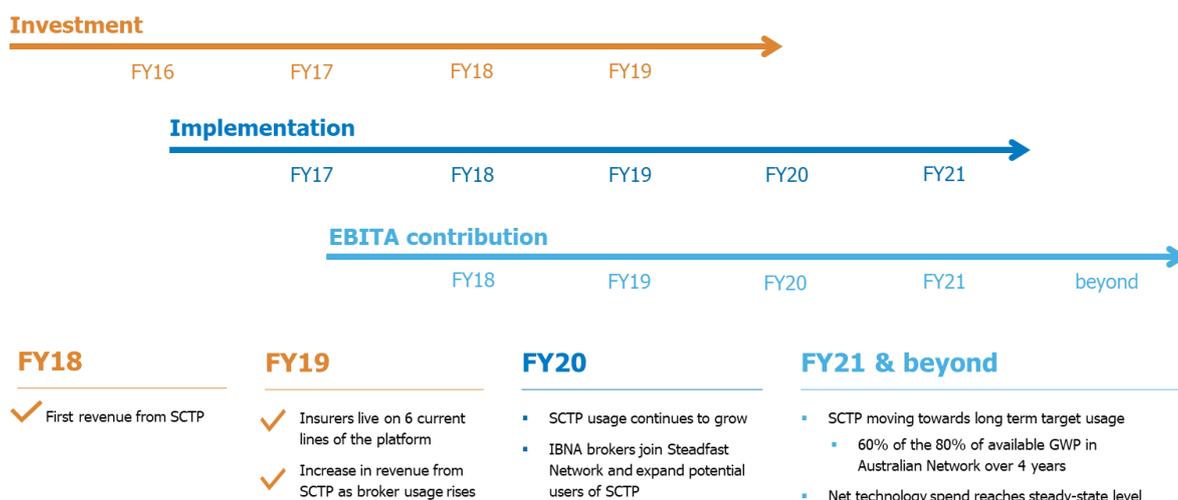


Steadfast's diversified product offerings and client base have resulted in over \$8.4 billion of billings generated in FY19, which comprises Steadfast Network GWP, Steadfast Underwriting Agencies GWP, plus fees, levies and taxes.

2.3 KEY FY20 INITIATIVES

Steadfast Client Trading Platform

Steadfast offers market-leading technology to Steadfast Network Brokers. The Steadfast Client Trading Platform is live across 6 of Steadfast's key insurance lines with 13 insurer and underwriting agency partners connected, offering a contestable marketplace to brokers and their clients. With around 60% of GWP now available to be transacted through the Steadfast Client Trading Platform, Steadfast expects increasing revenue contribution from the platform in FY19 which will continue to grow in subsequent years. The diagram below outlines Steadfast Client Trading Platform's implementation and EBITA contribution plan:



International footprint

Steadfast continues to expand and solidify its international reach to create geographically diverse revenue streams. The Steadfast Network model has been successfully replicated in New Zealand and Singapore, where there is a similar insurance market, strong regulatory framework and demand from brokers to join a network offering market leading policy wordings, market competitive pricing and a range of products and services that may give them a competitive edge. Steadfast has also acquired a 40% equity stake in unisonSteadfast, one of the world's largest global general insurance broker networks which offers multi-jurisdictional coverage with 267 brokers across 135 countries. Steadfast will continue to leverage its strategic relationships to develop its international footprint and professional services fee revenue.

2.4 MATERIAL DEVELOPMENTS POST-30 JUNE 2019

(a) PSF Rebate Acquisition

On 26 July 2019, Steadfast announced that it would seek expressions of interest from Steadfast Network Brokers in Australia and New Zealand in respect of a possible transaction under which participating brokers would receive either cash or Steadfast Shares in exchange for renouncing their rights to SDF PSF rebates on and from 1 July 2019 (**PSF Rebate Acquisition**). Interest received to date has been positive. The transaction and its final structure, should it proceed, remain subject to further consideration and approval of the Steadfast Board. More detail regarding this possible transaction will be announced in due course.

The proposed indicative terms of the PSF Rebate Acquisition (should it proceed) are:

- Steadfast would acquire the right to all future SDF PSF rebates which would otherwise be paid to a participating Steadfast Network Broker;
- the consideration would be calculated based on a participating Steadfast Network Broker's SDF PSF rebate for financial year ended 30 June 2019, at an 8.32 times multiple; and
- subject to eligibility requirements, Steadfast Network Brokers could elect to receive their payment in the form of cash or Steadfast Shares (at an issue price of \$3.28).

If all eligible Steadfast Network Brokers were to participate in the PSF Rebate Acquisition, Steadfast estimates that the total consideration payable would be approximately \$120 million, and it is expected that the acquisition would add \$14.4 million to Steadfast's underlying EBITA.

IBNA Brokers who join the Steadfast Broker Network will not be eligible to participate in the PSF Rebate Acquisition (should it proceed).

As the economic value of the PSF Rebate Acquisition is generated by reducing rebates which Steadfast would otherwise be paying to Steadfast Network Brokers on a go-forward basis, the cash- or scrip-based payments will be expensed in FY20, causing a reduction in Steadfast's statutory profit. This loss will be added back as a non-trading item to calculate underlying FY20 earnings. Steadfast expects that there will be no impact on Steadfast's FY20 dividend, which is based on underlying NPAT and "funded" from Steadfast's undistributed profits reserve. The accounting treatment of the PSF Rebate Acquisition would be analogous to the treatment of the Offer Consideration under the Takeover Bid. Please refer to section 7.5(c) for further details.

(b) **Other material developments**

- **Capital Raising:** Steadfast has announced it will undertake a Capital Raising (comprising a fully underwritten \$100 million institutional placement as well as a \$20 million share purchase plan) (see section 3.2) to raise up to \$120 million in equity. The intended use of the funds raised under the institutional placement is as follows:

Potential use of funds	
Consideration for possible PSF Rebate Acquisition ¹	\$8 million
Costs of the transaction	\$3 million
Available for future acquisitions and general corporate purposes	\$89 million
Total	\$100 million

As the record date for the share purchase plan is 20 August 2019, IBNA Shareholders will not be eligible to participate in the share purchase plan in respect of any New Steadfast Shares that they receive as Offer Consideration under the Takeover Bid.

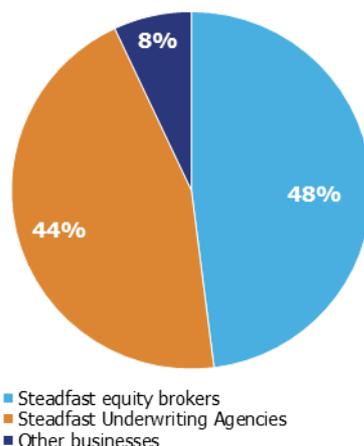
- **Multibank Syndicated Facility:** Steadfast has extended its \$385 million multibank syndicated facility (corporate facility) with Macquarie Bank and ANZ Banking Group for a further year. The facility now has a revised maturity date of August 2021.

2.5 HOW DOES STEADFAST EARN REVENUE?

Steadfast generates revenue from the provision of services to Steadfast Network Brokers, the distribution of insurance policies via insurance brokerages and underwriting agencies, and related services. Its fee model includes:

- professional services fees (otherwise known as marketing and administrative fees);
- revenue from controlled entities; and
- share of profits from associates and joint ventures.

Steadfast FY19 underlying EBITA mix (IFRS)



2.6 STEADFAST DIRECTORS

Brief profiles of the Steadfast Board, as at the date of this Bidder's Statement, are as follows:

(a) **Mr Frank O'Halloran, AM**

Independent Non-Executive Chairman

Frank had over 35 years' experience at QBE where he was Group CEO from 1998 until 2012. He also worked with Coopers & Lybrand for 13 years where he started his career as a Chartered Accountant. Frank was President of the Insurance Council of Australia from 1999 to 2000 and was inducted into the International Insurance Hall of Fame in 2010. He was the Chairman of The Salvation Army Sydney Appeal and Fund Development Committee from 2013 to 2019.

(b) **Mr Robert Kelly**

Managing Director and Chief Executive Officer

Robert co-founded Steadfast and has over 50 years' experience in the insurance industry. He is ranked the second most influential person in insurance by Insurance News and was awarded the ACORD Rainmaker Award in 2014. Robert is a Qualified Practising Insurance Broker, a Fellow of NIBA, a Senior Associate of ANZIIF, a Certified Insurance Professional, a Graduate member of the Australian Institute of Company Directors, and sits on the ACORD Board in New York. Robert is also a Director of ASX-listed Johns Lyng Group Limited and not-for-profit organisation KidsXpress.

(c) **Mr David Liddy, AM**

Independent Non-Executive Director

David has over 40 years' experience in banking, including postings in London and Hong Kong. He was Managing Director of Bank of Queensland from 2001 to 2011. David is a Director of EML Payments Limited. He is a Fellow of the Australian Institute of Company Directors.

(d) **Ms Gai McGrath**

Independent Non-Executive Director

Gai has over 30 years' experience in the financial services and legal industries. This includes 12 years with Westpac Group where she was General Manager of Westpac's retail banking business in Australia from 2012 to 2015 and in New Zealand from 2010 to 2012.

Gai is a Director of Genworth Mortgage Insurance Australia Limited (where she also chairs the Audit Committee), IMB Bank (where she chairs the People & Culture Committee and Financial Planning Committee), HBF Health Limited and Toyota Finance Australia Limited.

(e) **Ms Anne O’Driscoll**

Independent Non-Executive Director

Anne has over 30 years' of business experience. A Chartered Accountant since 1984, she was CFO of Genworth Australia from 2009 to 2012 following more than 13 years with IAG. Anne is on the Board of Infomedia Limited, FINEOS Corporations Holding Plc, and Commonwealth Bank’s insurance subsidiaries (CommInsure) and MDA National Insurance Pty Ltd. She is a Fellow of ANZIIF, a Graduate member of the Australian Institute of Company Directors and a graduate of Harvard’s Advanced Management Program.

(f) **Mr Philip Purcell**

Independent Non-Executive Director

Philip has over 40 years' experience in the insurance and legal industries. He has been a partner at Dunhill Madden Butler, PricewaterhouseCoopers Legal and Ebsworth & Ebsworth, and has held 2 Board positions with GE in Australia. Philip consults to clients who are engaged in commercial transactions or mediation of commercial disputes.

(g) **Mr Greg Rynenberg**

Independent Non-Executive Director

Greg has over 40 years' of experience in the insurance broking industry, with 32 years spent running his own business, East West Group. East West Group is a Steadfast Network Broker not owned by Steadfast and includes an underwriting agency which provides services to Steadfast Network Brokers. Greg is a Qualified Practising Insurance Broker, a Fellow of NIBA and an Associate of ANZIIF. He holds an Advanced Diploma in Financial Services (General Insurance Broking) and was named NIBA Queensland Broker for 2014.

2.7 **STEADFAST MANAGEMENT TEAM**

Brief profiles of the Steadfast management team, as at the date of this Bidder’s Statement, are as follows:

(a) **Mr Robert Kelly**

Managing Director & Chief Executive Officer

See section 2.6(b).

(b) **Mr Stephen Humphrys**

Chief Financial Officer

Stephen joined Steadfast in 2013 and has over 30 years' experience as a Chartered Accountant and extensive experience in acquisitions and integrations. As Managing Director of Moore Stephens Sydney for 10 years and Chairman of Moore Stephens Australasia for 3, Stephen played a key role in placing Moore Stephens into the top 10 accounting firms in Australia. Stephen is a Fellow of Australia and New Zealand Chartered Accountants.

(c) **Ms Samantha Hollman**

Chief Operating Officer

Samantha has 25 years' experience in the insurance industry including 19 years at Steadfast. She was promoted to COO in September 2016 to direct and manage operational activities of the organisation and to ensure the implementation of the overall strategy. Samantha works closely with the Managing Director & CEO and the Steadfast Board to implement strategic initiatives for the Steadfast Group on a national and international level. Samantha sits on the unisonSteadfast Supervisory Board.

(d) **Mr Simon Lightbody**

Chief Executive Officer – Steadfast Underwriting Agencies

Simon has worked in the insurance industry for over 25 years in both the United Kingdom (at Lloyd's of London) and Australia, including 9 years within his own business, Miramar Underwriting Agency (Miramar). Steadfast entered into the underwriting agency market in 2005 as a 50% joint venture partner of Miramar and acquired the remaining balance in August 2013.

(e) **Mr Allan Reynolds**

Executive General Manager Direct, New Zealand & Asia

Allan joined Steadfast in 2002, and in April 2015 took on the Direct, New Zealand & Singapore portfolios. With a background in product development and distribution, corporate strategy and portfolio management, Allan has more than 40 years of industry experience in general insurance. He holds a Diploma of Business Studies (Insurance), is a Certified Insurance Professional and is a Fellow, honorary member and Chairman of ANZIIF.

(f) **Mr Nick Cook**

Executive General Manager Partner & Broker Services

Nick, who joined Steadfast in February 2015, had over 15 years' experience at Zurich Financial Services, including 3 as the Head of Customer & Proposition Development (where he was responsible for the performance of Zurich products & propositions in the marketplace) and 9 years as a distribution manager. He is an Associate ANZIIF member and has graduated from both the AGSM Leadership Program and the Prosci Organizational Change Management Program.

(g) **Ms Linda Ellis**

Group Company Secretary & Corporate Counsel

Linda is Group Company Secretary & Corporate Counsel at Steadfast and has been part of the Executive team since 2013. Before joining Steadfast, she specialised in mergers and acquisitions and worked in Sydney and London at global law firms. Linda is a Graduate member of the Australian Institute of Company Directors, holds a BEc and LLB (Hons I) from the University of Sydney and is on the boards of Abbotsleigh School for Girls, Mosman Preparatory School and the advisory board of Heads Over Heels.

(h) **Mr John O'Herlihy**

Executive General Manager Operations & Acquisitions

John joined Steadfast in 2012 and is joint lead of the Operations and Acquisitions team. Having completed his professional accounting training with KPMG in 1996, John has spent over 15 years working within in the insurance industry. During this time he has held a number of senior financial and operational roles in both North America and Australia specialising in corporate transactions. John is now a Fellow of the Institute of Chartered Accountants Ireland.

(i) **Mr Jeff Papps**

Executive General Manager Operations & Acquisitions

Jeff joined Steadfast in 2012 and is joint lead of the Operations and Acquisitions team. Prior to joining Steadfast, Jeff worked for PwC specialising in financial services. After transferring from London to Sydney in 1998, he focused on mergers and acquisitions, leading domestic and cross border transactions and listings across Australia, Asia, Europe and North America. Jeff is a Member of the Institute of Chartered Accountants in England and Wales.

(j) **Mr Duncan Ramsay**

General Counsel

Duncan began with Steadfast in June 2014 after 20 years at QBE. He was Group General Counsel and Company Secretary at QBE. Duncan's career commenced in 1986 with Freehills in Sydney. He holds degrees in commerce and law, a graduate certificate in applied risk management and is a Fellow of ANZIIIF and the Governance Institute of Australia as well as a graduate of the Australian Institute of Company Directors.

(k) **Mr Peter Roberts**

Executive General Manager Business Solutions

Peter joined Steadfast in 2013 and focuses on back office outsourcing opportunities for the Steadfast Group. He was also Managing Director of White Outsourcing until stepping down on 30 June 2016 to concentrate on his role at Steadfast Business Solutions. Peter has over 25 years' experience in accounting and back office services to the financial services sector, is a member of Australia and New Zealand Chartered Accountants, and commenced his career in accounting with KPMG. Peter is a company secretary of Steadfast.

(l) **Mr Martyn Thompson**

Executive General Manager Corporate Development

Martyn recently joined Steadfast with over 35 years' experiences as an Insurance Broker, the previous 29 years working in senior roles for the global broker, Willis Towers Watson. During this tenure he was National Client Service Director responsible for implementing service platforms and standards across the network including providing risk and insurance solutions to many ASX companies, government and multi-national organisations. He is a Senior Associate ANZIIIF, holds a Diploma of Financial Services and a Graduate Certificate in Business Administration.

2.8 HISTORICAL FINANCIAL INFORMATION OF STEADFAST

The historical information below relates to Steadfast and does not reflect any impacts of the Offer, the Capital Raising or the PSF Rebate Acquisition. It is a summary only and the full financial statements for Steadfast for the financial periods ended as indicated below, which include the notes to the accounts, can be found in Steadfast's annual reports for those periods. Copies of those annual reports are available at <https://investor.steadfast.com.au/investor-centre/?page=results-centre>.

All amounts in this section have been rounded to nearest 1 decimal place.

(a) **Consolidated statement of profit or loss and other comprehensive income**

\$ million	FY17	FY18	FY19
Revenue			
Net fee and commission income	311.9	368.9	439.0
Professional services fees (formerly marketing and administration fees)	69.9	70.6	87.4
Interest income	7.5	7.6	8.8
Other revenue	-	-	10.6

Share of profits of joint ventures accounted for using the equity method	1.9	2.1	2.4
Fair value gain on financial assets	-	1.5	0.7
Net gain/(loss) from adjustments to deferred consideration estimates	3.4	3.3	(0.1)
Net gain from sale of subsidiaries and associates	4.1	0.5	2.1
Net gain/(loss) on fair value of investments in subsidiaries	-	(0.1)	12.9
Other income	3.8	1.2	2.2
Total revenue	414.7	468.1	578.5
Expenses			
Employment expense	(175.5)	(200.1)	(240.7)
Commission and other related expenses	(20.7)	(26.8)	(38.7)
Operating, brokers' support service and other expenses	(58.3)	(58.9)	(70.6)
Occupancy expense	(14.5)	(16.5)	(18.9)
Amortisation expense	(21.5)	(25.0)	(31.4)
Depreciation expense	(3.3)	(3.8)	(4.7)
Impairment expense	(6.5)	(2.4)	-
Loss on fair value of investments	(0.8)	-	-
Finance costs	(9.1)	(10.0)	(14.1)
Stamp duty, due diligence and restructure costs	-	-	-
Total expenses	(310.1)	(343.4)	(419.2)
NPBT	104.6	124.7	159.3
Income tax expense	(26.4)	(34.3)	(37.4)
NPAT	78.2	90.4	121.8
NPAT attributable to non-controlling interests	(11.4)	(14.5)	(18.0)
NPAT attributable to owners of Steadfast	66.8	75.9	103.8

The table below sets out the reconciliation between Steadfast's statutory results and underlying performance. The underlying performance reflects the Steadfast management's view of the true earnings generated by Steadfast and excludes unusual circumstances and one-off events.

\$ million	FY17	FY18	FY19
Statutory comprehensive income after tax	66.8	75.9	103.8
Change in value and sale of investments	(2.9)	(0.2)	(14.6)
Share-based payment expense on share options and executive loans and shares	(0.4)	(0.4)	-
Deferred acquisition adjustments	(4.2)	(3.1)	0.1
Impairments	7.1	2.3	-
Non-recurring costs from closure of residential builder's agency	-	0.5	-
Other	-	-	(0.1)
Underlying NPAT	66.4	75.0	89.2

(b) Consolidated statement of financial position

\$ million	30 June 2018 ⁷	30 June 2019
Current assets		
Cash and cash equivalents	76.7	116.5
Cash held on trust	310.9	427.4
Premium funding receivable	-	76.2
Trade and other receivables	147.6	164.6
Related party loans	5.1	-
Other	3.9	7.8
Total current assets	544.2	792.5
Non-current assets		
Goodwill	816.2	945.5
Intangible assets	171.7	193.2
Investments in associates	138.7	112.6
Interest in joint ventures	6.9	15.7
Other financial assets	6.5	7.2
Deferred tax assets	3.5	7.4
Property, plant and equipment	39.0	43.7
Related party loans	-	0.5
External shareholder loans	16.9	33.2
Other	1.6	5.7
Total non-current assets	1,201.0	1,364.7
Total assets	1,745.3	2,157.2
Current liabilities		
Payables on broking/underwriting agency operations	(323.5)	(410.3)
Trade and other payables	(38.5)	(99.2)
Bank overdrafts	-	(3.8)
Borrowings	(1.1)	(25.7)
Premium funding borrowings	-	(3.4)
Premium funding payables	-	(66.9)
Deferred consideration	(2.8)	(28.1)
Income tax payable	(16.9)	(11.6)
Provisions	(19.2)	(25.6)
Total current liabilities	(401.9)	(674.6)
Non-current liabilities		
Borrowings	(218.2)	(311.2)

⁷ 30 June 2018 amounts have been restated to ensure comparability between periods.

\$ million	30 June 2018 ⁷	30 June 2019
Deferred consideration	(1.1)	(6.3)
Other payables	(2.8)	(3.0)
Deferred tax liabilities	(56.3)	(57.9)
Provisions	(7.9)	(8.9)
Total non-current liabilities	(286.3)	(387.3)
Total liabilities	(688.3)	(1,062.0)
Net assets	1,057.0	1,095.3
Share capital	912.3	912.5
Treasury shares held in trust	(7.7)	(9.9)
Foreign currency translation reserve	(0.7)	0.8
Share-based payments reserve	4.5	6.2
Undistributed profits reserve	89.5	72.1
Other reserves	(30.8)	(4.1)
Retained earnings	30.4	37.9
Non-controlling interests	59.4	79.8
Total equity	1,057.0	1,095.3

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

\$ million	FY17	FY18	FY19
Cash flows from operating activities			
Net cash from operating activities before customer trust account movements	85.6	96.1	117.7
Net movement in customer trust accounts	22.4	27.1	43.7
Net cash from operating activities	108.0	123.2	161.4
Cash flows from investing activities			
Net cash used in investing activities	(19.5)	(135.1)	(47.8)
Cash flows from financing activities			
Net cash from/(used) in financing activities	(51.0)	70.5	38.5
Net cash flow	37.5	58.6	152.1
Cash and cash equivalents at the beginning of the financial year	291.7	329.2	387.6
Effect of movements in exchange rates on cash held	-	(0.2)	0.5
Cash and cash equivalents at the end of the financial year	329.2	387.6	540.2

2.9 CORPORATE GOVERNANCE

The Steadfast Board seeks, where appropriate, to provide accountability levels that meet the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Details on Steadfast's corporate governance procedures, policies and practices can be obtained from <https://investor.steadfast.com.au/investor-centre/?page=corporate-governance>.

3 INFORMATION ON STEADFAST SECURITIES

3.1 STEADFAST SECURITIES AND FUNDING

As at the date of this Bidder's Statement, Steadfast's issued and granted securities consisted of 793,035,955 Steadfast Shares.

The consideration for the acquisition of the IBNA Shares under the Offer will be satisfied by the issue of Steadfast Shares. Based on the number of IBNA Shares on issue as at the date of this Bidder's Statement, the maximum number of Steadfast Shares which may need to be issued in accordance with the Offer if acceptances were received for all IBNA Shares is approximately 21,382,569.

Steadfast has the capacity to issue the maximum number of Steadfast Shares which it may be required to issue under the Offer.

3.2 CAPITAL RAISING

On 21 August 2019, Steadfast announced that it will undertake a capital raising comprising a \$100 million fully underwritten institutional placement together with a \$20 million share purchase plan (**Capital Raising**). The Capital Raising is expected to raise up to \$120 million.

As the record date for the share purchase plan is 20 August 2019, IBNA Shareholders will not be eligible to participate in the share purchase plan in respect of any New Steadfast Shares received as Offer Consideration under the Takeover Bid.

3.3 RECENT TRADING OF STEADFAST SHARES

The issue price for each New Steadfast Share under the Offer is \$3.28, which is the 30-day VWAP prior to the Announcement Date.⁸

The latest recorded sale price of Steadfast Shares on ASX before the Announcement Date was \$3.35 as at the close of trading on ASX on 25 June 2019.

Between the Announcement Date and the last practicable trading day prior to the date of this Bidder's Statement:

- the lowest recorded sale price of Steadfast Shares on ASX was \$3.37; and
- the highest recorded sale price of Steadfast Shares on ASX was \$3.84.

3.4 DIVIDEND POLICY

The Steadfast Board targets a dividend payout ratio in the range of 65% to 85% of net profit after tax attributable to Steadfast Shareholders, with a minimum dividend payout ratio of 50% of net profit after tax and before amortisation expense.

The Steadfast Board expects that dividends will be fully franked and paid in March and September each year.

The Steadfast Board does not provide any assurance of the future level of dividends or to the extent to which they are fully franked, and there may be periods in respect of which dividends are not paid. However, as a majority of Steadfast's profits are derived in Australia, significant franking credits are expected to be generated.

⁸ This page contains references to trading data. This trading data was prepared by IRESS. IRESS has not consented to the use of the references to this trading data in this Bidder's Statement.

3.5 RIGHTS AND LIABILITIES ATTACHING TO NEW STEADFAST SHARES

(a) Introduction

The rights and liabilities attaching to the New Steadfast Shares which will be issued as consideration under the Offer are set out in the Steadfast Constitution and, in certain circumstances, are also regulated by the Corporations Act, ASX Listing Rules and general law.

A summary of the main rights and liabilities attaching to the New Steadfast Shares is set out below. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities attaching to the New Steadfast Shares. Such rights and liabilities involve complex questions of law arising from the interaction of the Steadfast Constitution and statutory and general law requirements. IBNA Shareholders should seek their own advice when trying to establish their rights and liabilities in specific circumstances.

The rights and liabilities attaching to currently issued Steadfast Shares and the New Steadfast Shares will be the same.

(b) Steadfast Constitution

Under section 140(1) of the Corporations Act, the Steadfast Constitution has effect as a contract between Steadfast and each member and between a member of Steadfast and each other member. Accordingly, if you accept the Offer and receive New Steadfast Shares as consideration, you will become contractually bound to comply with the Steadfast Constitution. However, since the New Steadfast Shares that will be provided as consideration under the Offer will be issued as fully paid ordinary shares, no monetary liability attaches to them.

(c) Meetings of Steadfast Shareholders and voting rights

Subject to the provisions of the Steadfast Constitution, a Steadfast Shareholder is entitled to receive written notice of, and to attend and vote at, meetings of Steadfast Shareholders.

At a general meeting, every person present who is a Steadfast Shareholder or a proxy, attorney or representative of a Steadfast Shareholder has 1 vote on a show of hands and 1 vote on a poll for each share carrying the right to vote held by that shareholder. The chairman of the meeting is not entitled to a casting vote.

The Steadfast Constitution permits the Steadfast Board to allow for 'direct voting' at general meetings (such as electronic or postal voting), in which case every Steadfast Shareholder has 1 vote for each Steadfast Share held.

(d) Dividends

Subject to the Corporations Act, the Steadfast Constitution and the rights of any person entitled to shares with special rights to dividends (of whom there are presently none), the Steadfast Board may from time to time determine that a dividend is payable to Steadfast Shareholders. Each Steadfast Share and New Steadfast Share has the same dividend rights, subject to any special rights, arrangements or restrictions attached to the shares.

(e) Winding up

If Steadfast is wound up, the liquidator may, with the sanction of a special resolution, divide the assets of Steadfast among the members of Steadfast in kind.

(f) Transfer of shares

Subject to the Steadfast Constitution and ASX Listing Rules, holders of New Steadfast Shares may transfer New Steadfast Shares as provided by the operating rules of a clearing and settlement facility if applicable or by any other method of transfer which is required or permitted by the Corporations Act and ASX. All transfers must comply with the Steadfast Constitution, the ASX Listing Rules, the ASX Settlement

Operating Rules and the Corporations Act. The Steadfast Directors may refuse to register a transfer of shares in circumstances permitted by the ASX Listing Rules or the ASX Settlement Operating Rules. The Steadfast Directors must refuse to register a transfer of shares if required to do so by the ASX Listing Rules.

(g) **Alteration of capital**

Subject to sections 246C and 246D of the Corporations Act, a variation or cancellation of rights attached to Steadfast Shares is allowed either with the written consent of the holders of a 75% majority of the issued shares of the affected class, or the sanction of a special resolution passed at a meeting of the holders of the issued shares of the affected class. In either case, if members of the affected class do not all agree, the holders of not less than 10% of the votes in the class of shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

At present, there is 1 class of shares in Steadfast on issue, that is, the Steadfast Shares which are fully paid ordinary shares.

(h) **Amendments to the Steadfast Constitution**

Pursuant to section 136 of the Corporations Act, the Steadfast Constitution may be amended only by a special resolution passed by at least 75% of the votes cast by Steadfast Shareholders entitled to vote on the resolution. At least 28 days written notice specifying the intention to propose the resolution must be given.

3.6 SUBSTANTIAL HOLDERS OF STEADFAST SHARES

As at 20 August 2019, the last practicable trading day prior to the date of this Bidder's Statement, based on the substantial holder notices lodged with Steadfast and ASX, the substantial holders of Steadfast are:

Substantial holder	Disclosed voting power
Investors Mutual Limited	5.98%
Vanguard Group	5.57%

Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

4 INFORMATION ON IBNA

4.1 DISCLAIMER

The information on IBNA and the IBNA Group's business, capital structure and assets in this section 4 and elsewhere in this Bidder's Statement has been prepared by Steadfast using publicly available information and certain information provided by IBNA to Steadfast, and should not be considered comprehensive.

Information in this Bidder's Statement concerning IBNA and the IBNA Group and the assets and liabilities, financial position and performance, profits and losses and prospects of the IBNA Group has not been independently verified. Accordingly, none of Steadfast, the Steadfast Board, nor any member of the Steadfast Group or their respective officers, employees, agents or advisors, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Certain information and risks in relation to IBNA may exist about which Steadfast is unaware. This is particularly the case as IBNA is an unlisted public company and is therefore subject to more limited disclosure obligations than Steadfast.

For more details regarding IBNA, you should refer to the Target's Statement, which IBNA will send to IBNA Shareholders as required by the Corporations Act.

4.2 OVERVIEW OF IBNA

IBNA is a network of insurance brokers in Australia which comprises of members who are locally owned that aim to provide clients with the benefits of big business buying power while delivering professional and personalised service.

4.3 PRINCIPAL ACTIVITIES OF IBNA

The principal activities of IBNA during FY19 were to provide marketing, information systems, national negotiation services and advice to member clients through the AIMS joint venture.

4.4 IBNA DIRECTORS

As at the date of this Bidder's Statement, the directors of IBNA are:

- Gary William Gribbin (Chairman);
- David Rogers;
- Damien Terence Lane;
- David Lindfield-Seager;
- Daniel James Bullock;
- James Alexander Angelis; and
- Matthew James Denehy.

4.5 STRUCTURE AND OWNERSHIP OF IBNA

(a) Structure

IBNA is comprised of IBNA Limited, and the interests it holds in the following entities:

- (i) IBNA Broking Pty Limited (wholly owned by IBNA);
- (ii) A & I Member Services Pty Ltd (50% owned by IBNA); and

(iii) Xchanging Technology for Intermediaries Pty Ltd (10% owned by IBNA).

(b) **Ownership**

(i) As the Register Date, the substantial shareholders of IBNA were:

Name of IBNA substantial shareholder	Percentage holding based on Register
Insurance House Pty Ltd	19.90%
Coverforce Pty Ltd	7.99%

(c) **Details of Steadfast's Relevant Interest**

As of the date of this Bidder's Statement, Steadfast does not have a Relevant Interest or voting power in any IBNA Shares.

4.6 OVERVIEW OF IBNA'S FINANCE ARRANGEMENTS

As at the date of this Bidder's Statement, Steadfast understands that IBNA does not have in place any debt facilities.

4.7 HISTORICAL FINANCIAL INFORMATION OF IBNA

IBNA's last published audited financial statements are for FY18. Those statements (as extracted from IBNA's accounts) are summarised below. These are extracts of the accounts only and do not include all information or notes required to be included. IBNA Shareholders should refer to the full financial statements lodged with ASIC for further information.

All amounts in this section have been rounded to nearest whole number.

(a) **Consolidated income statement**

	FY17 \$000's	FY18 \$000's
Continuing operations		
Revenue	32	166
Share of net profits of joint venture accounted for using the equity method	386	259
Administration and office expenses	(34)	(53)
Board related expenses	(144)	(155)
Consultancy & support expenses	(77)	(111)
Other expenses	(2)	(3)
Professional expenses	(28)	(36)
Profit before income tax	133	67
Income tax expense	(38)	(19)
Profit for the year	95	49

(b) Consolidated balance sheet

	30 June 2017 \$000's	30 June 2018 \$000's
ASSETS		
Current assets		
Cash and cash equivalents	1,289	1,224
Trade and other receivables	628	592
Current tax assets	22	14
Other assets	67	-
Total current assets	2,006	1,830
Non-current assets		
Financial assets	0	0
Deferred tax assets	7	7
Other non-current assets	4	2
Total non-current assets	11	9
Total assets	2,017	1,839
LIABILITIES		
Current liabilities		
Trade and other payables	448	315
Total current liabilities	448	315
Non-current liabilities		
Deferred tax liabilities	1	1
Total non-current liabilities	1	1
Total liabilities	449	316
Net assets	1,568	1,523
EQUITY		
Contributed equity	348	348
Retained profits	1,220	1,175
Total equity	1,568	1,523

(a) Consolidated cash flow statement

	FY17 \$000's	FY18 \$000's
Cash flows from operating activities		
Joint venture & profit share receipts	1,024	937
Interest income	24	22
Maintenance/licence fees & other	2	3
Payments to suppliers and employees	(787)	(923)
Income taxes paid	(106)	(12)
Net cash inflow/(outflow) from operating activities	158	28
Cash flows from investing activities		
Proceeds – available-for-sale assets	18	-
Net cash inflow/(outflow) from investing activities	18	-
Cash flows from financing activities		
Dividends paid	(96)	(93)
Share buyback reserve	(48)	-
Net cash inflow/(outflow) from financing activities	(144)	(93)

Net (decrease)/increase in cash and cash equivalents held	31	(65)
Cash and cash equivalents at the beginning of the financial year	1,257	1,289
Cash and cash equivalents at the end of the financial year	1,289	1,224

4.8 PUBLICLY AVAILABLE INFORMATION ABOUT IBNA

IBNA is not a disclosing entity for the purposes of the Corporations Act and as such is not subject to regular reporting and disclosure obligations. However, as a public company, IBNA is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by IBNA may be obtained from or inspected at an ASIC office or via the ASIC website.

The most recent audited financial statements of IBNA were lodged with ASIC on 29 September 2018.

In addition, the Corporations Act requires the IBNA Directors to provide a Target's Statement to IBNA Shareholders, setting out certain material information regarding IBNA.

5 INFORMATION ON IBNA SECURITIES

5.1 IBNA SECURITIES

According to the register of members IBNA provided to Steadfast on 20 August 2019, as of 20 August 2019, IBNA's issued securities consisted of 8,418,317 IBNA Shares.

5.2 DEALINGS IN IBNA SHARES

(a) **Previous 4 months**

Neither Steadfast nor any associate of Steadfast has provided, or agreed to provide, consideration for IBNA Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement.

(b) **Period before Offer**

Neither Steadfast nor any associate of Steadfast has provided, or agreed to provide, consideration for IBNA Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

5.3 DIVIDEND HISTORY

IBNA has paid a dividend in every financial year since 2003. The full year dividend paid in respect of FY18 was 15 cents per IBNA Share.

The following table sets out the distributions paid (or proposed to be paid) per IBNA Share in respect of IBNA's last 3 financial years.

Years ended 30 June (cents per share)	2017	2018	2019
Interim dividend	Nil	Nil	Nil
Final dividend	15 cents	15 cents	TBC ⁹
Full year dividend	15 cents	15 cents	TBC¹¹

5.4 NO PRE-OFFER BENEFITS

(a) **Previous 4 months**

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Steadfast nor any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or

⁹ Steadfast understands that IBNA intends to pay to IBNA Shareholders a fully franked pre-completion dividend equal in aggregate to IBNA's excess cash after paying or provisioning for all costs and liabilities of IBNA (including costs incurred by IBNA in connection with the Takeover Bid and the termination of the AIMS joint venture). The record date for the final dividend for the year ended 30 June 2019 is 2.00pm (Sydney Time) on 19 August 2019, with payment due on or around the third business day after the date on which the Offer is declared free of defeating Conditions.

-
- dispose of IBNA Shares,

and which is not offered to all holders of IBNA Shareholders under the Offer.

(b) **Period before Offer**

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither Steadfast nor any of its associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of IBNA Shares,

and which is not offered to all holders of IBNA Shareholders under the Offer.

6 STEADFAST'S INTENTIONS

6.1 INTRODUCTION

This section sets out Steadfast's intentions in relation to the following:

- the continuation of the business of IBNA;
- any major changes to be made to the business of IBNA, including any redeployment of the fixed assets of IBNA; and
- changes to the IBNA Board.

Those intentions have been formed on the basis of the facts and information regarding IBNA, and the general business environment, which are known to Steadfast at the time of preparation of this Bidder's Statement. Final decisions on these matters have not been made and will only be reached in the light of all material facts and circumstances at the relevant time, including once Steadfast has had an opportunity to conduct a review of IBNA's operations and assets as referred to below.

Accordingly, the statements set out in this section are statements of current intentions only, which may change as new information becomes available to Steadfast and/or circumstances change.

6.2 BACKGROUND

The current operations of the business of IBNA are limited. In this regard, Steadfast notes that:

- prior to its termination, the primary operations related to IBNA's participation in the AIMS joint venture, which IBNA has agreed to terminate; and
- as at the date of this Bidder's Statement IBNA does not have any fixed assets, employees or financing arrangements.

6.3 INTENTIONS UPON GAINING EFFECTIVE CONTROL OF IBNA SHARES

Steadfast reserves its right to declare the Offer free from the 80% minimum acceptance condition (or any other Condition) to the Offer (noting that Steadfast cannot waive the 80% minimum acceptance condition or the Restructure condition without IBNA's consent, not to be unreasonably withheld or delayed). However, Steadfast has not decided whether it will seek to free the Offer from the 80% minimum acceptance condition (or any other Condition).

This section describes Steadfast's intentions if IBNA becomes a controlled entity of Steadfast.

The ability of Steadfast to implement the intentions set out in this section 6 will be subject to any applicable legal obligation of the IBNA Board to have regard to the interests of IBNA and all IBNA shareholders, and any applicable requirements of the Corporations Act relating to transactions between related parties.

In that circumstance, Steadfast's current intentions are as follows:

(a) **Directors**

Subject to the Corporations Act and IBNA's constitution, Steadfast intends to seek to replace all of the members of the IBNA Board with nominees of Steadfast. Replacement IBNA Board members have not yet been finally identified by Steadfast and their identity will depend on the circumstances at the relevant time.

(b) **Head office functions**

IBNA's corporate head office functions have historically been carried out through the AIMS joint venture. To the extent that any head office functions (such as company secretarial, treasury, financial reporting and information technology) remain with IBNA following termination of the AIMS JVA, it is expected that such functions would be absorbed into Steadfast's operations.

(c) **Future employment of IBNA employees**

As stated above, IBNA does not have any employees. However, Steadfast intends to offer employment to certain key personnel who have historically been allocated to servicing the needs of IBNA Brokers through the AIMS joint venture, and whose experience and expertise will assist the transition of IBNA Brokers to the Steadfast Network and benefit existing Steadfast Network Brokers.

(d) **Further acquisition of IBNA securities**

Steadfast may, at some later time, acquire further IBNA securities in a manner consistent with the Corporations Act.

(e) **Compulsory acquisition at a later time**

It is possible that even if Steadfast is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act; for example, as a result of acquisitions of IBNA Shares in reliance on the "3% creep" exception in item 9 of section 611 of the Corporations Act. While it does not presently intend to exercise any such rights, it reserves its rights to do so.

6.4 INTENTIONS UPON ACQUIRING 90% OR MORE OF IBNA SHARES

This section sets out Steadfast's intentions if during, or at the end of, the Offer Period, Steadfast and its associates have a Relevant Interest in 90% or more of the IBNA Shares.

In that circumstance, Steadfast's current intentions are as follows:

(a) **No compulsory acquisition of remaining IBNA Shares**

Steadfast does not presently intend to proceed with compulsory acquisition of the outstanding IBNA Shares in accordance with the provisions of Part 6A.1 of the Corporations Act. This means that any IBNA Shareholders who do not accept the Offer or otherwise dispose of their IBNA Shares will remain as IBNA Shareholders following the close of the Offer Period.

(b) **Other intentions**

As Steadfast does not intend to compulsorily acquire the outstanding IBNA Shares if it acquires a Relevant Interest in 90% or more of IBNA Shares, it expects its intentions in such circumstances will be the same as those set out in sections 6.3(a) to 6.3(e).

6.5 INTENTIONS IF STEADFAST DOES NOT ACQUIRE EFFECTIVE CONTROL OF IBNA

Steadfast reserves its right to declare the Offer free from the 80% minimum acceptance condition (or any other Condition) to the Offer (noting that Steadfast cannot waive the 80% minimum acceptance condition or the Restructure condition without IBNA's consent, not to be unreasonably withheld or delayed). However, Steadfast has not decided whether it will free the Offer from the 80% minimum acceptance condition (or any other Condition).

This section sets out Steadfast's intentions if it were to declare the Offer free of the Conditions and the Offer closes and Steadfast does not gain effective control of IBNA. In that circumstance:

-
- Steadfast does not expect to be in a position to give effect to the intentions set out in sections 6.3 or 6.4; and
 - Steadfast would have regard to the circumstances at the time and consider the appropriate courses of action that are in the best interests of Steadfast Shareholders. Such courses of action might include disposing of its shareholding in IBNA, acquiring further IBNA Shares as permitted by law, seeking representation on the IBNA Board and exercising its voting rights as a major shareholder as it deems fit.

7 EFFECT OF OFFER ON STEADFAST AND PROFILE OF THE MERGED GROUP

7.1 RATIONALE FOR THE OFFER

Steadfast is committed to the growth of its business and aims to achieve this outcome through both organic growth and opportunistic acquisitions that meet the following criteria:

- capacity to add strategic, complementary value to Steadfast's platform of core capabilities;
- accretive to Steadfast's earnings per share in the near-to-medium term; and
- cultural fit of the business with Steadfast.

Steadfast believes that acquiring IBNA is consistent with its stated objectives as set out above.

7.2 EFFECT ON ASSETS AND OPERATIONS OF STEADFAST

Other than as referred to elsewhere in this Bidder's Statement, the acquisition of IBNA is not expected to have a material effect on the existing assets and operations of Steadfast.

7.3 EFFECT ON STATUTORY PROFITS AND LOSSES OF STEADFAST

Steadfast notes that an acquisition of this nature would typically result in the recording of intangible assets (for example, customer lists or goodwill) on Steadfast's balance sheet.

However, in the case of the Takeover Bid, the economic value resides in the SDF PSF which Steadfast expects will be generated by IBNA Brokers who join the Steadfast Network. As such, the Offer Consideration will be expensed in FY20, causing a loss in Steadfast's statutory profit of approximately \$70 million (if 100% of IBNA Shareholders accept the Offer).¹⁰ This loss will be added back as a non-trading item in calculating Steadfast's underlying FY20 earnings. Steadfast expects that there will be no impact on the FY20 dividend, which is based on Steadfast's underlying net profit after tax and will be funded by Steadfast's undistributed profits reserve.

7.4 EFFECT ON CAPITAL STRUCTURE

The actual number of Steadfast Shares on issue at completion of the Offer will depend upon the number of acceptances of the Offer. There are therefore many potential scenarios, depending on the above factors, which will result in different effects on the capital structure of Steadfast.

If the Offer is accepted by all holders of IBNA Shares on issue as at the date of this Bidder's Statement, Steadfast would have approximately 814,418,524 fully paid ordinary shares on issue of which approximately 21,382,569 would represent shares issued pursuant to the Offer.

This above scenario is not the only scenario which may apply.

7.5 PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE MERGED GROUP

(a) Basis of preparation of pro forma financial information

This section 7.5 provides an overview of the effects of the Offer on Steadfast assuming Steadfast acquires 100% of IBNA Shares on completion of the Offer. The pro forma consolidated financial information has been prepared on the following basis:

¹⁰ The \$70 million estimate is based on the issue price for New Steadfast Shares under the Offer of \$3.28. However, for accounting purposes, this figure will be calculated by reference to the trading price of Steadfast Shares on ASX on the day of issue of the New Steadfast Shares and is therefore subject to change in accordance with market fluctuations.

- The pro forma income statement of the Merged Group represents the pro forma consolidation of the income statements of Steadfast and IBNA, adjusted using the assumptions as set out in section 7.5(c).
 - For the Steadfast Group, this represents the statutory income statement for FY19 adjusted to reflect underlying performance; and

For IBNA, this represents the consolidated results from continuing operations for FY19, which has been derived from IBNA's management accounts.
- The pro forma balance sheet of the Merged Group represents the pro forma consolidation of the balance sheets of Steadfast and IBNA using the assumptions outlined in section 7.5(c).
 - For the Steadfast Group, this represents the audited balance sheet as at 30 June 2019.
 - For IBNA, this represents the consolidated balance sheet as it is expected to be as at the date of this Bidder's Statement, which has been provided to Steadfast by IBNA.

This section 7.5 should be read in conjunction with the underlying financial information from which it is derived, the risk factors set out in section 9, the accounting policies of Steadfast and other information contained within this Bidder's Statement.

Other than the pro forma balance sheet, the pro forma financial information presented in this section includes only information that has otherwise been publicly disclosed by Steadfast and the management accounts of IBNA.

The pro forma financial information should be considered as indicative only, as the IBNA financial information for FY19 has been prepared on the basis of IBNA management accounts. In particular, it should be noted that:

- IBNA's revenue includes IBNA PSF attributable to businesses which have left the IBNA network during FY19 and are therefore no longer IBNA Brokers; and
- the pro forma financial information does not include the impact of any potential synergies available to the Merged Group. As disclosed elsewhere in this Bidder's Statement, the Merged Group expects to achieve benefits of scale and cost efficiencies which are expected to improve the medium-term financial performance of Steadfast, and which is not reflected in the pro forma income statement presented in this section.

(b) **Merged Group pro forma consolidated financial statements**

INCOME STATEMENT

\$ million	Underlying	Pro forma	Takeover Bid	Pro forma
	Steadfast	IBNA		Combined
Revenue				
Net fee and commission income	439.0			439.0
Professional services fees (formerly M&A fees)	87.4	9.0		96.4
Interest income	8.8	0.0		8.9
Other revenue	10.6	0.6		11.2
Share of profits of associates accounted for using the equity method	12.5			12.5
Share of profits of JVs accounted for using the equity method	2.4			2.4

\$ million	Underlying	Pro forma	Takeover Bid	Pro forma
	Steadfast	IBNA		Combined
Fair value gain on financial assets	0.7			0.7
Net gain from adjustments to deferred consideration estimates	-			-
Net gain from sale of subsidiaries and associates	-			-
Net gain/ (loss) on fair value of investments in subsidiaries	-			-
Other income	2.0			2.0
Total revenue	563.4	9.7	-	573.1
Expenses				
Employment expense	(240.7)	(0.8)		(241.5)
Commission and other related expenses	(38.7)	(6.9)	6.9	(38.7)
Operating, brokers' support service and other expenses	(70.6)	(1.9)		(72.5)
Occupancy expense	(18.9)	(0.1)		(19.0)
Amortisation expense	(31.4)	-		(31.4)
Depreciation expense	(4.7)	-		(4.7)
Impairment expense	-	-		-
Loss on fair value of investments	-	-		-
Finance costs	(14.1)	-		(14.1)
Stamp duty, DD and restructure costs	-			-
Total expenses	(419.2)	(9.6)	6.9	(421.9)
NPBT	144.2	0.0	6.9	151.1
Income tax expense	(37.3)		(2.1)	(39.4)
NPAT	106.9	0.0	4.8	111.7
NPAT Attributable to non-controlling interests	(17.7)		-	(17.7)
NPAT Attributable to owners of Steadfast Group Limited	89.2	0.0	4.8	94.0

BALANCE SHEET

\$ million	30 June 2019	Takeover Bid	Pro forma	Combined
	Steadfast		IBNA	
Current assets				
Cash and cash equivalents	116.5		-	116.5
Cash held on trust	427.4		-	427.4
Premium Funding Receivable	76.2		-	76.2
Trade and other receivables	172.4		-	172.4
Total current assets	792.5		-	792.5

\$ million	30 June 2019	Takeover Bid	Pro forma	Combined
	Steadfast		IBNA	
Non-current assets				
Goodwill	945.5		-	945.5
Intangible assets	193.2		-	193.2
Investments in associates	128.3		-	128.3
Other (including PPE, deferred tax assets)	97.7		-	97.7
Total non-current assets	1,364.7		-	1,364.7
Total assets	2,157.2		-	2,157.2
Current liabilities				
Payables on broking/underwriting agency operations	(576.4)		-	(576.4)
Borrowings	(29.5)		-	(29.5)
Premium funding borrowings	(3.4)		-	(3.4)
Deferred consideration	(28.1)		-	(28.1)
Other (including income tax payable, provisions)	(37.2)		-	(37.2)
Total current liabilities	(674.6)		-	(674.6)
Non-current liabilities				
Borrowings	(311.2)		-	(311.2)
Deferred consideration	(6.3)		-	(6.3)
Deferred tax liabilities	(57.9)		-	(57.9)
Other (including provisions)	(11.9)		-	(11.9)
Total non-current liabilities	(387.3)		-	(387.3)
Total liabilities	(1,062.0)		-	(1,062.0)
Net Assets	1,095.3		-	1,095.3
Share capital	912.5	70.0	-	982.5
Treasury shares held in trust	(9.9)		-	(9.9)
Undistributed profits reserve	72.1		-	72.1
Other reserves (including Foreign currency translation and share-based payment reserves)	2.9		-	2.9
Retained earnings	37.9	(70.0)	-	(32.1)
Non-controlling interests	79.8		-	79.8
Total equity	1,095.3		-	1,095.3

(c) **Pro forma adjustments and assumptions**

Pro forma income statement

- (i) **Adjustments:** the pro forma income statement includes the following adjustments:
- Steadfast's pro forma income statement reflects the underlying performance of Steadfast in FY19. Section 2.8(a) sets out further details in respect of the basis for making the relevant adjustments to Steadfast's statutory accounts; and
 - in preparing IBNA's pro forma income statement, IBNA management have consolidated the income and expenses of IBNA with the income and expenses attributable to IBNA under the AIMS JVA.
- (ii) **Assumptions:** the pro forma income statement has been prepared on the basis of the following assumption:
- IBNA Brokers were entitled to receive an aggregate rebate of IBNA PSF equal to \$7.0 million in respect of GWP generated in FY19. As a term of accepting the Offer, IBNA Shareholders must (or where applicable, must procure that their relevant associated IBNA Broker) sign a Steadfast Licence Agreement. It is a term of the Steadfast Licence Agreement that the IBNA Broker acknowledge and agree that, on and from 1 July 2019, they have no claim or entitlement to, and will not be paid, any portion or rebate of any SDF PSF received by Steadfast or any of its Related Bodies Corporate. The income of the Merged Group has therefore been adjusted to remove the impact of any PSF rebates paid to IBNA Brokers (assuming a tax rate of 30% on the additional income and assuming Steadfast enters into a Steadfast License Agreement with each such IBNA Broker¹¹).

Pro Forma Balance Sheet

The pro forma balance sheet has been prepared on the basis of the following assumptions which contemplate completion of the Offer:

- pursuant to the Bid Implementation Agreement, IBNA is entitled to pay to IBNA Shareholders a fully franked pre-completion dividend equal in aggregate to IBNA's excess cash after paying or provisioning for all costs and liabilities of IBNA. The IBNA pro forma balance sheet therefore assumes there are no assets or liabilities remaining in IBNA at the close of the Offer Period;
- the Offer Consideration of approximately \$70 million has been satisfied by the issue of 21,382,569 New Steadfast Shares at a conversion of 2.54 New Steadfast Shares for every 1 IBNA Share (based on 100% of IBNA Shareholders accepting the Offer);
- the excess of the Offer Consideration over the acquired net tangible assets of IBNA would ordinarily be allocated to goodwill for the purposes of illustrating the impact of the Offer on the pro forma balance sheet. However, in this case, the economic value of IBNA resides in the SDF PSF which will be generated by IBNA Brokers who join the Steadfast Network. Therefore, the Offer Consideration is required to be expensed, causing a loss in statutory profit and a consequent reduction in retained earnings; and
- the precise quantum of this loss and reduction in retained earnings will be calculated by reference to the trading price of Steadfast Shares on ASX as at the date of issue of the New Steadfast Shares under the Offer. That is, the loss will be an amount equal to the number of New Steadfast Shares issued under the Offer multiplied by the closing price of Steadfast Shares on ASX on the day of issue of the New Steadfast Shares. This loss will be added back as a

¹¹ Steadfast may, in its absolute discretion, decline to accept a Steadfast Application Form and not execute a Steadfast License Agreement. If this occurs in relation to a participating IBNA Shareholder who has validly accepted the Offer, that IBNA Shareholder would still receive the Offer Consideration in accordance with the terms of the Offer.

non-trading item to calculate underlying FY20 earnings. Steadfast expects that there will be no impact on Steadfast's FY20 dividend, which is based on underlying NPAT and will be "funded" from Steadfast's undistributed profits reserve.

(d) **IBNA financial information**

In preparing pro forma financial information on the Merged Group, financial information regarding IBNA was required. For the purposes of this Bidder's Statement, that information has been prepared based on management accounts and information provided to Steadfast by IBNA.

Steadfast does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information. IBNA may release updated financial information in any target's statement which is sent to IBNA Shareholders.

8 AUSTRALIAN TAXATION CONSIDERATIONS

8.1 INTRODUCTION

The following is an outline of the principal Australian income tax consequences applicable to an IBNA Shareholder who disposes of their IBNA Shares under the Offer. This outline reflects the current provisions of the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) and the regulations made under those Acts, taking into account Steadfast's understanding of the current administrative practices of the Australian Taxation Office. This outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

This outline is not exhaustive of all possible Australian income tax considerations that could apply to IBNA Shareholders. In particular, this outline is only relevant to those IBNA Shareholders who hold their shares on capital account and it does not address all tax considerations applicable to IBNA Shareholders that may be subject to special tax rules, such as banks, insurance companies, tax exempt organisations, superannuation funds, dealers in securities, IBNA Shareholders who do not hold the IBNA Shares on capital account, IBNA Shareholders who hold the IBNA Shares on behalf of another person or IBNA Shareholders who acquired their IBNA Shares as part of an employee share scheme. This outline does not constitute tax advice, is not intended to and should not be used or relied upon by anyone, and we accept no duty of care to any other person or entity. You should consult your own tax adviser regarding the consequences of acquiring, holding or disposing of your IBNA Shares.

8.2 TAXATION ON THE DISPOSAL OF IBNA SHARES

If you accept the Offer, you will be treated as having disposed of your IBNA Shares for Australian income tax purposes. The disposal of an IBNA Share should constitute a capital gains tax (CGT) event A1.

8.3 AUSTRALIAN RESIDENT IBNA SHAREHOLDERS

You should realise a capital gain in connection with the disposal of an IBNA Share to the extent that the amount you receive (or will receive) for the disposal of that IBNA Share as determined in accordance with the tax law is more than the CGT cost base of that IBNA Share. You should realise a capital loss to the extent that the amount you receive (or will receive) is less than the CGT reduced cost base of the IBNA Share. Capital losses can usually only be offset against capital gains you realise in the same income year or in later income years.

Generally, the cost base of an IBNA Share should be the total amount you paid for the IBNA Share, your acquisition costs and other costs relating to the holding and disposal of the IBNA Share, to the extent to which you have not claimed an income tax deduction for such costs. The reduced cost base of an IBNA Share is usually determined in a similar, but not identical, manner.

There are a number of circumstances which may result in your cost base or reduced cost base being calculated in a different manner to that outlined above. We recommend that you consult your tax adviser to confirm the cost base or reduced cost base of your IBNA Shares.

Any net capital gain should be included in your assessable income for that income year. Broadly, your net capital gain in respect of an income year should be calculated by aggregating all of your capital gains realised in that income year and reducing that amount by your capital losses realised in that income year and any available net capital losses from prior years.

IBNA Shareholders who are individuals, trusts or complying superannuation funds may be eligible for discount capital gains treatment in respect of an IBNA Share if they have held that IBNA Share for at least 12 months. Companies are not eligible for discount capital gains treatment.

The above comments will not apply to you if you do not hold your IBNA Shares on capital account. It is recommended that you seek your own independent professional tax advice.

8.4 CGT ROLLOVER RELIEF

CGT rollover relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth) may be available for IBNA Shareholders where, as a result of the Offer, Steadfast acquires 80% or more of the original voting shares in IBNA and the relevant IBNA Shareholder:

- exchanges their IBNA Shares for New Steadfast Shares in accordance with the Offer;
- acquired their IBNA Shares on or after 20 September 1985 and, but for the rollover, would have realised a capital gain in connection with the exchange (see section 8.3); and
- chooses that the CGT rollover applies.

If the CGT rollover is available and chosen, then any capital gain resulting from the disposal by IBNA Shareholders of IBNA Shares pursuant to the Offer should be disregarded. Any CGT implications should effectively be deferred either until the relevant IBNA Shareholders dispose of the New Steadfast Shares acquired pursuant to the Offer or upon the happening of another taxable event in respect of the New Steadfast Shares.

The cost base of the New Steadfast Shares acquired pursuant to the Offer should be equal to the cost base of the IBNA Shares for which they were exchanged plus any other incidental costs that can be included in the cost base.

To choose CGT rollover relief, an IBNA Shareholder must make a choice before lodging an income tax return for the tax year in which the Offer is accepted. The manner in which the IBNA Shareholder prepares the income tax return will be evidence of the choice (i.e. no separate notice is required to be lodged with the Australian Taxation Office).

It is a condition of the Offer that Steadfast has a Relevant Interest in at least 80% of all IBNA Shares. Steadfast is not, however, in a position to confirm that the "80% requirement" referred to above will be satisfied for the purpose of determining whether CGT rollover relief will be available to eligible IBNA Shareholders.

All IBNA Shareholders, and particularly those not covered by this outline as noted above, should obtain their own independent professional tax advice as to whether and how a CGT rollover election should be made.

8.5 STAMP DUTY

Any stamp duty payable on the transfer of IBNA Shares to Steadfast pursuant to the Offer will be paid by Steadfast. In addition, there should be no stamp duty payable by IBNA Shareholders upon the issue to them of the New Steadfast Shares.

8.6 GOODS AND SERVICES TAX (GST)

The provision, acquisition or disposal of shares for non-monetary consideration should not be subject to GST. Accordingly, no GST should be payable on:

- the disposal of the IBNA Shares to Steadfast; or
- the issue of New Steadfast Shares.

The ability to claim input tax credits on related acquisitions (if any) may be restricted. This is a complex area of the GST law and GST registered entities should seek their own professional tax advice in this regard.

9 RISKS

9.1 INTRODUCTION

The future performance of Steadfast and the future investment performance of the Steadfast Shares may be influenced by a range of factors, many of which are outside the control of Steadfast. Steadfast is subject to risks that are both of a general nature and risks which are specific to its business activities.

This section describes what Steadfast considers to be some of the key risks associated with Steadfast's business, the industry in which it operates, and the risks associated with an investment in Steadfast.

The risks listed in this section should not be considered to be an exhaustive list of every possible risk associated with accepting the Offer, the industry in which Steadfast operates, or the risks associated with an investment in Steadfast now or in the future. The types of risks to which Steadfast is exposed can change over time and vary with changes in economic, technological, environmental and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside of the control of Steadfast, the Steadfast Directors and Steadfast's management team.

The selection of risks is based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. They are not listed in order of likelihood of occurrence or impact. The assessment is based on the knowledge of the Steadfast Directors and Steadfast's management team as at the date of this Bidder's Statement, but there is no guarantee or assurance that the importance of these or other risks will not change or that no other new risks will emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the operations, performance and position of Steadfast. There can be no guarantee that Steadfast will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.

Before accepting the Offer, you should read the entire Bidder's Statement carefully and satisfy yourself that you have a sufficient understanding of the risks described in this section 9, together with the other information set out in this Bidder's Statement. You should also consider whether accepting the Offer is suitable for you in light of your investment objectives, financial situation, taxation position and particular needs. If you do not understand any part of this Bidder's Statement or have any questions about whether to accept the Offer, you should consult your accountant, financial adviser, stockbroker, solicitor or other independent and qualified professional adviser before deciding whether to accept the Offer.

This section outlines the:

- risks that are specific to Steadfast;
- risks that are specific to IBNA;
- general and industry risks; and
- risks related to the Offer and the Merged Group.

9.2 RISKS SPECIFIC TO STEADFAST

Set out below are the key risks specific to an investment in Steadfast.

(a) **Loss of Steadfast Network Brokers**

Steadfast Network Brokers are able to leave the Steadfast Network at any time. When an individual broker leaves, this results in a reduction in SDF PSF revenue for Steadfast. Additionally, the size and strength of the Steadfast Network is an important factor in attracting new brokers and underwriting agencies (to which the Steadfast Network Brokers are an important source of business). A loss of a number of Steadfast Network Brokers may make it more difficult to attract new brokers and underwriting agencies to the Steadfast Network. Reduced SDF PSF revenue and reduced ability to attract new brokers and

underwriting agencies to the Steadfast Network could adversely impact Steadfast's financial position and performance.

(b) **Reliance on strategic partners**

Steadfast is continually adding new strategic partners and attempts to maintain and strengthen relationships with strategic partners, many of which are longstanding. If, however, strategic partners are lost and not replaced within an appropriate timeframe, SDF PSF revenue would potentially be lower, and the earnings of operating businesses and other Steadfast Network Brokers would potentially be adversely affected due to potential loss of commissions and fees due to lower gross written premium.

(c) **Adverse movements in GWP and premium rates**

The Steadfast Group has a number of revenue sources linked to the size and growth of GWP in Australian and New Zealand insurance markets. GWP and claims trends in general insurance are cyclical in nature. Classes of general insurance, in particular commercial long-tail classes, may be subject to rapid escalation in the cost of claims and/or falls in premium rates, creating significant losses for general insurers in a given market. The causes of such adverse trends cannot be predicted nor in general controlled and may adversely impact Steadfast's financial position and performance.

(d) **Reduction in rates for SDF PSF, commission rates or dividends**

Steadfast derives revenue from a variety of sources including SDF PSF paid to Steadfast from strategic partners such as insurers. The SDF PSF is normally calculated based on a percentage of the GWP placed by a strategic partner through the Steadfast Network. Steadfast also derives revenue by receiving dividends from operating businesses that derive their income from commission-based businesses. Commissions are calculated as a percentage of the total base premium for products placed through a strategic partner. There is a risk that strategic partners (e.g. insurers) may seek to reduce SDF PSF rates paid to Steadfast. Insurers may also seek to reduce rates of commission paid to Steadfast Network Brokers. Either of these scenarios would adversely impact Steadfast's financial position and performance.

(e) **Increased competition or market change**

Existing market participants and new entrants in insurance broking and underwriting agency businesses may begin competing with Steadfast or disrupting the current industry market through:

- increased competition from new entrants and existing market participants in markets in which operating businesses operate, including increased commoditisation of business insurance products;
- changes in the remuneration model for, or the use of, insurance brokers or underwriting agencies;
- increased competition or a change in the market structure for premium funding may adversely impact upon Steadfast's IQumulate Premium Funding business; or
- more customers buying direct from our strategic partners and other insurers via the internet or other technology,

any of which may adversely impact Steadfast's financial performance, and may result in reduced GWP or operating margins.

(f) **Regulatory risk**

Steadfast, its operating entities, and Steadfast Network Brokers are required to individually comply with their Australian financial services licence requirements and financial services regulations. There are penalties for non-compliance with these requirements including that a licence may be suspended or withdrawn and proceedings may be commenced by regulators or other parties and monetary penalties may be imposed. This may have an adverse impact on Steadfast's earnings and/or financial position and

performance. Regulatory changes may impact Steadfast and/or its operating entities through costly and burdensome regulation and may have consequences which cannot be foreseen.

The Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has recommended that the Australian Government, in consultation with ASIC, review the effectiveness of measures that have been implemented by regulatory bodies and financial services entities to improve the quality of financial advice. This review is to be undertaken by December 2022 and will consider whether each remaining exemption to the ban on conflicted remuneration (specifically commissions) remains justified, including the exemptions for general insurance products and consumer credit insurance products. Any changes resulting from the review may impact Steadfast Group's remuneration structure.

(g) Loss of capacity for underwriting agencies

Unexpected loss of underwriter capacity, whereby an underwriter fails to renew a binder or withdraws capacity for strategic reasons (such as exiting lines of business or a specific country exit) is likely to result in significant loss of income.

Further risk may be as a result of an underwriter withdrawing capacity due to uneconomic underwriting results. This would severely constrain the ability of underwriting agencies to write new business and may restrict them from renewing existing business. Any such scenario may have an adverse impact on the financial performance of Steadfast's underwriting business.

(h) Investment impairment

The Steadfast Board regularly monitors impairment risk. Where the value of an asset is assessed to be less than its carrying value, Steadfast is obliged to recognise an impairment expense in its profit and loss account.

Asset impairment charges may result from the occurrence of unexpected adverse events that impact the expected performance of assets owned by Steadfast. Assets are tested for impairment more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment expense that could be significant and could adversely impact Steadfast's financial position.

Steadfast's balance sheet includes a significant level of investments and intangible assets recognised as a result of its various acquisitions. Investments and intangible assets must be regularly tested for impairment. Impairment results from a decrease in value indicated by a permanent decline in profits below the level that supports the value of the investment or asset. In the event that any of Steadfast's investments or intangible assets are found to be impaired to a level below their carrying value, Steadfast would need to write down the value of the intangible asset. This will result in the recognition of an impairment expense which may adversely impact Steadfast's financial position and performance.

(i) Business model of acquiring and holding equity in operating businesses

An important part of Steadfast's business model and its growth strategy is to acquire and hold equity in operating businesses. Steadfast may fail to effectively implement growth strategies or devote sufficient resources to new business initiatives or select and pursue sub-optimal corporate strategies, business models, financial structures or allocation of capital that could, in each case, inhibit the growth of the business. Steadfast's business model and growth strategy involves certain risks which may adversely impact Steadfast's financial position and performance including:

- possible difficulties for Steadfast in managing the operating businesses including an inability to maintain the required level of oversight and reporting;
- integration or transition to new owners may be disruptive and costly;
- there may be potential unknown or contingent liabilities in an operating business that were not identified through the due diligence conduct by Steadfast or adequately addressed in the acquisition agreements, which Steadfast may assume by acquiring the operating business;

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- Steadfast is reliant on partners (including management who hold an equity stake within the operating businesses) who may not perform satisfactorily; and
 - there may be insufficient funding made available to all Steadfast's businesses so that Steadfast Group is unable to pursue the business opportunities it identifies.

There can be no assurance that the anticipated benefits and synergies expected to result from all or some of these acquisitions will be realised. The ability to realise these benefits will depend in part upon whether the acquired businesses can be integrated in an efficient and effective manner.

(j) **People risk**

Steadfast is reliant on its key employees and key employees within the management team or the operating businesses may retire or resign. Material business interruption and loss of key customer relationships may follow the loss, particularly if the individuals involved are sufficiently key and/or numerous.

(k) **Technology and cyber security risk**

Whilst Steadfast has procedures in place to manage its information technology systems, there is a risk that Steadfast or any of its operating businesses may experience targeted cybercrime, data loss, fraud or system breakdown. The failure of key internal and cloud systems would be likely to be detrimental to Steadfast or any of its operating businesses, their performance and ability to deliver services to client and may also have an adverse impact on Steadfast's reputation.

Steadfast's market-leading technology including the Virtual Underwriter, INSIGHT and UnderwriterCentral systems is key to supporting the network broker and underwriting agency operations. Failures or delays in implementation of, or migration of Steadfast Network Brokers to, such systems, may adversely impact Steadfast business growth, reputation and relationships with SDF's strategic partners. A major issue or outage at a critical time would be likely to adversely impact Steadfast's financial position and performance.

(l) **Damage to the Steadfast brand**

Steadfast's success is heavily reliant on its reputation and branding. Maintaining the strength of the Steadfast brand is critical to retaining and expanding the Steadfast Network, solidifying Steadfast's business relationships and successfully implementing its business strategy. The promotion and enhancement of the Steadfast brand will also depend, in part, on its success in continuing to provide a high quality customer experience to those Steadfast Network Brokers that rely on Steadfast for the provision of support services.

Issues or events which place Steadfast's reputation at risk may impact on Steadfast's future growth and profitability, for example, by impacting Steadfast's ability to attract and retain brokers or by causing the loss of brokers. Any factors that diminish Steadfast's reputation or branding could impede its ability to compete successfully and adversely affect its future business plans and performance.

(m) **Fraudulent or inappropriate conduct by employees**

Steadfast has appropriate policies and procedures implemented in relation to the risk of fraud. However, particularly in relation to businesses where Steadfast does not control the day-to-day operations (including Steadfast Network Brokers in which Steadfast has an equity interest, joint ventures or other contract-based arrangements), there is a risk that funds of the business of those held on behalf of clients may be the subject of fraudulent behaviour. Any such fraudulent behaviour would likely have an adverse impact of Steadfast's financial position and performance.

Steadfast is also at risk of employees throughout the Steadfast Group, including its operating businesses and Steadfast Network Brokers, acting in a way which is not consistent with the behaviours, culture and values of the Steadfast Group. This may adversely impact Steadfast's financial position, performance and reputation.

(n) **International expansion**

One potential source of Steadfast's long-term growth is its continued international expansion. This carries the inherent risk of known and unknown market factors (such as cultural differences, regulatory restrictions and economic conditions) which could mean that the expansions will not be successful.

While Steadfast expects any proposed expansion of operations will become profitable over time, it may incur significant expenses and capital expenditures in connection with building its presence in those markets. International expansion may result in a loss of management focus on domestic operations which may result in missed opportunities, or adversely impact Steadfast's ability to address operational issues.

(o) **Ongoing disputes**

Steadfast may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations, including shareholder actions, and disputes with joint venture partners, contractors and other counterparties. These disputes may lead to legal, regulatory and other proceedings, and may cause Steadfast to incur significant costs, delays and other disruptions to its business and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions. Involvement in any such dispute may adversely impact the financial position and performance of Steadfast.

(p) **Dividends**

The payment of dividends on Steadfast Shares is dependent on a range of factors including Steadfast's profitability, the availability of cash, and capital requirements. Any future dividend levels will be determined by the Steadfast Board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by Steadfast or, if paid, that they will be paid at previous levels.

9.3 **RISKS SPECIFIC TO IBNA**

Steadfast has undertaken limited financial, operational, business and other analysis in respect of IBNA in order to determine its attractiveness to Steadfast and whether to pursue the Offer. There is therefore a possibility that risks may exist in relation to IBNA (which will affect the Merged Group) of which Steadfast may be unaware, including latent, future or otherwise unknown claims or liabilities. While IBNA has given customary warranties as to its business operations and the accuracy and completeness of its disclosure materials in the Bid Implementation Agreement, Steadfast will have limited recourse to enforce a breach of these warranties at such future time that it owns all or a substantial majority of the IBNA Shares (depending on the outcome of the Offer).

9.4 **GENERAL AND INDUSTRY RISKS**

(a) **Reduction in GWP in the insurance market**

Steadfast has a number of revenue sources linked to the size and growth of GWP in the insurance market,¹² including dividends from its operating businesses, which are influenced by the financial performance of operating businesses and SDF PSF revenue from strategic partners. GWP is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of GWP. A reduction in GWP in the insurance market would likely adversely impact Steadfast and the Merged Group's financial position and performance.

(b) **Tax risk**

Changes to income tax (including capital gains tax), GST, stamp duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities

¹² In particular, the general insurance market in Australia.

may change following the date of this Bidder's Statement or adversely affect the Merged Group's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

(c) **Economic conditions**

The operating and financial performance of Steadfast is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on Steadfast and the Merged Group's operating and financial performance and financial position.

Steadfast's future possible revenues and share prices can be affected by any and all of these factors, which are beyond the control of Steadfast.

Steadfast relies on access to debt financing. The ability to secure financing, or financing on acceptable terms, may be affected by volatility in the financial markets, globally or within a particular geographic region, industry or economic sector. For these reasons, financing may be unavailable or the cost of financing may be significantly increased. An inability to obtain, or increase in the costs of obtaining, financing on acceptable terms could adversely impact Steadfast's financial position and performance. Steadfast is exposed to movements in interest rates through its debt facility.

(d) **Changes to accounting standards**

Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act could affect Steadfast's reported results of operations in any given period or Steadfast's financial condition from time to time.

(e) **Technological developments**

Insurance providers are increasingly seeking to reduce administrative costs and heighten efficiency through the use of technology. Both Australian and international insurers have been investing heavily in insurance technology (**Insurtech**). Insurtech has, until now, primarily been directed toward retail clients. However, the commercial insurance sector may be susceptible to technological disruption, with commercial insurers increasingly willing to explore new ways of maximising value.

Approximately 84% of Steadfast Network Brokers' clients are small-to-medium enterprises (**SMEs**) and 12% are retail. Commercial insurers are actively investing in Insurtech which would allow them to deal directly with SMEs and retail customers. The use of social media to facilitate direct interaction with the end customer is also causing increased competition for customer attention among both traditional insurers and new entrants to the insurance market, and the ability to provide targeted and customised insurance products and services (with fewer barriers to entry than previously existed) may lead to an erosion in the role that insurance brokers and other intermediaries currently play. Any such developments could have an adverse impact on Steadfast's financial condition and market share.

9.5 RISKS RELATING TO OFFER AND THE MERGED GROUP

In addition to the risks specific to Steadfast, IBNA and general and industry risks referred to above, there are additional risks that apply to the Offer and the Merged Group as follows:

(a) **Analysis of IBNA**

As stated in section 9.3, Steadfast has undertaken limited financial, operational, business and other analysis in respect of IBNA in order to determine its attractiveness to Steadfast and whether to pursue the Offer. It is possible that the analysis undertaken by Steadfast and the best estimates assumptions made by Steadfast draw conclusions and forecasts which are inaccurate, or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances or otherwise).

To the extent that the actual results achieved by the business acquired are weaker than those indicated by Steadfast's analysis, there is a risk that there may be an adverse impact on the financial position and performance of those businesses, and if the Offer completes, this may therefore have an adverse impact on the financial position and performance of Steadfast.

(b) **Integration of IBNA Brokers**

There is a risk that the integration of IBNA Brokers into Steadfast and the operations of service arrangements may encounter unexpected challenges or issues including a failure to procure suitable IT integration or support or that this process takes longer than anticipated, diverts management attention or does not deliver the benefits expected to be derived from the transaction. Any of these possibilities may have an adverse impact on Steadfast's operating and financial performance.

(c) **Potential termination of Steadfast Licence Agreements**

The Steadfast Licence Agreement is able to be terminated for convenience by either party on 60 days' notice. There is a risk that IBNA Brokers who join the Steadfast Network may terminate their Steadfast Licence Agreements, which would adversely affect Steadfast's ability to realise operational benefits from the acquisition of IBNA, resulting in a reduction in SDF PSF, and could adversely affect Steadfast's financial position and performance.

(d) **IBNA Restructure**

Steadfast understands that the Restructure of IBNA's share capital was to be undertaken on 19 August 2019. However, Steadfast was not involved in the implementation of the Restructure and there is a risk that IBNA Members may be dissatisfied with or otherwise seek to challenge the outcome of the Restructure. Any such scenario could cause Steadfast to incur additional costs in relation to the Takeover Bid and may result in delays or disruption to the Takeover Bid. If the relevant Condition has not been satisfied and it is not waived by Steadfast, then the Offer will lapse and your acceptance will be void. You will continue to hold your IBNA Shares and be free to deal with your IBNA Shares as if the Offer had not been made.

(e) **General market and share price risks**

IBNA Shareholders should be aware that there are risks associated with any investment in financial products quoted on a securities exchange. Share price movements could affect the value of consideration paid under the Offer and the value of any investment in Steadfast. While Steadfast has historically been profitable in Australasia, those past results are not necessarily indicative of future performance. The price of Steadfast Shares (including the New Steadfast Shares to be issued pursuant to the Offer) on ASX will be affected by the financial performance of Steadfast and may rise or fall due to numerous factors including:

- Australian and international general economic conditions, labour costs including inflation rates, the level of economic activity, interest rates and currency exchange rates;
- general trends in the Australian and overseas equity markets;
- tension and acts of terrorism in Australia and around the world;
- investor perceptions in the local and global markets for listed securities; and
- changes in the supply and demand of insurance and diversified financial securities.

One or more of these factors may cause Steadfast Shares to trade below current prices and may adversely affect the financial position and performance of Steadfast. In addition, broader market factors affecting the price of Steadfast Shares are unpredictable and price changes may be unrelated or disproportionate to the financial or operating performance of Steadfast.

The past performance of Steadfast is not necessarily an indication as to future performance of Steadfast as the trading price of shares can go up or down. Neither Steadfast nor the Steadfast Directors represent

or warrant the future performance of Steadfast, New Steadfast Shares or any return on an investment in Steadfast.

(f) **Issue of New Steadfast Shares as consideration**

IBNA Shareholders are being offered consideration under the Offer that consists of a specified number of New Steadfast Shares. The value of the consideration will fluctuate depending upon the value or price of Steadfast Shares.

(g) **Acquisition of less than 100% of IBNA Shares**

It is possible that Steadfast could acquire less than 100% of IBNA Shares under the Offer.

The impact on the Merged Group of Steadfast acquiring less than 100% of IBNA Shares will depend on the ultimate level of ownership acquired but, in any event, the existence of a minority interest in IBNA may have an impact on the Merged Group's capacity to realise operational benefits from the acquisition of IBNA.

If the 80% minimum acceptance condition is waived and, after the Offer, Steadfast does not hold 80% or more of the IBNA Shares, IBNA Shareholders who sold their IBNA Shares into the Offer will be unable to elect scrip for scrip rollover. This means that for income tax purposes, for those Australian resident shareholders who hold their IBNA Shares on capital account and who would make a gain on disposal of their IBNA Shares will be unable to disregard the gain and a capital gain would crystallise at the time of sale of their IBNA Shares, even though the Offer Consideration is received entirely in New Steadfast Shares. A general summary of the tax consequences to Australia resident holders of IBNA Shares as a result of accepting the Offer is set out in section 8.

9.6 RISKS NOT EXHAUSTIVE

The risks set out in this section 9 are not exhaustive of all the risks faced or that may be faced by IBNA Shareholders. Accordingly, no assurances or guarantees of future performance or profitability are given by Steadfast or any of its officers or employees.

10 ADDITIONAL INFORMATION

10.1 STEADFAST IS A DISCLOSING ENTITY

Due to the fact that Steadfast is offering Steadfast Shares as consideration for the acquisition of IBNA Shares under the Offer, the Corporations Act requires that this Bidder's Statement include all information that would be required for a prospectus for an offer of Steadfast Shares under sections 710 to 713 of the Corporations Act.

Neither Steadfast nor IBNA need to issue a prospectus for the Offer of the Steadfast Shares as the Offer is occurring under a takeover bid.

Steadfast is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all disclosing entities, Steadfast is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of Steadfast Shares.

Steadfast Shares have been quoted on the official list of ASX during the 3 months prior to the date of this Bidder's Statement. For this reason, Steadfast is only required to disclose information in this Bidder's Statement that would usually be required where Steadfast Shares have been continuously quoted securities.

In general terms where Steadfast Shares are continuously quoted securities this Bidder's Statement is only required to contain information in relation to the effect of the Offer on Steadfast and the rights and liabilities attaching to the Steadfast Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of such matters; and
- (b) relating to the rights and liabilities attaching to the Steadfast Shares.

Having made such enquiries as are reasonable, Steadfast believes that they have complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Bidder's Statement which required Steadfast to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules or this Bidder's Statement that IBNA Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Steadfast; and
- (b) the rights and liabilities attaching to the Steadfast Shares to be issued pursuant to the Offer.

Information that is already in the public domain has not been reported in this Bidder's Statement, other than that which is considered necessary to make this Bidder's Statement complete.

Steadfast, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Steadfast (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the date the Offer Period closes:
 - (i) the annual financial report most recently lodged by Steadfast with ASIC;

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- (ii) any half year financial report lodged with ASIC by Steadfast after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Bidder's Statement with ASIC; and
 - (iii) any documents used to notify ASX of information relating to Steadfast during that period in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to Steadfast can be inspected at the registered office of Steadfast during normal office hours.

The ASX maintains files containing publicly disclosed information about all listed companies. Steadfast's file is available for inspection at ASX during normal business hours.

Steadfast lodges all required financial reports and continuous disclosure notices, copies of which are lodged with ASIC and ASX and can be accessed via the Steadfast website at <https://investor.steadfast.com.au/investor-centre/>.

10.2 SUMMARY OF BID IMPLEMENTATION AGREEMENT

On 26 July 2019, Steadfast and IBNA entered into a Bid Implementation Agreement which sets out the basis on which Steadfast will make the Offer and the respective obligations of Steadfast and IBNA in relation to the Offer. This section 10.2 sets out a summary of certain key terms of the Bid Implementation Agreement. A complete copy of the Bid Implementation Agreement is attached to Steadfast's ASX announcement dated 26 July 2019.

(a) Takeover Bid

Steadfast has agreed to make an Offer to all IBNA Shareholders in respect of all IBNA Shares in existence on the Register Date, and each of Steadfast and IBNA have agreed to each use all reasonable endeavours to implement the Takeover Bid.

(b) IBNA Board recommendation

IBNA has agreed to use all reasonable endeavours to procure that its Target's Statement, and any other public statements made by IBNA in relation to the Offer, includes a statement to the effect that the IBNA Board unanimously recommend that IBNA Shareholders accept the Offer in the absence of a Superior Proposal.

(c) Exclusivity arrangements

During the Exclusivity Period, amongst other things:

- (i) **(no shop)** IBNA must not and must ensure that none of its Representatives directly or indirectly solicit, invite, encourage or initiate any enquiries, negotiations or discussions (or communicate any intention to do so) with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Proposal;
- (ii) **(no talk)** IBNA must not and must ensure that none of its Representatives negotiate or enter into, or participate in negotiations or discussions with any other person regarding a Competing Proposal or any agreement, understanding or arrangement that may reasonably be expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by IBNA or any of its Representatives or the person has publicly announced the Competing Proposal;
- (iii) **(notice of unsolicited approach)** IBNA must promptly inform Steadfast if it or any of its Representatives:
 - (A) receives any unsolicited approach with respect to any Competing Proposal and must disclose to Steadfast all material details of the Competing Proposal, including details of the proposed bidder or acquirer;

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- (B) receives any request for information relating to IBNA or any of its Related Bodies Corporate or their businesses, operations, books or records, which IBNA has reasonable grounds to suspect may relate to a current or future Competing Proposal; and
 - (C) provides any information relating to IBNA or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Proposal; and
 - (iv) **(matching right)** Steadfast must be afforded the opportunity to match any Competing Proposal that the IBNA Board determines would be, or would be likely to be, a Superior Proposal.

However, the 'no talk' and 'notice of unsolicited approach' restrictions do not apply to the extent that it restricts IBNA or the IBNA Board from taking or refusing to take any action in respect to any actual or proposed Competing Proposal (which was not solicited, invited, encouraged or initiated by IBNA), where the IBNA Board has determined in good faith and acting reasonably that such actual or proposed Competing Proposal is, or could reasonably be considered to become, a Superior Proposal and that after taking legal advice from its external legal advisers that failing to take or not take such action would constitute or be likely to constitute a breach of the IBNA Board's fiduciary or statutory obligations.

(d) **Entitlement to IBNA PSF**

(i) **FY20 PSF Receivables**

If the Offer becomes unconditional, Steadfast will be entitled to (and IBNA must pay to Steadfast as soon as practicable after receipt) all FY20 PSF Receivables which are received by IBNA after 1 July 2019 and are attributable to an IBNA Shareholder (or their relevant associated IBNA Broker) who has entered into a Steadfast Licence Agreement. IBNA has agreed not to pay any rebates to IBNA Brokers in connection with such FY20 PSF Receivables provided that the Offer becomes unconditional.

(ii) **FY19 PSF Receivables**

IBNA remains entitled to all FY19 PSF Receivables and Steadfast has agreed that such FY19 PSF Receivables may be paid to the relevant IBNA Broker responsible for generating those FY19 PSF Receivables. If any FY19 PSF Receivables are received by IBNA after Steadfast has gained control of IBNA, Steadfast will procure that IBNA pays any FY19 PSF Receivables received by IBNA to the relevant IBNA Brokers responsible for generating those FY19 PSF Receivables, as soon as practicable following receipt.

(e) **Termination of AIMS JVA**

It is a condition of the Offer that IBNA terminates the AIMS JVA and that such termination and any related arrangements with Austbrokers or any other person do not have any material ongoing financial or legal liability for, or any other ongoing adverse impact on, IBNA, or the ability of Steadfast to undertake the Offer. The full details of this Condition are set out in Appendix 2. In connection with the AIMS JVA termination, IBNA must:

- (i) provide regular updates to, and consult with, Steadfast in relation to its negotiations with Austbrokers and AIMS regarding the termination of the AIMS JVA;
- (ii) provide Steadfast with copies of all material correspondence between the parties to the AIMS JVA in relation to the termination of those arrangements; and
- (iii) not sign any material document in connection with the AIMS JVA or the termination of the arrangements with AIMS, Austbrokers, or any of Austbrokers' Related Bodies Corporate without Steadfast's prior written consent (not to be unreasonably withheld or delayed).

(f) **Permitted Dividend**

IBNA is permitted to declare, determine and pay 1 or more dividends or distributions (whether fully franked or otherwise) provided that payment of any such dividends or distributions:

- (i) complies with the Corporations Act;
- (ii) does not result in IBNA becoming Insolvent;
- (iii) is not drawn from the FY20 PSF Receivables; and
- (iv) does not result in IBNA having insufficient funds to pay or provision for all costs and liabilities of IBNA, including costs incurred by IBNA in connection with the transactions contemplated by the Bid Implementation Agreement and the termination of the AIMS JVA.

10.3 SUMMARY OF STEADFAST LICENCE AGREEMENT

It is a condition of the Offer that each accepting IBNA Shareholder (or their relevant affiliated IBNA Broker) signs a Steadfast Licence Agreement. A summary of the key terms of the Steadfast Licence Agreement is set out below.

(a) **Overview**

Under the Steadfast Licence Agreement, Steadfast agrees, among other things, to provide certain services, and grants a non-exclusive licence to use its trademarks on customary terms, to the Steadfast Network Brokers who in return arrange products (including general insurance and premium funding) for their clients with Steadfast's strategic partners.

(b) **Remuneration and rebates**

The Steadfast Licence Agreement acknowledges that Steadfast has arrangements in place with its strategic partners under which it receives SDF PSF for each partner product arranged by the Steadfast Network Broker with a strategic partner.

However, IBNA Brokers who become Steadfast Network Brokers are also required under the Steadfast Licence Agreement to:

- (i) acknowledge and agree that, **on and from 1 July 2019**, they have no claim or entitlement to, and will not be paid, any portion or rebate of any SDF PSF received by Steadfast or any of its Related Bodies Corporate; and
- (ii) release Steadfast and each of its Related Bodies Corporate from all liabilities, demands and claims arising out of or in connection with the non-payment of any rebate of SDF PSF to the Steadfast Network Broker.

(c) **Termination**

The Steadfast Licence Agreement may be terminated by either Steadfast or the Steadfast Network Broker by providing the other party with 60 days' written notice.

Alternatively, the Steadfast Licence Agreement may be terminated where a breach of the agreement has occurred and the breach is not remedied within a specified time or terminated immediately if certain termination events occur. These events include failure by the Steadfast Network Broker to generate a minimum SDF PSF, a change in the legal or beneficial ownership of the Steadfast Network Broker or a change in the effective control of the Steadfast Network Broker.

(d) **Annual fees**

Steadfast Network Brokers are required to pay certain annual fees to Steadfast in relation to services provided under the Steadfast Licence Agreement. These fees may vary from time to time and will be

notified to Steadfast Network Brokers in writing. As at the date of this Bidder's Statement, the fees include an administration fee, a contribution to the Steadfast Awareness Movement, and a payment for Policy Coach and Risk Coach.

10.4 SOCIAL SECURITY AND SUPERANNUATION IMPLICATIONS OF THE OFFER

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

10.5 DATE FOR DETERMINING HOLDERS OF SHARES

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) is the Register Date (being 20 August 2019).

10.6 ASIC MODIFICATIONS AND EXEMPTIONS

ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including Steadfast, in relation to the operation of Chapter 6 of the Corporations Act. Steadfast may rely on such instruments.

10.7 DISCLOSURE OF INTERESTS AND BENEFITS

(a) Interests of the Steadfast Board

No interests in IBNA Shares

As at the date of this Bidder's Statement, the Steadfast Directors had no interests in IBNA Shares.

Indemnity and insurance

The Steadfast Constitution permits the grant of an indemnity (to the maximum extent permitted by law) in favour of any current or former Steadfast Director or company secretary of Steadfast. Steadfast has entered into deeds of indemnity and access with all current directors. This indemnity is against liability to third parties by such officers unless excluded by law. The indemnity also covers costs or expenses incurred by an officer in defence proceedings relating to that person's position. Steadfast also maintains an insurance policy in respect of certain present and future officers against certain liability incurred in that capacity.

Interests of the Steadfast Board in Steadfast securities

As at the date of this Bidder's Statement, the Steadfast Directors have the following beneficial interests in Steadfast Shares.

Director	Number of Steadfast Shares held	Number of Steadfast Shares held nominally
Frank O'Halloran, AM	1,150,539	749,432
Robert Kelly	3,062,209	-
David Liddy, AM	150,000	150,000
Gai McGrath	19,750	19,750
Anne O'Driscoll	168,498	168,498
Philip Purcell	160,142	160,142
Gregory Rynenberg	858,676	858,676

Note: Steadfast Shares held nominally are included in the column headed 'Number of Steadfast Shares held'. Held nominally Steadfast Shares are those held indirectly by the Steadfast Directors' related parties, inclusive of domestic partner, dependants and entities controlled, jointly controlled or significantly influenced by the Steadfast Director.

For the Steadfast Directors, total Steadfast Shares held directly and nominally also represented the Relevant Interest in Steadfast Shares, as notified by the Steadfast Directors to ASX in accordance with section 205G(1) of the Corporations Act, at the date of this Bidder's Statement.

(b) **Interested Person**

For the purposes of this section 10.7 an "Interested Person" is:

- (i) a director or proposed director of Steadfast;
- (ii) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement;
- (iii) a promoter of Steadfast; or
- (iv) a broker or underwriter to the issue of Steadfast Shares.

(c) **Interests**

Except as disclosed in this Bidder's Statement, no Interested Person holds or held at any time during the 2 years before the date of this Bidder's Statement any interest in:

- (i) forming or promoting Steadfast;
- (ii) property acquired or proposed to be acquired by Steadfast in connection with:
 - (A) forming or promoting Steadfast; or
 - (B) the offer of Steadfast Shares, or
- (iii) the offer of New Steadfast Shares.

(d) **Benefits**

Except as disclosed in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to:

- (i) a director or proposed director of Steadfast to induce that person to become or to qualify as a Steadfast Director; or
- (ii) any Interested Person for services provided by that person in connection with:
 - (A) forming or promoting Steadfast; or
 - (B) the offer of Steadfast Shares under the Offer.

King & Wood Mallesons has acted as legal adviser to Steadfast in relation to the Offer. Steadfast has paid or agreed to pay approximately \$340,000 for these services to the date of this Bidder's Statement. Steadfast may also pay, or agree to pay King & Wood Mallesons additional fees (based on agreed hourly rates) for legal services provided in connection with the Offer after the date of this Bidder's Statement.

EY has acted as tax adviser and has performed work in relation to specific tax advisory services in relation to the Offer. Steadfast has paid, or agreed to pay, approximately \$6,500 in total (excluding disbursements) for the above services up until the date of this Bidder's Statement.

Steadfast anticipates that it will incur approximately a further \$5,000 of costs in connection with the Offer for typesetting, mailhouse and printing services.

The fees paid in connection with the preparation and distribution of this Bidder's Statement and for services provided in connection with the Offer (on the basis that the Offer is successful), including legal, accounting, taxation and financial advisers and registry fees total approximately \$351,500.

The amounts disclosed above are exclusive of any amount of goods and services tax that may be payable by Steadfast in respect of those amounts.

10.8 CONSENTS

(a) Consents to be named

Each of the following parties has given and has not, before the date of this Bidder's Statement withdrawn its consent to be named in this Bidder's Statement in the form and context in which it is named:

- (i) King & Wood Mallesons as legal adviser to Steadfast; and
- (ii) EY as tax adviser.

(b) Consents given

Each person named in this section 10.8 of the Bidder's Statement as having given its consent to be named or to the inclusion of a statement in this Bidder's Statement:

- (i) has not authorised or caused the issue of the Bidder's Statement;
- (ii) does not make, nor does it purport to make, any statement in the Bidder's Statement or any statement on which a statement in the Bidder's Statement is based other than those statements which have been included with the express consent of that person; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of the Bidder's Statement other than the references to its name and any statements which have been included with the express consent of that person.

(c) Other statements

This Bidder's Statement includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Specifically, this Bidder's Statement contains statements by the IBNA Directors on the cover page and pages 6, 8 and 16. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents, or the relevant parts of the documents containing the statements, please contact Steadfast's General Counsel on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time) and you will be sent copies free of charge within 2 Business Days of making such a request.

This Bidder's Statement may include a trading data reference without the consent of the person who prepared the trading data if it complies with the terms of ASIC Corporations (Consents to Statements) Instrument 2016/72. Steadfast has relied on ASIC Corporations (Consents to Statements) Instrument 2016/72 to include the trading data referred to as being prepared by IRESS in this Bidder's Statement.

10.9 EXPIRY DATE

No Steadfast securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

10.10 NO OTHER MATERIAL INFORMATION

Except as disclosed in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by an IBNA Shareholder whether or not to accept the Offer; and
- (b) known to Steadfast,

and has not previously been disclosed to IBNA Shareholders.

11 GLOSSARY

11.1 DEFINITIONS

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

Acceptance Form means the form of acceptance and transfer accompanying this Bidder's Statement or any replacement or substitute form of acceptance and transfer provided by or on behalf of Steadfast.

Advisers means, in relation to an entity, its legal, financial and other expert or professional advisers.

AIMS means A & I Member Services Pty Limited (ACN 123 717 653).

AIMS JVA means the Shareholders Deed between IBNA, Austbrokers and AIMS dated 27 June 2007 (as may be amended from time to time), together with any associated agreements or arrangements in relation to the business conducted by AIMS and any of its Subsidiaries.

Announcement Date means 26 June 2019.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

ASX Listing Rules means the official listing rules of ASX, as amended from time to time.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

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

Austbrokers means AUB Group Limited (ACN 000 000 715).

Austbrokers Services means AUB Group Services Pty Limited (ACN 084 808 819).

Bid Implementation Agreement means the Bid Implementation Agreement between Steadfast and IBNA dated 26 July 2019 which sets out the basis on which Steadfast will make the Offer and the respective obligations of Steadfast and IBNA in relation to the Offer.

Bidder's Statement means this document, being the statement of Steadfast under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Business Day means a day on which banks are open for general banking business in Sydney, New South Wales, Australia (not being a Saturday, Sunday or public holiday in that place).

Capital Raising has the meaning given in section 3.2.

CGT means the tax arising as a result of a CGT event as defined in the *Income Tax Assessment Act 1997* (Cth).

Competing Proposal means any bona fide agreement, arrangement, or transaction which, if entered into or completed, would mean that a third party (either alone or with any associate thereof) would:

- (a) for any person who does not have a Relevant Interest in 20% or more of the IBNA Shares on 26 July 2019, directly or indirectly acquire a Relevant Interest in 20% or more of the IBNA Shares;
- (b) acquire Control of any member of the IBNA Group;
- (c) otherwise directly or indirectly acquire or merge with any member of the IBNA Group; and/or

-
- (d) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all of the business or assets of any member of the IBNA Group,

whether by way of a takeover bid, scheme, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets or liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Conditions means each and all of the conditions of the Offer which are set out in Appendix 2.

Control has the meaning given in section 50AA of the Corporations Act.

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

Disclosed means Fairly Disclosed by one party in writing to the other party prior to the date of the Bid Implementation Agreement.

EBITA means earnings before interest, taxes and amortisation.

Encumbrances means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

EPS means earnings per share.

Exclusivity Period means the period commencing on the date of the Bid Implementation Agreement (being 26 July 2019) and ending on the earlier to occur of:

- (a) the date of termination of the Bid Implementation Agreement in accordance with its terms; and
- (b) 31 March 2020, or such later date agreed in writing between Steadfast and IBNA.

Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated person to identify the nature and scope of the relevant matter, event or circumstance.

FY17 means the financial year ended 30 June 2017.

FY18 means the financial year ended 30 June 2018.

FY19 means the financial year ended 30 June 2019.

FY19 PSF Receivables means any amount received by IBNA as payment for professional services fees (otherwise known as marketing and administration fees) attributable to services provided by brokers in IBNA's network on or prior to 30 June 2019.

FY20 means the financial year ended 30 June 2020.

FY20 PSF Receivables means any amount received or owing to IBNA as payment for professional services fees (otherwise known as marketing and administration fees) attributable to services provided by IBNA Brokers on or after 1 July 2019.

GWP means gross written premium.

IBNA means IBNA Limited (ABN 43 086 563 055).

IBNA Board means the board of directors of IBNA.

IBNA Broker means insurance broking businesses to which IBNA provides support services (through the AIMS joint venture).

IBNA Directors means the directors of IBNA.

IBNA Group means IBNA and each of its Related Bodies Corporate.

IBNA Prescribed Occurrences means any of the events listed in Appendix 3 excluding an occurrence directly or indirectly as a result of any matter, event or circumstance required by the Bid Implementation Agreement (including, for the avoidance of doubt, any matter, event or circumstance which is required to give effect to the Restructure) or with the prior written consent of Steadfast.

IBNA PSF means the professional services fees that are paid to IBNA by product partners underwriting or arranging the general insurance policies and premium funding products calculated based on the value of gross written premium of IBNA preferred product placed by IBNA Brokers.

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

IBNA Shareholder means a holder of IBNA Shares.

IBNA Subsidiary means a Subsidiary of IBNA.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a controller appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this document); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this document reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Interested Person has the meaning given in section 10.7(b).

IQumulate Premium Funding means IQumulate Premium Funding Pty Ltd (ABN 82 127 517 677).

Merged Group means the group of companies resulting from the combination of the Steadfast Group and the IBNA Group, following the acquisition by Steadfast of IBNA Shares under the Offer.

New Steadfast Shares means the Steadfast Shares to be issued as Offer Consideration.

NPAT means net profit after tax.

Offer means the offer by Steadfast on the Offer Terms to acquire IBNA Shares (and for the avoidance of doubt includes each such offer made to an individual IBNA Shareholder pursuant to that offer).

Offer Consideration has the meaning given in clause 2(a) of Appendix 1.

Offer Period means the period commencing on 22 August 2019 and ending at 7.00pm (Sydney Time) on 23 September 2019, or such later date to which the Offer has been extended.

Offer Terms means the terms and conditions of the Offer set out in Appendices 1 and 2.

Permitted Dividend means 1 or more dividends or distributions (whether fully franked or otherwise) which are declared or determined or paid by the IBNA Board on or after the date of the Bid Implementation Agreement, provided that payment of such dividends or distributions:

- (a) comply with the Corporations Act;
- (b) do not result in IBNA becoming Insolvent;
- (c) are not drawn from FY20 PSF Receivables; and
- (d) do not result in IBNA having insufficient funds to pay or provision for all costs and liabilities of IBNA, including costs incurred by IBNA in connection with the transactions contemplated by the Bid Implementation Agreement and the termination of the AIMS JVA.

PSF Rebate Acquisition has the meaning given in section 2.4(a).

Register means the IBNA Share register.

Register Date means the date set by Steadfast pursuant to section 633(2) of the Corporations Act, being 20 August 2019.

Regulatory Authority includes:

- (a) ASX and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Bodies Corporate has the meaning given in the Corporations Act.

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

Representatives of a party includes:

- (a) a Related Body Corporate of the party; and
- (b) each of the officers and Advisers of the party or any of its Related Bodies Corporate.

Restructure means the IBNA capital restructure required to be undertaken pursuant to which each IBNA Shareholder would receive an amount of IBNA Shares pursuant to an application deed poll calculated to reflect the proportional contribution of that IBNA Shareholder to the genuine and reasonable estimate of the aggregate amount of professional services fees (otherwise known as marketing and administration fees) attributable to IBNA Brokers for the financial year ended 30 June 2019.

Restructure NOM has the meaning given in the Bid Implementation Agreement.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from IBNA Shares directly or indirectly after the date of this Bidder's Statement, including all rights to receive or subscribe for shares, stock units, notes, bonds, options or other securities, but excluding all dividends or other distributions and all rights to receive any dividends or other distributions declared, paid or made by IBNA:

- (a) prior to the date the Offer becomes unconditional; and
- (b) in accordance with the Bid Implementation Agreement.

SDF PSF means the professional services fees that are paid to Steadfast by product partners underwriting or arranging the general insurance policies and premium funding products calculated based on the value of gross written premium of Steadfast preferred product placed by Steadfast Network Brokers.

Steadfast or **the Bidder** means Steadfast Group Limited (ABN 98 073 659 677).

Steadfast Application Form means the Steadfast Application Form attached to or accompanying this Bidder's Statement, which must be returned as a term of acceptance of the Offer, pursuant to which IBNA Shareholders or their relevant associated IBNA Broker apply to become a Steadfast Network Broker.

Steadfast Board means the board of directors of Steadfast.

Steadfast Constitution means the constitution of Steadfast, as amended from time to time.

Steadfast Directors means the directors of Steadfast.

Steadfast Group means Steadfast and each of its Subsidiaries.

Steadfast Licence Agreement means the Licence and Services Agreement attached to or accompanying this Bidder's Statement, which must be validly signed by IBNA Shareholders or their relevant associated IBNA Broker as a term of acceptance of the Offer as described in section 10.3.

Steadfast Network means the collective reference to the distribution network that is comprised of all Steadfast Network Brokers.

Steadfast Network Broker means insurance broking businesses to which Steadfast provides support services and which collectively comprise the Steadfast Network.

Steadfast Share means a fully paid ordinary share in the capital of Steadfast and, where relevant, includes New Steadfast Shares.

Steadfast Shareholder means a holder of Steadfast Shares.

Subsidiary of an entity means another entity which is a subsidiary of the first entity within the meaning of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the IBNA Board, acting in good faith, and after receiving written legal advice from its legal advisers, determines:

- (a) is reasonably capable of being completed taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent, the identity of the proponent and ability to finance; and
- (b) would, if completed substantially in accordance with its terms, likely be more favourable to the IBNA Shareholders (as a whole) than the Takeover Bid, taking into account all terms and conditions of the Competing Proposal.

Sydney Time means the time in Sydney, New South Wales, Australia.

Takeover Bid means the takeover bid constituted by the Offer.

Target's Statement means the target's statement to be prepared by IBNA in relation to the Offer.

Timetable means the timetable set out in Schedule 4 to the Bid Implementation Agreement, or such other indicative timetable as IBNA and Steadfast agree in writing.

VWAP means the volume weighted average price for Steadfast Shares, traded on ASX over a specified period.

11.2 GENERAL INTERPRETATION

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, a reference in this Bidder's Statement to:

- (a) **(variations, replacements or novations)** a document includes any variation, replacement or novation of it;
- (b) **(sections, clauses, paragraphs, appendices and annexures)** a section, clause, paragraph, appendix or annexure is a reference to a section, clause or paragraph in this Bidder's Statement or an appendix or annexure to this Bidder's Statement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law includes common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(regulations)** regulations includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (f) **(singular includes plural)** the singular includes the plural and vice versa;
- (g) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (h) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (i) **(reference to a group of persons)** a group of persons or things is a reference to any 2 or more of them jointly and to each of them individually;
- (j) **(dollars)** Australian dollars, dollars, cents, AUD, A\$ or \$ is a reference to the lawful currency of Australia;
- (k) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (m) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (n) **(meaning not limited)** the words "include", "including", "for example" or "such as" when introducing an example, are not to be read as words of limitation; and
- (o) **(time of day)** time is a reference to Sydney Time.

12 **APPROVAL OF BIDDER'S STATEMENT**

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Steadfast Directors.

Signed in accordance with section 351 of the Corporations Act.



.....
Linda Ellis, Company Secretary
Steadfast Group Limited
21 August 2019

Appendix 1 - Offer Terms

1 OFFER

- (a) Steadfast offers to acquire all of your IBNA Shares, together with all Rights attaching to them, on the following terms and conditions.
- (b) This Offer relates to IBNA Shares that exist or will exist as at the Register Date.
- (c) You may only accept this Offer for all of your IBNA Shares.
- (d) By accepting this Offer, you undertake to transfer to Steadfast not only the IBNA Shares to which this Offer relates but also all Rights attached to those IBNA Shares (see clauses 6.4 and 6.5).

2 CONSIDERATION

- (a) The consideration offered is 2.54 New Steadfast Shares for every 1 IBNA Share (**Offer Consideration**).
- (b) If the number of New Steadfast Shares you become entitled to is not a whole number, that fraction shall be rounded up to the nearest whole number of New Steadfast Shares.
- (c) If Steadfast reasonably believes that an IBNA Shareholder's holdings have been manipulated to take advantage of this rounding up, then any fractional entitlement will be rounded down.
- (d) The New Steadfast Shares to be issued under the Offer will be issued fully paid and will rank equally in all respects with all other Steadfast Shares currently on issue.

3 OFFER PERIOD

This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being 22 August 2019, and ending at 7.00pm (Sydney Time) on:

- (a) 23 September 2019; or
 - (b) any date to which the period of this Offer is extended in accordance with the Corporations Act,
- whichever is the later.

4 OFFICIAL QUOTATION OF NEW STEADFAST SHARES

- (a) Steadfast has been admitted to the official list of ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by ASX.
- (b) This Offer and any contract that results from your acceptance of this Offer are subject to a condition that:
 - (i) Steadfast applies to ASX within 7 days after this Bidder's Statement is given to IBNA, for the admission of the New Steadfast Shares to official quotation; and
 - (ii) permission for admission to official quotation by ASX of the New Steadfast Shares to be issued under the Offers which are accepted, is granted no later than 7 days after the end of the Offer Period.
- (c) The condition in clause 4(b) is required by section 625(3) of the Corporations Act, is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in Appendix 2. Section 625(3) of the Corporations Act provides that this Offer cannot be freed of the

condition prescribed in that section, and consequently no statement made by Steadfast can be taken to be a waiver of that condition. If this condition is not fulfilled all contracts resulting from acceptance of the Offer will be void automatically.

- (d) Official quotation of securities by ASX is not granted automatically on application. However, Steadfast has no reason to believe that the New Steadfast Shares to be issued under the Offer will not be admitted to quotation by ASX.

5 HOW TO ACCEPT THIS OFFER

5.1 ACCEPTANCE DEADLINE

Acceptances must be received in the manner specified below prior to the close of the Offer Period at 7.00pm (Sydney Time) on 23 September 2019, unless extended or withdrawn.

5.2 ACCEPTANCE PROCEDURE FOR IBNA SHAREHOLDERS

To accept this Offer you must complete and sign your Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on the Acceptance Form) to the address indicated under clause 5.2(a) so that your acceptance is received before the end of the Offer Period.

(a) **Accepting the Offer**

(i) **By post**

Completed Acceptance Forms and accompanying documentation can be sent to:

Steadfast Group Limited (IBNA Takeover Offer)
Level 4, 97-99 Bathurst Street
Sydney NSW 2000

A reply paid envelope (not able to be used by IBNA Shareholders outside Australia) is enclosed for your convenience.

(ii) **By hand**

Completed Acceptance Forms and accompanying documentation can be hand delivered to:

Steadfast Group Limited
Level 4, 97-99 Bathurst Street
Sydney NSW 2000

(iii) **By email**

To accept via email, scan your completed Acceptance Form and accompanying documentation and send a copy to:

acceptance@steadfast.com.au

The transmission of the Acceptance Form and other documents is at your own risk.

(b) **Acceptance Form**

The Acceptance Form which accompanies this Offer forms part of it. Subject to clause 5.4, the requirements on the Acceptance Form must be observed in accepting this Offer in respect of your IBNA Shares.

(c) **Steadfast Application Form and Steadfast Licence Agreement**

The Steadfast Application Form and the Steadfast Licence Agreement which accompany this Offer form part of it. To accept this Offer, you must, or must procure that your relevant associated IBNA Broker, completes and signs the Steadfast Application Form and the Steadfast Licence Agreement and returns each of those documents together with the Acceptance Form as indicated under clause 5.2(a).

If you or your relevant associated IBNA Broker have already separately provided a validly completed Steadfast Application Form and signed Steadfast Licence Agreement to Steadfast, you do not need to return the Steadfast Application Form and Steadfast Licence Agreement. **To accept the Offer, you will still need to return your Acceptance Form in accordance with the instructions above.**

(d) **Beneficial owners**

Beneficial owners whose IBNA Shares are registered in the name of a trust company or other nominee should contact that nominee for assistance in accepting this Offer.

5.3 **AUTHORITY TO ACCEPT THE OFFER**

When accepting the Offer, you should ensure that:

- (a) if the Acceptance Form, Steadfast Application Form and/or Steadfast Licence Agreement is executed by a corporation, it is signed by 2 directors, a director and a company secretary, or by the sole director in the case of an Australian company with a sole director who is also the sole company secretary;
- (b) if the accepting IBNA Shareholder is 2 or more joint holders, all such holders sign the Acceptance Form;
- (c) if the Acceptance Form, Steadfast Application Form and/or Steadfast Licence Agreement is executed by an attorney, a certified copy of the power of attorney is provided with your Acceptance Form; and
- (d) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased IBNA Shareholder, a certified copy of the relevant grant of probate or letters of administration is provided with your Acceptance Form.

5.4 **WHEN ACCEPTANCE IS COMPLETE**

Acceptance of this Offer will not be complete until the completed or signed (as applicable) Acceptance Form, Steadfast Application Form and Steadfast Licence Agreement have been received at the address (either postal address or email address, as applicable) set out in clause 5.2(a) and the requirements of this clause 5 have otherwise been met, provided that:

- (a) Steadfast may in its sole discretion and without notice to you waive any or all of those requirements at any time (including requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under clause 5.2);
- (b) Steadfast may in its sole discretion and without notice to you accept an Acceptance Form that has been returned without a Steadfast Application Form and/or Steadfast Licence Agreement; and
- (c) where such requirements have been complied with in respect of some but not all of your IBNA Shares, Steadfast may, in its sole discretion, deem your acceptance of this Offer complete in respect of those IBNA Shares for which the requirements have been complied with but not in respect of the remainder (unless Steadfast waives those requirements in accordance with clause 5.4).

Where Steadfast elects to waive any requirement of this clause 5, your acceptance of this Offer will be complete regardless of any failure by you to comply with the waived requirement.

6 CONSIDERATION FOR YOUR IBNA SHARES

6.1 HOW THE OFFER CONSIDERATION FOR YOUR IBNA SHARES WILL BE PROVIDED

The obligation of Steadfast to issue and allot any New Steadfast Shares to which you are entitled as Offer Consideration under the Offer will be satisfied by Steadfast:

- (a) entering your name in the Steadfast share register; and
- (b) dispatching or procuring the dispatch to you an uncertificated holding statement in your name by pre-paid ordinary mail to your address as shown on the Register (or such other address as you may notify in writing to Steadfast).

If your IBNA Shares are held in a joint name, an uncertificated holding statement or a confirmation of issue will be issued in the name of the joint holders.

6.2 WHEN OFFER CONSIDERATION IS PROVIDED

Subject to clause 6.3 and the Corporations Act, if the contract resulting from your acceptance of this Offer becomes unconditional, Steadfast will provide the Offer Consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) 1 month after the date this Offer is validly accepted by you or, if this Offer is subject to a defeating condition when accepted, within 1 month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

6.3 WHERE ADDITIONAL DOCUMENTS ARE REQUIRED

Where the Acceptance Form or any subsequent request from Steadfast requires additional documents to be given with your acceptance (such as a certified copy of any of a power of attorney, grant of probate or letters of administration, or any other document reasonably requested by Steadfast to give better effect to your acceptance or to perfect your joining of the Steadfast Network pursuant to the Steadfast Application Form and Steadfast Licence Agreement):

- (a) if the documents are given with your acceptance, Steadfast will provide the consideration in accordance with clause 6.2; or
- (b) if the documents are given after acceptance and before the end of the Offer Period and this Offer is subject to a defeating condition at the time that Steadfast is given the documents, Steadfast will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) 1 month after the contract resulting from your acceptance of this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and this Offer is unconditional at the time that Steadfast is given the documents, Steadfast will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) 1 month after Steadfast is given the documents; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, Steadfast will provide the consideration within 21 days after the documents are given; but if at the time Steadfast is given the documents, the contract

resulting from your acceptance of this Offer is still subject to 1 or more of the conditions referred to in paragraph (d) of Appendix 2, Steadfast will provide the consideration within 21 days after that contract becomes unconditional.

If you do not provide Steadfast with the required additional documents within 1 month after the end of the Offer Period, Steadfast may, in its sole discretion, rescind the contract resulting from your acceptance of this Offer.

6.4 WHERE STEADFAST IS ENTITLED TO ANY RIGHTS

If Steadfast becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give Steadfast all documents necessary to vest those Rights in Steadfast or otherwise to give Steadfast the benefit or value of those Rights. If you do not give those documents to Steadfast, or if you have received the benefit of those Rights, then Steadfast may deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Steadfast) of those Rights in accordance with clause 6.5.

6.5 RIGHTS GENERALLY

If:

- (a) you have (or any previous holder of your IBNA Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your IBNA Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights,

then Steadfast may deduct the value (as reasonably assessed by Steadfast) of such Rights from any Offer Consideration otherwise payable to you.

If Steadfast does not, or cannot, make such a deduction, you must pay such value or amount to Steadfast.

6.6 CLEARANCES FOR CERTAIN IBNA SHAREHOLDERS

If, at the time you accept the Offer, any consent, authority, clearance or approval is required for you to receive any consideration under this Offer, including any consent, authority, clearance or approval of:

- (a) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
- (b) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
- (c) the Australian Taxation Office; or
- (d) any other person as required by any other law of Australia that would make it unlawful for Steadfast to provide the Offer Consideration for your IBNA Shares,

then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive, and you will not be entitled to receive, any consideration for your IBNA Shares unless and until all requisite consents, authorities, clearances or approvals have been received by Steadfast.

If Steadfast is required by law to retain or withhold (and pay to a Regulatory Authority) any amount of the Offer Consideration you are entitled to under this Offer, the retention or payment by Steadfast of that amount in conjunction with providing the remaining Offer Consideration to be provided to you in accordance with clause 6 will constitute full and proper provision of the Offer Consideration to you under this Offer.

7 CONDITIONS OF THIS OFFER

7.1 CONDITIONS

Subject to this clause 7, this Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the Conditions set out in Appendix 2.

7.2 NATURE OF CONDITIONS

Each of the Conditions:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period (or in the case of the Condition referred to in paragraph (d) of Appendix 2, until 3 Business Days after the end of the Offer Period) will be for the benefit of Steadfast alone and may be relied upon only by Steadfast.

7.3 EFFECT OF BREACH OR NON-FULFILMENT

The breach or non-fulfilment of any of the Conditions does not, until the end of the Offer Period, prevent a contract arising to acquire your IBNA Shares resulting from your acceptance of this Offer but, if at the end of the Offer Period (or, in the case of the Condition in paragraph (d) of Appendix 2 at the end of 3 Business Days after the end of the Offer Period), in respect of any Condition:

- (a) Steadfast has not declared this Offer (and it has not become) free from that Condition; and
- (b) that Condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void.

7.4 STEADFAST MAY DECIDE THE OFFER IS FREE FROM ALL OR ANY OF THE CONDITIONS

Steadfast may at any time, but in compliance with the Corporations Act, declare the Offer free from all or any of the Conditions by notice in writing to IBNA:

- (a) in the case of the Condition referred to in paragraph (d) of Appendix 2 - not later than 3 Business Days after the end of the Offer Period; or
- (b) in any other case - not later than 7 days before the end of the Offer Period,

provided that Steadfast cannot waive the 80% minimum acceptance condition or the Restructure condition without IBNA's consent, not to be unreasonably withheld or delayed.

7.5 DATE FOR GIVING NOTICE ON STATUS OF CONDITIONS

The date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 16 September 2019, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

8 EFFECT OF ACCEPTANCE

8.1 REVOCATION OF ACCEPTANCE

Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of this Offer or otherwise dispose of your IBNA Shares, except as follows:

- (a) if, by the times specified in clause 8.2, the Conditions have not all been fulfilled or waived, then this Offer will automatically terminate and your IBNA Shares will be returned to you; or
- (b) if the Offer Period is varied in a way that postpones for more than 1 month the time when Steadfast has to meet its obligations under the Offer and, at that time, this Offer is subject to 1 or more of the Conditions, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

8.2 TIMES

The relevant times for the purposes of clause 8.1(a) are:

- (a) in the case of the defeating Condition referred to in paragraph (d) of Appendix 2 - 3 Business Days after the end of the Offer Period; and
- (b) in the case of all other defeating Conditions in Appendix 2 - the end of the Offer Period.

8.3 YOUR AGREEMENT

By signing and returning the Acceptance Form, Steadfast Application Form and Steadfast Licence Agreement, or otherwise accepting this Offer, you will be deemed to have:

- (a) irrevocably authorised Steadfast to alter the Acceptance Form, Steadfast Application Form and/or Steadfast Licence Agreement on your behalf by:
 - (i) inserting on the Acceptance Form correct details of your IBNA Shares (including details of a parcel of IBNA Shares required by clause 11.4(b));
 - (ii) filling in any blanks remaining on the Acceptance Form, Steadfast Application Form and/or Steadfast Licence Agreement; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form, Steadfast Application Form and/or Steadfast Licence Agreement,

as may be necessary to make the Acceptance Form a valid acceptance of this Offer, to enable registration of the transfer of your IBNA Shares to Steadfast, to enable you or your relevant affiliated IBNA Broker to become a Steadfast Network Broker, and agreed to provide any document reasonably requested by Steadfast to make the Acceptance Form a valid acceptance of this Offer or to otherwise give better effect to your acceptance or to perfect your joining of the Steadfast Network pursuant to the Steadfast Application Form and Steadfast Licence Agreement; and

- (b) irrevocably accepted this Offer in respect of all your IBNA Shares despite any difference between that number and the number of IBNA Shares shown on the Acceptance Form; and
- (c) agreed to the terms and conditions of this Offer and, subject to the Conditions being fulfilled or waived, agreed to transfer to Steadfast of your IBNA Shares; and
- (d) represented and warranted to Steadfast, as a fundamental condition which goes to the root of the contract resulting from your acceptance of this Offer, that at the time of acceptance and at the time of transfer of your IBNA Shares to Steadfast:

-
- (i) you have paid to IBNA all amounts which are due for payment in respect of your IBNA Shares; and
 - (ii) all of your IBNA Shares are fully paid and free from all Encumbrances and restrictions on transfer of any nature; and
 - (iii) you have full power and capacity to sell and transfer those IBNA Shares; and
- (e) on this Offer, or any contract resulting from acceptance of this Offer, becoming unconditional:
- (i) irrevocably appointed Steadfast and each Steadfast Director from time to time individually as your agent and attorney on your behalf to:
 - (A) attend and vote in respect of your IBNA Shares at all general meetings of IBNA; and
 - (B) receive from IBNA or any other party, and retain, any share certificates which were held by IBNA, or any other party, whether pursuant to the terms of any employee incentive scheme (including any employee share scheme) or otherwise; and
 - (C) sign all documents (including an instrument appointing 1 of Steadfast's Directors as a proxy in respect of any or all of your IBNA Shares and any application to IBNA for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your IBNA Shares, and generally to exercise all powers and rights which you may have as an IBNA Shareholder and perform such actions as may be appropriate in order to vest good title in your IBNA Shares in Steadfast, and to have agreed that, in exercising such powers, any such Steadfast Director is entitled to act in Steadfast's interests as the beneficial owner and intended registered holder of your IBNA Shares; and
 - (D) sign all documents to enable you or your relevant affiliated IBNA Broker to become a Steadfast Network Broker, including the Steadfast Application Form and Steadfast Licence Agreement,

and such appointment will terminate on the earlier of the withdrawal of your acceptance of this Offer (either in accordance with its terms or under section 650E of the Corporations Act) and the registration of Steadfast as the registered holder and beneficial owner of your IBNA Shares; and

while such appointment continues:

- (ii) agreed not to vote in person at any general meeting of IBNA or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on the Steadfast Board by clause 8.3(e)(i); and
- (iii) represented and warranted to Steadfast you are not a person who is (or acting on behalf of a person who is) a citizen or resident of a jurisdiction other than Australia and its external territories; and
- (iv) irrevocably authorised Steadfast to apply for the issue to your account of that number of New Steadfast Shares corresponding to your entitlement under this Offer at the date of application; and
- (v) agreed to accept the New Steadfast Shares to which you have become entitled by acceptance of this Offer subject to the terms of this Offer and the Steadfast Constitution, agreed that you will be bound by the Steadfast Constitution, and authorised Steadfast to place your name on its share register in respect of those New Steadfast Shares; and
- (vi) irrevocably authorised and directed Steadfast to direct IBNA to pay to Steadfast, or to account to Steadfast for, all Rights in respect of your IBNA Shares, subject to Steadfast accounting to

you for any such Rights received by Steadfast if this Offer is withdrawn or any contract resulting from your acceptance to this Offer is rescinded or rendered void; and

- (vii) except where Rights have been accounted for under clause 8.3(e)(vi), in accordance with clause 6.5, irrevocably authorised Steadfast to reduce the number of New Steadfast Shares you are entitled to by a value, as reasonably assessed by Steadfast of all Rights in respect of your IBNA Shares; and
- (viii) irrevocably authorised Steadfast to notify IBNA on your behalf that your place of address for the purposes of serving notices upon you in respect of your IBNA Shares is the address specified by Steadfast in the notification; and
- (ix) acknowledged and agreed that, except as permitted by and in accordance with applicable law, you will not knowingly offer or resell in, or to persons in, the United States of America any New Steadfast Shares which you acquire at any time; and
- (x) agreed to become bound by the terms of the Steadfast Licence Agreement.

By accepting this Offer you will be deemed to have agreed to the matters set out in clauses 8.3(a) to 8.3(e).

Steadfast may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any), Steadfast Application Form and/or Steadfast Licence Agreement, or there is non-compliance with any 1 or more of the other requirements for acceptance but, if Steadfast does so, Steadfast is not obliged to make the Offer Consideration available to you until all of the requirements for acceptance have been met. Steadfast may, in its absolute discretion, decline to accept a Steadfast Application Form and not execute a Steadfast License Agreement. If this occurs in relation to a participating IBNA Shareholder who has validly accepted the Offer, that IBNA Shareholder would still receive the Offer Consideration in accordance with the terms of the Offer.

9 WITHDRAWAL

Steadfast may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

10 VARIATION

Steadfast may vary this Offer in accordance with the Corporations Act.

11 ACCEPTANCES BY TRANSFEREES AND NOMINEES

11.1 WHO MAY ACCEPT THIS OFFER

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your IBNA Shares may accept this Offer (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds 1 or more parcels of IBNA Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

11.2 HOLDING SHARES

- (a) A person is taken to hold IBNA Shares if the person is, or has a right to be registered as, the holder of those IBNA Shares.
- (b) A person who has a right to be registered as a holder of IBNA Shares may accept this Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with the Steadfast Application Form, Steadfast Licence Agreement and all other documents required by the instructions on the Acceptance Form) to the address (either postal address or email address, as applicable) indicated under clause 5.2(a) so that the acceptance is received before the end of the Offer Period.

11.3 HOLDING SHARES ON TRUST OR AS A NOMINEE

A person is taken to hold IBNA Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular IBNA Shares; and
- (b) hold their interest in the IBNA Shares on trust for, as nominee for, or on account of, that other person.

11.4 EFFECTIVE ACCEPTANCE

An acceptance of an offer under clause 11.1(b) is ineffective unless:

- (a) the person who holds on account of another person, gives Steadfast a notice stating that the IBNA Shares consist of a separate parcel; and
- (b) the acceptance specifies the distinct number of IBNA Shares in that parcel.

References in this Offer to your IBNA Shares will be treated to relate to that separate distinct parcel.

11.5 NOTICE OF ACCEPTANCE

A notice under clause 11.4(a) of these terms must be made in writing.

A person may, at the one time, accept for 2 or more parcels under this clause as if there had been a single offer for a separate parcel consisting of those parcels.

12 OTHER MATTERS

12.1 NOTICES AND OTHER COMMUNICATIONS

Subject to the Corporations Act, a notice or other communication given by Steadfast to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the Register or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

12.2 RETURN OF DOCUMENTS

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Steadfast, but before it has been received; or

(b) for any other reason Steadfast does not acquire the IBNA Shares to which your Acceptance Form relates, you may request Steadfast by notice in writing to return to you all documents (other than the Acceptance Forms) to such address as you nominate. Where such address is inside Australia, those documents will be sent to you by pre-paid ordinary mail. Where such address is outside Australia, those documents will be sent to you by pre-paid airmail. Steadfast intends to destroy the Acceptance Forms in the above circumstances.

12.3 COSTS AND EXPENSES

All costs and expenses of the preparation, despatch and circulation of the Bidder's Statement and this Offer and all stamp duty payable in respect of a transfer of IBNA Shares in respect of which Offers are accepted, will be paid by Steadfast.

12.4 FOREIGN LAWS

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and to receive New Steadfast Shares as Offer Consideration.

12.5 GOVERNING LAW

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

Appendix 2 - Conditions of the Offer

This Offer, and any contract resulting from acceptance of this Offer, is subject to fulfilment of the following conditions:

- (a) **(minimum acceptance)** during or at the end of the Offer Period, Steadfast having received acceptances under the Offer which give Steadfast a Relevant Interest in at least 80% of the IBNA Shares;
- (b) **(Restructure)** IBNA having obtained IBNA Shareholder approval of the matters required to implement the Restructure and having implemented the Restructure in compliance with all relevant laws and such that the Offer is able to be completed in accordance with the terms of the Bid Implementation Agreement at least 2 Business Days prior to the date on which the Bidder's Statement is to be lodged with ASIC in accordance with the Timetable, and provided to Steadfast evidence of completion of the Restructure (including an updated Register);
- (c) **(termination of AIMS JVA)** IBNA having:
 - (i) terminated the AIMS JVA and such termination (or any related arrangement with Austbrokers or any other person) does not have any material ongoing financial or legal liability for, or any other ongoing adverse impact on, IBNA, or on the ability of Steadfast to undertake the Offer in accordance with the Bid Implementation Agreement; and
 - (ii) obtained a formal release from all relevant parties to the AIMS joint venture under which IBNA is released in respect of any future performance, obligation or liability in connection with, directly or indirectly, the AIMS JVA or the AIMS joint venture;
- (d) **(no IBNA Prescribed Occurrences)** there not occurring an IBNA Prescribed Occurrence during the Offer Period;
- (e) **(no negative net assets)** there not having occurred or occurring (including with the giving of notice or lapse of time or both) any event or circumstance which has the effect of reducing the consolidated net assets of the IBNA Group to less than the FY20 PSF Receivables actually received by IBNA which have not otherwise been accounted for in accordance with clause 5.6(b) of the Bid Implementation Agreement;
- (f) **(no restraining orders)** that between the date of the Bid Implementation Agreement and the end of the Offer Period:
 - (i) there is not in effect any preliminary or final decision, order or decree issued by any Regulatory Authority; and
 - (ii) no application is made to any Regulatory Authority (other than by a member of the Steadfast Group), or action or investigation is announced, threatened or commenced by a Regulatory Authority,in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:
 - (iii) restrains, prohibits or impedes (or if granted could restrain, prohibit or impede), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Steadfast in respect of IBNA and the IBNA Shares to be acquired under the Offer; or
 - (iv) requires the divestiture by Steadfast of any IBNA Shares, or the divestiture of any assets of the IBNA Group, the Steadfast Group, or otherwise.

(g) **(non-existence of certain rights)** that no person has any right (whether subject to conditions or not) as a result of Steadfast acquiring IBNA Shares to:

- (i) acquire, or require IBNA or an IBNA Subsidiary to dispose of, or offer to dispose of, any material asset of IBNA or an IBNA Subsidiary; or
- (ii) terminate or vary or exercise any right under any material agreement with IBNA or an IBNA Subsidiary,

except for any rights under any provision of any agreement or other instrument disclosed in writing to Steadfast or its Representatives prior to execution of the Bid Implementation Agreement;

(h) **(no termination of the Bid Implementation Agreement by IBNA)** between the date of the Bid Implementation Agreement and the end of the Offer Period, IBNA does not terminate the Bid Implementation Agreement in accordance with its terms;

(i) **(no material breach of the Bid Implementation Agreement by IBNA)** between the date of the Bid Implementation Agreement and the end of the Offer Period, IBNA is not in breach of any provision of the Bid Implementation Agreement in circumstances where:

- (i) that breach is material;
- (ii) Steadfast has given written notice to IBNA setting out that breach; and
- (iii) either:
 - (A) the breach is incapable of remedy; or
 - (B) if the breach is capable of remedy but the breach is not remedied by IBNA within 5 Business Days of it receiving notice from Steadfast.

Without limitation, IBNA acknowledges and agrees that any breach of clauses 4.4(c), 4.5, 4.6(a), 4.6(b), 5.1 to 5.3, or 8.3 of the Bid Implementation Agreement, will be material for the purposes of this paragraph (i);

(j) **(IBNA Directors to recommend)** the IBNA Directors:

- (i) unanimously recommend that the IBNA Shareholders accept; and
- (ii) state that each IBNA Director intends to procure the acceptance of, in respect of IBNA Shares they own or control,

the Offer in the Target's Statement in relation to the Takeover Bid, and do not modify that recommendation or statement (as the case may be); and

(k) **(Steadfast Licence Agreement)** each accepting IBNA Shareholder having complied with applicable terms of the Offer, including (as applicable) it or its relevant associated broker having executed a Steadfast Licence Agreement.

The above conditions are conditions subsequent and do not prevent a contract resulting from acceptance of this Offer from coming into effect but any breach or non-fulfilment of them entitles Steadfast to rescind any contracts resulting from acceptance of this Offer.

Appendix 3 - IBNA Prescribed Occurrences

- (a) **(Conversion)** IBNA converts all or any of its shares into a larger or smaller number of shares.
- (b) **(Reduction of share capital)** IBNA resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
- (c) **(Buy-back)** IBNA:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- (d) **(Issuing or granting shares or options)** IBNA or any IBNA Subsidiaries:
 - (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make such an issue or grant such an option,in each case to a person outside the IBNA Group.
- (e) **(Securities or other instruments)** IBNA or any IBNA Subsidiaries:
 - (i) issues securities or other instruments convertible into shares or debt securities; or
 - (ii) agrees to issue securities or other instruments convertible into shares or debt securities,in each case to a person outside the IBNA Group.
- (f) **(Constitution)** IBNA adopts a new constitution or materially modifies or repeals its constitution or a material provision of it.
- (g) **(Disposals)** any member of the IBNA Group disposes, or agrees to dispose of the whole or a substantial part of its business or property;
- (h) **(Acquisitions, disposals or tenders)** any member of the IBNA Group
 - (i) acquires or disposes of;
 - (ii) agrees to acquire or dispose of; or
 - (iii) offers, proposes, announces a bid or tenders for,any business, assets, entity or undertaking the value of which exceeds \$250,000.
- (i) **(Insolvency)** IBNA or any of its Related Bodies Corporate becomes Insolvent.
- (j) **(Related party transactions)** any member of the IBNA Group entering into, or resolving to enter into, a transaction with a related party of IBNA (other than a related party that is a member of the IBNA Group) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E.
- (k) **(Dealings with AIMS JVA parties)** any member of the IBNA Group entering into, or resolving to enter into, a transaction, arrangement, or agreement with Austbrokers, Austbrokers Services or AIMS (or any of

their respective Representatives or joint venture partners) which is outside the ordinary course of the business of the IBNA Group, other than where such transaction, arrangement or agreement is reasonably necessary to terminate the AIMS JVA and is on terms reasonably acceptable to Steadfast.

- (l) **(Indebtedness)** incur additional financier indebtedness except as Disclosed by the Company (and, for the avoidance of doubt, such indebtedness does not restrict additional draw-downs on existing working capital or overdraft facilities in the ordinary course of business).
- (m) **(Encumbrance)** any member of the IBNA Group creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property, other than:
 - (i) a lien, retention of title (or similar security interest) which arises by operation of law or legislation or arises in the ordinary course of the IBNA Group's business;
 - (ii) to IBNA or another member of the IBNA Group; or
 - (iii) any security required in connection with IBNA's debt facilities Disclosed to Steadfast,

provided that an IBNA Prescribed Occurrence listed in paragraphs (a) to (m) will not occur where the conduct was expressly required or contemplated by the Bid Implementation Agreement or the Restructure NOM (including in relation to implementation of the Restructure, declaration and payment of any Permitted Dividend and, subject to clause 4.4 of the Bid Implementation Agreement, termination of the AIMS JVA), or where IBNA has first consulted with Steadfast in relation to the event (and provided reasonable details of the proposed transaction and its material terms in writing to Steadfast) and Steadfast has approved the proposed event in writing or has not objected to the proposed event within 5 Business Days of having being so consulted.

Corporate directory

ABN:	98 073 659 677
Directors:	<p>Frank O'Halloran, AM (Independent Non-Executive Chairman, Non-Executive Director)</p> <p>Robert Kelly (Managing Director, Chief Executive Officer)</p> <p>David Liddy, AM (Independent Non-Executive Director)</p> <p>Gai McGrath (Independent Non-Executive Director)</p> <p>Anne O'Driscoll (Independent Non-Executive Director)</p> <p>Philip Purcell (Independent Non-Executive Director)</p> <p>Gregory Rynenberg (Independent Non-Executive Director)</p>
Chief Financial Officer:	Stephen Humphrys
Company Secretaries:	<p>Linda Ellis</p> <p>Peter Roberts</p>
Registered and principal office:	Level 4, 99 Bathurst Street Sydney, NSW, 2000
Legal adviser:	<p>King & Wood Mallesons</p> <p>Level 61, 1 Farrer Place</p> <p>Sydney, NSW, 2000</p>
Auditors:*	KPMG
Share registry:*	<p>Link Market Services Limited</p> <p>Level 12, 680 George Street</p> <p>Sydney, NSW, 2000</p>
ASX CODE:	SDF

* For information purposes only. These parties have not been involved in the preparation of this Bidder's Statement

THIS FORM AND THE BIDDER'S STATEMENT ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT AS TO HOW TO COMPLETE THIS FORM, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISOR.

Steadfast Group Limited

(ABN 98 073 659 677)

Acceptance & Transfer Form

USE THIS FORM TO ACCEPT STEADFAST GROUP LIMITED'S OFFER TO ACQUIRE ALL OF YOUR IBNA SHARES ON THE TERMS AND CONDITIONS SET OUT IN THE BIDDER'S STATEMENT

A	Details		
	SHAREHOLDER NAME:		
	SHAREHOLDER ADDRESS:		
	YOUR HOLDING:	_____ IBNA Shares	
	IF A CURRENT STEADFAST SHAREHOLDER, STATE HIN OR SRN (AS APPLICABLE):	HIN:	
		SRN:	
B	You must give your instructions to accept the Offer		
	<p>If you sign and return this form, you will be deemed to have accepted the Offer in respect of ALL your IBNA Shares. You acknowledge the effect of your acceptance is as set out in clause 8 of Appendix 1 to the Bidder's Statement (including agreeing to the indemnity set out in clause 8.3(b) and giving the representations and warranties set out in clause 8.3(e)). Your Acceptance Form must be received by Steadfast by no later than the end of the Offer Period.</p> <p>The Offer Consideration is 2.54 New Steadfast Shares for every 1 IBNA Shares that you hold.</p>		
C	You must return a Steadfast Application Form and a Steadfast Licence Agreement		
	<p>If you have not already done so, you must provide a completed Steadfast Application Form and a signed Steadfast Licence Agreement to Steadfast before the end of the Offer Period in order to accept the Offer.</p> <p>If you are not an IBNA Broker, you must procure that your relevant affiliated IBNA Broker returns a completed Steadfast Application Form and a signed Steadfast Licence Agreement to Steadfast before the end of the Offer Period in order for you to accept the Offer.</p>		
D	You must check the box applicable to you		
	<input type="checkbox"/> I, the person named above, am in possession of the share certificate in respect of my IBNA Shares, which is being provided to Steadfast upon my acceptance of the Offer.	<input type="checkbox"/> I, the person named above, am not in possession of the share certificate in respect of my IBNA Shares and:	<ul style="list-style-type: none"> • represent and warrant that the share certificate has either been lost and proper searches have been made, or was never issued to me by IBNA; • represent and warrant that I have not pledged or lodged the share certificate with any person as security for a loan or for any other purpose; • authorise Steadfast to make the above representations to IBNA on my behalf and seek the issue of a replacement share certificate; and • undertake that should the share certificate be found or received by me or otherwise come into my possession, I will immediately return it to Steadfast.
E	Shareholder signature(s)		
	Individual / Shareholder 1 <div style="border: 1px solid black; width: 150px; height: 40px; margin: 0 auto;"></div> Sole Director & Company Secretary	Individual / Shareholder 2 <div style="border: 1px solid black; width: 150px; height: 40px; margin: 0 auto;"></div> Director / Company Secretary	Individual / Shareholder 3 <div style="border: 1px solid black; width: 150px; height: 40px; margin: 0 auto;"></div> Director
	The Steadfast Directors reserve the right to make amendments to this form where appropriate.		

F	Further important instructions		
	<ul style="list-style-type: none"> Please ensure that your name and address are correct and that these are the correct details for the individual or entity (e.g. company, trust) which holds your IBNA Shares. Please note your New Steadfast Shares will be issued in the name exactly as stated on the IBNA Register as provided to Steadfast by IBNA. Please sign this form in the places for signatures set out on the front page and in accordance with clause 5.3 of Appendix 1 to the Bidder's Statement. Information you supply in connection with this form will be used by Steadfast for the primary purpose of processing your acceptance of the Offer and to provide you with the Offer Consideration. This information may be disclosed to Steadfast's professional advisors, share registry, printing and mailing providers and other third parties in connection with the Offer. You have rights to obtain access to the personal information which you have supplied in connection with the Offer. Mail, deliver or email the completed Acceptance Form (together with a completed Steadfast Application Form and a signed Steadfast Licence Agreement) and any other documents required by the above instructions to: 		
	Mailing address Steadfast Group Limited (IBNA Takeover Offer) Level 4, 99 Bathurst Street Sydney NSW 2000	Hand deliver Steadfast Group Limited Level 4, 99 Bathurst Street Sydney NSW 2000	Email address Scan your completed Acceptance Form and accompanying documents to: acceptance@steadfast.com.au
	<p>Your acceptance must be received by Steadfast by no later than the end of the Offer Period, which is 7.00pm (Sydney Time) on 23 September 2019 (unless otherwise extended or withdrawn by Steadfast).</p> <p>If you have any questions about the terms and conditions of the Offer or how to accept the Offer, please call the General Counsel of Steadfast on +61 2 9495 6557, Monday to Friday between 9.00am and 5.00pm (Sydney Time).</p>		
G	Defined terms		
	Terms used in this form are defined in the Bidder's Statement from Steadfast Group Limited dated 21 August 2019.		