

ASX Announcement

30 August 2019

Registration of Scheme Booklet

Dreamscape Networks Limited (ASX:DN8) (Dreamscape) is pleased to confirm that the scheme booklet (Scheme Booklet) in relation to the proposed acquisition by Web.com Group, Inc by way of scheme of arrangement (the Scheme) has today been registered with the Australian Securities and Investments Commission (ASIC).

A copy of the Scheme Booklet is attached and will also be available on the Company's website at www.dreamscapenetworks.com

If the Scheme is implemented, Dreamscape shareholders will be entitled to receive A\$0.27 cash per Dreamscape share on or about 29 October 2019. The Record Date for the Scheme is expected to be 22 October 2019.

Directors Recommendation

The Independent Directors unanimously recommend that you **vote in favour** of the Scheme, in the absence of a superior proposal.

Dreamscape shareholders should carefully read the Scheme Booklet in its entirety and the material accompanying it before deciding whether to vote in favour of the Scheme.

Independent Expert

The Independent Expert has concluded that the Scheme is in the best interests of Dreamscape Shareholders in the absence of a superior proposal.

Despatch of Scheme Booklet

The Scheme Booklet, which also contains the Notice of Scheme Meeting, will be despatched to Dreamscape shareholders by Wednesday, 4 September 2019.

Scheme Meeting

The Scheme Meeting, to approve the Scheme, will be held at the office of HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia, on Monday, 7 October 2019 commencing at 10:30am (Perth time).

Each shareholder's vote is important to determining whether or not the Scheme proceeds. All shareholders registered as at 5:00pm (Perth time) on 5 October 2019 will be entitled to vote at the Scheme Meeting, and are encouraged to do so. Mark Evans has advised the Company that he will not vote any Dreamscape Shares held or controlled by him, or on his behalf, on the Scheme at the Scheme Meeting.

Dreamscape shareholders do not need to attend the Scheme Meeting in person to vote, as their vote can be made by proxy by completing the personalised proxy form that will be enclosed in the Scheme Booklet to be sent to shareholders. Instructions for proxy lodgement, including an option to lodge the proxy form online, will be included on the proxy form.

All proxy forms must be received by the Company's share registry by no later than 10:30am (Perth time) on 5 October 2019 in accordance with the directions set out in the proxy form.

Second Court Hearing

In the event the Scheme is approved at the Scheme Meeting and all relevant conditions of the Scheme are satisfied or waived, Dreamscape will apply to the Court for orders approving the Scheme.

Siteplus Option

The Scheme is conditional on the grant of the Siteplus Option. Dreamscape will seek shareholder approval at a separate General Meeting (which is scheduled to be held on the same day as the Scheme Meeting) for the grant of the Siteplus Option and the entry into the siteplus Option Agreement. Further details on the Siteplus Option are set out in section 6 of the Scheme Booklet and will also be set out in a separate Notice of Meeting to be despatched to Dreamscape shareholders by 4 September 2019.

Important Dates and Times

Expected important dates and times for the Scheme are set out below:

| | |
|--|------------------------------|
| First Court Date | 30 August 2019 |
| Dispatch of Scheme Booklet, Notice of Scheme Meeting and Notice of General Meeting to Dreamscape Shareholders | 4 September 2019 |
| Latest time and date by which completed Proxy Forms for the General Meeting must be received | 9:30am (WST) 5 October 2019 |
| Latest time and date by which completed Proxy Forms for the Scheme Meeting must be received | 10:30am (WST) 5 October 2019 |
| Time and date for determining eligibility of registered Dreamscape Shareholders to vote at the General Meeting | 5:00pm (WST) 5 October 2019 |
| Time and date for determining eligibility of registered Dreamscape Shareholders to vote at the Scheme Meeting | 5:00pm (WST) 5 October 2019 |
| Time and date of the General Meeting | 9:30am (WST) 7 October 2019 |
| Time and date of the Scheme Meeting | 10:30am (WST) 7 October 2019 |

If the Scheme is approved by Dreamscape Shareholders, the expected timetable for implementation of the Scheme is:



| | |
|--|-----------------|
| Second Court Date for approval of the Scheme | 14 October 2019 |
| Effective Date on which the Scheme comes into effect and is binding on Dreamscape Shareholders | 15 October 2019 |
| Court order lodged with ASIC and announced on the ASX | |
| Last day of trading in Dreamscape Shares on the ASX (with Dreamscape Shares suspended from close of trading) | |
| Record Date for determining entitlements to Scheme Consideration | 22 October 2019 |
| Implementation Date payment of Scheme Consideration to Dreamscape Shareholders | 29 October 2019 |

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and any other regulatory authority. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX and notified on Dreamscape's website at www.dreamscapenetworks.com.


Dreamscape will continue to keep shareholders updated on status of the Scheme as the timetable progresses.

For more information, please contact

Evan Cross – Non-Executive Director

Peter James – Non-Executive Chairman or

Tony Sparks – Company Secretary

 +61 8 9422 0894

 investor.relations@dreamscapenetworks.com

About Dreamscape Networks Limited

Dreamscape Networks Limited is the #1 Online Solutions Provider in Australia and Singapore with industry leading brands Crazy Domains and Vodian, in addition to Sitebeat.com, a dedicated website builder and digital commerce platform. The Dreamscape Group has over 2 million members and specialises in providing simple, innovative and affordable online solutions that help businesses and independents establish, build, maintain and grow their online presence. Our solutions are user friendly, affordable and engineered across all platforms, embracing intuitive design and all backed by our focus, passion and reputation for providing premium best in world service. For more information visit www.dreamscapenetworks.com.

About Web.com Group, Inc

Web.com is a leading technology company servicing millions of customers around the world. Through their portfolio of brands – Web.com, Network Solutions, and Register.com - they help customers of all sizes build an online presence that delivers results. Web.com has the breadth of capabilities and depth of knowledge to be your go-to partner in today's always-on digital world. With our extensive product offerings and personalized support, we take pride in partnering with our customers to service their online presence needs. Welcome to the next era of digital, welcome to Web.com. Learn more at www.web.com.



Appendix 1: Scheme Booklet





DREAMSCAPE NETWORKS LIMITED
ABN 98 612 069 842

SCHEME BOOKLET

for a scheme of arrangement in relation to the proposed
acquisition by Web.com Aus BidCo Pty Ltd of all your
Dreamscape Shares for A\$0.27 cash per Dreamscape Share

Your Independent Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal

The Independent Expert has concluded that the Scheme is in the
best interests of Dreamscape Shareholders in the absence of a
superior proposal

This is an important document and requires your immediate attention. You should
read this document in its entirety before deciding whether or not to vote in favour of
the Scheme Resolution. If you are in doubt as to what you should do, you should
consult your legal, financial or other professional adviser.

THIS SCHEME BOOKLET IS DATED 30 AUGUST 2019

REGISTERED PURSUANT TO SUBSECTION 412(6)
OF THE CORPORATIONS ACT 2001 ON

30 August 2019

A handwritten signature in blue ink, appearing to read "Lucy Thwaites", is written over a dotted line.

LUCY THWAITES

AS A DELEGATE OF THE AUSTRALIAN
SECURITIES & INVESTMENTS COMMISSION

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Letter from the Chairman of Dreamscape Networks Limited

Dear Dreamscape Shareholder

I am pleased to provide you with this Scheme Booklet to assist you to make a decision on how to vote on the Scheme. If implemented, the Scheme will result in Web.com Aus BidCo Pty Ltd (**Web.com BidCo**), an indirectly wholly-owned subsidiary of Web.com Group, Inc (**Web.com**), acquiring all Dreamscape Shares for a cash payment of A\$0.27 per share.

On 24 July 2019, Dreamscape announced it had entered into the Scheme Implementation Deed with Web.com, under which it is proposed that Web.com BidCo will acquire 100% of Dreamscape by way of Scheme of Arrangement, subject to regulatory, Court and Dreamscape Shareholder approvals.

If the Scheme is implemented, you will receive A\$0.27 in cash for each Dreamscape Share you hold on the Record Date (**Scheme Consideration**). The Scheme Consideration of A\$0.27 represents a:

- 32% premium to the closing price of Dreamscape Shares on 19 July 2019 (being the last trading day prior to Dreamscape entering into a trading halt and announcing the Scheme Implementation Deed with Web.com) of \$0.205 per share;
- 68% premium to the 30-day VWAP of Dreamscape Shares up to and including 19 July 2019 of \$0.161; and
- 88% premium to the 90-day VWAP of Dreamscape Shares up to and including 19 July 2019 of \$0.144.

The Scheme Consideration values Dreamscape at approximately \$105.2¹ million. The Transaction does not include any funding conditions and will be funded from the Web.com Group's existing cash on balance sheet and its revolver facility.

The price is a tangible measure of the value and quality of Dreamscape's capability to provide simple, innovative, online solutions that assist businesses and independents establish, build, maintain and grow their online presence. Dreamscape's customers will benefit from the resultant increase in scale to deploy unique, simple and innovative online solutions, as well as a broader product suite and service capability.

Web.com had global revenue of more than US\$665 million in the 2018 calendar year and, as at the date of this Scheme Booklet, has 17 offices worldwide. Dreamscape will, if the Scheme is implemented, become part of a leading technology company with the resources to capitalise on its South East Asia (**SEA**) strategy.

Dreamscape Board Recommendation

Dreamscape formed an Independent Board Committee (**IBC**) following receipt of Web.com's non-binding indicative proposal in relation to the Transaction to evaluate whether engagement with Web.com was in the best interests of Dreamscape Shareholders. The IBC comprises Ng Shin Ein, Evan Cross and me as chair (being the **Independent Directors** of Dreamscape).

Your Independent Directors have considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.

The Independent Directors consider the proposal from Web.com to be an attractive outcome for Dreamscape Shareholders for the following reasons:

- The Scheme Consideration represents an opportunity for Dreamscape Shareholders to realise certain immediate cash value for their Dreamscape Shares given the entitlement to receive 100% of the Scheme Consideration in cash;
- Dreamscape Shares have never closed at a price higher than the bid price since listing on the ASX in December 2016;
- The Scheme Consideration represents a significant premium to recent historical trading prices of Dreamscape Shares;

¹ Based on 389,653,332 Dreamscape Shares multiplied by A\$0.27.

- The Scheme Consideration provides certainty against any risks associated with the execution of Dreamscape's long-term strategy;
- The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore is in the best interests of Dreamscape Shareholders in the absence of a Superior Proposal; and
- No other party has approached Dreamscape since the Scheme was announced with a Competing Proposal.

The advantages and disadvantages of the Scheme are clearly laid out in Section 3 of this Scheme Booklet.

Mark Evans, Managing Director and Chief Executive Officer, is not a member of the IBC because of his arrangements with Web.com in relation to his on-going role with Dreamscape post-acquisition and the associated incentive arrangements (see section 2.9), the related party nature of the Siteplus Option Agreement (see section 6) and his granting of a call option over approximately 19.96% of his Dreamscape Shares (which are held through Cloudsafe) to Web.com (see section 2.15).

Mr Evans has abstained from making a recommendation in respect of the Scheme because of the benefits, which may be substantial, that he may receive if the Scheme is implemented (refer to Section 2.5).

Siteplus Option

The Scheme is conditional on the grant of the Siteplus Option. Dreamscape will seek shareholder approval at the General Meeting (which is scheduled to be held on the same day as the Scheme Meeting) for the grant of the Siteplus Option and the entry into the Siteplus Option Agreement.

For further details refer to Section 6 of the Scheme Booklet and the Notice of Meeting.

Independent Expert

Importantly, BDO Corporate Finance (WA) Pty Ltd (**BDO**), the Independent Expert engaged by Dreamscape, has concluded that the Scheme is fair and reasonable and in the best interests of Dreamscape Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the full underlying value of Dreamscape at between \$0.17 and \$0.26 per Dreamscape Share. The Scheme Consideration of \$0.27 cash per share is above this range. A complete copy of the Independent Expert's Report is included in Annexure 1 of this Scheme Booklet.

How to Vote

Your vote is important regardless of how many Dreamscape Shares you own. If you are unable to attend the Scheme Meeting in person, I encourage you to vote by completing the Proxy Form enclosed with this Scheme Booklet and returning it in accordance with the directions on the form. If you are in any doubt as to what action you should take in relation to the Scheme, you should consult your legal, investment, taxation or other professional adviser.

Further Information

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for the Independent Directors' recommendation and the Independent Expert's Report. It also sets out some of the reasons why you may not wish to vote in favour of the Scheme.

Please read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision as to how to vote. I would also recommend you seek independent financial, legal, taxation or other professional advice before making any voting or investment decision in relation to your Dreamscape Shares.

I would like to take this opportunity to thank you for your support of Dreamscape.

Yours sincerely,

Peter James

Chairman

Dreamscape Networks Limited

Important Notices

Date of this Scheme Booklet

This Scheme Booklet is dated 30 August 2019.

General

Dreamscape Networks Limited (**Dreamscape**) Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you are in any doubt as to any action you should take, please consult your legal, financial or other professional adviser immediately.

Purpose of this Document

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Dreamscape Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to Dreamscape Shareholders under Part 5.1 of the Corporations Act.

Responsibility for Information

The information contained in this Scheme Booklet, other than the Web.com Information and the Independent Expert's Report, has been given by, and is the responsibility of Dreamscape. Dreamscape's advisers do not assume any responsibility for the accuracy or completeness of the Dreamscape Information. The Web.com Group and its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of the Dreamscape Information and, to the maximum extent permitted by law, the Web.com Group and its directors, officers, employees and advisers will not be responsible for any Dreamscape Information and disclaim liability for Dreamscape Information appearing in this Scheme Booklet.

The Web.com Information has been given by, and is the responsibility of, Web.com. Neither Dreamscape nor its directors, officers or advisers assume any responsibility of the accuracy or completeness of the Web.com Information and, to the maximum extent permitted by law, Dreamscape will not be responsible for any Web.com Information and disclaims liability for Web.com Information appearing in this Scheme Booklet.

The Independent Expert has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. None of Dreamscape, the Web.com Group nor their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC under section 411(2) of the Corporations Act and Registered by ASIC under section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act. Dreamscape has requested ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

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

Important Notice associated with Court Order under Subsection 411(1) of Corporations Act

A copy of this Scheme Booklet has been lodged with the Court to obtain an order of the Court approving the convening of the Scheme Meeting. Orders made by the Court are made under section 411(1) of the Corporations Act.

The fact that the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court has:

- Formed any view as to the merits of the proposed Scheme or as to how Scheme Participants should vote (on this matter, Scheme Participants must reach their own conclusion); or
- Prepared, or is responsible for, the content of the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not and should not be treated as an endorsement by the Court, or any other expression of opinion by the Court on the Scheme.

No Investment Advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Dreamscape Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. Dreamscape Shareholders should seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

Forward-Looking Statements

Certain statements in this Scheme Booklet, including statements relating to Dreamscape's or the Web.com Group's plans, intentions or expectations of future costs or revenues, relate to the future and are forward-looking statements or information. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual events and results to vary significantly from those included in or contemplated by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

A description of certain risks relating to Dreamscape is set out in Section 7.

Any estimates, targets or forecasts reflect certain assumptions by Dreamscape and/or the Web.com Group, these assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Dreamscape's and/or the Web.com Group's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Dreamscape's, Web.com BidCo or the Web.com Group's future performance or that actual events and results would not differ materially from them.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report may contain or refer to forward-looking information and is subject to certain assumptions limitations and risks and uncertainties as described herein and therein.

Other than as required by law, neither Dreamscape, Web.com BidCo nor the Web.com Group, their respective directors, officers, employees and advisers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur. Dreamscape Shareholders are cautioned about relying on any such forward-looking statements. The forward-looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of Web.com Group in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change. Forward-looking statements

are made as at the date of this Scheme Booklet and neither Dreamscape nor any member of the Web.com Group undertakes to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

All subsequent written and oral forward-looking statements attributable to Dreamscape or any Web.com Group member or any person acting on their behalf are qualified by this cautionary statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is at Annexure 5 to this Scheme Booklet

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Dreamscape Shareholder may appear at the Second Court Hearing, expected to be held at 2:15pm (WST) on 14 October 2019.

Any Dreamscape Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Dreamscape a notice of appearance in the prescribed form together with any affidavit that the Dreamscape Shareholder proposes to rely on.

Tax Implications of the Scheme

Section 8 of this Scheme Booklet provides a summary of the general Australian income tax, capital gains tax, GST and stamp duty consequences for certain Dreamscape Shareholders who dispose of their Dreamscape Shares to Web.com BidCo in accordance with the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of each individual Dreamscape Shareholder. Dreamscape Shareholders should not rely on the summary in Section 8 in substitution for specific advice on their own affairs from a registered tax agent.

Dreamscape Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

Privacy and Personal Information

Dreamscape, Web.com BidCo, the Web.com Group and their respective agents will need to collect personal information to implement the Transaction. The personal information may include the names, contact details and details of shareholdings of Dreamscape Shareholders together with contact details of individuals appointed by Dreamscape Shareholders as proxies, body corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Dreamscape Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact Computershare Investor Services Pty Limited, the Dreamscape Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to Dreamscape, Web.com BidCo and the Web.com Group and their respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, Dreamscape may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Transaction effectively, or at all.

Dreamscape Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the

Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the Register. The Register contains personal information about Dreamscape Shareholders.

Effect of Rounding

Several figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Websites

The contents of Dreamscape's and the Web.com Group's websites do not form part of this Scheme Booklet and Dreamscape Shareholders should not rely on their content.

Any reference in this Scheme Booklet to a website is for information purposes only and no information in any website forms part of this Scheme Booklet.

Defined Terms and Interpretation

Capitalised terms used in this Scheme Booklet are defined in Section 11 of this Scheme Booklet. Some of the documents reproduced in the annexures to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 11.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet. All numbers are rounded unless otherwise indicated.

All references to times in this Scheme Booklet are references to time in Perth, Western Australia, Australia (WST), unless otherwise stated.

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.

Timetable

The timetable is indicative only and all dates after the Scheme Meeting are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions. Those Conditions are summarised in Section 2.7 and set out in full in Clause 3 of the Scheme Implementation Deed (see Annexure 1).

Dreamscape has the right to vary the timetable detailed below subject to the approval of such variation by Web.com, the Court and ASIC where required. Any variation to the timetable set out above will be announced on Dreamscape's website and the ASX.

Important dates and times for the Scheme⁽¹⁾

| | |
|--|------------------------------|
| First Court Date | 30 August 2019 |
| Dispatch of Scheme Booklet, Notice of Scheme Meeting and Notice of General Meeting to Dreamscape Shareholders | 4 September 2019 |
| Latest time and date by which completed Proxy Forms for the General Meeting must be received | 9:30am (WST) 5 October 2019 |
| Latest time and date by which completed Proxy Forms for the Scheme Meeting must be received | 10:30am (WST) 5 October 2019 |
| Time and date for determining eligibility of registered Dreamscape Shareholders to vote at the General Meeting | 5:00pm (WST) 5 October 2019 |
| Time and date for determining eligibility of registered Dreamscape Shareholders to vote at the Scheme Meeting | 5:00pm (WST) 5 October 2019 |
| Time and date of the General Meeting | 9:30am (WST) 7 October 2019 |
| Time and date of the Scheme Meeting | 10:30am (WST) 7 October 2019 |

If the Scheme is approved by Dreamscape Shareholders, the expected timetable for implementation of the Scheme is:

| | |
|--|-----------------|
| Second Court Date for approval of the Scheme | 14 October 2019 |
| Effective Date on which the Scheme comes into effect and is binding on Dreamscape Shareholders | 15 October 2019 |
| Court order lodged with ASIC and announced on the ASX | |
| Last day of trading in Dreamscape Shares on the ASX (with Dreamscape Shares suspended from close of trading) | |
| Record Date for determining entitlements to Scheme Consideration | 22 October 2019 |
| Implementation Date payment of Scheme Consideration to Dreamscape Shareholders | 29 October 2019 |

(1) All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and any other regulatory authority. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX and notified on Dreamscape's website at <https://www.dreamscapenetworks.com/>.

1. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Transaction. You are urged to read these in conjunction with the more detailed information included in this Scheme Booklet.

| Question | Answer | Section Reference |
|---|--|-------------------|
| Scheme at a glance | | |
| Why have I received this Scheme Booklet? | <p>This Scheme Booklet has been sent to you because you are a Dreamscape Shareholder and Dreamscape Shareholders are being asked to vote on the Scheme which, if approved, will result in Web.com BidCo acquiring all Dreamscape Shares for the Scheme Consideration of \$0.27 cash for each Dreamscape Share held on the Record Date.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution that needs to be passed at the Scheme Meeting to allow the Scheme to proceed.</p> | Section 1 |
| What is a scheme of arrangement? | A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used in Australia to undertake an acquisition of a publicly listed company. | Section 1 |
| What is the Scheme? | <p>The Scheme is a members' scheme of arrangement between Dreamscape and Dreamscape Shareholders under which all of the Dreamscape Shares held by the Scheme Participants will be transferred to Web.com BidCo in consideration for the payment by Web.com BidCo of the Scheme Consideration.</p> <p>The Scheme requires the approval of the Requisite Majority of Dreamscape Shareholders at the Scheme Meeting and the Court.</p> <p>The terms of the Scheme are detailed in full in Annexure 3.</p> | Section 1 |
| How will the Scheme be implemented? | In order for the Scheme to be implemented, all Conditions under the Scheme Implementation Deed must be satisfied or waived (where capable of waiver), the Scheme Resolution must be approved by Dreamscape Shareholders at the Scheme Meeting and the Scheme must be approved by the Court. | |
| What is the Scheme Consideration? | If the Scheme is approved and implemented, Dreamscape Shareholders will receive \$0.27 cash for each Dreamscape Share they hold on the Record Date. | Section 1 |
| What will be the effect of the Scheme? | <p>If the Scheme is approved by the Requisite Majority of Dreamscape Shareholders and the Court and implemented:</p> <ul style="list-style-type: none"> all your Dreamscape Shares will be transferred to Web.com BidCo; in exchange, you will receive the Scheme Consideration for each Dreamscape Share you hold on the Record Date; and | Section 1 |

| Question | Answer | Section Reference |
|--|---|-------------------|
| Scheme at a glance | | |
| | <ul style="list-style-type: none"> Dreamscape will become a wholly-owned Subsidiary of Web.com BidCo and an indirectly wholly-owned subsidiary of Web.com, and will apply to be removed from the official list of ASX. | |
| Are there conditions that need to be satisfied before the Scheme can proceed? | <p>There are a number of Conditions that must either be satisfied or waived (where capable of waiver) in order for the Scheme to be implemented. The Conditions include:</p> <ul style="list-style-type: none"> FIRB Approval by 8.00am on the Second Court Date; the Court approving the Scheme; Dreamscape Shareholders approving the Scheme by the Requisite Majority; as at 8.00am on the Second Court Date, the Siteplus Transaction Documents have been executed and approved by Dreamscape Shareholders by the requisite majorities; no Material Adverse Change occurring before 8.00am on the Second Court Date; before 8.00am on the Second Court Date, each holder of Dreamscape Options having agreed that the Dreamscape Options held by that holder will be cancelled in accordance with the Scheme Implementation Deed; and before 8.00am on the Second Court Date, Dreamscape has settled or agreed to settle any assessment of tax liability resulting from the ATO GST audit, in an amount satisfactory to Web.com in its sole discretion and acting reasonably. <p>The Scheme is subject to other standard Conditions for a scheme of this nature, which are summarised in Section 1.</p> <p>At the date of this Scheme Booklet, Dreamscape is not aware of any reason why the Conditions will not be satisfied.</p> | Section 1 |
| Who are the Independent Directors? | The Independent Directors are Peter James, Ng Shin Ein and Evan Cross. | Section 4 |
| What is the Independent Directors' recommendation? | <p>The Independent Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.</p> <p>An Independent Director may change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because they have an interest in the Scheme that renders it inappropriate to</p> | Section 1 |

| Question | Answer | Section Reference |
|--|--|---|
| Scheme at a glance | | |
| | maintain any recommendation. | |
| What benefits will the Independent Directors receive if the Scheme is Implemented? | <p>Dreamscape Shareholders should have regard to the fact that certain Independent Directors hold Dreamscape Options as detailed in Section 10.1, which are entitled to be dealt with in accordance with Section 2.25.</p> <p>Dreamscape Shareholders should have regard to these arrangements when considering the Independent Directors' recommendation in relation to the Scheme, which appears throughout this Scheme Booklet. The Independent Directors consider that, it is appropriate for them to make a recommendation in relation to the Scheme.</p> | Section 1 |
| How do the Independent Directors intend to vote? | <p>Each Independent Director intends to vote, or procure the voting, in favour of the Scheme with respect to any Dreamscape Shares controlled or held by, or on behalf of, them, in the absence of a Superior Proposal.</p> <p>At the date of this Scheme Booklet, your Independent Directors collectively control the voting rights attaching to 5,776,000 Dreamscape Shares representing approximately 1.48% of the total number of Dreamscape Shares on issue.</p> | Section 1 |
| What is the Independent Expert's conclusion? | <p>The Independent Expert has concluded that the Scheme is in the best interests of Dreamscape Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, assessed that the Scheme was fair and reasonable to the Dreamscape Shareholders.</p> <p>The Independent Expert has estimated the full underlying value of Dreamscape to be in the range of between \$0.17 and \$0.26 per Dreamscape Share.</p> <p>The Independent Expert's Report is at Annexure 1 to this Scheme Booklet.</p> | Section 2.4 |
| Who is the non-independent Director? | Mark Evans is the non-independent Director. | Sections 2.9, 2.15, 10.1, 6 and 10.3(d) |
| What is the non-independent Director's recommendation? | Mr Evans has abstained from making a recommendation in respect of the Scheme because of the benefits, which may be substantial, that he may receive if the Scheme is implemented (refer to Section 2.9). | Sections 2.9, 2.15, 10.1, 6 and 10.3(d) |
| What benefits will the non-independent Director receive if the Scheme is implemented? | <p>Mark Evans, Managing Director and Chief Executive Officer, is not an Independent Director or member of the IBC because of:</p> <ul style="list-style-type: none"> his proposed on-going arrangements with Dreamscape and Web.com (Refer to Section 2.9 and 10.3(d)); his proposed retention bonus of \$7.5 million to be paid on the date which is 4 months following | Sections 2.9, 2.15, 10.1, 6 and 10.3(d) |

| Question | Answer | Section Reference |
|--|---|---------------------|
| Scheme at a glance | | |
| | <p>implementation of the Scheme (Refer to Section 2.9 and 10.3(d));</p> <ul style="list-style-type: none"> • his proposed contingent payments by Web.com in certain events (Refer to Section 2.9); • his proposed participation in the Web.com incentive-based remuneration should he achieve various key employment and financially based performance hurdles over his term with Web.com in the future (Refer to Section 2.9 and 10.3(d)); • the cancellation of Dreamscape Options as detailed in Section 10.1, which are entitled to be dealt with in accordance with Section 2.25; • the Cloudsafe Option Deed (Refer to Section 2.15); and • his interest in the Siteplus Option (Refer to Section 6). | |
| How does the non-independent Director intend to vote? | <p>Mark Evans has advised the Company that he will not vote any Dreamscape Shares held or controlled by him, or on his behalf, on the Scheme at the Scheme Meeting, because of the benefits he may receive if the Scheme is implemented, which may be substantial.</p> <p>At the date of this Scheme Booklet, Mark Evans and his Associates control the voting rights attaching to 95,450,000 Dreamscape Shares representing approximately 24.50% of the total number of Dreamscape Shares on issue.</p> | |
| Is a Superior Proposal likely? What happens if a Superior Proposal emerges? | <p>At the date of this Scheme Booklet, no Superior Proposal for Dreamscape has emerged.</p> <p>Until the Scheme becomes Effective, there is nothing preventing third parties from making unsolicited proposals for Dreamscape. Dreamscape has held discussions with other parties over the past 15 months in relation to a potential transaction with Dreamscape. All discussions were confidential and indicative, non-binding and incomplete. The Transaction is superior to any of the non-binding indicative offers received. This resulted in the execution of the Scheme Implementation Deed and the announcement of the Scheme on the 24 July 2019.</p> <p>The Scheme Implementation Deed contains certain exclusivity arrangements. For example, it restricts certain Dreamscape actions, obliges Dreamscape to disclose certain information to Web.com in the event a Competing Proposal emerges and also gives Web.com a right to match a Superior Proposal in certain circumstances.</p> <p>It is possible that, if Dreamscape were to continue as an independent company, a Superior Proposal for Dreamscape may materialise in the future.</p> <p>Further details regarding Competing Proposals,</p> | Sections 2.14 and 9 |

| Question | Answer | Section Reference |
|--|--|-------------------|
| Scheme at a glance | | |
| | Superior Proposals and the exclusivity arrangements are set out in Sections 2.14 and 9. | |
| What are the reasons to vote in favour of the Scheme? | <p>The Independent Directors have described in Section 3 of this Scheme Booklet the reasons why Dreamscape Shareholders should vote in favour of the Scheme.</p> <p>A summary of these reasons is:</p> <ul style="list-style-type: none"> • The Independent Directors unanimously recommend the Scheme and will be voting their Dreamscape Shares in favour of it; • The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in your best interests; • The Scheme Consideration of \$0.27 represents a 32% premium to the market price of Dreamscape Shares prior to announcement of the Scheme and a 68% premium to the 30-day VWAP of Dreamscape Shares; • The Scheme Consideration is all cash and provides certainty of value and timing to Dreamscape Shareholders; • The Scheme has limited conditionality and is not subject to onerous conditions; • The Scheme provides certainty against the risks associated with the execution of Dreamscape's long term strategy, including investment into South East Asia; • No Superior Proposal has emerged; • Dreamscape's share price is likely to fall if the Scheme is not implemented, in the absence of a Superior Proposal; and • Dreamscape Shares have never closed higher than the Scheme Consideration since listing in December 2016. | Section 3 |
| What are the reasons to vote against the Scheme? | <p>The Independent Directors have described in Section 3 of this Scheme Booklet the reasons why you may decide to vote against the Scheme.</p> <p>A summary of these reasons is:</p> <ul style="list-style-type: none"> • You may disagree with your Independent Directors' recommendation or the Independent Expert's conclusion; • You may prefer to participate in the future financial performance of the Dreamscape business; • You may believe that there is a possibility of a Superior Proposal emerging in relation to Dreamscape. However, as at the date of this Scheme Booklet, no alternative proposal has been received by the Dreamscape Board since | Section 3 |

| Question | Answer | Section Reference |
|--|--|---------------------|
| Scheme at a glance | | |
| | <p>the announcement of the Scheme;</p> <ul style="list-style-type: none"> You may believe it is in your best interests to maintain your current investment and risk profile; and The tax consequences of transferring your Dreamscape Shares pursuant to the Scheme may not be optimal for your financial position. | |
| What happens if I vote against the Scheme? | <p>If, despite your Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting.</p> <p>If the Scheme is approved by the Requisite Majority of Dreamscape Shareholders and by the Court, and all other conditions to the Scheme are satisfied or waived (where applicable), your Dreamscape Shares will be transferred to Web.com BidCo in consideration for Web.com BidCo paying to you the Scheme Consideration. This will occur even if you voted against the Scheme at the Scheme Meeting.</p> <p>If the Scheme is not approved by the Requisite Majority of Dreamscape Shareholders or the Court, Dreamscape will remain an standalone company and you will remain a Dreamscape Shareholder.</p> | Section 1 |
| How will the Scheme be implemented? | <p>If the Scheme becomes Effective and the Scheme is implemented, no further action is required on the part of the Scheme Participants in order to implement the Scheme.</p> <p>Under the Scheme, Dreamscape is given authority to effect a valid transfer of all Dreamscape Shares to Web.com BidCo and to enter the name of Web.com BidCo in the Register as the holder of all the Dreamscape Shares.</p> | Section 1 |
| What happens if the Scheme is not approved? | <p>If the Scheme is not approved by the Requisite Majority of Dreamscape Shareholders or the Court, the Scheme will not be implemented.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> You will retain your Dreamscape Shares, you will not be paid the Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in Dreamscape Shares (see Section 7); The Dreamscape Board and management will continue to operate Dreamscape's business; Dreamscape's Share price is likely fall if the Scheme is not implemented, in the absence of a Superior Proposal; and Dreamscape will have incurred significant costs and management time and resources for no | Sections 1, 3 and 6 |

| Question | Answer | Section Reference |
|--|---|-------------------|
| Scheme at a glance | | |
| | outcome. | |
| What are the tax implications of the Transaction? | <p>The tax implications for Dreamscape Shareholders if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Dreamscape Shareholder. Therefore, Dreamscape Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Scheme, including the application and effect of income tax and other tax laws to their particular circumstances.</p> <p>A summary of the general Australian income tax, stamp duty and GST consequences of the Scheme for certain Scheme Shareholders is set out in Section 8 (Taxation implications for Dreamscape Shareholders). However, Scheme Shareholders should not rely on the summary in Section 8 in substitution for specific tax advice on their own affairs from a registered tax agent.</p> | Section 8 |
| What should I do? | You should read this Scheme Booklet carefully and in its entirety, and then vote by attending the Scheme Meeting or by appointing a proxy to vote on your behalf. Full details of who is eligible to vote and how to vote are set out in Section 1 of this Scheme Booklet. | Section 1 |

| Question | Answer | Section Reference |
|---|--|-------------------|
| Questions about your entitlements | | |
| Who is entitled to participate in the Transaction? | Each person who is a Dreamscape Shareholder as at 5:00pm (WST) on the Record Date will be entitled to participate in the Scheme. | Section 1 |
| When will I be paid the Scheme Consideration? | If you are a Dreamscape Shareholder on the Record Date, you will receive \$0.27 cash per Dreamscape Share on the Implementation Date. | Section 1 |
| How will I be paid? | <p>All payments will be made either by direct payment to your nominated bank account (if you have validly registered your bank account details with the Dreamscape Share Registry by the Record Date) or otherwise by cheque sent to your registered address.</p> <p>You may register your bank account details with the Dreamscape Share Registry by the Record Date at www.computershare.com.au/easyupdate/dn8.</p> | |
| Will I have to pay brokerage fees on the disposal of my Dreamscape Shares? | <p>No, you will not have to pay brokerage if your Dreamscape Shares are acquired by Web.com BidCo under the Scheme.</p> <p>If you dispose of your Dreamscape Shares before the Record Date, brokerage fees may be payable.</p> | |

| Question | Answer | Section Reference |
|--|--|-------------------|
| Questions about voting | | |
| Who can vote? | Each Dreamscape Shareholder who is registered on the Dreamscape Share Register at 5:00pm (WST) on 5 October 2019 is entitled to attend and vote at the Scheme Meeting. | Section 1 |
| When and where will the Scheme Meeting be held? | The Scheme Meeting will be held at 10:30am (WST) on 7 October 2019 at HLB Mann Judd, Level 4, 130 Stirling Street Perth Western Australia. | Section 1 |
| What vote is required to approve the Scheme? | <p>The Scheme needs to be approved by the Requisite Majority of Dreamscape Shareholders, which is:</p> <ul style="list-style-type: none"> • unless the Court orders otherwise, a majority in number (more than 50%) of Dreamscape Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and • at least 75% of the total number of votes cast on the resolution at the Scheme Meeting. | Section 1 |
| How do I vote? | <p>You may vote in person by attending the Scheme Meeting to be held at 10:30am (WST) on 7 October 2019 at HLB Mann Judd, Level 4, 130 Stirling Street Perth Western Australia. Alternatively, you may vote by completing and lodging the Proxy Form. The Proxy Form can be lodged in person, by mail or online.</p> <p>You can vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney.</p> <p>Full details of how to vote and how to lodge a Proxy Form, corporate representation appointment or power of attorney are set out in Section 1 of the Scheme Booklet.</p> | Section 1 |
| Is voting compulsory? | <p>Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Requisite Majority of Dreamscape Shareholders and therefore voting is important, and the Independent Directors encourage you to vote (and to vote in favour of the Scheme in the absence of a Superior Proposal).</p> <p>If the Scheme is approved, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.</p> | N/A |
| What happens if I do not vote? | <p>If you do not vote and the Scheme is approved by a Requisite Majority of Dreamscape Shareholders and the Court and becomes Effective, your Dreamscape Shares will be transferred to Web.com BidCo in consideration for Web.com BidCo paying to you the Scheme Consideration.</p> <p>If you do not vote on the Scheme, the Scheme may not be approved at the Scheme Meeting. If this occurs the Scheme will not proceed, you will not receive the Scheme Consideration and you will remain a Dreamscape Shareholder.</p> | Section 1 |

| Question | Answer | Section Reference |
|---|--|-------------------|
| Questions about voting | | |
| What are my options? | <p>Dreamscape Shareholders have the following options:</p> <ul style="list-style-type: none"> • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your Dreamscape Shares on market at any time before the close of trading on ASX on the Record Date; or • do nothing. | Section 1 |
| When will the result of the Scheme Meeting be known? | The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced on the ASX. Even if the Scheme Resolution is passed at the Scheme Meeting, the Scheme will only proceed if Court approval of the Scheme is obtained and all of the Conditions are satisfied or waived. | N/A |

| Question | Answer | Section Reference |
|---|--|-------------------|
| Questions about the General Meeting and Siteplus Option | | |
| Who is Siteplus? | Siteplus is a white label do-it-yourself (DIY) website builder that can be used by individuals, businesses and website developers to build mobile friendly websites. Dreamscape currently offers Siteplus's services through its product Sitebeat. Siteplus is developing its own e-Commerce platform which it believes will be a future engine for revenue growth. | Section 6 |
| What is the Siteplus Option? | <p>On 23 July 2019, Dreamscape entered into the Siteplus Option Agreement with the Siteplus Vendors.</p> <p>The Siteplus Option Agreement grants to Dreamscape (via its wholly owned subsidiary Dreamscape Networks International Pte Ltd) a call option over 100% of the issued share capital of Siteplus.</p> <p>The Siteplus Option Agreement is conditional on:</p> <ul style="list-style-type: none"> • Dreamscape Shareholder approval (which will be sought at the General Meeting); • the Scheme being implemented; and • Dreamscape being removed from the official list of the ASX. | Section 6 |
| What is the interaction between the Siteplus Option and the Scheme | Web.com determined that it required the ability to purchase Siteplus in connection with, and following implementation of, the Scheme. Accordingly, it is a condition of the Scheme Implementation Deed that Dreamscape, having entered into the Siteplus Option Agreement, before 8:00am on the Second Court Date, obtains Shareholder approval for the grant of the | Section 6 |

| Question | Answer | Section Reference |
|--|--|-------------------|
| Questions about the General Meeting and Siteplus Option | | |
| | <p>Siteplus Option.</p> <p>If Dreamscape Shareholders do not approve the grant of the Siteplus Option at the General Meeting, there is a risk that the Scheme will not proceed as Web.com may not waive the condition precedent to the Scheme.</p> | |
| Why is Dreamscape holding a General Meeting? | <p>ASX Listing Rule 10.1 prohibits the acquisition of a "substantial asset" from a "substantial holder" without Dreamscape Shareholder approval.</p> <p>One of the Siteplus Vendors is a related party, and both Siteplus Vendors are "substantial holders" of Dreamscape. Accordingly, the grant of the Siteplus Option requires approval by Dreamscape Shareholders at a general meeting pursuant to Listing Rules 10.1 and 10.5.</p> <p>For further details refer to the Notice of General Meeting.</p> | Section 6 |
| What is the Dreamscape Directors' Recommendation? | <p>The Dreamscape Directors (other than Mark Evans who abstains from making a recommendation) recommend that you vote in favour of the resolution put forward to Dreamscape Shareholders at the General Meeting to approve the grant of the Siteplus Option.</p> <p>The Dreamscape Directors (other than Mark Evans) intend to vote, or procure the voting, in favour of the resolution put forward at the General Meeting with respect to any Dreamscape Shares controlled or held by, or on behalf of, them.</p> | Section 6 |
| Why should I vote? | <p>It is important that you vote at the General Meeting as it is a condition precedent to the Scheme becoming Effective that Dreamscape Shareholders approve the grant of the Siteplus Option.</p> <p>If the Dreamscape Shareholders do not approve the resolution relating to the grant of the Siteplus Option, there is a risk that the Scheme will not proceed as Web.com may not waive the condition precedent to the Scheme.</p> | Section 6 |

| Question | Answer | Section Reference |
|--------------------------------|---|-------------------|
| Questions about Web.com | | |
| Who is Web.com? | <p>Web.com is a company established in Delaware in the United States of America.</p> <p>The Web.com Group provides a full range of Internet services to small businesses to help them compete and succeed online through its portfolio of brands – Web.com, Network Solutions, and Register.com. Web.com meets the needs of small businesses anywhere along their lifecycle with affordable, subscription-based solutions including domains, hosting, website design and management, and internet</p> | Section 5 |

| Question | Answer | Section Reference |
|---|--|-------------------|
| Questions about Web.com | | |
| | <p>marketing solutions. Headquartered in Jacksonville, Florida, Web.com serves approximately 2 million customers with operations in North America, South America and the UK.</p> <p>Web.com is indirectly wholly owned by the Siris Capital Funds (and five investors that indirectly own less than 5% of Web.com on a fully diluted basis). The Siris Capital Funds are managed and/or advised by Siris Capital Group, LLC and its affiliates. Siris Capital is a private equity firm based in the United States of America. Investment funds affiliated with Siris Capital have raised more than US\$5.9 billion of cumulative capital since its inception in 2011.</p> | |
| Who is Web.com BidCo? | Web.com Aus Bidco Pty Ltd (Web.com BidCo) is a special purpose company that was incorporated on 28 August 2019 for the purpose of acquiring all of the Dreamscape Shares under the Scheme. Web.com BidCo is a subsidiary of Web.com. | Section 5 |
| Why does Web.com wish to implement the Transaction? | Web.com is a leading web technology company helping millions of customers build their online presence. The acquisition of Dreamscape signals Web.com's continued commitment to providing web presence solutions to customers around the globe by adding market-leading brands and operations in Australia and Southeast Asia to its portfolio. | Section 5 |
| How is Web.com BidCo funding the Scheme Consideration? | <p>The aggregate Scheme Consideration payable by Web.com BidCo under the Scheme will be \$105.2 million assuming there are approximately 389,653,332 Scheme Shares on issue on the Implementation Date.</p> <p>Web.com BidCo intends to fund the Scheme Consideration using the Web.com Group's cash on hand and Web.com's existing credit facilities. As at 30 June 2019, the Web.com Group has available cash reserves of approximately USD\$63.9 million, or approximately \$92.6 million. In addition, the Web.com Group has available undrawn borrowing capacity of approximately USD\$92.4 million under its existing revolving credit facility, or approximately \$133.9 million. This amount exceeds the maximum aggregate Scheme Consideration payable by Web.com BidCo under the Scheme and the consideration payable for the cancellation the Dreamscape Options (Refer to Section 10.1).</p> <p>The credit facilities are subject to conditions precedent to drawdown which are customary for facilities of this nature. As at the date of this Scheme Booklet, Web.com is not aware of any reason why the credit facilities will not be available to be drawn down for the purpose of the acquisition of Dreamscape Shares on or prior to the Implementation Date..</p> | Section 5 |

| Question | Answer | Section Reference |
|--|--|-------------------|
| General questions | | |
| What other information is available to answer my questions about the Transaction? | There is a significant amount of information in this Scheme Booklet and additional details in the Annexures. For further information, you can call the Shareholder Information Line on +61 8 9422 0894 between 9.00am and 5.00pm (WST) or email investor.relations@dreamscapenetworks.com | Section 10 |

2. Details of the Scheme and Action Required by Dreamscape Shareholders

This summary identifies key features of the Transaction but must be read in conjunction with the additional detailed information for Dreamscape Shareholders set out in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

2.1 Overview

On 24 July 2019, Dreamscape announced that it had entered into the Scheme Implementation Deed with Web.com under which, subject to the satisfaction or waiver, as applicable, of defined Conditions (see Section 2.7), Web.com BidCo will acquire all of the Dreamscape Shares through a scheme of arrangement for the Scheme Consideration, of A\$0.27 per Dreamscape Share. The Scheme values Dreamscape at approximately A\$105.2² million. A copy of the Scheme Implementation Deed is attached to Dreamscape's ASX announcement on 24 July 2019 and available on the ASX website <https://www.asx.com.au/>.

If the Scheme is approved by the Requisite Majority of Dreamscape Shareholders and by the Court, and if all other Conditions to the Transaction are satisfied or waived (where applicable), all Dreamscape Shares will be transferred to Web.com BidCo with effect from the Implementation Date and without the need for any further actions by Dreamscape Shareholders (other than acts required to be performed by Dreamscape, its Directors or officers, as attorney or agent for the Dreamscape Shareholders). From the Implementation Date, Dreamscape will become a wholly owned Subsidiary of Web.com BidCo. Dreamscape Shares are expected to be delisted from ASX shortly after the Implementation Date.

2.2 Dreamscape's Independent Board Committee

In order to evaluate and assess the proposed Scheme, Dreamscape formed an Independent Board Committee comprising all of the Independent Directors (**IBC**). The IBC excluded Mark Evans who has a material personal interest in the proposed Transaction (Refer to Section 2.5).

2.3 Independent Director Recommendation

The Independent Directors have determined that the Scheme is in the best interests of Dreamscape Shareholders and unanimously recommend that Dreamscape Shareholders vote in favour of the Scheme in the absence of a Superior Proposal. The Independent Directors believe that the reasons for Dreamscape Shareholders to vote in favour of the Scheme outweigh any reasons to vote against the Scheme.

Certain Directors hold Dreamscape Options as detailed in Section 10.1, which are entitled to be dealt with in accordance with Section 2.25.

Dreamscape Shareholders should have regard to these arrangements when considering the Independent Directors' recommendation in relation to the Scheme, which appears throughout this Scheme Booklet. The Independent Directors consider that it is appropriate for them to make a recommendation in relation to the Scheme. In coming to this conclusion, each of the Independent Directors:

- (a) who holds Options (which were previously approved by Dreamscape Shareholders), considered the valuation of the Options provided by HLB Mann Judd (the Company's auditors) which showed that the consideration payable for the cancellation of these Options did not impart a material benefit on those Directors;
- (b) concluded that:
 - (i) there was no substantial benefit that would be received by them entirely as a consequence of entry into or approval of the scheme of arrangement;

² Based on 389,653,332 Dreamscape Shares multiplied by A\$0.27.

- (ii) these arrangements were commercially reasonable and not out of the ordinary practice;
- (iii) the existence of these arrangements would not make it inappropriate for them to make a recommendation.

Each of the Independent Directors intends to vote or procure the voting of, any Dreamscape Shares controlled or held by, or on behalf of, such Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

The reasons to vote in favour of or against the Scheme, as considered by the Independent Directors, are set out in Section 3.

The implications for Dreamscape Shareholders if the Scheme does not proceed are significant and are detailed in Section 2.28.

2.4 Independent Expert's Conclusion

Dreamscape commissioned BDO to provide an independent expert's report to express an opinion as to whether or not the Scheme is fair and reasonable to the Dreamscape Shareholders (**Independent Expert's Report**). The Independent Expert's Report was received by Dreamscape on 12 August 2019 and accompanies the Notice of Meeting sent to Dreamscape Shareholders to assist them in deciding whether or not to approve the resolution put forward at the Scheme Meeting.

BDO considered the advantages and disadvantages of the Scheme to Dreamscape Shareholders. BDO concluded that the position of Dreamscape Shareholders if the Scheme is implemented is more advantageous than if the Scheme is not implemented. BDO concluded that the Scheme is fair and reasonable to the Dreamscape Shareholders.

The Independent Expert's Report is set out in Annexure 1 and should be read in its entirety, including the assumptions on which the conclusions are based.

2.5 Non-Independent Director Recommendation

Mr Evans has abstained from making a recommendation on the Scheme because of the benefits that he may receive if the Scheme is implemented, which may be substantial.

Dreamscape Shareholders should have regard to the following arrangements when considering the Scheme:

- (a) if the Scheme is implemented Mark Evans will:
 - (i) have an on-going arrangement with Web.com (Refer to Section 2.9 and 10.3(d));
 - (ii) receive a retention bonus of \$7.5 million to be paid on the date which is 4 months following implementation of the Scheme (Refer to Section 2.9 and 10.3(d));
 - (iii) potentially receive contingent payments by Web.com in certain events (Refer to Section 2.9);
 - (iv) participate in Web.com incentive-based remuneration should he achieve various key employment and financially based performance hurdles over his term with Web.com in the future (Refer to Section 2.9 and 10.3(d));
 - (v) receive consideration for the cancellation of his Dreamscape Options as detailed in Section 10.1, which are entitled to be dealt with in accordance with Section 2.25;
- (b) Mark Evans has entered into the Cloudsafe Option Deed with Web.com (Refer to Section 2.15); and
- (c) Mark Evans has, subject to Dreamscape Shareholder approval, granted the Siteplus Option (Refer to Section 6).

Mark Evans has advised the Company that he will not vote any Dreamscape Shares held or controlled by him, or on his behalf, on the Scheme at the Scheme Meeting, because of the benefits he may receive if the Scheme is implemented, which may be substantial.

At the date of this Scheme Booklet, Mark Evans and his Associates control the voting rights attaching to 95,450,000 Dreamscape Shares representing approximately 24.50% of the total number of Dreamscape Shares.

2.6 Scheme Consideration

If the Scheme is implemented, Scheme Participants will be sent A\$0.27 cash per Dreamscape Share from Web.com BidCo as consideration for the transfer of their Dreamscape Shares on the Implementation Date, currently scheduled to be 29 October 2019.

Refer to the important dates and times for the Scheme on page 5 for further details of when the Scheme Consideration will be paid to Scheme Participants.

A summary of the Australian income tax, GST and stamp duty considerations for certain Dreamscape Shareholders in relation to the Scheme Consideration can be found in Section 8.

2.7 Conditions to the Scheme

Implementation of the Scheme is subject to the following conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Scheme Implementation Deed on or prior to the Second Court Date:

- (a) Web.com receiving written confirmation under the FATA from the Treasurer (or his delegate) stating that the Commonwealth Government does not object to the Transaction (**FIRB Approval**);
- (b) the Court approving the Scheme;
- (c) the Independent Expert concluding that the Scheme is in the best interests of the Dreamscape Shareholders and not withdrawing or qualifying such opinion;
- (d) ASIC and ASX issue all authorisations and do all other things reasonably necessary to implement the Scheme at or before 8.00am on the Second Court Date;
- (e) Dreamscape Shareholders approving the Scheme by the Requisite Majority;
- (f) no law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgement, order or decree issued by any Court of competent jurisdiction or Government agency or other legal restraint or prohibition preventing or materially restricting the Scheme being in effect at 8:00am on the Second Court Date;
- (g) the Siteplus Transaction Documents having been duly executed and approved by Dreamscape Shareholders;
- (h) each of the Dreamscape Warranties being true and correct at all times before 8.00am on the Second Court Date;
- (i) no Dreamscape Prescribed Occurrence occurring before 8.00am on the Second Court Date;
- (j) no Material Adverse Change occurring before 8.00am on the Second Court Date;
- (k) the Dreamscape Board having made all necessary determinations such that all Dreamscape Performance Rights outstanding at the date of the Scheme Implementation Deed have been vested, cancelled or lapsed;
- (l) each holder of Dreamscape Options entering into an Option Cancellation Deed; and

- (m) before 8.00am on the Second Court Date, Dreamscape having settled or agreed to settle any assessment of tax liability resulting from the ATO GST audit, in an amount satisfactory to Web.com in its sole discretion and acting reasonably.

2.8 Information relating to the GST Audit

Consistent with other foreign companies operating in the digital supply space in Australia, Dreamscape has been the subject of an ATO GST compliance audit. The audit commenced in April 2018 and Dreamscape has been cooperating fully with the ATO's multiple requests for information.

At the date of this Scheme Booklet, the matter remains incomplete, and no claim or assessment has been raised by the ATO and we cannot reliably assess the financial impact on Dreamscape. Web.com is aware of the nature of this item and has made it a condition precedent of the Scheme Implementation Deed that the matter must be resolved to their satisfaction (acting reasonably), prior to the Second Court Date. Dreamscape, via its taxation advisers have made the ATO aware of the requirement of Web.com to seek finalisation of any claim prior to completion of the Scheme. The Dreamscape Board is using its best endeavours to ensure completion of the matter in the timeframe stipulated however no guarantee can be made that the matter will be settled in the timeframe proposed. Accordingly, this matter represents a commercial risk to completion of the Scheme.

2.9 Retention of Mark Evans and Key Management Personnel

In connection with the Scheme, it is important to Web.com that Mark Evans and other key management personnel are retained following implementation of the Scheme.

Mark Evans has agreed to an on-going arrangement with Web.com, including remaining in his position as Managing Director and Chief Executive Officer of Dreamscape when it is a wholly owned subsidiary of Web.com and receiving certain benefits, which may be substantial. In connection with these arrangements, Mark Evans will:

- (a) receive a one-time retention payment of A\$7.5 million four months from the implementation of the Scheme;
- (b) will participate in other incentive-based remuneration should he achieve various financially based performance hurdles over the term of his employment; and
- (c) potentially receive contingent payments from Web.com. Such payments are contingent on Mark Evans remaining an employee of Dreamscape at the time of the occurrence of the following events:
 - (i) either:
 - (A) an initial public offering of Web.com or the sale of Web.com (**Web.com Exit Event**); or
 - (B) a Web.com Exit Event and Dreamscape achieving an EBITDA target, or
 - (ii) the resale of Siteplus (which will be in lieu of the payments in 2.9(c)).

Mark Evans will also be subject to a two year non-compete and non-solicitation clause in the event he leaves the employment of Dreamscape.

Other key management personnel have agreed to extend the terms of their employment agreements with Dreamscape on substantially similar terms of their current employment arrangements.

Refer to Section 10.3 for further details.

2.10 Siteplus Option

It is a Condition of the Scheme Implementation Deed, that Dreamscape (via its wholly owned subsidiary Dreamscape International) having entered into the Siteplus Option Agreement, obtains Dreamscape Shareholder approval for the grant of the Siteplus Option.

Mark Evans is a major shareholder in Siteplus which Dreamscape may have the option to acquire via the Siteplus Option Agreement if the Scheme is implemented.

Refer to Section 6 for further details.

2.11 Your choices as a Dreamscape Shareholder

Dreamscape Shareholders have the following four options in relation to your Dreamscape Shares. Dreamscape encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Dreamscape Shares.

(a) Vote in favour of the Scheme at the Scheme Meeting

Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal. The reasons for your Independent Directors' unanimous recommendation are set out in Section 3.1.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 2.13.

(b) Vote against the Scheme at the Scheme Meeting

If, despite your Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

However, you should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all Dreamscape Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

(c) Sell your Dreamscape Shares on market

The Scheme does not preclude you from selling your Dreamscape Shares on market for cash, if you wish, provided you do so before close of trading in Dreamscape Shares on ASX on the Effective Date (currently expected to be 15 October 2019) when trading in Dreamscape Shares will end.

If you are considering selling your Dreamscape Shares on ASX you should have regard to the prevailing trading prices of Dreamscape Shares at that time.

If you sell your Dreamscape Shares on market for cash, you:

- (i) will not be entitled to receive the Scheme Consideration;
- (ii) may incur a brokerage charge;
- (iii) may incur CGT; and
- (iv) will not be able to participate in a Superior Proposal, if one emerges, noting that, at the date of this Scheme Booklet, your Directors have not received notice from any third party of an intention to make any Competing Proposal or Superior Proposal.

(d) Do nothing

If, despite your Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all Dreamscape Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority of Dreamscape Shareholders, you will not be entitled to receive any Scheme Consideration.

2.12 Scheme Meeting

(a) Time and location

The Scheme Meeting, to approve the Scheme, is scheduled to be held at 10:30am (WST) on 7 October 2019 at HLB Mann Judd, Level 4, 130 Stirling Street, Perth Western Australia.

(b) Requisite Majority

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

(i) unless the Court orders otherwise, a majority in number (more than 50%) of Dreamscape Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and

(ii) at least 75% of the total number of votes which are cast at the Scheme Meeting,

(the **Requisite Majority**), for the Scheme to become Effective.

(c) Notice of Scheme Meeting

Further details of the Scheme Meeting, including how to vote, are contained in this Section 1. The Notice of Scheme Meeting is contained in Annexure 5.

2.13 Entitlement and ability to vote at the Scheme Meeting

If you are registered as a Dreamscape Shareholder as at 5:00pm (WST) on 5 October 2019, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. Voting on the Scheme Resolution will be by poll.

(a) How to Vote in Person

To vote in person at the Scheme Meeting, Dreamscape Shareholders must attend the Scheme Meeting to be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth Western Australia.

A Dreamscape Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card upon disclosure of their name and address at point of entry.

Persons who are attending as an attorney should bring the original or certified copy of the power of attorney to the Scheme Meeting.

Persons who are attending as corporate representative for a corporation must bring evidence of their appointment. The appointment must comply with Section 250D of the Corporations Act.

An attorney or an authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their appointment (including any authority under which it is signed), their name, and address and the identity of their appointer, at the point of entry to the Scheme Meeting.

(b) How to Vote by Proxy

If you are a Dreamscape Shareholder, your personalised Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. Proxy Forms should be completed and lodged in accordance with the instructions set out in the Proxy Form.

If you are a Dreamscape Shareholder, you can appoint a proxy by completing and returning to Dreamscape the enclosed Proxy Form for the Scheme Meeting. The Proxy Form must be received by Dreamscape by no later than 10:30am (WST) on 5 October 2019, (48 hours prior to the commencement of the Scheme Meeting).

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 10:30am (WST) on 5 October 2019. Any proxy form received after that time will not be valid for the scheduled meeting.

You must return the Proxy Form to Dreamscape by either:

| | |
|------------------|---|
| Online | At www.investorvote.com.au |
| By mail | Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia |
| By fax | 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia) |
| By mobile | Scan the QR Code on your proxy form and follow the prompts |
| Custodian | For Intermediary Online subscribers only (custodians) please visit |
| Voting | www.intermediaryonline.com to submit your voting intentions |

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney, under which the Proxy Form was signed, must be received by the Dreamscape Share Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to Dreamscape).

If you complete and return a Proxy Form, you may still attend the meeting in person, revoke the proxy and vote at the meeting. Proxy Forms may also be revoked by contacting the Share Registrar or submitting a new Proxy Form prior to 10:30am (WST) on 5 October 2019 (48 hours prior to the Scheme Meeting).

(c) **Undirected proxies**

A Dreamscape Shareholder who has submitted a proxy has the right to appoint the chairman of the Scheme Meeting, or another person (who need not be a Dreamscape Shareholder) to represent him, her or it at the Scheme Meeting and vote on the Scheme Resolution, by inserting the name of his, her or its desired representative in the space provided for that purpose on the Proxy Form.

Any instrument of proxy in which the name of the appointee is not filled in will be deemed to have been given in favour of the chairman of the Scheme Meeting.

The chairman of the Scheme Meeting intends to vote all undirected proxies in favour of the Scheme Resolution.

(d) **Voting by corporate representative**

To vote in person at the Scheme Meeting, a Dreamscape Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate Dreamscape Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A certificate with or without the seal of the body corporate Dreamscape Shareholder, signed by two directors of that body corporate or signed by one director and one secretary, or any

other document as the chairman of the Scheme Meeting in his sole discretion considers sufficient, will be evidence of the appointment, or of the revocation of the appointment, as the case may be, of a representative.

(e) Voting by attorney

A Dreamscape Shareholder may appoint a person (whether a Dreamscape Shareholder or not) as its attorney to attend and vote at the Scheme Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointer or the appointer's attorney duly authorised in writing, or if the appointer is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the Directors may prescribe or accept. A fax of a written power of attorney is valid provided it has been provided to Dreamscape by no later than 10:30am (WST) on 5 October 2019. Such fax will be deemed to have been served on Dreamscape upon the receipt of a transmission report confirming successful transmission of that fax.

2.14 Competing Proposals

During the Exclusivity Period, the Scheme Implementation Deed prohibits Dreamscape, any of its Related Bodies Corporate, and any of their respective Authorised Persons from soliciting, inviting, encouraging or initiating any Competing Proposal or any enquiries, proposals, discussions or negotiations with any third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal, or communicate any intention to do any of these things.

There are also certain restrictions in the Scheme Implementation Deed in relation to discussions, providing due diligence access and entering into certain agreements, arrangements and understandings relevant to Competing Proposals (with certain exceptions relevant to the fiduciary duties of Dreamscape Directors).

During the Exclusivity Period, Dreamscape must promptly notify Web.com of:

- (a) an approach, inquiry or proposal or request for information made by a third party to Dreamscape, any of its Related Bodies Corporate or any of their respective Authorised Persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal; and
- (b) any request made by any person to Dreamscape, any of its Related Bodies Corporate, or any of their respective Authorised Persons, for any information relating to Dreamscape, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

At the date of this Scheme Booklet, Dreamscape has not received any Competing Proposals.

Your Independent Directors will carefully consider any Competing Proposal received from a third party (provided it does not breach the terms of the Scheme Implementation Deed) and inform you of any material developments. However, presently your Independent Directors are not aware of any such proposals.

2.15 Details of the Cloudsafe Option Deed

Web.com has entered into a call option deed with Mark Evans and Cloudsafe (a company incorporated in the Bahamas and a related entity of Mark Evans) pursuant to which Web.com is entitled to purchase approximately 9.98% of Dreamscape, and if FIRB approval is obtained, a further approximately 9.98% of Dreamscape, on the conditions of the Cloudsafe Option Deed.

The rationale for the Cloudsafe Option Deed is to provide Web.com with the option, but not the obligation, to directly acquire up to 19.96% of Dreamscape in certain circumstances. The options

granted under the Cloudsafe Option Deed may only be exercised if the Independent Expert concludes that the Scheme is in the best interests of Dreamscape shareholders or Web.com matches a competing proposal for Dreamscape (if any) in accordance with the Scheme.

Subject to satisfaction of the conditions in the Cloudsafe Option Deed, Web.com can exercise the options at any time before expiry for an exercise price equivalent to the offer price under the Scheme. Mark Evans is entitled to additional payments in the event of an on-sale of the relevant Dreamscape Shares by Web.com within six months or where Web.com matches a competing proposal for Dreamscape (if any) in accordance with the SID.

If the options under the Cloudsafe Option Deed are not exercised and the Scheme is implemented, the Dreamscape Shares the subject of the Cloudsafe Option Deed will be acquired by Web.com Bidco pursuant to the Scheme.

The Cloudsafe Option Deed is otherwise on customary terms including provisions requiring Mark Evans not to deal with, grant a security interest over, sell or otherwise part with possession of the Dreamscape shares the subject of the options without the prior written consent of Web.com during the option period.

A summary of the material terms of the Cloudsafe Option Deed is as follows:

| Term | Summary |
|-------------------------------|--|
| Grant of the Options | <p>In consideration for the payment of A\$10 by Web.com to each of Mark Evans and Cloudsafe Holdings Limited (Grantors), each Grantor grants to Web.com an irrevocable right to purchase:</p> <ul style="list-style-type: none"> (a) its respective proportion of 38,884,665 Dreamscape Shares (representing approximately 9.98% of Dreamscape) for the Purchase Price (First Option); and (b) its respective proportion of 38,884,665 Dreamscape Shares (representing approximately 9.98% of Dreamscape) for the Purchase Price (Second Option). <p>The aggregate consideration for the First Option and the Second Option is A\$40.</p> |
| Condition Precedent | <p>The grant of the Second Option is conditional upon Web.com obtaining FIRB Approval.</p> |
| Exercise of the Option | <p>Web.com may exercise the First Option at any time during the period commencing on the date of the Cloudsafe Option Deed, being 23 July 2019 and the date that is the earlier of:</p> <ul style="list-style-type: none"> (a) the date Web.com terminates the Scheme Implementation Deed; and (b) within 10 days of the Scheme becoming Effective. <p>Web.com may exercise the Second Option at any time during the period commencing on the date it obtains FIRB Approval and the date that is the earlier of:</p> <ul style="list-style-type: none"> (a) the date Web.com terminates the Scheme Implementation Deed; and (b) within 10 days of the Scheme becoming Effective. <p>Web.com cannot exercise either the First Option or the Second Option unless and until:</p> <ul style="list-style-type: none"> (a) the Independent Expert concludes that the Scheme is in the best interest of Dreamscape Shareholders; or (b) if a Competing Proposal is announced, Web.com makes a Counter Proposal following its matching right process. |

| Term | Summary |
|------------------------------------|--|
| Counter Proposal or On-Sale | <p>If Web.com exercises either the First Option or Second Option and after such exercise, Web.com makes a Counter Proposal (in respect of a Competing Proposal being announced), Web.com must within 10 business days pay to the Grantors the amount equal to the difference of the Purchase Price and the new Counter Proposal price per Dreamscape Share that has been exercised.</p> <p>If Web.com exercises either the First Option or Second Option and within 6 months after such exercise, Web.com accepts a Competing Proposal, Web.com must within 10 business days pay to the Grantors the amount equal to the difference of the Purchase Price and the new Counter Proposal price per Dreamscape Share that has been exercised.</p> |
| Purchase Price | The Purchase Price is the amount equal to the Scheme Consideration. |
| Conduct of the Grantors | <p>In accordance with the Cloudsafe Option Deed, the Grantors:</p> <ol style="list-style-type: none"> 1. acknowledge they are currently minded to vote their Dreamscape Shares in favour of the Scheme Resolution, in the absence of a Superior Proposal; and 2. agree not to deal with, grant a security interest over, sell or otherwise part with possession of their Dreamscape Shares without the prior written consent of Web.com during the option period. |
| Lapse of the Options | <p>The First Option and the Second Option will lapse in the following circumstances:</p> <ol style="list-style-type: none"> 1. the earlier of: <ol style="list-style-type: none"> (a) Web.com terminating the SID in accordance with clause 13.1 or 13.3 of the Scheme Implementation Deed; or (b) within 10 days of the Scheme becoming Effective, and 2. immediately upon: <ol style="list-style-type: none"> (c) the Scheme not being approved by the Requisite Majorities; or (d) the Court refusing to approve the Scheme. |

2.16 Court Order for Scheme Meeting

The Court has ordered that a meeting of Dreamscape Shareholders be held at 10:30am (WST) on 7 October 2019 to consider the Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Dreamscape Shareholders should vote (on this matter Dreamscape Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Scheme is conditional, among other things, on approval of the Scheme Resolution by the Requisite Majority of Dreamscape Shareholders, being:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Dreamscape Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and

- (b) at least 75% of the total number of votes which are cast at the Scheme Meeting.

The votes of Bluegeko, being a company associated with the founder and former director of Dreamscape, Ryan Tabbara, will be tagged at the Scheme Meeting.

2.17 Court Approval of Scheme

Dreamscape will apply to the Court for orders approving the Scheme if:

- (a) the Scheme Resolution is approved by the Requisite Majority of Dreamscape Shareholders at the Scheme Meeting; and
- (b) all other Conditions are satisfied or waived before the Second Court Date.

The date on which the Court hears Dreamscape's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Scheme Resolution is approved by the Requisite Majority of Dreamscape Shareholders.

ASIC will be asked to issue a written statement pursuant to section 411(17)(b) of the Corporations Act that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that the Scheme has not been proposed for the purpose of enabling any person to avoid the operation of Chapter 6 (i.e. the takeovers provisions) of the Corporations Act.

Dreamscape Shareholders have the right to seek leave to appear at the Court on the Second Court Date to oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme. If you wish to oppose a the Court's approval of the Scheme at the Court hearing, you may do so by filing with the Court, and serving on Dreamscape, a notice of appearance in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Dreamscape at least one Business Day (in Perth, Western Australia) before the Second Court Date. That date is currently scheduled to occur on or around 14 October 2019. Any change to this date will be announced through ASX and will be available on ASX's website, www.asx.com.au.

Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

2.18 Effective Date

The Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Scheme becomes Effective, Dreamscape will immediately give notice of the event to the ASX. Dreamscape Shares will be suspended from trading on ASX on the Effective Date.

Once the Scheme becomes Effective, Dreamscape and Web.com will become bound to implement the Scheme in accordance with its terms.

2.19 Scheme

If the Scheme becomes Effective (i.e. after it is approved by Dreamscape Shareholders and the Court), all Dreamscape Shares outstanding at 5:00pm (WST) on the Record Date (other than any Dreamscape Shares already held by the Web.com BidCo) will be transferred on the Implementation Date to Web.com BidCo, in return for the payment by Web.com BidCo of the Scheme Consideration to Dreamscape Shareholders. See Annexure 3 for a copy of the Scheme.

2.20 Deed Poll

The Deed Poll contains an undertaking by Web.com BidCo, in favour of all Scheme Participants, to perform its obligations under the Scheme including the payment of the Scheme Consideration to Scheme Participants if the Scheme is approved.

See Annexure 4 for a copy of the Deed Poll.

2.21 Record Date

The Record Date for the Scheme is 22 October 2019 (WST) on the date which is 5 Business Days after the Effective Date. Only Dreamscape Shareholders who appear on the Register at this time will be entitled to receive the Scheme Consideration.

2.22 Implementation Date

The Implementation Date for the Scheme is the date which is five Business Days after the Record Date (or on such other date agreed to in writing by Dreamscape and Web.com).

On the Implementation Date for the Scheme, the Scheme Consideration will be paid to the Dreamscape Shareholders.

Once the relevant Scheme Consideration has been paid, all Dreamscape Shares at 5:00pm (WST) on the Record Date will be transferred on the Implementation Date to Web.com BidCo without any need for further actions by Dreamscape Shareholders.

2.23 Delisting of Dreamscape

Following implementation of the Scheme, it is intended that Dreamscape will request that ASX delist Dreamscape Shares from the ASX.

2.24 Share Splitting

If Web.com forms the opinion (acting reasonably) that two or more Dreamscape Shareholders have, before the Record Date, been a party to:

- (a) splitting a holder of Dreamscape Shares into two or more parcels of Dreamscape Shares whether or not it results in any change of legal or beneficial ownership of the Dreamscape Shares (**Share Splitting**); or
- (b) division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),

Web.com may give notice to such Dreamscape Shareholders attributing the Dreamscape Shares held by all of them to one of them (specifically identified in such notice). This notice deems the Dreamscape Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.

If the Scheme is not approved by Dreamscape Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Dreamscape or Web.com considers (each acting reasonably) that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Dreamscape must apply for an order of the Court to disregard the Headcount Test and seek Court approval of the Scheme, notwithstanding that the Headcount Test has not been satisfied.

2.25 Arrangements for holders of Dreamscape Options

At the date of this Scheme Booklet, the following Dreamscape Options are on issue:

| Name of Holder of Dreamscape Options | Exercise Price | Expiry Date | Number |
|--|----------------|-------------------|-----------|
| CG Nominees (Australia) Pty Ltd | A\$0.25 | 31/12/2019 | 2,814,900 |
| Cloudsafe Holdings Limited ⁽¹⁾ | A\$0.25 | 30/06/2020 | 2,000,000 |
| | A\$0.35 | 30/06/2021 | 1,500,000 |
| | A\$0.45 | 30/06/2022 | 1,500,000 |
| Fullerton Private Capital Pty Limited ⁽²⁾ | A\$0.25 | 30/06/2020 | 1,000,000 |
| | A\$0.35 | 30/06/2021 | 750,000 |
| | A\$0.45 | 30/06/2022 | 750,000 |
| Kingfire Pty Ltd <The Summer Wine A/C> | A\$0.25 | 30/06/2020 | 2,000,000 |
| | A\$0.35 | 30/06/2021 | 1,500,000 |
| Anthony Sparks and Amanda Sparks | A\$0.25 | 30/06/2020 | 1,000,000 |
| | A\$0.35 | 30/06/2021 | 750,000 |
| | A\$0.45 | 30/06/2022 | 750,000 |
| Gavin Gibson and Lauren Gibson <Gibson Family A/C> | A\$0.25 | 30/06/2020 | 1,200,000 |
| | A\$0.35 | 30/06/2021 | 900,000 |
| | A\$0.45 | 30/06/2022 | 900,000 |
| Peter James | A\$0.25 | 30/06/2020 | 3,800,000 |
| | A\$0.35 | 30/06/2021 | 2,850,000 |
| | A\$0.45 | 30/06/2022 | 2,850,000 |
| Total number of Dreamscape Options | | 28,814,900 | |

Notes:

- (1) Cloudsafe Holdings Limited is an entity associated with Mark Evans, Managing Director and Chief Executive Officer.
- (2) Fullerton Private Capital Pty Limited is an entity associated with Evan Cross, Non-Executive Director.

Dreamscape and Web.com have entered into Option Cancellation Deeds with each of the Dreamscape Optionholders. The material terms of the Option Cancellation Deeds are summarised below:

- (a) Each Dreamscape Optionholder has agreed to the cancellation of their Dreamscape Options for cash, being:

| Dreamscape Optionholder | A\$0.25, expiring 31.12.2019 | A\$0.25, expiring 30.06.2020 | A\$0.35, expiring 30.06.2021 | A\$0.45, expiring 30.06.2022 | Total |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| Value per Option | A\$0.02 | A\$0.02 | A\$0.0097 | A\$0.0119 | |
| Consideration per Option | A\$0.02 | A\$0.02 | A\$0.0097 | A\$0.0119 | |
| CG Nominees (Australia) Pty Ltd | 2,814,900 Options for A\$56,298 | - | - | - | 2,814,900 Options for A\$56,298 |
| Cloudsafe Holdings Limited | - | 2,000,000 Options for A\$40,000 | 1,500,000 Options for A\$14,550 | 1,500,000 Options for A\$17,850 | 5,000,000 Options for A\$72,400 |
| Fullerton Private Capital Pty Limited | - | 1,000,000 Options for A\$20,000 | 750,000 Options for A\$7,275 | 750,000 Options for A\$8,925 | 2,500,000 Options for A\$36,200 |
| Kingfire Pty Ltd <The Summer Wine A/C> | - | 2,000,000 Options for A\$40,000 | 1,500,000 Options for A\$14,550 | - | 3,500,000 Options for A\$54,550 |
| Mr Anthony Sparks & Mrs Amanda Sparks | - | 1,000,000 Options for A\$20,000 | 750,000 Options for A\$7,275 | 750,000 Options for A\$8,925 | 2,500,000 Options for A\$36,200 |
| Mr Gavin David Gibson & Ms Lauren Alissa Gibson <Gibson Family A/C> | - | 1,200,000 Options for A\$24,000 | 900,000 Options for A\$8,730 | 900,000 Options for A\$10,710 | 3,000,000 Options for A\$43,440 |
| Peter James | - | 3,800,000 Options for A\$76,000 | 2,850,000 Options for A\$27,645 | 2,850,000 Options for A\$33,915 | 9,500,000 Options for A\$137,560 |

- (b) Web.com must provide, or procure the provision of, the consideration to the Dreamscape Optionholders on the Implementation Date;
- (c) the cancellation of the Dreamscape Options is conditional on:
- (i) the Scheme becoming Effective;
 - (ii) the necessary regulatory approvals, consents and waivers having been obtained by Dreamscape; and
 - (iii) the Dreamscape Optionholder not having dealt with the Dreamscape Options contrary to the terms of the Option Cancellation Deed.

Dreamscape applied for, and was granted, a waiver from ASX of the requirements of Listing Rule 6.23.2 to permit the Dreamscape Options to be cancelled for consideration without requiring Dreamscape Shareholder approval to be obtained. Refer to Section 10.13 for further details.

2.26 Implications of the Scheme for holders of Dreamscape Performance Rights

On 1 August 2019, Dreamscape announced in accordance with their terms, the Dreamscape Performance Rights, totalling 806,666 were converted into Dreamscape Shares.

2.27 Tax Implications

The transfer of your Dreamscape Shares in accordance with the Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A general summary of the potential Australian income tax, GST and stamp duty implications for Dreamscape Shareholders is contained in Section 8

2.28 Implications if not Implemented

If the Scheme is not approved at the Scheme Meeting, or approved by the Court, or the other Conditions (which are summarised in Section 2.7 and set out in Clause 3 of the Scheme Implementation Deed) are not satisfied or waived (if permitted):

- (a) Dreamscape Shareholders will not receive the Scheme Consideration;
- (b) Dreamscape Shares will not be transferred to Web.com BidCo (and will be retained by Dreamscape Shareholders);
- (c) Dreamscape will continue to operate as a stand-alone entity, and remain listed on the ASX;
- (d) Dreamscape cannot exercise the Siteplus Option and will not acquire Siteplus while it remains listed on the official list of the ASX;
- (e) Dreamscape Shareholders will continue to be exposed to the benefits and risks associated with an investment in Dreamscape on a stand-alone basis (please refer to Sections 4 and 6 for further details about these risks); and
- (f) The amount which Dreamscape Shareholders will be able to realise for their investment in Dreamscape Shares may be uncertain. If the Scheme is not implemented and in the absence of a Superior Proposal, the Dreamscape Directors believe that it is likely that the price of Dreamscape Shares will fall from current levels.

In addition, some circumstances which cause the Scheme not to proceed may result in payment of the Dreamscape Break Fee from Dreamscape to Web.com (for reasons other than it not being approved by Dreamscape Shareholders), or the Web.com Break Fee from Web.com to Dreamscape. Dreamscape Shareholders failing to approve the Scheme will not trigger payment of the Dreamscape Break Fee. The Break Fees (including the circumstances in which they may be payable by either Dreamscape or Web.com) are summarised in Section 9 and set out in full in Clauses 11 and 12 of the Scheme Implementation Deed.

2.29 What to do Next

(a) Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

(b) Consider your options

Dreamscape Shareholders should refer to Section 3 for further guidance on the reasons to vote in favour of, or against, the Scheme and Section 6 for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Transaction, the Scheme or the Scheme Meeting, please contact Dreamscape or consult your legal, investment, taxation, financial or other professional adviser.

(c) **Vote at the Scheme Meeting**

Your Independent Directors urge you to vote on the Scheme Resolution at the Scheme Meeting. The Scheme affects your shareholding in Dreamscape, and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

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

3. Reasons to vote for or against the Scheme

3.1 Reasons to vote in favour of the Scheme

- (a) **The Independent Directors unanimously recommend you vote in favour of the Scheme, and will be voting their Dreamscape Shares in favour of it**

The Independent Directors have performed an extensive analysis of the Scheme through thorough consideration and review. After this deep analysis of the proposal, in conjunction with Dreamscape's advisers, the Independent Directors, have determined that the Scheme is in the best interests of shareholders. The Independent Directors unanimously recommend shareholders vote in favour of the proposal in the absence of a Superior Proposal.

The Independent Directors weighed the advantages and disadvantages of the Scheme, including the information contained in:

- (i) Section 3 of this Scheme Booklet (Reasons to vote for or against the Scheme);
- (ii) Section 6 of this Scheme Booklet (Key Risk Factors); and
- (iii) Annexure 1 of this Scheme Booklet (Independent Expert's Report)

Details of the interests of Dreamscape's Directors are contained in Section 10 of this Scheme Booklet.

- (b) **The Independent Expert has concluded that the Scheme is in your best interests**

Dreamscape appointed BDO as the Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is in the best interests of Dreamscape Shareholders.

The Independent Expert concluded that the Scheme is in the best interests of Dreamscape Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, concluded that the Scheme is both fair and reasonable to Dreamscape Shareholders. The basis for this conclusion is that the value of the Scheme Consideration of A\$0.27 is above the underlying value of Dreamscape which the Independent Expert assessed to be in the range of A\$0.17 to A\$0.26 per Dreamscape Share.

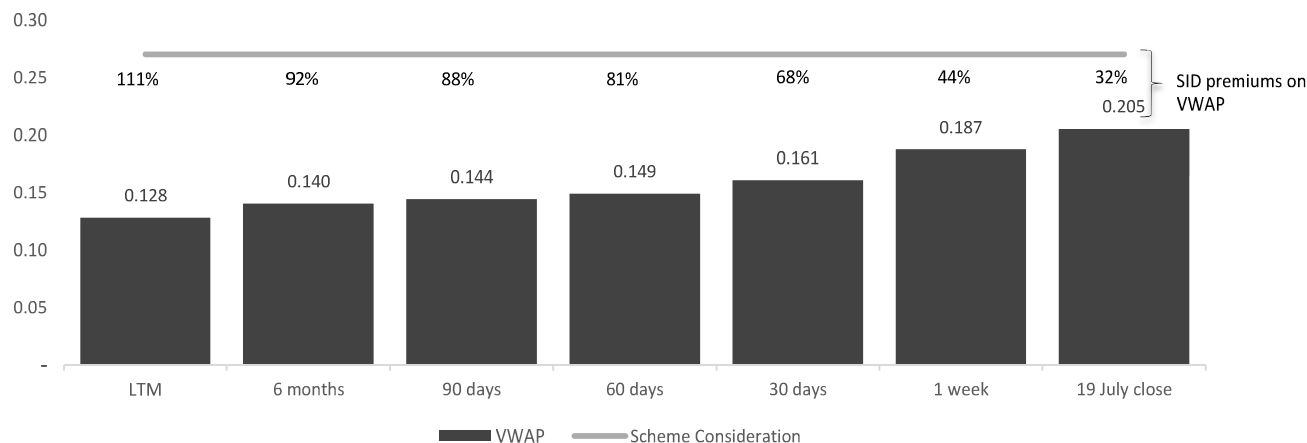
The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 1. Dreamscape Shareholders should carefully review the Independent Expert's Report in its entirety.

- (c) **The Scheme Consideration of A\$0.27 represents a 32% premium to the market price of Dreamscape Shares prior to announcement of the Scheme**

The Scheme Consideration constitutes a:

- (i) 32% premium to the closing price of Dreamscape Shares on 19 July 2019 (being the last trading day prior to Dreamscape entering into a trading halt and announcing the Scheme Implementation Deed with Web.com) of \$0.205 per share;
- (ii) 68% premium to the 30-day VWAP of Dreamscape Shares up to and including 19 July 2019 of \$0.161; and
- (iii) 88% premium to the 90-day VWAP of Dreamscape Shares up to and including 19 July 2019 of \$0.144.

\$ per share



(d) **The Scheme Consideration is all cash and provides certainty of value and timing to Dreamscape Shareholders**

The Scheme Consideration consists of A\$0.27 cash per Dreamscape Share. This all cash Scheme Consideration provides liquidity for Dreamscape Shareholders.

This certainty should be compared against the risks and uncertainties of remaining a Dreamscape Shareholder (if the Scheme is not approved) to which Dreamscape Shareholders are currently exposed. See Section 7 for more information on key risks.

(e) **Dreamscape shares have never closed at a price higher than the Scheme Consideration**

Since listing on the ASX in December 2016 and prior to 24 July 2019, Dreamscape Shares have been subject to significant volatility and have not closed higher than the Scheme Consideration payable to Dreamscape Shareholders under the Scheme. The bid also reflects a significant premium to recent trading, as mentioned earlier in this Scheme Booklet.

The chart below reflects trading from listing to 19 July 2019, which was the last day of trading prior to the announcement.



(f) **The Scheme has limited conditionality and not subject to onerous conditions**

The Scheme is only subject to FIRB approval and other customary conditions for transactions of this nature (e.g. Court and Dreamscape Shareholder approval). It is not subject to a finance condition or competition regulatory approval.

(g) **No Superior Proposal has emerged**

Dreamscape has in the ordinary course engaged with several interested strategic and financial parties around a potential transaction. In all cases Dreamscape has rigorously evaluated each opportunity against the interests of shareholders. Web.com was the only party to meaningfully engage with Dreamscape on terms that reflect the true value of the business. This proposal has now resulted in the Scheme Implementation Deed and the announcement of the Scheme on 24 July 2019.

From announcement of the entry into the Scheme Implementation Deed to the ASX on 24 July 2019 to the date of this Scheme Booklet, no Superior Proposal has emerged and your Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

(h) **Dreamscape's share price is likely to fall if the Scheme is not implemented, in the absence of a Superior Proposal**

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

(i) **No Brokerage charges**

You will not incur any brokerage or stamp duty on the transfer of your Scheme Shares to Web.com BidCo under the Scheme. If you sell your Dreamscape Shares on ASX (rather than disposing of them via the Scheme), you may incur brokerage charges.

3.2 Reasons you may vote against the Scheme

(a) **You may disagree with your Independent Directors' unanimous recommendation or the Independent Expert's conclusion**

Despite the unanimous recommendation of the Independent Directors and the conclusions of the Independent Expert, you may believe that the Scheme is not in your best interests.

There is no obligation to follow the recommendation of the Independent Directors or to agree with the opinion of the Independent Expert.

(b) **You may believe that now is the wrong time to divest your shares in Dreamscape**

If the Scheme is approved, it is expected to be implemented by 29 October 2019. You may consider that your Dreamscape Shares have greater value on a stand-alone basis over the longer term.

(c) **You may believe that there is a possibility of a Superior Proposal emerging in relation to Dreamscape**

You may consider that a Superior Proposal, which is more attractive to Dreamscape Shareholders than the Scheme, could emerge in the foreseeable future.

To reiterate the issues covered in Section 3.1(g), since the announcement of the Scheme on 24 July 2019, the Independent Directors have not received a Superior Proposal and have no reason to believe that a Superior proposal will emerge.

3.3 Other Considerations

- (a) **The Scheme may be implemented even if you vote against the Scheme or do not vote at all**

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Dreamscape Shareholders and the Court. If this occurs, your Dreamscape Shares will be transferred to Web.com BidCo and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

- (b) **Costs**

Dreamscape has incurred significant costs in preparing the proposed Scheme and revisions of that proposal to the point that is capable of being submitted to Dreamscape Shareholders as a scheme of arrangement for their consideration. These costs include negotiations with Web.com, retention of advisers, provision of information to Web.com, facilitating Web.com's access to due diligence, engagement of the Independent Expert and preparation of this Scheme Booklet.

If the Scheme is implemented, these costs will effectively be met by Web.com as the ultimate controller of Dreamscape following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges, Dreamscape expects to incur total costs of approximately A\$935,000, which have and will be paid in the 2019 & 2020 financial year.

- (c) **Conditionality of the Scheme**

Implementation of the Scheme is subject to a number of Conditions, which are summarised in Section 1 and set out in full in Clause 3 of the Scheme Implementation Deed. If the Conditions are not satisfied or waived (as applicable), the Scheme will not become Effective and Dreamscape Shareholders will not receive the Scheme Consideration.

- (d) **Break Fees**

A break fee of A\$1,000,000 is payable by Dreamscape to Web.com in certain circumstances (for reasons other than it not being approved by Dreamscape Shareholders).

A break fee of A\$1,000,000 is payable by Web.com to Dreamscape in certain circumstances.

Break fees are summarised in Section 9 and set out in Clauses 11 and 12 of the Scheme Implementation Deed.

4. Information about Dreamscape

4.1 Overview and history of Dreamscape

Dreamscape is a leading provider of user friendly, technology driven solutions that are changing, for the better, the way people digitalise, manage and grow their online presence.

Dreamscape services over 600,000 active customers globally with a comprehensive suite of products and services that offer an end to end solution for establishing and promoting their online presence. Dreamscape is able to support a customer in finding and securing a domain name or web address, initial website design, build and hosting, email and e-commerce solutions through to more advanced offerings such as web and email security, data storage, online marketing, SEO and personal and business productivity solutions.

Dreamscape's origins date back to 2000 when the founder, Ryan Tabbara, was operating a web development firm and began reselling domain names and hosting plans as well as website development services. As business grew and as initial adoption of domain names and web presence grew within the Australian market an opportunity became evident for a dedicated brand focused on Domain Names, Website and Email Hosting and associated services. Aust Domains was officially established in 2003 and grew steadily through to 2007 when the Cheap Domains and Crazy Domains brands were established respectively, each targeting different market segments largely differentiated by plan specifications and pricing.

Crazy Domains quickly grew to prominence and was subject to a major catalyst in growth through 2009/2010 following the successful launch of a multi-channel marketing campaign featuring Pamela Anderson. The business grew ~89% the following year and first obtained brand leadership status in the Australian domain market in 2010, with 20% market share that has continued to grow and dominate the Australian domain market. The business continued to grow at a steady rate leading up to its listing on the Australian Securities Exchange in December 2016.

Dreamscape has executed a number of bolt on acquisitions since listing on the ASX and one significant acquisition being Vodien, now the number one brand for both hosting and .sg domain names in Singapore. This acquisition launched the South East Asia strategy and subsequently, Dreamscape moved its head office to Singapore to more closely manage the Asian core growth strategy.

4.2 Dreamscape's Business Pillars

Dreamscape operates across three key pillars: Domain, Hosting and Solutions.

(a) Domains

Domain Names are considered to be a major onramp to the business and are key to obtaining a web presence. Domains are typically registered in the inception stages of a business, idea or project. Dreamscape, through its supporting entities is an accredited Registrar for over 500 Top Level Domains consisting of key Generic Domains such as .com, as well as Country Code Domains such as .com.au.

At its core, the Domain industry is a wholesaler to reseller to customer model, however there are a variety of regulatory requirements which must be met before successful accreditation can be achieved. The regulatory requirements cover elements of local presence, customer volumes, technical, security and financial related capabilities along with varying compliance requirements.

The Domains pillar is supported by a suite of related domain services offered by Dreamscape. This includes Domain Transfers, Domain Services, Private Registration, Domain Listing, and Domain Certification. These products are viewed as key value adds to a Domain Name and its operation and represent an attractive upsell opportunity to new and existing customers.

(b) **Hosting**

Hosting is typically the second pillar of engagement following the purchase of a Domain Name. The two major products offered within the Hosting Pillar are web hosting and email hosting. Hosting in general terms is what gives a domain name a sense of content. It is the physical storage location of a website and email - a data centre which the domain can link to.

Hosting products include Web Hosting, WordPress Hosting, Email Hosting, Email Exchange, Domain Name System Hosting, Servers, Secure Socket Layer (SSL) Certificates, and Hosting Services.

(c) **Solutions**

Solutions products are developed to help customers operate and grow their business in a competitive online environment and can operate both in conjunction with Domains and Hosting or independently within their own market segment. Dreamscape's Solutions suite is primarily geared around either establishing an online presence, through a Do It Yourself (DIY) or Do It For You (DIFY) approach which consists of website design services fulfilled by Dreamscape's internal operations teams, and online marketing tools and services, also operated in a DIY and managed service capacity. These products represent as key alternative customer onramps, particularly through rapidly emerging markets such as South East Asia.

Solutions products include Website Builder, Web Design, Simple and Managed SEO, Business Directory, Traffic Booster, Email Marketing, Logo Design, Web Analytics, Site Protection, Email Protection, Cloud Backup and Fax to Email.

4.3 Dreamscape's brands

Dreamscape operates 4 key brands that are targeted towards varying market segments within Australia, New Zealand and South East Asia. Key brands include:

- (a) **Crazydomains.com:** Dreamscapes leading brand, Crazy Domains has significant footholds in Australia and New Zealand with notable presence in India and the United Kingdom. Crazydomains holds a brand leadership position in .au domain market share and a leading hosting brand in Australia. The brand sits firmly within the Small to Micro Business space, specialising in supporting businesses with 0-4 employees.
- (b) **Vodien.com:** Vodien is the leading Singapore hosting and domain services brand, with emerging status in Malaysia. Vodien operates within the Medium Business to Enterprise space specialising in Hosting services delivering high availability, reliability and support to a high value customer base across the aforementioned regions.
- (c) **Vodien.com.au** is the Australian brand which Dreamscape has established as both a holding brand for its Australian based hosting acquisitions and their acquired customers as well as a strategic play at the Medium to Enterprise sector in Australia looking to leverage off Vodien's positive reputation in South East Asia, as well as Dreamscapes broader technical capabilities and product suite.
- (d) **Sitebeat.com:** Dreamscape's dedicated website builder brand, designed to create a technology platform that simplifies designing and building an online presence. It is being positioned as the new onramp and an alternative onramp from Domain Names for new customers and new market entrants in Australia and South East Asia.

4.4 Directors and Key Personnel

(a) Board

The Dreamscape Board comprises the following directors:

Peter James – Non-Executive Chairman and Independent Director

Peter has extensive experience as Chair, Non-Executive Director, and Chief Executive Officer across a range of publicly listed and private companies particularly in emerging technologies and e-commerce. He is a successful investor in a number of Digital Media and Technology businesses in Australia and the US and travels extensively in reviewing innovation and consumer trends in the US and also in Asia. He is also an experienced and successful business leader with significant strategic and operational expertise.

Previously among other roles, Peter was a long-term director of iiNet Limited where he chaired iiNet's Strategy and Innovation Committee and was actively involved in the A\$1.5 billion sale to TPG in August 2015. Other current directorships of listed companies include Macquarie Telecom Ltd., Nearnmap Ltd., Droneshield Limited, and UUV Aquabotix Ltd. He is also a member of Dreamscape's Audit and Compliance Committee.

Mark Evans – Managing Director & Chief Executive Officer

Mark has extensive corporate experience. Previously the CEO of an international security countermeasures company, Mark was responsible for Asia-Pacific distribution agreements with Korean manufacturers of technology and Internet based security products.

He holds no other directorships of listed companies or special duties.

Evan Cross – Non-Executive Director and Independent Director

Evan is a fellow of the Australian Institute of Company Directors.

He has extensive corporate finance experience in investment banking both in Australia and the US and has held key finance or executive director roles in a number of private and ASX-listed companies in a wide range of industries including technology, healthcare, mining and food and beverage.

He is also a non-executive director of OpenDNA Limited. He is the Chairman of Dreamscape's Audit and Compliance Committee and manages acquisitions.

Ng Shin Ein – Non-Executive Director and Independent Director

Ng Shin Ein is an investor and entrepreneur who mentors and invests in growth companies in the digital marketing and technology space. She is the founder and Managing Partner of Gryphus Capital, a pan-Asian private equity investment firm. She invests actively and leads a network of family offices and other private equity firms to provide strategic capital for companies.

She is also a director of StarHub Limited, Avarga Limited, and Yanlord Land Group Limited.

(b) Senior executive team

Members of Dreamscape's senior executive team are:

| Name | Position |
|-------------------|---|
| Mark Evans | Chief Executive Officer |
| Tony Sparks | Chief Financial Officer and Company Secretary |
| Gavin Gibson | Chief Operations Officer |
| Robert Winkelmann | Chief Marketing Officer |

(c) **Dreamscape Directors' Intentions**

If the Scheme is implemented, the Dreamscape Board will be reconstituted by directors appointed by Web.com. It will be the responsibility of the reconstituted Dreamscape Board to determine its intentions as to:

- (i) the continuation of the business of Dreamscape;
- (ii) any major changes, if any, to be made to the business of Dreamscape; and
- (iii) the future employment of the present employees of Dreamscape.

The current intentions of Web.com in relation to these matters is set out in Section 5.

If the Scheme is not implemented, the current intention of the Dreamscape Board is to continue the operations of Dreamscape in the ordinary course as a stand-alone entity listed on the ASX.

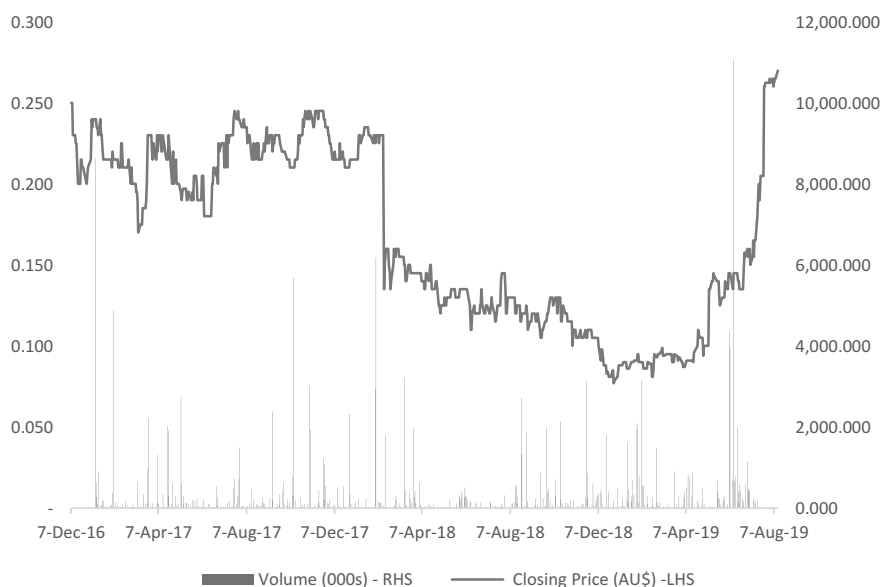
4.5 Issued Securities

At the date of this Scheme Booklet, there were 389,653,332 Dreamscape Shares on issue for Dreamscape.

At the date of this Scheme Booklet, there are 28,814,900 Dreamscape Options outstanding with varying strike prices and expiry dates. Dreamscape and Web.com have entered into Option Cancellation Deeds with each of the Dreamscape Optionholders under which, subject to the Scheme becoming Effective and on the terms and conditions of the Option Cancellation Deed, the Dreamscape Options will be cancelled, as described in Section 2.25.

4.6 Share price performance since listing

The chart below reflects trading from listing until the 13 August 2019.



4.7 Historical financial information

This section sets out summary historical financial information in relation to Dreamscape. The summary historical financial information has been extracted from Dreamscape's audited financial statements for the years ended 30 June 2017 (FY17) and 30 June 2018 (FY18), the reviewed financial statements for the half year ended 31 December 2018 (HY19) and the unaudited financial statements for the year ended 30 June 2019 (FY19).

The financial information contained in this Section has been presented in an abbreviated form and does not contain all the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

(a) Income Statement

| Income Statement | | FY17 (Audited) | FY18 (Audited) | HY19 (Reviewed) | FY19 (Unaudited) |
|---|-------|-------------------|-------------------|--------------------|---------------------|
| Revenue | [\$m] | 46.70 | 61.56 | 35.49 | 74.26 |
| Direct Cost | [\$m] | (19.70) | (25.07) | (13.79) | (28.39) |
| Gross Profit | [\$m] | 27.00 | 36.49 | 21.70 | 45.87 |
| Salaries and employee benefits | [\$m] | (11.95) | (17.47) | (9.62) | (19.19) |
| Marketing and promotions | [\$m] | (3.53) | (3.69) | (2.23) | (3.97) |
| General and administrative expenses | [\$m] | (5.55) | (8.22) | (5.23) | (10.83) |
| Operating Profit | [\$m] | 5.97 | 7.11 | 4.62 | 11.88 |
| Depreciation and amortisation | [\$m] | (1.35) | (2.10) | (1.48) | (3.49) |
| Finance expenses | [\$m] | - | (0.51) | (0.65) | (1.29) |
| Other income - net | [\$m] | 0.09 | 0.12 | 0.25 | 0.29 |
| Foreign exchanges losses - net | [\$m] | (0.48) | (0.91) | (0.47) | (0.05) |
| Forgiveness of advances to related parties | [\$m] | (16.05) | - | - | - |
| Profit (loss) before income tax | [\$m] | (11.82) | 3.71 | 2.27 | 7.34 |
| Income tax expense | [\$m] | (1.04) | (0.99) | (0.63) | (1.70) |
| Net profit (loss) for the year | [\$m] | (12.86) | 2.72 | 1.64 | 5.64 |
| Other comprehensive income, net of income tax | | | | | |
| <i>Item that will not be reclassified to profit or loss</i> | | | | | |
| Re-measurement of defined benefit obligation | [\$m] | 0.03 | - | 0.01 | 0.01 |
| <i>Item that will be reclassified to profit or loss</i> | | | | | |
| Exchange differences on translation of foreign operations' financial statements | [\$m] | 0.16 | (0.11) | (0.05) | 0.01 |
| Other comprehensive income (loss) for the year, net of income tax | [\$m] | 0.19 | (0.11) | (0.04) | 0.02 |
| Total comprehensive income (loss) for the year | [\$m] | (12.67) | 2.61 | 1.60 | 5.66 |
| Basic earnings (loss) per share | [cps] | (4.28) | 0.72 | 0.42 | 1.45 |
| Diluted earnings (loss) per share | [cps] | (4.28) | 0.71 | 0.42 | 1.45 |

(b) **Balance Sheet**

| Balance Sheet | | FY17 (Audited) | FY18 (Audited) | HY19 (Reviewed) | FY19 (Unaudited) |
|--|-------|--------------------------|--------------------------|---------------------------|----------------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | [\$m] | 17.70 | 5.63 | 5.07 | 7.10 |
| Other financial assets | [\$m] | 0.15 | 0.38 | 1.35 | 2.66 |
| Trade and other receivables | [\$m] | 3.40 | 5.21 | 5.64 | 4.79 |
| Prepayments and other deposits | [\$m] | 0.81 | 1.22 | 2.23 | 2.24 |
| Other - Vodien deposit | [\$m] | 1.91 | 0.00 | 0.00 | 0.00 |
| Total current assets | [\$m] | 23.97 | 12.44 | 14.29 | 16.79 |
| Non-current assets | | | | | |
| Property and equipment | [\$m] | 3.13 | 8.67 | 8.46 | 9.58 |
| Goodwill and other intangible assets (i) | [\$m] | 3.65 | 42.85 | 62.92 | 63.59 |
| Deferred tax assets | [\$m] | 1.16 | 1.28 | 1.28 | 1.04 |
| Prepayments and other deposits | [\$m] | 0.00 | 0.00 | 0.75 | 0.00 |
| Other | [\$m] | 0.07 | 1.02 | 0.69 | 0.72 |
| Total non-current assets | [\$m] | 8.01 | 53.82 | 74.10 | 74.93 |
| Total Assets | [\$m] | 31.98 | 66.26 | 88.39 | 91.72 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | [\$m] | 2.99 | 5.01 | 6.57 | 5.88 |
| Borrowings(ii) | [\$m] | 0.00 | 0.31 | 3.88 | 2.45 |
| Accrued expenses | [\$m] | 2.80 | 2.61 | 3.92 | 4.27 |
| Other current liabilities | [\$m] | 0.97 | 1.75 | 0.94 | 1.32 |
| Deferred revenue - net | [\$m] | 14.51 | 19.44 | 19.44 | 22.65 |
| Income tax payable | [\$m] | 0.99 | 1.12 | 1.38 | 1.89 |
| Total current liabilities | [\$m] | 22.26 | 30.24 | 36.13 | 38.46 |
| Non-current liabilities | | | | | |
| Trade payables | [\$m] | 0.00 | 0.00 | 0.50 | 0.00 |
| Borrowings (ii) | [\$m] | 0.00 | 11.51 | 19.59 | 18.36 |
| Deferred revenue - net | [\$m] | 9.90 | 11.49 | 13.56 | 12.17 |
| Deferred tax liabilities | [\$m] | 0.00 | 0.12 | 4.07 | 4.10 |
| Provision for employees' end of service benefits | [\$m] | 0.41 | 0.29 | 0.22 | 0.23 |
| Total non-current liabilities | [\$m] | 10.31 | 23.41 | 37.94 | 34.86 |
| Total Liabilities | [\$m] | 32.57 | 53.65 | 74.07 | 73.62 |
| Net Assets (Liabilities) | [\$m] | (0.59) | 12.61 | 14.32 | 18.40 |
| Equity | | | | | |
| Issued capital | [\$m] | 12.92 | 23.22 | 23.49 | 23.49 |
| Share-based payment reserve | [\$m] | 1.18 | 1.46 | 1.29 | 1.32 |
| Accumulated losses | [\$m] | (14.96) | (12.22) | (10.58) | (6.58) |
| Other reserves | [\$m] | 0.27 | 0.15 | 0.12 | 0.17 |
| Total Equity (Deficiency) | [\$m] | (0.59) | 12.61 | 14.32 | 18.40 |

Notes:

(i) **Goodwill and other intangible assets**

The increase in goodwill and other intangible assets of \$20.74 million from FY18 to FY19 relates mainly to a number of acquisitions completed during the financial year ended 30 June 2019.

As at 30 June 2019, the balance of \$63.59 million comprises of the following:

| | | |
|---------------|--------------|--------------|
| Goodwill | [\$m] | 39.31 |
| Trade names | [\$m] | 23.22 |
| Software | [\$m] | 0.35 |
| Customer list | [\$m] | 0.71 |
| Total | [\$m] | 63.59 |

(ii) **Cash advance facility with Commonwealth Bank of Australia**

As announced to the ASX on 28 December 2017, the Company finalised a \$20 million three-year cash advance facility with the Commonwealth Bank of Australia (CBA) to assist with the funding of business acquisitions. On 10 December 2018, Dreamscape announced that it had negotiated amendments to the \$20 million advance facility, which was increased to \$23 million with monies available for immediate drawdown.

The CBA bank facility has a maturity date of 28 December 2020. The facility attracts a commercial interest rate based on the relevant period BBSY rate.

4.8 Material changes in Dreamscape's financial position and financial performance

To the knowledge of the Dreamscape Directors, and except as disclosed in the unaudited FY19 financial statements and this Section 4.8 or elsewhere in this Scheme Booklet, the financial position and financial performance of Dreamscape has not materially changed since 31 December 2018.

To the best of the Dreamscape Directors' knowledge, the unaudited FY19 financial performance and position of Dreamscape as at and for the 12 months to 30 June 2019 should not change materially upon completion of the statutory audit which is currently in progress.

4.9 Publicly available information

Dreamscape is a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Dreamscape to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market. Dreamscape has an obligation under the Listing Rules (subject to some exceptions) to notify the ASX immediately upon becoming aware of any information concerning it, which a reasonable person would expect to have a material effect on the price or value of Dreamscape Shares. Pursuant to the Corporations Act and the Listing Rules, Dreamscape is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the Dreamscape Directors and an audit or review report, respectively. Copies of each of these documents and the ASX notifications can be obtained free of charge on the Dreamscape website <https://www.dreamscapenetworks.com/> or by visiting the ASX website at <https://www.asx.com.au/asx/statistics/announcements.do>.

ASIC also maintains a record of documents lodged with it by Dreamscape and these may be obtained from the ASIC website at www.asic.gov.au.

Additionally, copies of documents lodged with ASIC in relation to Dreamscape may be obtained from or inspected at an ASIC service centre. Please note ASIC may charge a fee in respect of such services. The following documents are available for inspection free of charge prior to the Scheme Meeting and during normal business hours at the registered office of Dreamscape Networks Limited, Level 2, 50 Kings Park Road, West Perth, Western Australia 6005:

- Dreamscape company register;
- Dreamscape Constitution;
- Dreamscape annual reports for FY2017 and FY2018; and
- Dreamscape half year reports for HY2019.

5. Information about Web.com and Web.com BidCo

5.1 Introduction

The information contained in this section 5 has been prepared by Web.com. The information concerning Web.com and the intentions, views and opinions contained in this section 5 are the responsibility of Web.com. Dreamscape and its officers and advisors do not assume any responsibility for the accuracy or completeness of the information in this section 5.

5.2 Overview of Web.com

(a) Corporate overview and principal operations

Web.com is a company established in Delaware in the United States of America.

Web.com provides a full range of Internet services to small businesses to help them compete and succeed online through its portfolio of brands - Web.com, Network Solutions, and Register.com. Web.com meets the needs of small businesses anywhere along their lifecycle with affordable, subscription-based solutions including domains, hosting, website design and management, and internet marketing solutions. Headquartered in Jacksonville, Florida, Web.com serves approximately 2 million customers with operations in North America, South America and the UK.

Web.com is indirectly owned by the Siris Capital Funds (and five investors that indirectly own less than 5% of Web.com on a fully diluted basis). The Siris Capital Funds are managed and/or advised by Siris Capital Group, LLC and its affiliates (see section 5.3(c) below).

(b) Directors and Key Personnel

The Web.com Board as at the date of this Scheme Booklet is comprised of the following members:

(i) Non-Executive Directors:

Bob Aquilina, Executive Chairman

Mr. Aquilina was a senior operating executive of AT&T, Inc. with a 21-year career. His last post at AT&T was as Co-President of AT&T Consumer Services and a member of the Chairman's Operating Group. Previously within AT&T, Mr. Aquilina held a variety of senior positions including President of Europe, Middle East & Africa; Vice Chairman of AT&T Unisource; Vice Chairman of WorldPartners; Chairman of AT&T UK; and General Manager of Global Data Services. He was previously a member of the Board of Directors of Japan Telecom, Inc. and the Co-Chairman of Flag Telecom Group Ltd. Mr. Aquilina served as the Executive Chairman of MedQuist and Applied Discovery. In addition to his responsibilities with Web.com, Mr. Aquilina is currently the Executive Chairman of TNS and a board member of Digital River, PGI, and Synchronoss Technologies.

Frank Baker

Mr. Baker is a Co-Founder and Managing Partner of Siris Capital and is a board member of all Siris portfolio companies. Mr. Baker started his career in the Mergers and Acquisitions group of Goldman Sachs and has an M.B.A. from Harvard Business School and a B.A. from the University of Chicago. Mr. Baker also serves as a trustee of the University of Chicago.

Peter Berger

Mr. Berger is a Co-Founder and Managing Partner of Siris Capital and is a board member of all Siris portfolio companies. Mr. Berger started his career at Arthur

Andersen where he was global head of the Corporate Finance Group and was a Managing Director of Bear Stearns Companies. Mr. Berger was also a founding member of the private equity firm Ripplewood Holdings LLC. He has an M.B.A. from Columbia University Graduate School of Business and a B.Sc. from Boston University.

Jeff Hendren

Mr. Hendren is a Co-Founder and Managing Partner of Siris Capital and is a board member of all Siris portfolio companies. Mr. Hendren started his career at Georgia Pacific and was a member of the Mergers and Acquisitions group of Goldman Sachs. He has an M.B.A. from Harvard Business School and a B.Sc. from Indiana University.

Tyler Sipprelle

Mr. Sipprelle joined Siris Capital in 2016. Prior to Siris, Mr. Sipprelle worked at Vector Capital and in the Technology Investment Banking Group at Lazard. Mr. Sipprelle received his M.B.A. from Harvard Business School, where he was a Baker Scholar, and holds a bachelor's degree in Economics cum laude from Harvard University. He serves as a director of Web.com and Transaction Network Services and formerly served as a director of Intralinks.

Tim Kelly

Tim Kelly is an independent director at Web.com. Having held the roles of President and CEO at Network Solutions, President of Sprint's Consumer Division and Chief Marketing Officer, Mr. Kelly has had extensive leadership experience at consumer- and SMB- focused businesses. He currently serves as a director of Web.com, Roadz, and Moovila. He has an M.B.A. from Nova Southeastern and holds a bachelor's degree in Marketing from the University of Florida.

(ii) Executives:

Sharon Rowlands, Chief Executive Officer, President, and Director

Ms. Rowlands brings deep industry knowledge and a strong track record of leading multibillion-dollar high-tech companies that serve small- and medium-sized businesses, financial markets and enterprise customers. Prior to joining Web.com in January 2019, she served as CEO of ReachLocal, a public digital marketing company, leading it through a strategic transformation and the 2016 sale to Gannett. At Gannett, Ms. Rowlands served as president of the USA Today Network Marketing Solutions business while continuing to serve as CEO of ReachLocal. Prior CEO positions include Penton Media, Altagrity, and Thomson Financial. Additionally, Ms. Rowlands serves on the board of directors for Pegasystems, a global software company, and Everbridge, a critical event management and enterprise safety applications company. Among several prestigious accomplishments, she was named Customer Focused CEO of the Year in the 2016 CEO World Awards, won the Gold Stevie Award for Female Executive of the Year in 2016, and was also named Female CEO of the Year in the 2016 One Planet Awards. Ms. Rowlands received her Postgraduate Certificate in education from the University of London and her BA in history from the University of Newcastle, Newcastle-Upon-Tyne.

Christina Clohecy, Chief Financial Officer

Mrs. Clohecy brings more than 20 years of financial experience and is responsible for Web.com's financial strategy and finance operations. Most recently, she held leadership positions with Siris Capital portfolio companies Stratus Technologies, Inc., which she joined in 2016 as CFO, and Airvana. Previously, she held a series of positions at both Sycamore Networks Inc. and Vitronics Soltec. Christina has an

5.3 Overview of Web.com BidCo

(a) Ownership structure

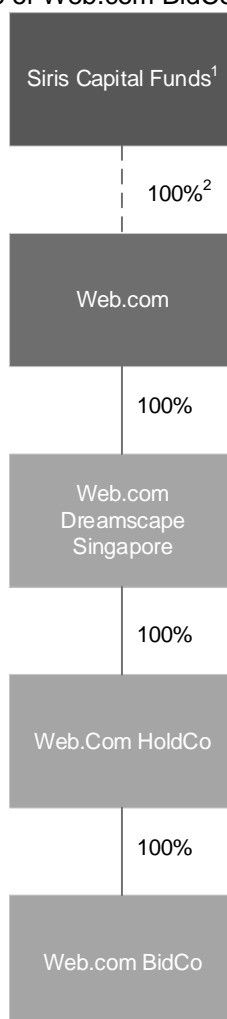
Web.com Aus Bidco Pty Ltd (ACN 635 836 298) (**Web.com BidCo**) is a special purpose company that was incorporated on 28 August 2019 for the purpose of acquiring all of the Dreamscape Shares under the Scheme. Web.com BidCo is an unlisted private Australian company and has not undertaken any trading activities. All of the shares in Web.com BidCo are owned by Web.com HoldCo.

Web.Com Aus Holdco Pty Ltd (ACN 635 831 597) (**Web.com HoldCo**) is a special purpose company that was incorporated on 28 August 2019 for the purpose of holding all of the shares in Web.com BidCo. Web.com HoldCo is an unlisted private Australian company and has not undertaken any trading activities. All of the shares in Web.com HoldCo are owned by Web.com Dreamscape Singapore.

Web.com Dreamscape Pte. Ltd. (**Web.com Dreamscape Singapore**) is a special purpose company that was incorporated on 26 August 2019 for the purpose of holding all of the shares in Web.com HoldCo. Web.com Dreamscape Singapore is an unlisted private Singaporean company and has not undertaken any trading activities. All of the shares in Web.com Dreamscape Singapore are owned by Web.com.

Web.com Group, Inc (**Web.com**) is indirectly owned by the **Siris Capital Funds** (and five investors that indirectly own less than 5% of Web.com on a fully diluted basis). The Siris Capital Funds are managed and/or advised by Siris Capital Group, LLC and its affiliates.

The ownership structure of Web.com BidCo described above is detailed below.



1. 'Siris Capital Funds' comprises multiple investment vehicles (as detailed in the definition of Siris Capital Funds in Section 11). The Siris Capital Funds, together with five investors that indirectly own less than 5% of Web.com on a fully diluted basis, indirectly own all of the shares in Web.com.
2. The Siris Capital Funds (and five investors that indirectly own less than 5% of Web.com on a fully diluted basis) indirectly own all of the shares in Web.com, that is, there are certain intervening entities through which the Siris Capital Funds and five investors (mentioned above) own all of the shares in Web.com.

(b) **Directors**

As at the date of this Scheme Booklet, the directors of Web.com BidCo and Web.com HoldCo are Christina Clohecy, the Chief Financial Officer of Web.com (see section 5.2(b)(ii) above), and Swapna Dhananjay Keskar, an employee of a business known as Company Matters, which provides, governance, legal and company secretarial services.

(c) **Siris Capital**

Siris Capital a private equity firm based in the United States of America. Investment funds affiliated with Siris Capital have raised more than US\$5.9 billion of cumulative capital since its inception in 2011.

Further information about the Applicant Group can be found at <https://siris.com/>.

5.4 Rationale for proposed acquisition of Dreamscape

Web.com is a leading web technology company helping millions of customers build their online presence. The acquisition of Dreamscape signals Web.com's continued commitment to providing web presence solutions to customers around the globe by adding market-leading brands and operations in Australia and Southeast Asia to its portfolio.

5.5 Funding arrangements

The Scheme Consideration will be provided wholly in cash.

The aggregate Scheme Consideration payable by Web.com under the Scheme will be A\$105.2 million assuming there are approximately 389,653,332 Scheme Shares on issue on the Implementation Date.

Web.com BidCo intends to fund the Scheme Consideration using the Web.com Group's cash on hand and existing credit facilities.

As at 30 June 2019, the Web.com Group has available cash reserves of approximately USD\$63.9 million, or approximately A\$92.6 million³. In addition, the Web.com Group has available undrawn borrowing capacity of approximately USD\$92.4 million under its existing revolving credit facility, or approximately A\$133.9 million⁴. This amount exceeds the maximum aggregate Scheme Consideration payable by Web.com BidCo under the Scheme and the consideration payable for the cancellation the Dreamscape Options (Refer to Section 10.1).

The aforementioned credit facilities are subject to conditions precedent to drawdown which are customary for facilities of this nature. As at the date of this Scheme Booklet, the Bidder is not aware of any reason why the credit facilities will not be available to be drawn down for the purpose of the acquisition of Dreamscape Shares on or prior to the Implementation Date.

The Scheme is not subject to a financing condition.

5.6 Intentions if the Scheme is implemented

Set out below are the present intentions of Web.com if the Scheme is implemented.

These statements of intention are based on information concerning Dreamscape, its business and the general business environment that are known to Web.com as at the date of this Scheme Booklet.

Web.com does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Decisions regarding these matters will only be made by Web.com in light of all material information and circumstances at the relevant time. Accordingly, the statements set out in this

³ based on an exchange rate of 1.45 Australian Dollar to 1 US\$ as at 29th July, 2019

⁴ based on an exchange rate of 1.45 Australian Dollar to 1 US\$ as at 29th July 2019

section 5 are statements of current intention only, which may change as new information becomes available to Web.com or as circumstances change.

(a) **Operations**

Web.com's current intention is to continue the current strategic direction of Dreamscape of investing to become Australia's and South East Asia's #1 Online Solutions Provider. Web.com does not currently intend to redeploy any of Dreamscape's fixed assets.

(b) **Dreamscape board**

If the Scheme is implemented, the board of directors of Dreamscape and each of its subsidiaries will be reconstituted with effect on and from the Implementation Date. At the date of this Scheme Booklet, the new directors have not been determined.

(c) **Management team**

Web.com's current intention is that, if the Scheme is implemented, the Dreamscape management team will continue to lead Dreamscape's operations as a subsidiary of Web.com.

(d) **Employees**

Web.com considers Dreamscape's employees to be critical to the future success of the business. It is Web.com's current intention to not make any changes to the existing roles. Web.com currently intends to work with the management team to ensure the organisation is appropriately set up to pursue its strategic direction and growth opportunities.

(e) **Delisting**

If the Scheme is implemented, Web.com currently intends to procure that Dreamscape applies to the ASX to be removed from the official list of ASX after implementation of the Scheme.

5.7 Web.com's interest in Dreamscape shares

(a) **Interest in Dreamscape Shares**

At the date of this Scheme Booklet, Web.com has a Relevant Interest in 77,769,330 Dreamscape Shares (representing Voting Power of approximately 19.96% in Dreamscape) under the Cloudsafe Option Deed dated 23 July 2019 between Mark Evans, Cloudsafe Holdings Limited and Web.com.

Section 2.15 contains a summary of the Option Deed. Further details of Web.com and its Associates' Relevant Interest in Dreamscape Shares can be found in Web.com's Form 603 Notice of initial substantial holder released to the ASX on 25 July 2019.

Other than as disclosed above, none of Web.com or any of its Associates has a Relevant Interest in any Dreamscape Shares nor any Voting Power in Dreamscape.

(b) **Dealing in Dreamscape Shares**

Except as disclosed above in relation to the Cloudsafe Option Deed, none of Web.com or any of its Associates have provided, or agreed to provide, consideration for Dreamscape Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

(c) **Benefits to holders of Dreamscape Shares**

Web.com has agreed to certain retention and compensation arrangements in favour of Mark Evans (Refer to Sections 2.9 and 10.3 for further details).

It is a Condition of the Scheme Implementation Deed that the Siteplus Option Agreement be entered into and that Dreamscape obtain Shareholder approval for the grant of the Siteplus Option. Under the Siteplus Option Agreement, which is conditional upon the Scheme being implemented and Dreamscape being removed from the official list of the ASX, Dreamscape has a call option over 100% of Siteplus's shares for a grant price of A\$2.00. Refer to Section 6 for further information on the Siteplus Option.

During the four months before the date of this Scheme Booklet, none of Web.com or any of its associates has given or offered to give or agreed to give benefit to another person where the benefit was likely to induce the other person or associate to:

- (i) Vote in favour of the Scheme; or
- (ii) Dispose of Dreamscape Shares,
- (iii) Where the benefit was not offered to all Dreamscape Shareholders

6. Details of the Siteplus Option

6.1 Background

Siteplus is a company incorporated in Singapore on 1 June 2016. Siteplus is a white label do-it-yourself (DIY) website builder that can be used by individuals, businesses and website developers to build mobile friendly websites. Dreamscape currently offers Siteplus's services through its product Sitebeat. Siteplus is developing its own e-Commerce platform which it believes will be a future engine for revenue growth.

There has been a notable rise in businesses building their own websites and Siteplus is well positioned to take advantage of this trend. The trend is significant in the South East Asian markets in which Dreamscape operates.

Siteplus has a strong client pipeline that it has evaluated, with a number of new customers currently in the process of being on boarded. Dreamscape is the main customer to Siteplus at this point in time. Siteplus currently employs 35 full time staff in offices in Kiev.

Dreamscape started using Siteplus in 2018 as its web builder platform following a comprehensive review of available third-party products. This comprehensive review was undertaken because Dreamscape's previous supplier became outdated and lacked features, capabilities and an acceptable roadmap for the markets Dreamscape is operating in. Today, Dreamscape offers Siteplus' services through its own branded product "Sitebeat". Dreamscape negotiated an arm's length third party commercial supply agreement with Siteplus for use of the web builder platform in 2018.

6.2 Siteplus Option

While Web.com was conducting due diligence on Dreamscape it concluded that it should have the optionality to acquire Siteplus if the Scheme is implemented. Web.com determined that internalising Siteplus (that is, owning Siteplus rather than accessing Siteplus' web builder platform through a supply agreement) could improve the Dreamscape business.

Accordingly, it is a Condition of the Scheme Implementation Deed that Dreamscape Shareholders approve the entering into the Siteplus Option Agreement to grant a call option over 100% of the issued share capital of Siteplus post implementation of the Scheme. Funds for the acquisition of Siteplus may be provided by intercompany loan from Web.com to Dreamscape to facilitate the acquisition if the Scheme is successfully concluded. The Siteplus Option cannot be exercised by Dreamscape until the Scheme is implemented and Dreamscape has been removed from the official list of the ASX. At such time Dreamscape will be a wholly owned subsidiary of Web.com.

6.3 Siteplus Option Agreement

On 24 July 2019, Dreamscape announced that it had entered into the Siteplus Option Agreement with the Siteplus Vendors (including Cloudsafe, an entity associated with Mark Evans).

Bluegeko is a company incorporated in the Bahamas. Mr Ryan Tabbara, a founder and former director of Dreamscape, is the sole shareholder and director of Bluegeko.

It is a Condition of the Scheme Implementation Deed, that Dreamscape (via its wholly owned subsidiary Dreamscape Networks International Pte Ltd (**Dreamscape International**)) having entered into the Siteplus Option Agreement, obtains Dreamscape Shareholder approval for the grant of the Siteplus Option.

The Siteplus Option Agreement is subject to Dreamscape Shareholder approval and is conditional upon the Scheme being implemented and Dreamscape being removed from the official list of the ASX. There is no obligation for Dreamscape to exercise the option. It is intended to provide optionality for Web.com in the event the Scheme is implemented.

The material terms of the Siteplus Option Agreement are as follows:

| Key Terms | Summary of term |
|---|--|
| Grant of the Option | In consideration for payment of A\$2.00 by Dreamscape International to the Siteplus Vendors, the Siteplus Vendors grant to Dreamscape International an option to acquire all of the issued share capital in Siteplus for the Siteplus Consideration during the Siteplus Exercise Period (Siteplus Option). |
| Exercise of Option | <p>Dreamscape International may exercise the Siteplus Option at any time during the period:</p> <ul style="list-style-type: none"> (a) commencing on the later of the following: <ul style="list-style-type: none"> (i) the Scheme becoming Effective; and (ii) the date which Dreamscape is removed from the official list of the ASX, and (b) expiring on the date which is the earlier of: <ul style="list-style-type: none"> (i) Dreamscape International providing notice it does not wish to exercise the Siteplus Option; (ii) Dreamscape International exercising the Siteplus Option; and (iii) 31 March 2020, <p>(Siteplus Exercise Period).</p> |
| Siteplus Consideration | <p>If Dreamscape International exercises the Siteplus Option, Dreamscape International must pay the following consideration amounts:</p> <ul style="list-style-type: none"> (a) Bluegeko Holdings Limited: A\$5,400,000.00; (b) Cloudsafe Holdings Limited: A\$5,400,000.00; and (c) Siteplus Performance Right Holders: A\$1,200,000.00. |
| Conduct of the Siteplus Vendors during the Exercise Period | <p>The Siteplus Option Agreement prescribes that the Siteplus Vendors must:</p> <ul style="list-style-type: none"> (a) act within the usual course of business; (b) not acquire, dispose of or create an encumbrance over the Siteplus shares; (c) preserve the goodwill of the business; (d) not, without Dreamscape International's prior consent: <ul style="list-style-type: none"> (i) not terminate or vary any material contracts; (ii) acquire any assets not in the ordinary course of business; (iii) incur any liabilities or indebtedness not in the ordinary course of business; (iv) create any encumbrance over its assets not in the ordinary course of business; (v) allot or issue any new Siteplus shares; (vi) declare or pay any dividend or other distribution; (vii) alter its constitution; or (viii) pass any special resolution, (e) not initiate or settle any claim, action or proceeding, (f) not increase or accelerate any benefits to employees, officers or directors; and (g) maintain the current insurance coverage. |

Dreamscape's Independent Directors and its financial adviser, Venture Advisory, have independently reviewed the rationale behind the Siteplus Option Agreement and the exercise price. The Independent Directors and Venture Advisory concluded:

- (a) there is sound strategic rationale to support Dreamscape procuring the right to acquire Siteplus, with minimal downside risk given that the call option provides the right but not the obligation to make the acquisition; and
- (b) an aggregate price of A\$12 million is consistent and reasonable when compared with historical transactions in similar sectors.

The Siteplus Option Agreement is on customary terms, including provisions requiring the Siteplus Vendors to maintain the Siteplus business in the ordinary course, to maintain ownership of Siteplus, and to not undertake corporate actions, enter or vary material transactions or incur material indebtedness, or increase or accelerate any benefits to employees, officers or directors of Siteplus.

The Siteplus Call Option is exercisable at any time during its term and expires on the earliest of Dreamscape exercising the option, Dreamscape notifying the vendors that it will not exercise the option, or 31 March 2020.

6.4 General Meeting

It is a condition precedent to the Scheme becoming Effective that Dreamscape Shareholders approve the resolution put forward at a General Meeting, being the grant of the Siteplus Option.

ASX Listing Rule 10.1 prohibits the acquisition of a "substantial asset" from a "substantial holder" without Dreamscape Shareholder approval. The Siteplus Vendors are related parties and "substantial holders" of Dreamscape. Accordingly, the grant of the Siteplus Option requires approval by Dreamscape Shareholders at a general meeting pursuant to Listing Rules 10.1 and 10.5.

The Siteplus Vendors are not eligible to vote on the resolution to approve the Siteplus Option Agreement.

Completion of the grant of the Siteplus Option is conditional on obtaining Dreamscape Shareholder approval and is subject to Dreamscape Shareholder approval for the purposes of ASX Listing Rule 10.1 and 10.5.

For further details on the grant of the Siteplus Option, see the Notice of General Meeting dispatched to Dreamscape Shareholders.

6.5 Independent Expert's Report

Dreamscape commissioned BDO to provide an independent expert's report to express an opinion as to whether or not the grant of the Siteplus Option is fair and reasonable to the Dreamscape Shareholders (**Siteplus Independent Expert's Report**). The Siteplus Independent Expert's Report was received by Dreamscape on 13 August 2019 and accompanies the Notice of Meeting sent to Dreamscape Shareholders to assist them in deciding whether or not to approve the resolution put forward at the General Meeting.

BDO considered the advantages and disadvantages of the grant of the Siteplus Option to Dreamscape Shareholders. BDO concluded that the position of Dreamscape Shareholders if the Siteplus Option is completed is more advantageous than if the Siteplus Option is not completed. BDO concluded that the Siteplus Option is fair and reasonable to the Dreamscape Shareholders.

Refer to the Siteplus Independent Expert's Report contained in the Notice of General Meeting for the General Meeting for further details.

7. Key Risk Factors

The risk factors in this Section 7 are existing factors relating to Dreamscape's business and the industry in which it operates. However, the list of risks set out in Section 7 are not exhaustive. Additional risks and uncertainties of which Dreamscape is unaware, or that it currently considers immaterial, may also impair the business, operations and future prospects of Dreamscape. If any such risks were to occur, the business of Dreamscape may be harmed and its financial condition, and results of operations, may suffer significantly.

These risks will only continue to be relevant to Dreamscape Shareholders if the Scheme does not proceed and Dreamscape Shareholders retain their current investment in Dreamscape. If the Scheme proceeds, Dreamscape Shareholders will receive the Scheme Consideration, will cease to be Dreamscape Shareholders and will no longer be exposed to the risks set out in this Section.

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

Scheme Participants in doubt about how to act, should seek independent professional advice before deciding on how to vote on the Scheme.

7.1 Scheme Risk Factors

(a) Court delays

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

In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Date, the Court will have regard to that change in deciding how it should proceed and, if that change is so important that it materially alters the Scheme, there is a risk that the Court may not approve the Scheme.

(b) Tax consequences for Scheme Shareholders

If the Scheme is implemented, there will be tax consequences for Dreamscape Shareholders that may include tax being payable on any gain on the disposal of Dreamscape Shares.

The tax treatment may vary depending on the nature and characteristics of each Dreamscape Shareholder and their specific circumstances.

Accordingly, Dreamscape Shareholders should seek professional tax advice in relation to their particular circumstances. For further information about the general Australian tax consequences of the Scheme, please refer to Section 8.

(c) Implementation of the Scheme is subject to several conditions that must be satisfied or waived

The Scheme is subject to several Conditions which are contained in Clause 3 of the Scheme Implementation Deed. Please refer to Section 1 of this Scheme Booklet for further information regarding the Conditions to the Scheme. There can be no certainty, nor can Dreamscape provide any assurance, that these Conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, several of the Conditions are beyond the control of Dreamscape, including, but not limited to, approval of the Scheme by the required majorities of Dreamscape Shareholders, and required regulatory and third party approvals and consents.

- (d) **The Scheme Implementation Deed may be terminated by Dreamscape or Web.com in certain circumstances**

Each of Dreamscape or Web.com has the right to terminate the Scheme Implementation Deed in certain circumstances. Please refer to Section 9 of this Scheme Booklet for further information regarding the termination of the Scheme Implementation Deed. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either Dreamscape or Web.com before the implementation of the Scheme.

If the Scheme Implementation Deed is terminated, there is no assurance that Dreamscape will be able to find a party willing to provide equivalent or greater consideration for Dreamscape Shares than the Scheme Consideration.

7.2 General risks relating to Dreamscape

In considering the Scheme, you should be aware that there are a number of general risk factors as well as risks specific to Dreamscape and/or the Industries in which it operates, which could materially and adversely affect the future operating and financial performance of Dreamscape. The Dreamscape Board and senior management team in the ordinary course of business assesses materials risks associated with the operations of Dreamscape Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, general and specific which could materially adversely affect the future operating and financial performance of Dreamscape, the value of Dreamscape Shares. These risks will continue to be relevant to you if the Scheme does not proceed and you retain your existing investment in Dreamscape.

These risks include, but are not limited to, the following risks:

- (a) **General equity market risks**

As an entity with listed ordinary shares on the ASX, the market price of Dreamscape Shares is influenced by a variety of general business cycles and economic and political factors in Australia, including economic growth, interest rates, exchange rates, inflation, employment levels, changes in government fiscal, monetary and regulatory policy in relevant jurisdictions and changes to accounting or financial reporting standards.

- (b) **Economic and political conditions**

Economic and political conditions, both domestic and global, may affect the performance of Dreamscape. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of Dreamscape and may result in material adverse impacts on the business and operating results of Dreamscape, this includes general political risks operating in countries where changes to legislation may restrict, limit or ban Dreamscape's operating activities.

- (c) **Share market conditions**

There are risks associated with an investment in financial products quoted on a stock exchange. Share price movements could affect the value of any investment in Dreamscape.

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

(d) **Liquidity and realisation risk**

There may be a few potential buyers or sellers of Dreamscape Shares on the ASX at any time. This may affect the volatility of the market price of Dreamscape Shares. It may also affect the prevailing market price at which shareholders are able to sell their Dreamscape Shares.

(e) **Reliance on key personnel**

Dreamscape is reliant on the expertise, knowledge and specialist skills of its employees and contractors. Failure to retain staff may impair client relationships and the ability to deliver specialised advice may be impacted by the loss of expert staff with unique skill sets. Additionally, Dreamscape's growth and profitability may be limited if a significant number of its key personnel leave and Dreamscape is unable to attract new suitably qualified personnel.

(f) **Staff turnover**

Staff turnover may occur due to a range of factors including salary pressure, the performance of Dreamscape and the availability of career progression opportunities. Staff turnover may adversely affect Dreamscape if Dreamscape is unable to attract new suitably qualified personnel, or by increased recruitment and training costs or even increased compensation costs associated with attracting and retaining key personnel.

(g) **Competitive environment**

Dreamscape operates in a competitive industry for its products in the domain name registration and web-hosting markets and other markets in which it operates, which it expects will continue to intensify and as a result it may affect the competitive position and market share of Dreamscape. Some of the existing and potential competitors have significantly more resources, more global brand recognition and consumer awareness, with more product offerings, greater international scope and larger customer bases globally than Dreamscape does.

Dreamscape face the risk that existing competitors could increase their competitive position through aggressive marketing campaigns and product innovation, price discounting or acquisitions. Conditions in the market could change significantly as a result of technological advancements and Dreamscape may fail to anticipate and respond to these changes as quickly as their existing and potential competitors do. The existing and potential competitors may establish relationships amongst themselves or with other third parties that may further enhance their ability to compete. The continued entry and amalgamations of competitors in the domain name registration and web hosting markets, may make it difficult for Dreamscape to maintain its market position in its existing markets.

If any of these risks arise, Dreamscape may compete less effectively against the competitors, and the Dreamscape business, growth prospects and operating results could be adversely affected.

(h) **Contracted services**

Dreamscape's domain name, hosting services and solutions partly rely on Dreamscape's partnership agreements with third party software providers and providers of technology-based infrastructure. There is no guarantee that these strategic partnership agreements will be renewed on terms which are commercial compelling for Dreamscape, or that the services will be renewed at all, or that clients will continue to purchase contracted services through Dreamscape. The loss, non-renewal or renewal on less favourable terms may adversely affect Dreamscape's ability to conduct its business, or to maintain its profitability.

(i) **Intellectual property**

Any failure by Dreamscape to protect project artefacts, know-how, intellectual property and/or related processes could impact its ability to meet its existing contractual obligations or

leverage the intellectual property to successfully bid for opportunities with new clients, which may adversely affect the ability of Dreamscape to conduct its business or maintain its profitability.

(j) **Cash flow risk and liquidity**

Dreamscape's ability to service its debt and other obligations depends on the future performance and cash flow of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. Dreamscape's historical financial results have been, and it is anticipated that Dreamscape's future financial results will continue to be subject to fluctuations and Dreamscape's business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations. Any inability to secure sufficient debt funding (including to refinance on acceptable terms) or to service its existing and new debt may have a material adverse effect on Dreamscape's financial performance and prospects.

(k) **Change in technology**

The information, communication and technology industries are constantly evolving with new technologies and products which could act as substitutes for the products and services offered by Dreamscape. In addition, the behaviours of consumers of those technologies and products are constantly evolving. There is no guarantee that Dreamscape can effectively keep up with changes in technological developments and failure to keep pace with changes in technology could result in Dreamscape finding it increasingly difficult to compete in its chosen target segments. If there are new or improved products that are superior, or perceived by the market to be superior, or perceived by the market to be superior, to those of Dreamscape then this may adversely impact on Dreamscape's ability to compete in its chosen market segments.

(l) **Tax risk**

Changes to the income tax (including capital gains tax), GST, withholding tax, payroll tax, duty or other revenue legislation, case law, rulings or determinations by the Commissioner of Taxation or other practices of tax authorities in other countries may change or adversely affect Dreamscape's profitability and cash flow.

(m) **Major shareholder risk**

Dreamscape has a number of substantial shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause the price of Dreamscape Shares to decline.

(n) **Other specific risk**

Other areas of risk faced by Dreamscape include (but not limited to):

- (i) cyber risk, including security;
- (ii) contractual and partnership risk;
- (iii) financial risks, including accounting, insurance, regulatory

Dreamscape has in place Director committees and what it considers are appropriate policies and procedures to help manage these risks, and Dreamscape continually updates and develops those policies. In addition, as a result of considering the Scheme, Dreamscape is exposed to risks associated with potential business distraction.

8. Taxation Implications for Dreamscape Shareholders

PricewaterhouseCoopers has been engaged by Dreamscape to provide in this section a general summary of the potential Australian tax consequences for Dreamscape Shareholders arising from the disposal of their Dreamscape Shares under the Scheme.

This section provides a general summary of the Australian income tax, GST and stamp duty considerations for Dreamscape Shareholders. In providing our views, we have relied upon facts as set out in the Scheme Booklet. These facts have not been independently verified by PricewaterhouseCoopers.

This summary does not provide an exhaustive opinion on all of the possible Australian income tax, GST and stamp duty implications that could apply to Dreamscape Shareholders in relation to the Scheme based on the law and administrative practice in effect as at the date of this Scheme Booklet. PricewaterhouseCoopers does not undertake to update this summary for any changes in the Australian tax law after the date of this Scheme Booklet.

Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

The comments set out below are relevant only to those Dreamscape Shareholders that are individuals, trusts, complying superannuation funds and corporate shareholders who hold their Dreamscape Shares on capital account. This summary does not address the Australian tax consequences for Dreamscape Shareholders who:

- (a) hold their Dreamscape Shares for the purposes of speculation or a business of dealing in securities (for example, shares held as a revenue asset or as trading stock);
- (b) are partnerships or persons that are partners of such partnerships;
- (c) acquired their Dreamscape Shares pursuant to an employee share, option or rights plan;
- (d) acquired their Dreamscape Shares before 20 September 1985;
- (e) are under a legal disability;
- (f) are temporary residents for Australian income tax purposes;
- (g) are subject to special tax rules applicable to certain classes of entity, including partnerships, insurance companies, tax exempt entities or entities subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth); or
- (h) are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Dreamscape Shares.

This summary is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. Dreamscape has not sought a class ruling for Dreamscape Shareholders in relation to the Scheme and therefore, a risk remains that the ATO may not agree with the summary or aspects of it.

It does not consider any specific facts or circumstances that may apply to particular Dreamscape Shareholders. As the tax consequences of the Scheme for Dreamscape Shareholders will depend on each Dreamscape Shareholder's individual circumstances, all Dreamscape Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of the Scheme according to their own particular circumstance.

8.1 Australian Resident Shareholders

This Section applies to Dreamscape Shareholders who are residents of Australia for Australian income tax purposes and hold their Dreamscape Shares on capital account.

(a) Capital Gains Tax (CGT) Event

Under the Scheme, Dreamscape Shareholders will dispose of their Dreamscape Shares to Web.com BidCo. This disposal will result in CGT event A1 happening in relation to the Dreamscape Shares. The time of the CGT event for the Dreamscape Shareholders should be the date the Dreamscape Shares are disposed of, which will occur on the Implementation Date.

The following tax consequences are expected to arise for the Dreamscape Shareholders that acquired (or are deemed to have acquired) their Dreamscape Shares on or after 20 September 1985:

- (i) a capital gain will be realised to the extent the capital proceeds received by the Dreamscape Shareholder from the disposal of their Dreamscape Share exceeds the cost base of that share; or
- (ii) a capital loss will be realised by Dreamscape Shareholders to the extent that the capital proceeds received from the disposal of each Dreamscape Share is less than its reduced cost base.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Capital losses can only be used to reduce capital gains. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward capital losses are to be used in future years. Dreamscape Shareholders should seek their own tax advice in relation to the operation of these rules.

As the Scheme Consideration is only in the form of cash, no CGT roll-over will be available for Dreamscape Shareholders.

(b) Cost Base

The cost base of each Dreamscape Share should generally be the amount of money paid, or value of property given, to acquire the Dreamscape Share and certain incidental costs of acquisition and disposal (such as brokerage fees and legal costs).

The reduced cost base of a Dreamscape Share is determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Dreamscape Shareholder's individual circumstances.

(c) Capital Proceeds

The capital proceeds received in respect of the disposal of each Dreamscape Share should be equal to the Scheme Consideration, being \$0.27 cash per Dreamscape Share.

(d) Indexation

Indexation is not available to Dreamscape Shareholders because it only applies to CGT assets acquired on or before 11:45am (AEST) on 21 September 1999. Dreamscape Networks Limited was only listed on the ASX in December 2016.

(e) CGT Discount

The CGT Discount may apply to Dreamscape Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Dreamscape Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Dreamscape Shares to Web.com BidCo.

The CGT Discount is:

- (i) one-half if the Dreamscape Shareholder is an individual or trustee: meaning only 50% of the net capital gain after recoupment of capital losses will be included in assessable income; and
- (ii) one-third if the Dreamscape Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the net capital gain after recoupment of capital losses will be included in assessable income.

The CGT Discount is not available to Dreamscape Shareholders that are companies.

If a Dreamscape Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Dreamscape Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies them and the relevant trust's beneficiaries.

8.2 Non-Resident Shareholders

This Section applies to Dreamscape Shareholders that are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents), and hold their Dreamscape Shares on capital account.

Foreign tax resident Dreamscape Shareholders who hold their Dreamscape Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their Dreamscape Shares, provided their Dreamscape Shares are not an "indirect Australian real property interest" as at the time of disposal.

Broadly, a Dreamscape Shareholder's Dreamscape Shares will not be an indirect Australian real property interest unless both the following conditions are satisfied:

- (a) the foreign tax resident Dreamscape Shareholder and their associates (as defined for tax purposes) together hold 10% or more (by value) of the issued shares in Dreamscape at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Dreamscape Shares; and
- (b) the aggregate market value of Dreamscape's assets which are taxable Australian property (being direct and indirect interests in real property, including land, leases of land mining tenements and property affixed to land, situated in Australia) exceeds the aggregate market value of Dreamscape's assets which are not taxable Australian property.

Dreamscape management has determined that the aggregate market value of Dreamscape's assets, which are taxable Australian property, do not exceed the aggregate market value of Dreamscape's assets which are not taxable Australian property. Accordingly, any foreign tax resident that holds a 10% or more interest in Dreamscape shares should not be subject to Australian CGT.

(c) Foreign Resident CGT Withholding Rules

The foreign resident CGT withholding tax rules were enacted on 25 February 2016, with effect for transactions occurring from 1 July 2016. Effective from this date, unless an exemption applies, a buyer (in this case Web.com BidCo) is required to withhold and pay (in cash) to the Commissioner of Taxation an amount equal to 12.5% of the capital proceeds paid for the acquisition of Dreamscape Shares.

Whilst the foreign resident CGT withholding tax rules aim to facilitate the collection of CGT from foreign resident sellers, it can be triggered even if the seller is, in fact, an Australian tax resident. However, this is only to the extent:

- (i) a Dreamscape Shareholder's Dreamscape Shares are an indirect Australian real property interest; and
- (ii) a Dreamscape Shareholder and their associates (as defined for tax purposes), together hold 10% or more (by value) of the issued shares in Dreamscape at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Dreamscape Shares and the Dreamscape Shareholders.

As outlined above, any foreign tax resident that holds a 10% or more interest in Dreamscape shares should not be subject to Australian CGT and, therefore, the Foreign Resident CGT Withholding Rules should not apply.

8.3 Goods and Services Tax (GST)

Dreamscape Shareholders will not be liable to GST in respect of a disposal of those Dreamscape Shares.

Dreamscape Shareholders may be charged GST on any costs incurred in connection with taxable supplies from third party supplies (such as advisor costs) relating to their participation in the Scheme. The entitlement to input tax credits in relation to those acquisitions (if any) may be restricted. Dreamscape Shareholders who are registered for GST should seek their own independent professional taxation advice in relation to their individual circumstances.

8.4 Stamp Duty

No stamp duty will be payable by Dreamscape Shareholders in relation to the disposal of Dreamscape Shares to Web.com BidCo under the Scheme.

Disclaimer

To persons receiving this document in Australia:

The information contained in this Section does not constitute "financial product advice" within the meaning of the Corporations Act. PricewaterhouseCoopers partnership which is providing this advice is not licensed to provide financial product advice under the Corporations Act. To the extent that this document contains any information about a "financial product" within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the Corporations Act. Any recipient should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice.

9. Key Terms of the Scheme Implementation Deed

9.1 Overview

On 24 July 2019, Dreamscape entered the Scheme Implementation Deed. A copy of the Scheme Implementation Deed was lodged with the ASX on 24th July 2019 by Dreamscape. A copy of the Scheme Implementation Deed is available on the Dreamscape website and the ASX website. Dreamscape Shareholders can obtain a copy of the Scheme Implementation Deed at no cost by contacting the Dreamscape Shareholder Information Line on +61 8 9422 0894.

9.2 Scheme Implementation Deed

Dreamscape and Web.com have entered into the Scheme Implementation Deed in connection with the proposed Scheme. The Scheme Implementation Deed sets out the obligations of Dreamscape and Web.com in relation to the Scheme.

On 28 August 2019, Dreamscape and Web.com entered into a deed of variation to amend the Scheme Implementation Deed such that:

- (a) Mark Evans will not be required to make any recommendation or vote at the Scheme Meeting; and
- (b) Web.com will nominate its nominee 1 business day before the first court hearing.

The Scheme Implementation Deed (as varied on 28 August 2019) is contained in Annexure 2 of this Scheme Booklet.

9.3 Conditions Precedent

The Scheme Implementation Deed is subject to a number of Conditions which are summarised in Section 2.7 and set out in full in Clause 3 of the Scheme Implementation Deed.

So far as Dreamscape is aware, immediately before the date of this Scheme Booklet, no circumstances have occurred which will cause any of the Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each Condition is to be satisfied, which for many of the Conditions is on or before 8.00am on the Second Court Date.

9.4 Conduct of Dreamscape's Business (Prohibited and Permitted Activities)

Dreamscape must, up to and including the Implementation Date, conduct its business in the ordinary and usual course of business and in compliance in all material respects with all applicable laws, regulations and regulatory approvals. Dreamscape must operate its businesses in a manner substantially consistent with the manner in which those businesses have been conducted in the 12 months prior to the date of the Scheme Implementation Deed.

Dreamscape must use its reasonable endeavours to:

- (a) preserve its relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them;
- (b) maintain the condition of its business and assets in accordance with the ordinary course of its business;
- (c) comply in all material respects with all Material Contracts to which a member of the Dreamscape Group is a party, and with laws, authorisations and licences applicable to each member of the Dreamscape Group; and
- (d) retain the services of all key employees.

The obligations above are subject to certain exceptions, including actions expressly contemplated by the Scheme Implementation Deed or Scheme or fairly disclosed by one party to the other party before the date of the Scheme Implementation Deed or expressly agreed by the parties in writing.

9.5 Exclusivity

(a) No Existing Discussions

Dreamscape represents and warrants to Web.com that, as at the date of the Scheme Implementation Deed, Dreamscape is not:

- (i) a party to any agreement with a third party entered for the purpose of facilitating a Competing Proposal; and
- (ii) participating in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal.

(b) No-Shop

During the Exclusivity Period, Dreamscape must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

- (i) solicit, invite, initiate or encourage any Competing Proposal;
- (ii) solicit, invite, initiate or encourage any enquiries, proposals, discussions or negotiations with any third party in relation to, or that could reasonably be expected to lead to, a Competing Proposal; or
- (iii) communicate any intention to do any of these things referred to in (a) and (b) above.

(c) No-Talk

Subject to the 'Fiduciary Out' clause (described below), during the Exclusivity Period, Dreamscape must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

- (i) negotiate or enter or participate in negotiations or discussions with any person; or
- (ii) communicate any intention to do any of these things,

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by Dreamscape or any of its Related Bodies Corporate, or that person has announced the Competing Proposal.

(d) No Due Diligence

Subject to the 'Fiduciary Out' clause (described below), during the Exclusivity Period, Dreamscape must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

- (i) solicit, initiate, invite, encourage, facilitate or permit any person other than Web.com to undertake due diligence investigations in respect of Dreamscape or any of its Related Bodies Corporate or any of their businesses or operations in connection with or for the purposes of an actual, proposed or potential Competing Proposal; or
- (ii) make available to any person other than Web.com or its representative or permit any such person to receive any non-public information relating to Dreamscape or any of its Related Bodies Corporate or any of their businesses or operations in connection with or for the purposes of an actual, proposed or potential Competing Proposal.

(e) **Notification of Approaches**

During the Exclusivity period, Dreamscape must notify Web.com in writing of any direct or indirect approach, inquiry or proposal made by any person to Dreamscape, any of its Related Bodies Corporate to any of their respective Authorised Persons, to initiate any discussions or negotiations that concerns, or could reasonably be expected to lead to, a Competing Proposal. There is a mechanism in the Scheme Implementation Deed Clause 10.5 that stipulates what details and how Dreamscape must respond to any Competing Proposals with respect to Web.com.

(f) **Web.com Matching Right**

If Dreamscape received a Competing Proposal and as a result, any Dreamscape Director proposes to either:

- (i) change, withdraw or modify his or her recommendation of the Scheme; or
- (ii) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal,

Dreamscape must:

- (iii) use its reasonable endeavours to procure that none of its directors take any action referred to in paragraphs (a) and (b) above; or
- (iv) ensure that Dreamscape, any Dreamscape Director or any Authorised Person does not enter into any legally binding agreement, arrangement or understanding (whether legally binding or otherwise) with respect to a Competing Proposal,

Until a procedure, that is outlined in Clause 10.6 of the SID, is followed that grants Web.com the opportunity to submit a Counter Proposal within four full Business Days.

If the Dreamscape Directors determine the Counter Proposal would be more favourable, or at least no less favourable, to Dreamscape and the Dreamscape Shareholders than the Competing Proposal, then Dreamscape and Web.com must use their best endeavours to agree the amendments to the Scheme Implementation Deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and Dreamscape must use its best endeavours to procure that the Dreamscape Directors recommend the Counter Proposal to the Shareholders and not recommend the applicable Competing Proposal.

(g) **Fiduciary Outs**

The 'No Talk' and 'No Due Diligence' restrictions do not apply to the extent they restrict Dreamscape or any Dreamscape Director from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of the 'No Talk' or 'No Due Diligence' provisions) provided that the Dreamscape Board has determined in good faith after:

- (i) consultation with Dreamscape's financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
- (ii) receiving written advice from Dreamscape's external Australian legal adviser practicing in the area of corporate law, that failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would constitute or would be likely to constitute a breach of the fiduciary or statutory obligations of the Dreamscape Board.

9.6 Representations and Warranties

The Scheme Implementation Deed contains customary and other representations and warranties by each of Dreamscape and Web.com.

9.7 Dreamscape Break Fee

Dreamscape must pay Web.com A\$1,000,000 within 5 Business Days after receipt of a written demand for payment from Web.com if:

- (a) The Dreamscape Board withdraws or adversely modifies its recommendation that Dreamscape Shareholders vote in favour of the Scheme. Scheme Implementation Deed Clause 11 details scenarios where the Dreamscape Board may alter their recommendation and Dreamscape will not be required to pay the Dreamscape Break Fee;
- (b) A Competing Proposal is announced before the End Date and, within 12 months of the Competing Proposal being announced, the Competing Proposal results in a person or persons (other than a member of the Web.com Group) obtaining Control of Dreamscape, merging or amalgamating with Dreamscape or acquiring (directly or indirectly) an interest in all or a substantial part of the business or assets of the Dreamscape Group; or
- (c) Web.com terminates the Scheme Implementation Deed under certain provisions of the Scheme Implementation Deed, including, but not limited to, the violation of a Material Adverse Change clause and a material violation of the Scheme Implementation Deed.

The Dreamscape Break Fee is not payable if the Scheme does not proceed solely on the basis that it is not approved by Dreamscape Shareholders.

9.8 Web.com Break Fee

Web.com must pay Dreamscape A\$1,000,000 within 5 Business Days after receipt of a written demand for payment from Dreamscape, if Web.com has a material breach of its obligations, which are set out in the Scheme Implementation Deed.

9.9 Termination by Dreamscape

Dreamscape may, by notice in writing to Web.com, terminate this deed at any time prior to 8.00am on the Second Court Date if at any time before then a majority of the Dreamscape Board has failed to make the Recommendation or has changed, withdrawn or modified their recommendation of the Scheme in the manner contemplated in Clause 6.3 of the SID.

9.10 Termination by Web.com

Web.com may, by notice in writing to Dreamscape, terminate this deed at any time prior to 8.00am on the Second Court Date if, at any time before then:

- (a) either the:
 - (i) Dreamscape public announcement to be issued in accordance with Clause 15.3 of the Scheme Implementation Deed; or
 - (ii) Scheme Booklet,does not include the Recommendation and Voting Intention in respect of every Dreamscape director (other than in the circumstances described in the Scheme Implementation Deed;
- (b) any Dreamscape director fails to make the Recommendation or Voting Intention, or changes, withdraws, modifies or qualifies his or her Recommendation or Voting Intention (other than in the circumstances described in Clause 6.3(e) of the Scheme Implementation Deed; or
- (c) any Dreamscape director recommends or supports a Competing Proposal.

10. Additional Information

This section sets out additional statutory information, as well as some additional information that may be of interest to Dreamscape Shareholders.

10.1 Dreamscape Directors' Interests

(a) Relevant interests of Dreamscape Directors in Dreamscape Securities

At the Last Practicable Date, the Dreamscape Directors had the following Relevant Interests in Dreamscape securities:

| Dreamscape Director | Dreamscape Shares | Dreamscape Options |
|---------------------------|-------------------|--------------------|
| Mark Evans ⁽¹⁾ | 95,450,000 | 5,000,000 |
| Evan Cross | 4,680,000 | 2,500,000 |
| Ng Shin Ein | 80,000 | Nil |
| Peter James | 1,016,000 | 9,500,000 |

Notes:

(1) Mark Evans has granted a call option over 19.96% such Dreamscape Shares to Web.com. Refer to Section 2.15 for further details.

All Independent Directors who hold Dreamscape Shares intend to vote in favour of the Scheme, in each case in respect of all their Dreamscape Shares, in the absence of a Superior Proposal.

(b) Consideration for Dreamscape Options

The cash consideration payable on cancellation of the Dreamscape Options pursuant to the Option Cancellation Deeds and the valuation given to the Dreamscape Options by HLB Mann Judd are detailed below.

The Directors of Dreamscape instructed HLB Mann Judd to perform a valuation of the outstanding Dreamscape Options controlled or held by, or on behalf of, each Director as at the date of this Scheme Booklet.

| Director | Dreamscape Options | Cash Consideration | Valuation |
|---------------------------|--------------------|--------------------|------------|
| Mark Evans ⁽¹⁾ | 5,000,000 | A\$72,400 | A\$72,400 |
| Evan Cross ⁽²⁾ | 2,500,000 | A\$36,200 | A\$36,200 |
| Ng Shin Ein | Nil | Nil | Nil |
| Peter James | 9,500,000 | A\$137,560 | A\$137,560 |

Notes:

(1) Mark Evans has granted a call option over 19.96% such Dreamscape Shares to Web.com. Refer to Section 2.15 for further details. Mark Evans holds such options beneficially through Cloudsafe Holdings Limited.

(2) Evan Cross holds such options beneficially through Fullerton Private Capital Pty Limited.

(c) Dealings of Dreamscape Directors in Dreamscape Securities

No Dreamscape Director acquired or disposed of a Relevant Interest in any Dreamscape securities in the four-month period ending on the date immediately prior to the date of the Scheme Booklet.

10.2 Interests and dealings of Dreamscape Directors in Web.com securities

(a) Relevant Interests of Dreamscape Directors in Web.com securities

At the Last Practicable Date, no Dreamscape Director held any Relevant Interest in Web.com securities

(b) Dealings of Dreamscape Directors in Web.com securities

No Dreamscape Director acquired or disposed of a Relevant Interest in any Web.com securities in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

10.3 Benefits and agreements

(a) Benefits in connection with retirement from office

It is not proposed that any payment or other benefit be made or given to any director, secretary or executive officer of Dreamscape (or its Related Bodies Corporate) as compensation for loss of, or as consideration for, or in connection with his or her retirement from, office in Dreamscape or any of its Related Bodies Corporate as a result of the Scheme other than in his or her capacity as a Dreamscape Shareholder.

(b) Remuneration in connection with remaining in Office

If any of the non-executive Dreamscape directors remain on the Dreamscape Board following the implementation of the Scheme, it is anticipated that the non-executive Dreamscape Directors would receive remuneration and expense reimbursement arrangements for their service commensurate with a position as a Dreamscape non-executive director.

(c) Siteplus Agreements connected with or conditional on the Scheme

Mark Evans (through Cloudsafe) is a shareholder in Siteplus as well as a director and shareholder in Dreamscape. The Siteplus Option Agreement is conditional on the Scheme becoming Effective and Dreamscape being removed from the official list of the ASX. If the Scheme becomes Effective and is implemented, and Web.com exercises the Siteplus Option, it would result in the consideration being payable to the Siteplus Shareholders (which includes Mark Evans, through Cloudsafe). Refer to Section 6 for further details.

(d) New Employment Agreements with Key Management Personnel

In connection with the Scheme, it is important to Web.com that Mark Evans and other key management personnel are retained following implementation of the Scheme.

Mark Evans has agreed to an on-going arrangement with Web.com, including remaining in his position as Managing Director and Chief Executive Officer of Dreamscape when it is a wholly owned subsidiary of Web.com and receiving certain benefits, which may be substantial. In connection with these arrangements, Mark Evans will:

- (i) receive a one-time retention payment of A\$7.5 million four months from the implementation of the Scheme;
- (ii) will participate in other incentive-based remuneration should he achieve various financially based performance hurdles over the term of his employment; and
- (iii) potentially receive contingent payments from Web.com. Such payments are contingent on the following events occurring:
 - (A) Web.com undertaking an IPO;
 - (B) the sale of Web.com;

- (C) achieving an EBITDA target in respect of Dreamscape; or
- (D) the resale of Siteplus.

Mark Evans will also be subject to a two year non-compete and non-solicitation clause in the event he leaves the employment of Dreamscape.

Furthermore Web.com has sought to retain other key management personnel for the purpose of driving further growth in the Dreamscape business. The key management personnel have each signed new employment agreements with Dreamscape to give Web.com comfort in their ongoing employment with Dreamscape.

The employment agreements for each key management personnel reflects the intended role and responsibilities of the key management personnel in respect of the business of Web.com and its subsidiaries from the Implementation Date. Each employment agreement with key management personnel is on substantially similar terms as their current arrangements, except for additional restrictive covenants.

Except as set out in this section 10.3, there is no payment or other benefit that is proposed to be made or given to any Dreamscape Director or any other person, including Web.com, in connection with, or conditional upon, the outcome of the Scheme.

10.4 Substantial holders

At the Last Practicable Date, the following persons had notified Dreamscape that they had Voting Power in 5% or more of Dreamscape Shares:

| Shareholder Name | Number of Dreamscape Shares | Percentage of Dreamscape Shares |
|----------------------------|-----------------------------|---------------------------------|
| Bluegeko Holdings Limited | 139,527,287 | 35.81% |
| Cloudsafe Holdings Limited | 95,450,000 | 24.50% |
| Web.com ⁽¹⁾ | 77,769,330 | 19.99% |
| Mr Alvin Poh Chun Chiang | 21,250,000 | 5.45% |
| Mr Jervis Lee Wen | 21,250,000 | 5.45% |

Note:

- (1) At the date of this Scheme Booklet, Web.com has relevant interest in 19.96% of the Dreamscape Shares pursuant to the Cloudsafe Option Deed. Refer to Section 2.15 for further details.

10.5 Intentions of the Board

If the Scheme is implemented, subject to the provision of the Scheme Consideration, Dreamscape must procure that those persons nominated by Web.com are appointed to the Dreamscape Board and each Dreamscape Group member (with consents to act provided by the nominated persons) and each of those Dreamscape Directors and directors of each Dreamscape Group member, as nominated by Web.com, resign as a director of the relevant entity.

If the Scheme is not implemented, the Directors intend to continue the business of Dreamscape in accordance with its stated strategy. In this event, the Dreamscape Board does not presently intend to make any major changes to the business of Dreamscape, whether in respect of redeployment of its assets or the future employment of the present employees of Dreamscape or elsewhere.

10.6 Dreamscape directors' intentions after the Implementation Date

If the Scheme is implemented, it will be a matter for Web.com to determine its intentions in relation to:

- (a) the continuation of the business of Dreamscape;
- (b) any major changes to be made to the business of Dreamscape; and
- (c) the future employment of the present employees of Dreamscape.

The current intentions of Dreamscape are detailed in this Scheme Booklet, particularly in Section 0.

10.7 ASX Announcements

Dreamscape has lodged the following announcements with ASX since 19 October 2018, being the lodgement of its annual report for the financial year ended 30 June 2018:

| Date | Description of Announcement |
|------------|---|
| 01/08/2019 | Appendix 3B Performance Rights Conversion |
| 25/07/2019 | Becoming a substantial holder |
| 24/07/2019 | Scheme Implementation Deed in a recommended transaction |
| 22/07/2019 | Trading Halt |
| 26/06/2019 | Trading Update - Increasing Guidance |
| 23/05/2019 | Clarification Ceasing to be a Substantial Shareholder |
| 09/05/2019 | Trading Update - Ahead of Plan and on Track |
| 05/03/2019 | Joint Company Secretary Appointment |
| 22/02/2019 | Half Year Presentation H1FY19 |
| 22/02/2019 | A Significant Improvement in Results, Executing on Plan |
| 22/02/2019 | Half Yearly Report and Accounts |
| 25/01/2019 | Half Year Results Update |
| 31/12/2018 | Trading Update |
| 10/12/2018 | Acquisition Funding Increased |
| 22/11/2018 | Results of Meeting |
| 22/11/2018 | AGM - CEO Presentation |
| 22/11/2018 | AGM - Chairman's Address |

| Date | Description of Announcement |
|------------|--------------------------------------|
| 22/11/2018 | Director Resignation Gavin Gibson |
| 21/11/2018 | Change of Director's Interest Notice |
| 13/11/2018 | Change of Director's Interest Notice |
| 09/11/2018 | Change of Director's Interest Notice |
| 05/11/2018 | STRATEGIC UPDATE |

10.8 Lodgement of Scheme Booklet

This Scheme Booklet was given to ASIC on 13 August 2019 in accordance with section 411(2)(b) of the Corporations Act.

10.9 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any Dreamscape Shareholder that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

10.10 Creditors of Dreamscape

The Scheme, if implemented, is not expected to materially prejudice Dreamscape's ability to pay its creditors. No material new liability (other than Transaction costs) is expected to be incurred by Dreamscape as a consequence of the Transaction. Dreamscape has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

10.11 Interests of Web.com Directors

The Web.com Directors have no interest in the outcome of the Scheme, except as provided for in this Scheme Booklet.

10.12 Consents

(a) Role of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

| Name | Role |
|---|---------------------------------------|
| BDO | Independent Expert |
| DLA Piper | Legal adviser to Dreamscape |
| Venture Advisory | Financial Adviser to Dreamscape |
| HLB Mann Judd | Auditor |
| PricewaterhouseCoopers | Tax Adviser in relation to Section 8. |
| Computershare Investor Services Pty Limited | Share Registry |

(b) **Consents**

BDO Corporate Finance Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure 1 of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet. BDO Corporate Finance Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of BDO Corporate Finance Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

DLA Piper has given its consent to be named in this Scheme Booklet as Legal adviser to Dreamscape and has not withdrawn that consent before the date of this Scheme Booklet.

Venture Advisory has given its consent to be named in this Scheme Booklet as Financial adviser to Dreamscape and has not withdrawn that consent before the date of this Scheme Booklet.

HLB Mann Judd has consented to be named in this Scheme Booklet as auditor to Dreamscape and has not withdrawn that consent before the date of this Scheme Booklet.

Computershare Investor Services Pty Limited has given its consent to be named in this Scheme Booklet as Share Registry to Dreamscape and has not withdrawn that consent before the date of this Scheme Booklet.

PricewaterhouseCoopers has consented to be named in this Scheme Booklet as "Tax Adviser in relation to Section 8" to Dreamscape and has not withdrawn that consent before the date of this Scheme Booklet. PricewaterhouseCoopers has reviewed the Australian taxation considerations in Section 8. PricewaterhouseCoopers and its directors, officers, partners and employees have not authorised or caused the issue of the Scheme Booklet; have not made, and does not purport to have made, any statement, other than Section 8 in the Scheme Booklet; and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Scheme Booklet, other than Section 8.

Web.com has given its consent to the inclusion of the Web.com Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each of the Directors has given their written consent to being named in this Scheme Booklet in the context in which they are named and have not withdrawn their consent prior to lodgement of this Scheme Booklet with ASIC.

Each person named in Section 10.12(b) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) **Disclaimer**

Each person named in Section 10.12(b):

- (i) has not authorised or caused the issue of this Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in Section 10.12(b); 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 this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person.

(d) **Fees**

Each of the persons named in Section 10.12(b) as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties is detailed in Section 10.12(b).

If the Scheme is implemented, costs of approximately A\$1,005,000 (excluding GST) are expected to be paid by Dreamscape. This includes advisory fees for Dreamscape's financial, legal, accounting and tax advisers, the Independent Expert's fees, governance support and proxy advisor engagement support fees, general administrative fees, printing and distribution costs, expenses associated with convening and holding the Scheme Meeting and other expenses.

If the Scheme is not implemented, costs of approximately A\$935,000 (excluding GST) are expected to be paid by Dreamscape.

These amounts do not include the transaction costs that may be incurred by Web.com in relation to the Scheme.

10.13 Regulatory conditions and relief

(a) **ASIC Relief**

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the Directors, the financial position of Dreamscape has materially changed since the date of the last balance sheet laid before the company's annual general meeting or sent to Dreamscape Shareholders in accordance with section 314 or 317 of the Corporations Act, being 30 June 2018.

ASIC has granted Dreamscape relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Directors, the financial position of Dreamscape has materially changed since 31 December 2018 (being the last date of the period to which the financial statements for the half-year ended 31 December 2018 relate). Refer to Section 4.8 for details of the material changes in the financial position of Dreamscape since 31 December 2018.

(b) **ASX Waiver**

Dreamscape has applied for, and ASX has granted, a waiver of ASX Listing Rule 6.23.2 to the extent necessary to permit the cancellation for consideration of the Dreamscape Options described in Section 2.25.

10.14 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Dreamscape becomes aware of any of the following:

- (a) a material statement in this Scheme Booklet is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Dreamscape will make available supplementary material to Dreamscape Shareholders. Dreamscape intends to make available any supplementary material by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to Dreamscape's website

(<https://www.dreamscapenetworks.com/>). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Dreamscape may also send such supplementary materials to Dreamscape Shareholders.

10.15 Other Material Information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director or Related Entity of Dreamscape which has not previously been disclosed to Dreamscape Shareholders.

THE ISSUE OF THIS SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF DREAMSCAPE NETWORKS LIMITED AND THIS SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF DREAMSCAPE NETWORKS LIMITED ON 30 AUGUST 2019

A handwritten signature in black ink, consisting of a large, stylized capital 'E' followed by a smaller capital 'C' and a period.

Evan Cross
Non-Executive Director

11. Defined Terms and Interpretation

11.1 Definitions

In this Scheme Booklet unless the context requires otherwise:

Accounting Standard has the meaning given to it in section 9 of the Corporations Act.

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting, financial or taxation advice) to Dreamscape or Web.com.

AIFRS means Australian International Financial Reporting Standards, as issued by the Australian Accounting Standards Board.

Annexure means an annexure to this Scheme Booklet.

ASIC means the Australian Securities and Investments Commission.

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

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

ATO means Australian Tax Office.

Authorised Person means, in respect of a person:

- (a) a director, officer, partner, member or employee of the person;
- (b) an adviser of the person; and
- (c) a director, officer or employee of an adviser of the person.

Business Day has the meaning given in the Listing Rules.

CGT means capital gains tax.

Cloudsafe is an entity that is related to Mark Evans that holds Dreamscape Shares on Mark Evans' behalf.

Cloudsafe Option Deed is the agreement between Mark Evans and related parties and Web.com.

Competing Proposal means any proposal, offer or transaction by a third party (other than Web.com or its Related Bodies Corporate) that, if completed, would mean:

- (a) a person would acquire a Relevant Interest or voting power in 15% or more of the Dreamscape Shares or of the securities of any material member of the Dreamscape Group;
- (b) a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 15% or more of the Dreamscape Shares or of the securities of any material member of the Dreamscape Group;
- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, Dreamscape or any material member of the Dreamscape Group;
- (d) a person would acquire Control of Dreamscape or any material member of the Dreamscape Group;

- (e) a person may otherwise acquire, or merge with, Dreamscape or any material member of the Dreamscape Group (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or
- (f) Dreamscape will issue, on a fully diluted basis, 15% or more of its capital as consideration for the assets or share capital or another person,
- (g) or would otherwise result in the Transaction not being able to be implemented on the basis set out in this deed. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

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

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

Conditions has the meaning given in the Scheme Implementation Deed.

Court means the Federal Court of Australia (Perth registry) or any other court of competent jurisdiction under the Corporations Act

Counter Proposal means Web.com's right to amend the terms of the Transaction in the event of a Competing Proposal

Dreamscape means Dreamscape Networks Limited, ACN 612 069 842.

Dreamscape Board means the board of directors of Dreamscape as constituted from time to time (or any committee of the board of directors of Dreamscape constituted from time to time to consider the Transaction on behalf of Dreamscape).

Dreamscape Break Fee means the amount of A\$1,000,000 payable by Dreamscape to Web.com in the circumstances set out in the Scheme Implementation Deed and Section 9.

Dreamscape Director means a director of Dreamscape.

Dreamscape Group means Dreamscape and its Related Entities.

Dreamscape International means Dreamscape Networks International Pte Ltd.

Dreamscape Information means the information contained in this Scheme Booklet other than the Web.com Information and the Independent Expert's Report in Annexure 1.

Dreamscape Option means an option conferring on its holder the right, but not the obligation, to acquire a Dreamscape Share.

Dreamscape Performance Right mean a right to be issued a Dreamscape Share.

Dreamscape Share means a fully paid ordinary share issued in the capital of Dreamscape.

Dreamscape Shareholder means, at the relevant time, a person who is registered in the Register as a holder of Dreamscape Shares.

Dreamscape Share Registry means Computershare Investor Services Pty Limited.

Dreamscape Warranties has its definition given to it by the SID.

Effective means, when used in relation to a Scheme, the order of the Court made under section 411(4)(b) in relation to the Scheme coming into effect pursuant to section 411(10) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the late of:

- (a) The date that is 180 calendar days after the date of this deed;
- (b) If the Regulatory Approval Condition (definition in SID) has not been satisfied prior to the date referred to in sub-paragraph (a) immediately above – a further 30 calendar days after the end of 180 calendar days after the date of this deed; and
- (c) Such other date and time agreed in writing between Web.com and Dreamscape.

Exclusivity Period means the period commencing on 23 July 2019 and ending on the earlier of the date that the Scheme Implementation Deed is terminated, the Effective Date or the End Date.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB Approval has the meaning given in Section 2.7.

First Option has the meaning given in Section 2.15.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act, or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned meeting.

General Meeting means the general meeting to be convened by Dreamscape at which Dreamscape Shareholders will vote on the grant of the Siteplus Option.

Grantors has the meaning given in Section 2.15.

GST means Goods and Services Tax.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Dreamscape Shareholders present and voting, either in person or by proxy.

Implementation Date means the fifth Business Day after the Record Date, or such other date agreed to in writing by Dreamscape and Web.com.

IBC means Independent Board Committee, being a subcommittee of the Dreamscape Board, that has been established to consider the Transaction and which comprises all of the Independent Directors.

Independent Directors means all of the Dreamscape Directors except Mark Evans.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the report of the Independent Expert set out in Annexure 1.

Last Practicable Date the Business Day prior to the date of this Scheme Booklet.

Listing Rules means the official listing rules of ASX.

Material Adverse Change has its meaning given to it in the SID.

Material Contracts means any agreement, contract, deed or other agreement, right or instrument which:

- (a) Generates, or is expected to generate, annual revenue for the Dreamscape Group in excess of \$150,00 individually; or
- (b) Incurs, or expected to incur, gross annual expenditure for the Dreamscape Group in excess of \$150,000 individually.

Notice of Scheme Meeting means the notice convening the Scheme Meeting together with the Proxy Forms for that meeting as set out in Annexure 5.

Proxy Form means the proxy form that accompanies this Scheme Booklet or is available from the Dreamscape Share Registry.

Purchase Price is the amount equal to the Scheme Consideration.

Recommendation has the meaning given to it in the SID.

Record Date means 5.00pm (WST) on the fifth Business Day following the Effective Date or such other date (after the Effective Date) as Dreamscape and Web.com may agree in writing or as ordered by the Court or as may be required by the ASX.

Register means the share register of Dreamscape kept pursuant to the Corporations Act.

Regulatory Authority includes, in any jurisdiction:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute; and
- (d) includes the FIRB, the ACCC, ASX ASIC and the Australian Tax Office.

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

Related Body Corporate has meaning given to it in the Corporations Act.

Relevant Interest has meaning given to it in the Corporations Act.

Representatives means in relation to an entity:

- (a) each of the entity's Related Entities; and
- (b) each of its and its Related Entities' directors, officers, employees, contractors, advisers (including legal, financial and other expert advisers) and agents, but excluding the Independent Expert.

Requisite Majority means in relation to the Scheme Resolution, a resolution passed by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Dreamscape Shareholders, who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) at least 75% of the votes cast on the resolution.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Dreamscape and the Scheme Participants, the form of which is contained in Annexure 3, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Web.com and Dreamscape.

Scheme Booklet means this scheme booklet.

Scheme Consideration means the consideration to be provided to Scheme Participants under the terms of the Scheme, being \$0.27 in respect of each Dreamscape Share held by a Scheme

Participant on the Record Date, the aggregate Scheme Consideration for each Scheme Participant being rounded to the nearest whole cent.

Scheme Implementation Deed or SID means the Scheme Implementation Deed dated 23 July 2019 between Dreamscape and Web.com (as varied on 28 August 2019), set out in Annexure 2.

Scheme Meeting means the meeting of Dreamscape Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Scheme Participant means each person who is a Dreamscape Shareholder as at the Record Date (other than Web.com).

Scheme Resolution means the resolution to be proposed to the Dreamscape Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.

Scheme Share means a Dreamscape Share held by a Scheme Participant as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

Second Court Hearing means the hearing of the application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.

Second Option has the meaning given in Section 2.15.

Siteplus means Siteplus Pte. Ltd. (CRN 201614837Z), a company incorporate in Singapore

Siteplus Exercise Period has the meaning given in Section 6.3.

Siteplus Independent Expert's Report has the meaning given in Section 6.4.

Siteplus Option has the meaning given in Section 6.3.

Siteplus Option Agreement has the meaning it has in the Scheme Implementation Deed.

Siteplus Transaction Documents has the meaning it has in the Scheme Implementation Deed.

Siteplus Vendors means Cloudsafe and Bluegeko Holdings Limited.

Siris Capital Funds means:

- (a) Siris Partners III, LP is a limited liability partnership organised in Delaware (**Siris III**). The general partner of Siris III is Siris Partners GP III, LP (**Siris III GP**);
- (b) Siris Partners III Parallel, LP is a limited liability partnership organised in Delaware (**Siris Parallel III**). The general partner of Siris Parallel III is Siris III GP;
- (c) Siris Partners IV, LP is a limited liability partnership organised in Delaware (**Siris IV**). The general partner of Siris IV is Siris Partners GP IV, LP (**Siris IV GP**); and
- (d) Siris Partners IV Parallel, LP is a limited liability partnership organised in Delaware (**Siris Parallel IV**). The general partner of Siris Parallel IV is Siris IV GP.

Share Splitting has the meaning given in Section 2.24.

Subsidiary has the meaning given to that term in section 9 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the Dreamscape Board determines, acting in good faith and in order to satisfy what the Dreamscape Board reasonably

considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Dreamscape Shareholders than the Transaction having regard to matters including consideration, conditionality, funding, certainty and timing.

Tax Act means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth).

Transaction means the acquisition by Web.com BidCo of all of the Dreamscape Shares by means of the Scheme in accordance with the terms of the Scheme Implementation Deed.

VWAP means volume weighted average price.

Voting Intention has meaning given to it in the SID.

Web.com means Web.com Group, Inc.

Web.com BidCo means Web.com Aus Bidco Pty Ltd (ACN 635 836 298).

Web.com Board means the board of directors of Web.com.

Web.com Dreamscape Singapore means Web.com Dreamscape Pte. Ltd.

Web.com Group means Web.com and its Subsidiaries.

Web.com HoldCo means Web.com Aus Holdco Pty Ltd (ACN 635 831 597).

Web.com Information means all the information contained in this Scheme Booklet regarding Web.com that is provided by or on behalf of Web.com to Dreamscape to enable the Scheme Booklet to be prepared and completed in compliance with all applicable laws.

Web.com Break Fee means the amount of A\$1,000,000 payable by Web.com to Dreamscape in the circumstances set out in the Scheme Implementation Deed and summarised in Section 9.

WST means Western Standard Time in Australia.

11.2 Interpretations

In this Scheme Booklet:

- (a) all dates and times are Perth, Western Australia times unless otherwise indicated;
- (b) words and phrases not otherwise defined in this Scheme Booklet (excluding the Annexures of this Scheme Booklet) have the same meaning (if any) as is given to them by the Corporations Act;
- (c) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (d) headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet;
- (e) a reference to a Section is to a Section in this Scheme Booklet unless stated otherwise;
- (f) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- (g) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions.
- (h) All references in this Scheme Booklet to "\$", "A\$", "AUD", "Australian dollars" are to Australian currency and "US\$", "USD" and "US dollars" are to United States currency.

ANNEXURE 1 - INDEPENDENT EXPERT'S REPORT



DREAMSCAPE NETWORKS LIMITED Independent Expert's Report

29 August 2019

Financial Services Guide

29 August 2019

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Dreamscape Networks Limited ('Dreamscape') to provide an independent expert's report on the proposed Scheme of arrangement ('the Scheme') with Web.com Group, Inc. ('Web.com'). You are being provided with a copy of our report because you are a shareholder of Dreamscape and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Dreamscape to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$43,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Dreamscape.

Other Assignments- BDO has also been engaged to complete an Independent Experts' report relating to the proposed option agreement with Siteplus Pte. Ltd (announced to the market on 24 July 2019), for which we will receive a fee of approximately \$25,000.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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© 2019 BDO Corporate Finance (WA) Pty Ltd

29 August 2019

The Directors
Dreamscape Networks Limited
Level 2, 50 Kings Park Road
West Perth, WA 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 24 July 2019, Dreamscape Networks Limited ('**Dreamscape**' or '**the Company**') announced that it had entered into a Scheme Implementation Deed ('**SID**') with Web.com Group, Inc. ('**Web.com**'), under which Web.com will acquire the entire issued capital of Dreamscape by way of a scheme of arrangement under the Australian Corporations Act 2001 (Cth) ('**the Scheme**'). Under the Scheme, Dreamscape shareholders will receive cash consideration of \$0.27 for every Dreamscape share that they hold ('**Scheme Consideration**').

Additional information regarding the terms of, and conditions precedent to, the Scheme can be found in Section 4.

All currencies in this report are expressed in Australian Dollars unless otherwise specified.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Dreamscape have requested that BDO Corporate Finance (WA) Pty Ltd ('**BDO**') prepare an independent expert's report ('**our Report**') to express an opinion as to whether the Scheme is in the best interests of the non-associated shareholders of Dreamscape ('**Shareholders**').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 Cth ('**Corporations Act**' or '**the Act**') and is to be included in the Scheme Booklet for Dreamscape in order to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('**ASIC**') Regulatory Guide 60 'Schemes of Arrangements' ('**RG 60**', Regulatory Guide 111 'Content of Expert Reports' ('**RG 111**') and Regulatory Guide 112 'Independence of Experts' ('**RG 112**').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- How the value of a Dreamscape share prior to the Scheme (on a control basis) compares to the value of the Scheme Consideration;
- The likelihood of an alternative offer being made to Dreamscape;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of an alternate offer, the Scheme is fair and reasonable.

Therefore, in the absence of a superior proposal, we conclude the Scheme is in the best interest of Shareholders.

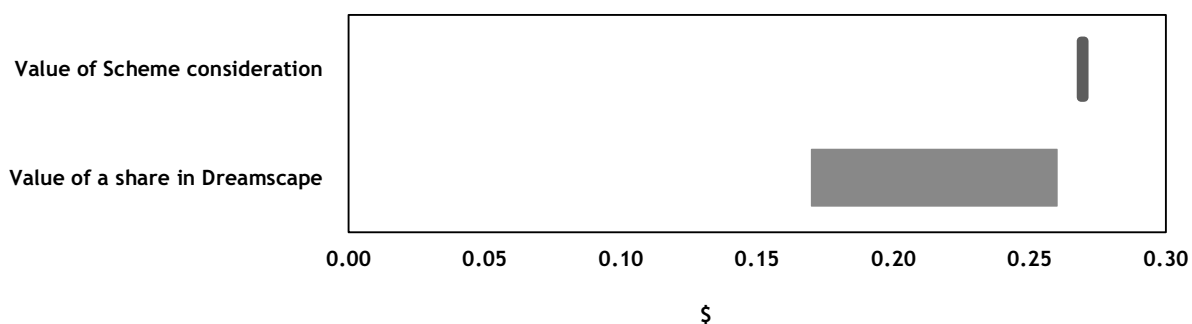
2.4 Fairness

In Section 12, we determined that the value of a Dreamscape share (on a controlling interest basis) compares to the value of the Scheme Consideration, as detailed below.

| | Ref | Low \$ | High \$ |
|--------------------------------|------|-----------|------------|
| Value of a share in Dreamscape | 10.3 | 0.17 | 0.26 |
| Value of Scheme consideration | 11 | 0.27 | 0.27 |

Source: BDO analysis

The above valuation ranges are presented graphically below:



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both

- advantages and disadvantages of the Scheme; and

- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

| ADVANTAGES AND DISADVANTAGES | | | |
|------------------------------|---|---------|--|
| Section | Advantages | Section | Disadvantages |
| 13.3.1 | The Scheme is fair | 13.4.1 | Shareholders will be unable to participate in the potential upside of the Company's operations |
| 13.3.2 | Shareholders receive certain value for their shareholding in the Company as cash under the Scheme | 13.4.2 | Shareholders will forego the opportunity to potentially receive dividends in the future |
| 13.3.3 | The Scheme consideration offered is at a premium to the last traded price of a Dreamscape share prior to the announcement of the Scheme | | |
| 13.3.4 | Shareholders will no longer be exposed to the risks associated with being a shareholder of Dreamscape | | |

Other key matters we have considered include:

| Section | Description |
|---------|--|
| 13.1 | Alternative proposals |
| 13.2 | Consequences of not approving the Scheme |

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 (Cth) (**'Regulations'**) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act (**'Section 411'**).

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors ; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and setting out his or her reasons for that opinion.

Accordingly, there is no requirement for this report pursuant to Section 411.

Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Scheme, the directors of Dreamscape have requested that BDO prepare this report as if it were an independent expert's report pursuant to section 411, and to provide an opinion as to whether the scheme is fair and reasonable and in the best interests of shareholders.

The requirement for an independent experts report is also a precondition in the SID, which states that for the Scheme to proceed the independent expert must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term 'in the best interests of'. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions.

Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall

commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Dreamscape share including a premium for control and the Scheme Consideration (fairness - see Section 12 'Is the Scheme Fair?');
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 13 'Is the Scheme Reasonable?'); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

On 24 July 2019, Dreamscape announced that it had executed a SID with Web.com, under which Web.com will acquire the entire issued capital of Dreamscape by way of a scheme of arrangement under the Corporations Act. Under the Scheme, Dreamscape shareholders will be entitled to Scheme Consideration of \$0.27 in cash for every Dreamscape share they hold.

The Scheme is subject to certain conditions precedent, including:

- Dreamscape Shareholder's approval of the Scheme by the requisite majority of Dreamscape Shareholders;
- FIRB approval;
- Australian regulatory approval, including Court approval in accordance with section 411(4)(b) of the Corporations Act;
- ASIC and Australian Securities Exchange ('ASX') approvals, authorisations and consents;
- The Court ordered convening of the Scheme Meeting under section 411(1) of the Corporations Act;
- The independent expert concluding the Scheme is in the best interests of Dreamscape Shareholders and not withdrawing or qualifying such opinion;
- Execution of an option agreement with the vendors of Siteplus Pte Ltd ('Siteplus'), whereby Dreamscape receives an option to acquire 100% of the shares in Siteplus ('Siteplus Option Agreement'); and as at the Second Court date:
 - the Siteplus Option Agreement remains on foot; and
 - Dreamscape Shareholders have approved the resolutions related to the Siteplus Option Agreement by the requisite majorities in accordance with the ASX Listing Rules
- No 'material adverse change' or 'prescribed occurrence' occurring before the Second Court Date;
- That the Dreamscape Board of Directors has made all necessary determinations such that all Dreamscape performance rights outstanding at the date of the deed will either vest, be cancelled or lapse prior to the record date;
- That all Dreamscape option holders have entered into a deed with Web.com and Dreamscape regarding the Dreamscape Options held by each Dreamscape option holder; and
- That before the Second Court date, the Australian Tax Office has notified Dreamscape of its assessment of the tax liabilities of Dreamscape and that any assessment made is not material to Dreamscape or is satisfactory to Web.com.

In the event that either party terminates the Scheme, a cash break fee of \$1.0 million is payable to the other party. Further details of this break fee and other terms of the Scheme can be found in the Scheme Booklet

Web.com has offered Mark Evans, the Managing director and Chief Executive Officer of Dreamscape, a one-time retention payment of \$7.5 million, payable four months from the implementation of the Scheme, to incentivise him to remain as Managing Director and Chief Executive Officer of Dreamscape. Further, Mark Evans and Cloudsafe Holdings Limited ('Cloudsafe') (a related entity of Mark Evans) have entered into a call option deed with Web.com, under which Web.com is entitled to purchased approximately 9.99% of Dreamscape, and if Foreign Investment Review Board ('FIRB') approval is obtained, a further 9.99% of Dreamscape ('Cloudsafe Call Option'). Mark Evans and Cloudsafe currently hold approximately 24.5% of Dreamscape. To exercise the Cloudsafe Call Option, Web.com must pay Mark Evans and Cloudsafe an

amount equivalent to the Scheme Consideration offered per Dreamscape share. The Cloudsafe Call Option may only be exercised if the independent expert concludes that the Scheme is in the best interests of Shareholders.

On 23 July 2019, Dreamscape entered into the Siteplus Option Agreement, with the shareholders ('Vendors') of Siteplus. Pursuant to the Siteplus Option Agreement, the Vendors of Siteplus have granted Dreamscape an option to acquire all of the issued capital in Siteplus for an option premium of \$2.00 ('Siteplus Option'). Dreamscape can only exercise the Siteplus Option following the implementation of the Scheme and Dreamscape being removed from the official list of the ASX. The Siteplus Option expires on 31 March 2020. The Vendors of Siteplus are related parties to Dreamscape, as such Shareholder approval to enter the Siteplus Option Agreement is required under ASX Listing Rule 10.1. The Siteplus Option can only be exercised following successful implementation of the Scheme (i.e. once Dreamscape becomes a wholly owned subsidiary of Web.com). Accordingly, our assessment of fairness does not include the Siteplus transaction as Dreamscape Shareholders will not be a party to that transaction.

Dreamscape currently has 28,814,900 option on issue. Prior to the implementation of the Scheme, each Dreamscape option holder will be required to enter into an option cancellation deed with Dreamscape and Web.com. Consideration offered for the options is set out below.

| Current Options on Issue | Number | Consideration offered |
|---|-------------------|-----------------------|
| Expiry Date 30-Jun-20, Exercise Price \$0.250 | 11,000,000 | \$0.02 per option |
| Expiry Date 30-Jun-21, Exercise Price \$0.350 | 8,250,000 | \$0.0097 per option |
| Expiry Date 30-Jun-22, Exercise Price \$0.450 | 6,750,000 | \$0.0119 per option |
| Expiry Date 31-Dec-19, Exercise Price \$0.025 | 2,814,900 | \$0.02 per option |
| TOTAL | 28,814,900 | |

5. Profile of Dreamscape

5.1 Company Background

Dreamscape offers online and cloud based solutions designed to help individuals and small to medium sized businesses establish and develop an online presence. The Dreamscape platform provides products and services across three core pillars being: Domains, Hosting and Solutions. While Dreamscape's core business is in Australia, overtime it has expanded its offerings into international markets. Dreamscape currently has a market presence in Australia, South East Asia, the United Kingdom, New Zealand and India. The Company was founded in 2000 in Perth, Western Australia and listed on the ASX in 2016.

The current directors and senior management of Dreamscape are:

- Mr. Peter James - Non-Executive Chairman;
- Mr. Mark Evans - Managing Director and Chief Executive Officer;
- Mr. Evan Cross - Non-Executive Director and Joint Company Secretary;
- Ms Ng Shin Ein - Non-Executive Director;
- Mr Anthony Sparks - Chief Financial Officer and Joint Company Secretary; and
- Mr Gavin Gibson - Chief Operations Officer

5.2 Products

Dreamscape offers a suite of products and services that individuals or businesses can utilise to build their online presence. It offers products and services across three core business pillars being: Domains, Hosting and Solutions.

Domains

Domain name registration is often the first step individuals or business will take to establish their online presence. Products sold under the Domain segment account for a substantial portion of Dreamscape's total revenue. Dreamscape has the required accreditations to sell more than 500 different top-level domains. Dreamscape offers customers a variety of domain related services including:

- Domain name search and registration;
- Domain name transfer, which allows customers to move their domain ownership from one registrar to another;
- Whols domain database access, which allows customers to search a database of every single domain name currently registered in the world;
- Private registration, which allows customers to hide their identification information on the Whols database; and
- Domain backorders, which helps users to acquire a domain name as soon as it becomes available for registration

Hosting

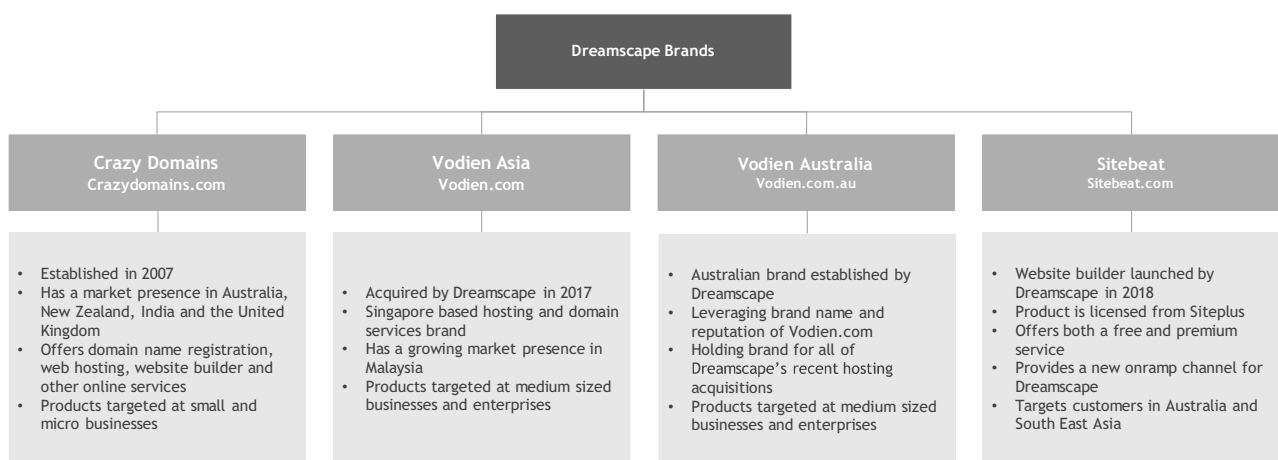
Once customers have a domain name, the next step customers often take is securing a web hosting service that will provide the physical storage location for the domain name. Dreamscape offers several hosting plans including Web hosting, WordPress hosting, Email Hosting, Email Exchange, Domain Name System hosting, Secure Socket Layer ('SSL') Certificates, and Hosting.

Solutions

Dreamscape's solutions segment offers products designed to help individuals and small to medium businesses establish, maintain and grow their business online. Products sold under this segment include, Website builder, Web Design, Simple and Managed SEO, Business Directory, Traffic Booster, Email Marketing, Logo design, Web Analytics, Site Protection, Email Protection, Cloud backup and Fax to Email.

5.3 Brand Names:

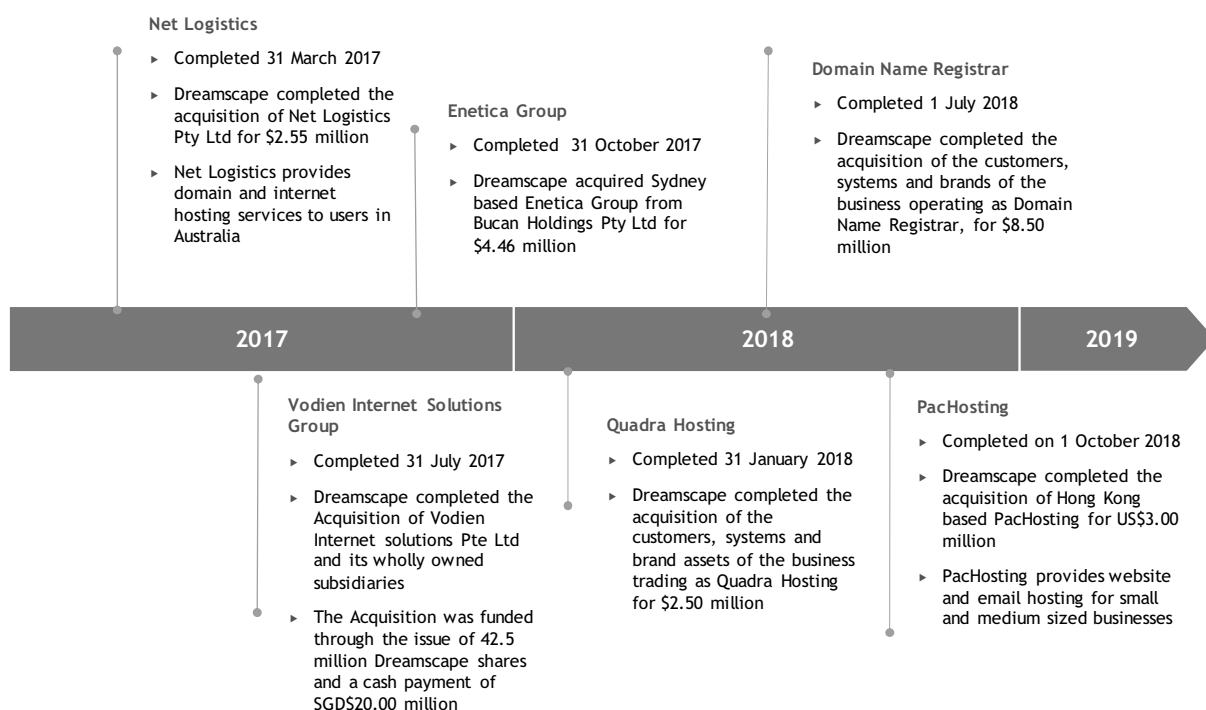
Dreamscape's products and services are sold under different brand names. Its key brands include:



5.4 Corporate Events

5.4.1 Acquisitions

In line with its global expansion strategy, Dreamscape has expanded its products and service offerings to the South-East Asia market. Over the last few years, Dreamscape has made several significant acquisitions, including the following:



5.4.2 Corporate relocation

In 2018, Dreamscape moved its corporate headquarters to Singapore to integrate marketing for Crazy Domains and Vodien and to consolidate the executive team, finance administration and human resources functions. It closed down its Perth office in March 2018 and its Dubai office in May 2018.

5.4.3 Financing

On 28 December 2017, Dreamscape announced that it had secured a \$20.0 million cash advance facility from the Commonwealth Bank of Australia (**'Commonwealth Bank'**) (**'the Facility'**). The Facility has a maturity date of 28 December 2020, and attracts a commercial interest rate based on the applicable period BBSY rate. Further, the Facility is secured over the assets of the Australian subsidiaries of the Company and a negative pledge over the Group's assets. At 10 December 2018, the Company announced it had renegotiated the terms of the Facility, increasing the Facility to \$23.0 million.

On 28 September 2018, the Company entered into a loan agreement with Cloudsafe for USD\$1.0 million (**'Cloudsafe Loan'**). The Cloudsafe Loan was unsecured, with an interest rate of 8.0% per annum and a maturity date of 28 June 2019. The Cloudsafe Loan was fully repaid by the maturity date.

5.5 Historical Statements of Financial Position

| Statement of Financial Position | Unaudited as at 30-Jun-19 \$'000's | Audited as at 30-Jun-18 \$'000's | Audited as at 30-Jun-17 \$'000's |
|--|--|--|--|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7,102 | 5,627 | 17,698 |
| Other financial assets | 2,663 | 381 | 154 |
| Trade and other receivables | 4,787 | 5,206 | 3,398 |
| Prepayments and other deposits | 2,242 | 1,224 | 811 |
| Other - Vodien deposit | - | - | 1,908 |
| TOTAL CURRENT ASSETS | 16,794 | 12,438 | 23,969 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9,581 | 8,667 | 3,126 |
| Goodwill and other intangible assets | 63,592 | 42,851 | 3,645 |
| Deferred tax assets | 1,043 | 1,284 | 1,163 |
| Other non-current assets | 721 | 1,018 | 67 |
| TOTAL NON-CURRENT ASSETS | 74,937 | 53,820 | 8,001 |
| TOTAL ASSETS | 91,731 | 66,258 | 31,970 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 5,883 | 5,012 | 2,986 |
| Borrowings | 2,452 | 313 | - |
| Accrued expenses | 4,265 | 2,606 | 2,800 |
| Other current liabilities | 1,322 | 1,748 | 966 |
| Deferred revenue - net | 22,652 | 19,435 | 14,509 |
| Income tax payable | 1,886 | 1,123 | 992 |
| TOTAL CURRENT LIABILITIES | 38,460 | 30,237 | 22,253 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 18,360 | 11,506 | - |
| Deferred revenue - net | 12,169 | 11,485 | 9,900 |
| Deferred tax liabilities | 4,103 | 118 | - |
| Provision for employees' end of service benefits | 233 | 291 | 409 |
| TOTAL NON-CURRENT LIABILITIES | 34,865 | 23,400 | 10,309 |
| TOTAL LIABILITIES | 73,325 | 53,637 | 32,562 |
| NET ASSETS | 18,406 | 12,621 | (592) |
| EQUITY | | | |
| Issued capital | 23,494 | 23,225 | 12,920 |
| Share-based payment reserve | 1,318 | 1,464 | 1,180 |
| Accumulated losses | (6,577) | (12,224) | (14,957) |
| Other reserves | 171 | 156 | 265 |
| TOTAL EQUITY | 18,406 | 12,621 | (592) |

Source: Dreamscape's audited financial statements for the years ended 30 June 2017 and 30 June 2018, and unaudited financial statements for the year ended 30 June 2019.

We have not undertaken a review of Dreamscape's unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from \$17.70 million at 30 June 2017 to \$5.63 million at 30 June 2018. The decrease of approximately \$12.07 million was primarily the result of payments to suppliers and employees of \$54.38 million, business acquisitions of \$22.91 million and payments for property and equipment of \$6.31 million. This was partially offset by receipts from customers of \$63.29 million and the proceeds from a loan of \$15.30 million. Subsequently, cash and cash equivalents increased from \$5.63 million at 30 June 2018 to \$7.10 million at 30 June 2019. The increase of approximately \$1.47 million was primarily the result of receipts from customers of \$74.52 million and net proceeds loans of \$8.88 million. This was partially offset by payments to suppliers and employees of \$61.68 million, business acquisitions of \$13.80 million, payments for property, plant, equipment and intangibles of \$5.04 million and tax payments of \$0.69 million.
- Trade and other receivables decreased from \$5.20 million at 30 June 2018 to \$4.79 at 30 June 2019. The balance at 30 June 2019 comprised mainly merchant receivables, advances to registries, and GST/VAT.
- Prepayments and other deposits of \$2.24 million at 30 June 2019 primarily comprised of software subscriptions, warranties, prepaid rent and prepaid insurance.
- Property, plant and equipment of \$9.58 million as at 30 June 2019, comprised \$4.28 million of leasehold improvements, \$3.06 million of data centre equipment, \$0.90 million of computer equipment, \$0.49 million of office equipment and \$0.85 million of furniture and fixtures.
- Goodwill and other intangible assets increased from \$42.85 million at 30 June 2018 to \$63.60 million at 30 June 2019. The increase of approximately \$20.75 million primarily related to goodwill acquired through acquisitions undertaken during the year.
- Accrued expenses of \$4.26 million at 30 June 2019 primarily comprised accrued domain costs, provisions for annual leave, performance bonuses and management bonus, and accrued professional fees.
- Current borrowings of \$2.45 million and non-current borrowings of \$18.36 million at 30 June 2019 related to the Facility held with the Commonwealth Bank.
- Current net deferred revenue of \$22.65 million at 30 June 2019 relates to unearned revenue received from the sale of Dreamscape products and deferred costs relating to the purchase of domains from registration authorities and products from suppliers. Dreamscape incurs unearned revenue, as customers are required to pay upfront for multiyear agreements.

5.6 Historical Statement of Profit or Loss and Other Comprehensive Income

| Statement of Profit or Loss and Other Comprehensive Income | Unaudited for the year ended 30-Jun-19 \$'000's | Audited for the year ended 30-Jun-18 \$'000's | Audited for the year ended 30-Jun-17 \$'000's |
|---|---|---|---|
| Revenue | 74,264 | 61,565 | 46,696 |
| Direct costs | (28,391) | (25,070) | (19,703) |
| Gross Profit | 45,873 | 36,495 | 26,993 |
| Salaries and employee benefits | (19,187) | (17,471) | (11,945) |
| Marketing and promotions | (3,969) | (3,688) | (3,532) |
| General and administrative expenses | (10,829) | (8,215) | (5,547) |
| Operating profit | 11,888 | 7,121 | 5,969 |
| Depreciation and amortisation | (3,486) | (2,104) | (1,346) |
| Other income (loss) - net | 292 | 123 | 87 |
| Foreign exchange losses - net | (56) | (908) | (483) |
| Finance cost | (1,291) | (509) | - |
| Forgiveness of advances to related parties | - | - | (16,050) |
| Profit (loss) before income tax | 7,347 | 3,723 | -11,823 |
| Income tax expense | (1,700) | (990) | (1,038) |
| Net profit (loss) for the period | 5,647 | 2,733 | (12,861) |
| Other comprehensive income net of income tax | | | |
| Re-measurement of defined benefit obligation | 12 | - | 30 |
| Exchange differences on translation of foreign operations' financial statements | 3 | (109) | 156 |
| Other comprehensive income / (loss) for the year, net of income tax | 15 | (109) | 186 |
| Total comprehensive income (loss) for the year | 5,662 | 2,624 | (12,675) |

Source: Dreamscape's audited financial statements for the years ended 30 June 2017 and 30 June 2018 and unaudited financial statements for the year ended 30 June 2019.

We have not undertaken a review of Dreamscape's unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue increased from \$61.57 million for the year ended 30 June 2018 to \$74.26 million for the year ended 30 June 2019. The increase of \$12.70 million was primarily a result of a 23% increase in Domains revenue, a 21% increase in Hosting revenue and a 9% increase in solutions revenue. These increases reflect acquisitions made during the year and price increases to some products.

- Direct costs of \$28.39 million for the year ended 30 June 2019 primarily relate to domain costs of \$18.90 million, data centre costs of \$1.72 million, website builder costs of \$1.39 million, data centre internet costs of \$1.25 million, server costs of \$1.05 million and web hosting costs of \$1.00 million.
- Salaries and employee benefits expense of \$19.18 million for the year ended 30 June 2019 comprised salaries and wages, other employee benefits, employee amenities and superannuation, share-based payments, and directors' fees.
- General and administrative expenses of \$10.83 million for the year ended 30 June 2019 comprise occupancy fees of \$3.63 million, merchant fees of \$3.07 million, professional fees of \$1.94 million, and communication fees of \$1.20 million. The increase in general and administrative expenses from 30 June 2018 to 30 June 2019, primarily related to costs incurred as result of multiple acquisitions, restructuring and other one-off matters.

5.7 Capital Structure

The share structure of Dreamscape as at 2 August 2019 is outlined below:

| | Number |
|--|-------------|
| Total ordinary shares on issue | 389,653,332 |
| Top 20 shareholders | 358,876,760 |
| Top 20 shareholders - % of shares on issue | 92.10% |

Source: Share registry information

The range of shares held in Dreamscape as at 2 August 2019 is as follows:

| Range of Shares Held | Number of Ordinary Shareholders | Number of Ordinary Shares | Percentage of Issued Shares |
|----------------------|---------------------------------|---------------------------|-----------------------------|
| 1 - 1,000 | 14 | 1,400 | 0.00% |
| 1,001 - 5,000 | 62 | 210,096 | 0.05% |
| 5,001 - 10,000 | 123 | 1,057,110 | 0.27% |
| 10,001 - 100,000 | 182 | 7,701,497 | 1.98% |
| 100,001 - and over | 87 | 380,683,229 | 97.70% |
| TOTAL | 468 | 389,653,332 | 100% |

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 2 August 2019 are detailed below:

| Shareholder | Number of Ordinary Shares Held | Percentage of Issued Shares (%) |
|---|--------------------------------|---------------------------------|
| Bluegeko Holdings Limited | 132,680,000 | 34.05% |
| Cloudsafe Holdings Limited | 93,760,000 | 24.06% |
| J P Morgan Nominees Australia Limited | 37,126,350 | 9.53% |
| Mr Jervis Lee Wen | 21,250,000 | 5.45% |
| HSBC Custody Nominees (Australia) Limited | 15,137,686 | 3.88% |
| Mr Quintin Russ | 10,419,279 | 2.67% |
| Mr Nathan Russ | 9,725,000 | 2.50% |
| Subtotal | 320,098,315 | 82.15% |

| Shareholder | Number of Ordinary Shares Held | Percentage of Issued Shares (%) |
|---------------------------------------|--------------------------------|---------------------------------|
| Others | 69,555,017 | 17.85% |
| Total ordinary shares on Issue | 389,653,332 | 100.00% |

Source: Share registry information

As at 2 August 2019, the options on issue in Dreamscape are outlined below:

| Current Options on Issue | Number |
|---|-------------------|
| Expiry Date 30-Jun-20, Exercise Price \$0.250 | 11,000,000 |
| Expiry Date 30-Jun-21, Exercise Price \$0.350 | 8,250,000 |
| Expiry Date 30-Jun-22, Exercise Price \$0.450 | 6,750,000 |
| Expiry Date 31-Dec-19, Exercise Price \$0.250 | 2,814,900 |
| TOTAL | 28,814,900 |

6. Profile of Acquirer

6.1 Web.com

Web.com is a global provider of web services, including domain name registration, as well as suite of other marketing, analytics and hosting services. Web.com targets small businesses, and helps them establish and maintain an online presence. Web.com was incorporated in 1999 and is based in Jacksonville, Florida, USA.

On 21 June 2018, Web.com announced it had entered a definitive agreement to be acquired by an affiliate of Siris Capital Group, LLC ('Siris Capital'), for a cash payment of US\$25.00 per Web.com share. Following this announcement, Web.com entered into a 'go shop' period, during which it was entitled to solicit alternative acquisition proposals from other interested third parties. During this period, several other parties made competing bids for Web.com, however, just prior to the close of the bidding period, Siris Capital made an offer of US\$28.00 per share, which was later accepted by Web.com, subject to shareholder approval. The acquisition price per share valued Web.com at approximately US\$2.0 billion. The acquisition was successfully completed in October 2018, after which, Web.com ceased trading on the NASDAQ exchange.

6.2 Siris Capital

Siris Capital is a private equity firm based in New York. It makes investments in data telecommunications, technology and technology service companies. Siris Capital was founded in 2011, and has raised over US\$5.9 billion of cumulative capital. It currently has nine companies in its portfolio, including Web.com. It is currently targeting investment opportunities with transaction values of US\$500 million to US\$5 billion.

7. Economic analysis

7.1 Australia

Domestic growth

The Reserve Bank of Australia ('RBA') is expecting Gross Domestic Product ('GDP') growth of around 2.75% over both 2019 and 2020, which is lower than previously forecast. Growth is anticipated to be supported by increased investment in infrastructure and a pick-up in activity in the resources sector, as mining firms invest to sustain production levels and expand productive capacity. However, there remains some uncertainty around the outlook for household consumption and the housing market. Growth in household disposable income was 1.8% over the year to the March quarter, which is below the long run average. Consumption growth has slowed with low wages growth and declining housing prices.

In response, the RBA lowered interest rates in June 2019 for the first time since 2012 to 1.25%, before cutting rates further in July 2019 to a historic low of 1.0%. The easing of monetary policy aims to support employment growth and increase inflation to be closer to the medium-term target of 2.0%.

Conditions in the housing market remain soft, although prices in Sydney and Melbourne have stabilised tentatively. Growth in housing credit has also stabilised, with mortgage rates at record lows and the strong competition for borrowers of high credit quality. However, overall demand for credit by investors continues to be subdued, with credit conditions for small and medium-sized businesses remaining tight.

Inflation

Domestic inflation remains low, and suggests subdued inflationary pressures across the economy. Inflation forecasts have been revised lower, with the RBA expecting underlying inflation to be 1.75% for 2019 and 2.0% for 2020. However, inflation is anticipated to pick up with easing of monetary policy, with the central scenario for underlying inflation to reach 2.0% in 2020 and to increase further thereafter.

Employment

Strong employment growth has persisted despite a dampening in expectations for GDP growth, with labour force participation at a record level. Employment growth over 2018 was largely in three industries: healthcare and social assistance, construction, and professional scientific and technical services. The unemployment rate has been steady at approximately 5% for several months; however, it has risen slightly to 5.2% since April 2019. The strong employment growth has led to a pick-up in wages growth in the private sector, although overall wage growth remains low. The RBA continues to expect further wages growth in the near term.

Currency movements

The Australian dollar is currently at the low end of the narrow range that it has been trading recently. Movements in the Australian dollar tend to be related to developments in commodity prices and interest rate differentials. Since the start of the year, these two forces have been working in offsetting directions, with commodity prices in iron ore and gold increasing significantly in June 2019 and Australian bond yields declining relative to those in other major markets.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision 2 July 2019 and Statement on Monetary Policy May 2019.

7.2 Singapore

Over the last few decades, Singapore has emerged as a global financial hub, due to its pro-business environment, stable political structure and judicial system, tax incentives, skilled workforce and advantageous geographic location. Singapore has a highly developed, free market economy, where gross exports and imports of goods and services are more than 300 percent of GDP. The Monetary Authority of Singapore's ('MAS') role is to maintain price stability conducive to sustained growth of the economy. Medium term price stability has been achieved by management of the exchange rate against a weighted basket of currencies. The trade-weighted exchange rate is allowed to fluctuate within a policy band, the level and direction of which is announced semi-annually.

Domestic growth

After several quarters of above potential economic growth, there was a notable easing during the fourth quarter of the 2018 ('Q4 2018') calendar year and the first quarter of the 2019 calendar year ('Q1 2019'). Singapore's real GDP growth was 1.2% on a year-on-year ('YoY') basis in Q1 2019, down from previous quarters. Over the last six months, the contribution of the manufacturing sector to GDP growth has waned, reflecting the maturing of the global electronics cycle and a slowdown of the Chinese economy, while activity in the services sector has stayed firm and activity in the construction sector has recovered. Real GDP growth for the 2018 calendar year was 3.1%, down from GDP growth of 3.7% for the previous year. Singapore's GDP growth is projected to be slightly below the mid-point of MAS's forecast range of 1.5% - 3.5% for 2019. Subdued prospects for global growth are expected to weigh on externally orientated segments of Singapore's economy, while the electronics sector is expected to face significant headwinds. The services sector and the ongoing recovery of the construction sector will remain key pillars for growth.

Employment

Preliminary estimates showed that overall employment grew by 14,700 in Q1 2019, which is significantly higher than the same period a year ago, reflecting broadening job growth across domestic-orientated, modern services as well as trade related clusters. Forward-looking indicators suggest that labour demand will remain firm; however, wage growth is expected to taper slightly in 2019.

Inflation

Inflation was modest in the first four months of 2019, with core inflation of 1.6% on a YoY basis for Q1 2019, edging down from 1.8% on a YoY basis for Q4 2018, largely due to a smaller increase in the cost of electricity and gas. On the back of weaker global oil prices and a stronger impact from the liberalisation of the retail electricity market, the forecast range for MAS core inflation has been revised downwards to 1%-2% from 1.5% - 2.5%.

Source: www.mas.gov.sg Macroeconomic Review Economic Policy Group Volume XVIII Issue 1 April 2019, Recent Economic Developments in Singapore 7 June 2019

8. Industry analysis

While Dreamscape does operate across multiple industry segments, most of the Company's revenue is generated through the provision of domain name and hosting services.

Domain names

All devices connected to the internet have a unique address, being a string of numbers, called an Internet Protocol ('IP') address. This unique identifier can be used to send data to specific devices on a network. IP addresses can be difficult to remember, so a domain name system ('DNS') is used instead. Domain names can use a familiar string of letters, and adopt a hierarchical structure, for example 'google.com'. Each level of the hierarchy is separated by a dot, and the last word in a domain name represents a top-level domain ('TLD'). There were approximately 351.8 million domain name registrations across all TLDs at the close of the first quarter of 2019.

Common TLDs include:

- .com;
- .net;
- .au (or another two letter country code);
- .edu; and
- .gov

The Internet Corporation for Assigned Names and Numbers ('ICANN'), governs the registration of domain names globally. It oversees the accreditation of domain name registrars and registries and co-ordinates policy development and internationalisation of the DNS system and introduction of new TLDs.

Domain name registrars, including Dreamscape, sell domain names from a domain registry to customers. A registry is an organisation that manages the registration of domain names within the domains for which it is responsible.

Registrars must receive accreditation from each domain space in order to resell a particular domain name. For example if a registrar wanted to sell an '.au' domain, they would need accreditation from .au Domain Administration Limited ('auDA'), the administrator and regulatory body for the .au country code TLD.

Getting a domain name is one of the first steps individuals or companies will make in establishing a web presence. Customers usually pay registrars a yearly or monthly fee, to register their domain name.

Source: ICANN and auDA, Verisign

Hosting

Hosting is the physical storage location of a website and email. Web hosting allows organisations and individuals to make their websites accessible on the internet. A web hosting company will lease space on its server to customers. When internet users want to access a website, they will need to enter the domain address in an internet browser, which will connect to the server and send the user to the website. Most companies tend to offer both domain and hosting services, as they are generally complementary products.

Major Competitors

The Industry is made up of numerous competitors, with industry players offering services across multiple industry segments and geographical locations.

Key participants include, but are not limited to:

- Arq Group - Australia;
- GoDaddy - Global;
- Web.com - United States;
- VentralP - Australia.

Profit Drivers

The wide spread increase in the use of broadband internet over the last few years has seen an increase in demand for internet driven media and information. Consumers have grown to rely on the internet for everyday tasks. This reliance, has made having a web presence critical, not only to the success of large organisations, but also to the success of small to medium sized business, particularly those who target their products at younger consumers. To have an effective online web presence, businesses generally require a secure website viewable from any device, a social media presence, online marketing, branded emails, and an ecommerce platform. Demand for domain, hosting and other web services has increased as businesses establish and grow their online platforms.

Demand for domain and hosting services has resulted in many new entrants joining the industry. As the market has become more competitive, firms in the industry have had to compete not only on price, but also on the quality of technical support offered, and the type of services offered. Growing price pressure caused by increased competition has the potential to impact profit margin growth in the future.

Consumers have also become more security conscious over recent years following several highly publicised data breaches. Data breaches can cause financial and reputational losses for firms. Domain, hosting and internet service providers store customer data on their servers, and as such face the threat of a security breach. How reliable and secure a firms infrastructure is, can have an impact on its ability to maintain its market share.

Outlook

Australia

Australia has a mature internet economy, with most adults already using the internet. IBISWorld expects Internet subscribers to grow at a compound rate of 3.5% from 2019 to 2024. Online retail is becoming increasing normalised and many small businesses have been able to establish an online presence over the last few years, as the costs of setting up a website have decreased. Domain name, hosting, and other web services need to continue to adapt to rapidly changing technology and customer expectations.

Southeast Asia

While Australia has a more mature internet economy, South East Asia's internet economy is growing rapidly. There are now more than 350 million internet users across Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The internet economy reached US\$72 billion in 2018 and is expected to reach US\$240 billion by 2025 (measured in gross merchandise value). E-commerce is the fastest growing sector of the internet economy of South East Asia. Adoption of e-commerce has been accelerating dramatically. Indonesia is leading the way in terms of E-commerce, recording \$12 billion gross merchandise value in 2018; this is expected to reach \$53 billion by 2025. This growing market could be a source of revenue growth for providers of domain and web hosting services.

Source:IBISWorld, Google -Temasek

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

9.1 Valuation of Dreamscape

In our assessment of the value of a Dreamscape share, we have considered the various valuation methodologies available, the nature of Dreamscape's operations and the nature of the financial information available.

- We have chosen the FME methodology, as our primary method. Our reasons for this opinion include the following:
 - Dreamscape has a recent profitable financial performance and the management has prepared financial budgets for the year ending 30 June 2020 with reasonable basis; and
 - Dreamscape management does not prepare detailed long-term forecasts, only yearly budgets are prepared. Therefore, a budget for the year ending 30 June 2020 was available to us. In addition, significant growth in Dreamscape's revenue (grew from A\$46.7 million during the year ended 30 June 2017 to A\$74.3 million during the year ended 30 June 2019) and operating profit (increased from A\$6.0 million during the year ended 30 June 2017 to A\$11.9 million during the year ended 30 June 2019) can be observed during the historical period mainly because of bolt on acquisitions. The acquisitions were carried out to grow Dreamscape's business including growing the footprint of Dreamscape in new geographies, growing the revenues, and improving the profitability through cost saving and synergies among its portfolio of acquired companies. Sustained performance and full synergistic benefits of the companies acquired by Dreamscape during the year ended 30 June 2019 are yet to be realised and are difficult to forecast on a reasonable basis. For the reasons mentioned above, we are not able to use the DCF methodology.
- We have used the QMP methodology, as our secondary methodology and as a cross check. The QMP basis is a relevant methodology to consider because Dreamscape's shares are listed on the ASX. This means that there is a regulated and observable market where Dreamscape shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed of the Company's activities.

10. Valuation of Dreamscape prior to the Scheme

10.1 Future Maintainable Earnings Value

When applying the FME method, the future maintainable earnings of Dreamscape are determined and an appropriate capitalisation multiple is applied to these earnings.

10.1.1 Assessing Future Maintainable Earnings

Maintainable earnings should represent what is currently sustainable. Any anticipated growth in earnings is accounted for via the capitalisation rate. We have analysed the earnings of Dreamscape for the year ended 30 June 2019 and the budget (the 'Budget') for the year ending 30 June 2020 (the 'Budget Period').

The table below summarises the Budget and actual financial performance for the year ended 30 June 2019:

| | Budgeted for the year ended 30-Jun-20 \$'000's | Unaudited for the year ended 30-Jun-19 \$'000's |
|-------------------------------------|---|--|
| Revenue | 80,380 | 74,264 |
| Direct costs | (29,110) | (28,391) |
| Gross Profit | 51,270 | 45,873 |
| Other income (net) | - | 293 |
| Expenses | | |
| Salaries and employee benefits | (20,450) | (19,187) |
| Marketing and promotions | (6,000) | (3,969) |
| General and administrative expenses | (9,630) | (10,828) |
| Foreign exchange losses (net) | (360) | (54) |
| EBITDA | 14,830 | 12,127 |
| EBITDA margin % | 18% | 16% |

Source: Unaudited management accounts for the year ended 30 June 2019 and the Budget

Management have provided us with the assumptions underpinning their FY20 budget and detailed historical and budget information for each pillar and geography.

- Revenue is expected to increase from \$74.3 million for the year ended 30 June 2019 to \$80.4 million for the year ended 30 June 2020. The increase of \$6.1 million is being driven by:
 - Price changes to .au domain names implemented on 1 July 2019 and price changes to .com and .nz domain names implemented on 1 April 2019;
 - First full year impact of price changes to SSL certificates in Australia made during the year ended 30 June 2019;
 - First full year revenue impact of six businesses acquired during the year ended 30 June 2019;
 - Increased marketing spend, particularly in Asia;
 - Growth in Sitebeat bookings, with Indonesia being the target market;

- Projected growth in the underlying business in Australia, New Zealand, India and Asia; and
- Projected growth in Vodien Singapore.
- Marketing and promotional expenditure is expected to increase from \$4.0 million for the year ended 30 June 2019 to \$6.0 million for the year ended 30 June 2020. The increase of \$2.0 million is largely a result of an increased marketing spend in Asia, for the underlying business, Sitebeat, and Vodien Asia.
- General and administrative expenditure is expected to decrease from \$10.8 million for the year ended 30 June 2019 to \$9.6 million for the year ended 30 June 2020. The decrease of \$1.2 million is largely a result of:
 - lower expected merchant fees (as a result of a switch to Paypal as the default provider);
 - lower expected occupancy costs, with the Perth lease ending in January 2020; and
 - lower professional fees, as no acquisitions are budgeted for the year ending 30 June 2020.

In undertaking our FME valuation we have considered potential adjustments to the stated earnings of the Business for any revenue or expenses of a private nature, any non-business related revenue and expenses, and any one-off or non-recurring items.

We have made the following adjustments to the earnings before interest, tax, depreciation and amortisation ('EBITDA') for the year ended 30 June 2019 and the Budget:

- non-recurring or one off items;
- non-operating revenues and expenses;
- abnormal or non-commercial transactions

Our normalisation adjustments are set out below:

| Adjusted EBITDA | Note | Budgeted for the year ended 30-Jun-20 \$'000's | Unaudited for the year ended 30-Jun-19 \$'000's | Mid-point \$'000's |
|-----------------------------------|------|---|--|-----------------------|
| EBITDA before adjustments | | 14,830 | 12,123 | 13,477 |
| Normalisation adjustments: | | | | |
| Acquisition related costs | a | - | 138 | |
| Restructuring costs | b | - | 284 | |
| Equity based compensation | c | - | 122 | |
| Foreign exchange loss | d | - | (170) | |
| Costs associated with the Scheme | e | - | 177 | |
| ATO audit | f | 100 | 200 | |
| Adjusted EBITDA | | 14,930 | 12,875 | 13,902 |

Source: Management accounts for the year ended 30 June 2019, budget for the year ending 30 June 2020 and BDO analysis

We note the following in relation to our adjustments to EBITDA:

Note a) Acquisition related costs

During the year ended 30 June 2019, Dreamscape incurred costs related to business acquisitions. These costs included legal expenses, migration agent fees and consulting expenses. We consider these expenses to be non-recurring business expenses and therefore have added them back.

An annual fee of \$180,000 is paid to Director Evan Cross for his role as Director of Acquisitions (separate to his fee as Non-Executive Director). The Budget accounts for this fee, as he will continue in his role as

Director of Acquisitions. Although the Budget of Dreamscape does not account for any new acquisitions during the Budget Period, we have not adjusted the EBITDA for the year ended 30 June 2019 or the Budget for the fee paid to Evan Cross as this cost is incurred on an ongoing basis and as part of the ordinary course of business.

Note b) Restructuring costs

During the year ended 30 June 2019, Dreamscape relocated its corporate headquarters to Singapore, and closed its Perth and Dubai offices. Dreamscape incurred costs relating to this corporate restructure including, redundancy and termination payments, relocation costs and tax advice. We consider these expenses to be non-recurring expenses and therefore have added them back. No restructuring costs have been included in the Budget therefore no adjustment to the Budget EBITDA is required.

Note c) Equity based compensation

During the year ended 30 June 2019, Dreamscape incurred expenses related to options and performance rights on issue during the year. We consider these costs to be non-recurring expenses and have added these costs back. No such expenses have been accounted for in the Budget therefore no adjustment to the Budget EBITDA is required.

Note d) Foreign exchange gain

During the year ended 30 June 2019, Dreamscape recorded a foreign exchange gain. Foreign exchange gains result from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies. Therefore, we have deducted the foreign exchange gain from EBITDA as this income does not relate to the underlying business of Dreamscape. Foreign exchange gains have not been accounted for in the Budget therefore no adjustment to the Budget EBITDA is required.

Note e) Costs associated with the Scheme

During the year ended 30 June 2019, Dreamscape incurred administration costs associated with the Scheme, such as legal and corporate advisory costs. We consider these expenses to be non-recurring and therefore have added them back. Any expected costs related to the Scheme have not been accounted for in the Budget therefore no adjustment is required to the Budget EBITDA.

Note f) ATO audit

Dreamscape is currently the subject of an Australian Taxation Office ('ATO') Goods and Service Tax ('GST') compliance audit. During the year ended 30 June 2019, Dreamscape incurred costs for tax and legal advice related to the GST audit. Management have also budgeted \$0.10 million for legal and tax costs related to the ATO audit for the year ending 30 June 2020. We consider these expenses to be non-recurring business expenses and therefore have added them back.

Conclusion

In determining the maintainable earnings of Dreamscape, we have considered the normalised EBITDA for the year ended 30 June 2019 and the Budget EBITDA for the year ending 30 June 2020. Based on the above, our assessment of the future maintainable earnings for Dreamscape is in the range of \$13.9 million to \$14.9 million.

10.1.2 Calculation and Application of an Earnings Multiple

The next step in applying the FME method is to determine an appropriate multiple to apply to our assessed future maintainable earnings. Inherently, the multiple should reflect the risks and likely growth associated with a business.

To determine an appropriate multiple, we have analysed:

- Earnings multiples of publicly traded comparable companies (**‘Trading Multiples’**); and
- Multiples implied from comparable transactions (**‘Transaction Multiples’**)

Trading Multiples

We have considered multiples derived from the most comparable companies for which information is publicly available, adjusted to take account of the various ways in which the most comparable companies are different to Dreamscape.

To determine appropriate trading multiples, we analysed publicly listed companies and operating in the following sectors:

| | |
|--|---|
| E-Commerce Software | Web Hosting |
| Application Host-enabling Software | Personal Web Hosting |
| Content Publishing Software | Domain Services |
| Content Delivery Software | Domain Name Registration Services |
| Internet Monitoring Software | Web Design |
| Web Site Management Software | Application Management |
| Application Hosting Services | Web Development Software |
| Web Usage Analysis | Server Software |
| Internet Presence Providers (‘IPP’) | Web Servers |
| Domain Name System (‘DNS’) Servers | File Transfer Protocol (‘FTP’) Servers |

Using the S&P Capital IQ database, we filtered for the following exchanges:

- ASX;
- All Major Exchanges;
- All Asian Exchanges; and
- AIM London Stock Exchange

Our search criteria identified 472 public listed companies.

To narrow down our search, we considered companies with similar operations, revenue and market capitalisation (size) to Dreamscape. We removed companies from our dataset that did not provide meaningful data.

A total of five comparable publicly listed companies were identified based on our search criteria and available information. Summary descriptions and brief financial data for these identified ‘most comparable companies’ are set out in Appendix 3.

For the FME method, we have used enterprise value ('EV') to EBITDA as earnings multiple determined from the publicly listed comparable companies, adjusted for a control premium of 30% and 40% (determined in Section 10.2). The EBITDA was derived from the financial data for the period ending closest to the Date of Valuation.

The table below sets out the earnings multiples of the selected publicly traded companies.

| Company Name | Market Cap (\$m) | Revenue* (\$m) | Historical EBITDA* (\$m) | Forecast EBITDA* (\$m) | Enterprise Value (\$m) | Low ** | | Enterprise Value (\$m) | High*** | |
|---------------------------------|---------------------|-------------------|-----------------------------|---------------------------|---------------------------|----------------------------|--------------------------|---------------------------|----------------------------|--------------------------|
| | | | | | | Historical EBITDA multiple | Forecast EBITDA multiple | | Historical EBITDA multiple | Forecast EBITDA multiple |
| Dreamscape | 60.3 | 74.3 | 12.1 | 14.9 | 92.1 | 7.6 | 6.2 | 98.1 | 8.1 | 6.6 |
| Arq Group | 83.21 | 213.0 | 28.7 | 22.4 | 174.9 | 6.1 | 7.8 | 183.2 | 6.4 | 8.2 |
| CentralNic | 201.78 | 77.2 | 7.4 | 20.8 | 265.3 | 35.8 | 12.7 | 285.5 | 38.6 | 13.7 |
| RXP | 69.27 | 146.1 | 14.7 | 17.5 | 101.0 | 6.9 | 5.8 | 107.9 | 7.4 | 6.2 |
| GABIA | 149.12 | 162.7 | 36.4 | n/a | 174.3 | 4.8 | n/a | 189.2 | 5.2 | n/a |
| iomart | 637.97 | 190.2 | 71.1 | 80.7 | 901.3 | 12.7 | 11.2 | 965.1 | 13.6 | 12.0 |
| Mean | | | | | | 12.3 | 8.7 | | 13.2 | 9.3 |
| Median | | | | | | 7.2 | 7.8 | | 7.7 | 8.2 |
| Mean (excluding outliers) (†) | | | | | | 7.6 | 8.7 | | 8.1 | 9.3 |
| Median (excluding outliers) (†) | | | | | | 6.9 | 7.8 | | 7.4 | 8.2 |

Source: Capital IQ and BDO analysis

*Based on publicly available financial information at 30 June 2019 (covering the most recent twelve month period). For Dreamscape, we have used financial information based on management accounts for the year ended 30 June 2019.

** Enterprise value of comparable companies reflects a premium for control of 30%

*** Enterprise value of comparable companies reflects a premium for control of 40%

† Mean and median excluding outliers reflect exclusion of CentralNic for the historical EBITDA multiple due to abnormally high results. However, it has not been excluded from the forecast EBITDA multiple and therefore our conclusion on the Trading Multiple includes CentralNic as a comparable company

Of the identified comparable companies, we consider Arq Group Limited ('Arq') and CentralNic Group Plc ('CentralNic') to be the most comparable for the following reason:

- Arq is an ASX listed competitor of Dreamscape. Arq offers similar services to Dreamscape; however, it has more diversified operations. Arq has evolved from primarily offering domain and hosting services, to offering a wider range of digital and advisory services.
- CentralNic is an AIM listed group that offers similar services to Dreamscape. It has brands that operate in Australia and Asia. We note CentralNic is significantly larger than Dreamscape.

We believe that companies other than Arq and CentralNic, presented in the table above, are less comparable due to the following reasons:

- GABIA, inc ('GABIA') - GABIA is a Korean listed company that offers similar services to Dreamscape. We note that GABIA primarily operates in Korea, and may be exposed to a different operating environment than Dreamscape. It is also has a significantly larger market capitalisation.
- iomart Group plc ('iomart') - iomart is an AIM listed group which offers similar services to Dreamscape through its 'Easyspace' brand name. However, we note iomart primarily operates in the United Kingdom, as such it may be exposed to a different operating environment than Dreamscape.
- RXP Services Limited ('RXP') - RXP offers digital solutions through its 'RXP Develop' brand. RXP helps customers develop and integrate digital platforms through its RXP Develop brand. The RXP Develop

brand is one of several different service offerings RXP provides. RXP also offers advisory services and has a different client base (many blue chip clients).

Based on the above, the range of the median forecast EBITDA multiples is 7.8 times to 8.2 times.

Transaction Multiples

An alternative source of useful comparative information to assist in determining the appropriate multiple is to consider the multiple implied by publicly available information on actual market (merger and acquisition) transactions. We searched for appropriate transactions based on:

- recent arm's length transactions;
- similar business activities, exposure to similar end user market; and
- those facing similar risks to their ongoing business operations.

A total of eight transactions were identified based on our search criteria and available information. We have primarily analysed transactions where the target is located in the Asia-Pacific Region. Summary descriptions and brief financial data for the transactions are set out in Appendix 3.

The table below sets out the average multiples implied of the selected precedent transactions.

| Ann. Date | Target Company | Bidder Company | Seller Company | Deal Value AUD(m) | EBITDA AUD(m)* | Implied Multiple |
|---------------|--|-----------------------------|---------------------------------|-------------------|----------------|------------------|
| 20/05/2019 | TPP Wholesale Pty Limited | CentralNic Group Plc | Arq Group Limited | 24.4 | 3.9 | 6.3 |
| 18/03/2019 | Exabytes Network Sdn. Bhd. (40% Stake) | Ekuiti Nasional Berhad | Ekuiti Nasional Berhad | 15.2 | n/a | n/a |
| 15/03/2016 | Melbourne IT Limited (International wholesale domain reseller channel) | Tucows Inc | Arq Group Limited | 8.0 | n/a | n/a |
| 08/12/2015 | Instara Corporation | CentralNic Group Plc | Tony Lentino (Private Investor) | 33.0 | 2.2 | 14.8 |
| 30/07/2015 | Bombora Technologies Pty Ltd | NeuStar, Inc. | - | 119.0 | n/a | n/a |
| 10/06/2015 | Outware Systems Pty. Ltd (50.2% Stake) | Arq Group Limited | - | 22.0 | n/a | n/a |
| 24/02/2015 | Uber Global Pty Ltd. | Arq Group Limited | - | 16.0 | 2.5 | 6.5 |
| 27/02/2014 | NetRegistry Group Limited | Arq Group Limited (ASX:ARQ) | Corpsand Pty Limited | 50.1 | n/a | n/a |
| Mean | | | | | | 9.2 |
| Median | | | | | | 6.5 |

Source: Merger Market, Capital IQ, and BDO analysis

n/a - not disclosed

*Most recent 12-month period, prior to the transaction

We consider the transaction between CentralNic and Arq (announced on 20 May 2019), to be the most significant recent transaction. The transaction involved Arq divesting TPP Wholesale Pty Ltd ('TPP') to CentralNic, for total consideration of \$24.4 million. TPP is a reseller of domain name and cloud hosting services in Australia. The transaction was completed on 1 August 2019, and yielded a transaction value to EBITDA multiple of 6.3 times.

Multiple adopted

Having consideration for the above Trading Multiples and Transaction Multiples, we consider that an appropriate earnings multiple to apply to the future maintainable earnings of Dreamscape is in the range of 6 times to 8 times.

10.1.3 Assessment of the value of Dreamscape based on FME

Our assessment is based on applying our assessed multiple range to our assessed range for the future maintainable earnings of the Business.

Our assessed valuation of the enterprise value of Dreamscape based on the FME Methodology is thus in the range from \$83 million to \$119 million.

| Enterprise Value | Low \$000's | High \$000's |
|---------------------------------------|----------------|-----------------|
| Future maintainable earnings (EBITDA) | 13,900 | 14,900 |
| Adopted multiple | 6.0 times | 8.0 times |
| Total Enterprise Value | 83,400 | 119,200 |

Our analysis has assessed the enterprise value of Dreamscape. We have converted the enterprise value to an equity value of the Company by deducting net debt and deferred tax liabilities and adding cash.

The results of our valuation are summarised below.

| Equity Value | Low \$000's | High \$000's |
|--|--------------------|--------------------|
| Total Enterprise Value | 83,400 | 119,200 |
| add: cash as at 30 June 2019 | 7,102 | 7,102 |
| Less: debt as at 30 June 2019 | (20,812) | (20,812) |
| Less: deferred tax liability as at 30 June 2019 | (4,103) | (4,103) |
| Total Equity Value | 65,587 | 101,387 |
| <i>Total shares on issue</i> | <i>389,653,332</i> | <i>389,653,332</i> |
| Total value per share (controlling basis) | \$0.17 | \$0.26 |

Therefore, our valuation of a Dreamscape share based on the FME method on a controlling interest basis is between \$0.17 and \$0.26 per share.

10.2 Quoted Market Prices for Dreamscape Securities

To provide a comparison to the valuation of Dreamscape in Section 10.1, we have also assessed the quoted market price for a Dreamscape share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

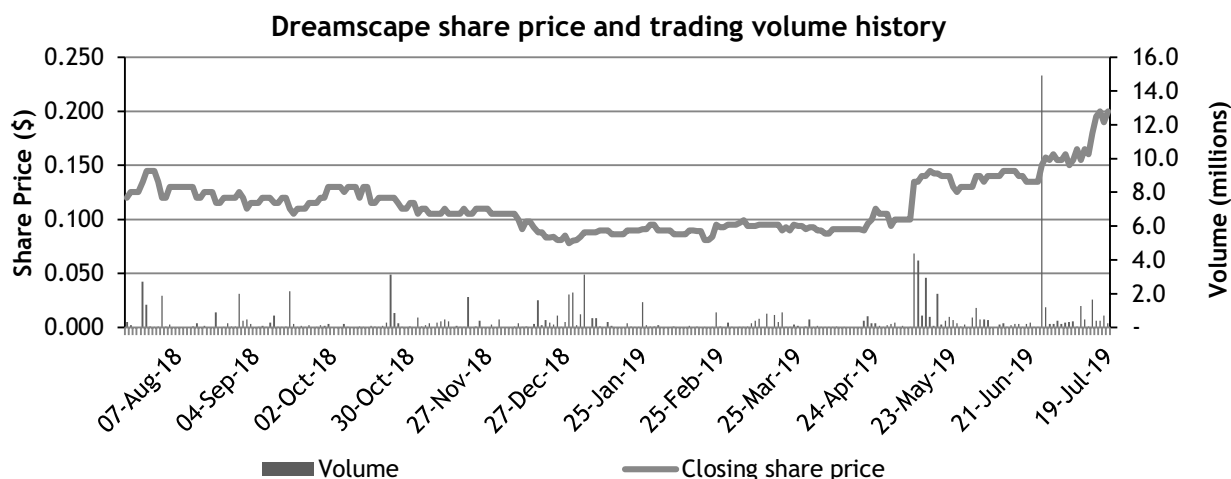
RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of a Dreamscape share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Dreamscape share is based on the pricing prior to the announcement of the Transaction. This is because the value of a Dreamscape share after the announcement may include the effects of any change in value as a result of the Transaction. However, we have considered the value of a Dreamscape share following the announcement when we have considered reasonableness in Section 13.

Dreamscape entered a trading halt on 22 July 2019, before announcing details of the Scheme to the market on 24 July 2019. Therefore, the following chart provides a summary of the share price movement over the 12 months to 19 July 2019, which was the last trading day prior to the trading halt.



Source: Bloomberg

The daily price of Dreamscape shares from 19 July 2018 to 19 July 2019 has ranged from a low of \$0.078 on 28 December 2018 to a high of \$0.200 on 17 July 2019 and 19 July 2019. The daily volume of shares traded fluctuated over the year. The highest single trading day over the assessed period was on 26 June 2019, when 14,931,119 shares were traded following the announcement of an increase in guidance on earnings.

During this period a number of announcements were made to the market. The key announcements are set out below:

| Date | Announcement | Closing Share Price Following Announcement | | | Closing Share Price Three Days After Announcement | | |
|------------|---|--|---|-------|---|---|-------|
| | | \$ (movement) | | | \$ (movement) | | |
| 26/06/2019 | Trading Update - Increasing Guidance | 0.150 | ▲ | 11.1% | 0.160 | ▲ | 6.7% |
| 09/05/2019 | Trading Update - Ahead of Plan and on Track | 0.135 | ▲ | 35.0% | 0.140 | ▲ | 3.7% |
| 22/02/2019 | Half Year Presentation H1FY19 | 0.095 | ▲ | 13.1% | 0.095 | ► | 0.0% |
| 22/02/2019 | A Significant Improvement in Results, Executing on Plan | 0.095 | ▲ | 13.1% | 0.095 | ► | 0.0% |
| 22/02/2019 | Half Yearly Report and Accounts | 0.095 | ▲ | 13.1% | 0.095 | ► | 0.0% |
| 25/01/2019 | Half Year Results Update | 0.091 | ▲ | 1.1% | 0.095 | ▲ | 4.4% |
| 31/12/2018 | Trading Update | 0.080 | ▲ | 2.6% | 0.088 | ▲ | 10.0% |
| 05/11/2018 | Strategic Update | 0.110 | ► | 0.0% | 0.105 | ▼ | 4.5% |
| 01/10/2018 | Dreamscape Networks Acquires PacHosting | 0.130 | ▲ | 8.3% | 0.130 | ► | 0.0% |
| 24/09/2018 | Partnership to Accelerate Growth Across South East Asia | 0.115 | ▲ | 4.5% | 0.120 | ▲ | 4.3% |
| 29/08/2018 | Dreamscape Networks Result Presentation 30 June 2018 | 0.125 | ▲ | 4.2% | 0.115 | ▼ | 8.0% |
| 29/08/2018 | DN8 Delivers a Solid Result in a Year of Transition | 0.125 | ▲ | 4.2% | 0.115 | ▼ | 8.0% |
| 29/08/2018 | Preliminary Final Report | 0.125 | ▲ | 4.2% | 0.115 | ▼ | 8.0% |
| 25/07/2018 | Operational and Trading Update | 0.135 | ▲ | 8.0% | 0.145 | ▲ | 7.4% |

On 25 July 2018, Dreamscape released an operational and trading update, which provided an update on the relocation of its corporate headquarters to Singapore, and the ongoing integration of recently acquired hosting and domain businesses. On the date of the announcement, the share price increased 8.0% to close at \$0.135 before increasing a further 7.4% over the subsequent three-day period to close at \$0.145.

On 29 August 2018, the Company released a preliminary final report and results presentation for the financial year ended 30 June 2018. On the date of the announcements, the share price increased 4.2% to close at \$0.125, before declining by 8.0% over the subsequent three-day trading period to close at \$0.115.

On 24 September 2018, the Company announced a two-year partnership with ONE Championship, a large Asian media company and martial arts organisation. On the date of the announcement, the share price increased 4.5% to close at \$0.115, before increasing a further 4.3% over the subsequent three-day trading period to close at \$0.120.

On 1 October 2018, Dreamscape announced it had entered into a binding heads of agreement to acquire 100% of Hong Kong based company PacHosting. On the date of the announcement, the share price increased 8.3% to close at \$0.130.

On 5 November 2018, the Company released a strategic update. The update provided commentary on the Company's progress against the objectives it set out to achieve when the Company listed on the ASX. The update also identified the Company's key objectives for the future. The share price remained unchanged to close at \$0.110, before decreasing 4.5% over the subsequent three-day trading period to close at \$0.105.

On 31 December 2018, Dreamscape released a trading update, in response to a sharp decline in the Company's share price. On the date of the announcement, the share price increased 2.6% to close at \$0.080, before increasing a further 10.0% over the subsequent three-day trading period to close at \$0.088.

On 25 January 2019, the Company released a results update for the half year ended 31 December 2018, in which it disclosed its expected revenue and profit figures (with the final numbers to be provided following completion of the audit review). The share price increased 1.1% to close at \$0.091, before increasing a further 4.4% to close at \$0.095 over the subsequent three-day trading period.

On 22 February 2019, the Company released its preliminary final report and results presentation for the half year ended 31 December 2018. On the date of the announcements, the share price increased 13.1% to close at \$0.095.

On 9 May 2019, the Company released a trading update, in which it reported that operational and trading conditions were following the trend set over the half year ended 31 December 2018, with Crazy Domains and Vodien performing well. On the date of the announcement, the share price increased by 35.0% to close at \$0.135, before increasing a further 3.7% over the subsequent three-day trading period to close at \$0.140.

On 26 June 2019, Dreamscape provided a trading update, in which it provided updated guidance for the 2019 financial year. On the date of the announcement, the share price increased 11.1% to close at \$0.150, before increasing a further 6.7% over the following three-day trading period to close at \$0.160.

To provide further analysis of the market prices for a Dreamscape share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 July 2019.

| Share Price per unit | 19-Jul-19 | 10 Days | 30 Days | 60 Days | 90 Days |
|--------------------------------------|-----------|---------|---------|---------|---------|
| Closing price | \$0.200 | | | | |
| Volume weighted average price (VWAP) | | \$0.176 | \$0.161 | \$0.150 | \$0.144 |

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of Dreamscape shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Dreamscape shares for the twelve months to 19 July 2019 is set out below:

| Trading days | Share price low | Share price high | Cumulative volume traded | As a % of Issued capital |
|--------------|--------------------|---------------------|-----------------------------|-----------------------------|
| 1 Day | \$0.190 | \$0.205 | 244,225 | 0.06% |
| 10 Days | \$0.155 | \$0.215 | 5,645,603 | 1.45% |
| 30 Days | \$0.135 | \$0.215 | 24,951,192 | 6.42% |
| 60 Days | \$0.094 | \$0.215 | 45,652,328 | 11.74% |
| 90 Days | \$0.087 | \$0.215 | 51,069,723 | 13.13% |
| 180 Days | \$0.076 | \$0.215 | 75,500,646 | 19.42% |
| 1 Year | \$0.000 | \$0.215 | 96,278,184 | 24.76% |

This table indicates that Dreamscape's shares display a low level of liquidity, with only 19.42% of the Company's current issued capital being traded in the 180 trading days prior to the announcement of the Transactions. RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however; failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Dreamscape, we consider the shares to display a low level of liquidity, on the basis that on average, less than 1% of securities have been traded per week over the past year, with 24.76% of the Company's issued capital being traded in the last 12 months.

Therefore, our valuation of a Dreamscape share based on the quoted market price method and including a premium for control is between \$0.160 and \$0.200.

Control Premium

The quoted market price per share reflects the value to minority interest shareholders. In order to value a Dreamscape share on a control basis, we have added a control premium that is based on our analysis set out below.

We have reviewed control premiums on completed transactions, paid by acquirers of both internet companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium).

We have summarised our findings below:

| Year | Number of Transactions | All ASX Companies | |
|------|------------------------|----------------------------|-----------------------------|
| | | Average Deal Value (AU\$m) | Average Control Premium (%) |
| 2019 | 22 | 5573.34 | 33.02 |
| 2018 | 40 | 1228.74 | 41.96 |
| 2017 | 28 | 1009.47 | 42.67 |
| 2016 | 42 | 718.51 | 49.58 |
| 2015 | 33 | 850.04 | 33.23 |
| 2014 | 45 | 518.59 | 40.00 |
| 2013 | 41 | 128.21 | 50.99 |
| 2012 | 52 | 472.10 | 51.68 |
| 2011 | 67 | 719.92 | 44.74 |
| 2010 | 54 | 575.28 | 44.05 |
| 2009 | 61 | 521.10 | 54.61 |

Source: Bloomberg, BDO Analysis

| Year | Number of Transactions | ASX Internet Companies | |
|------|------------------------|----------------------------|-----------------------------|
| | | Average Deal Value (AU\$m) | Average Control Premium (%) |
| 2019 | 2 | 1347.12 | 56.84 |
| 2018 | 1 | 29.79 | 94.24 |
| 2017 | 2 | 154.15 | 21.08 |
| 2016 | 3 | 321.01 | 31.28 |
| 2015 | 1 | 1736.00 | 34.02 |
| 2014 | 2 | 377.46 | 33.95 |
| 2013 | 1 | 35.58 | 16.96 |
| 2012 | 2 | 109.78 | 23.96 |
| 2011 | 3 | 74.65 | 62.34 |
| 2010 | 2 | 177.66 | 41.77 |
| 2009 | 2 | 32.91 | 27.49 |

Source: Bloomberg, BDO Analysis

The mean and median of the entire data set comprising all control transactions over the past five and ten-year periods is set out below.

| Entire Data Set Metrics | ASX Internet Companies | | All ASX Companies | |
|-------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | Average Deal Value (AU\$m) | Average Control Premium (%) | Average Deal Value (AU\$m) | Average Control Premium (%) |
| 2014 - 2019 | | | | |
| Mean (5 years) | 589.66 | 40.53 | 1343.05 | 40.85 |
| Median (5 years) | 188.41 | 32.61 | 124.55 | 32.32 |
| 2009 - 2019 | | | | |
| Mean (10 years) | 351.74 | 39.82 | 872.35 | 45.49 |
| Median (10 years) | 170.70 | 32.61 | 100.58 | 35.89 |

Source: Bloomberg, BDO Analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the average control premium paid by acquirers of ASX listed companies over the past five- and ten-year periods was 40.9% and 45.5%, respectively. However, in assessing the transactions included in the table, we noticed several outliers, including 39 transactions, for which the

premium was in excess of 100%. In a population with the presence of outliers, the median can often represent a superior measure of central tendency when compared to the mean. We note the median announced control premium for all ASX listed companies over the past five- and ten-year periods was 32.3% and 35.9%, respectively.

Based on the above analysis, we consider an appropriate premium for control to be between 30% and 40%.

Quoted market price including control premium

Applying a control premium to Dreamscape's quoted market share price results in the following quoted market price value including a premium for control:

| | Low \$ | High \$ |
|--|-------------|-------------|
| Quoted market price value | 0.16 | 0.20 |
| Control premium | 30% | 40% |
| Quoted market price valuation including a premium for control | 0.21 | 0.28 |

Source: BDO analysis

Therefore, our valuation of a Dreamscape share based on the quoted market price method and including a premium for control is between \$0.21 and \$0.28.

10.3 Assessment of the value of a Dreamscape share:

The results of the valuations performed are summarised in the table below:

| | Low \$ | High \$ |
|--|-----------|------------|
| FME value (Section 10.1.3) | 0.17 | 0.26 |
| Quoted market price value (Section 10.2) | 0.21 | 0.28 |

Source: BDO analysis

Based on the results above we consider the value of a Dreamscape share prior to the Scheme on a control basis to be between \$0.17 and \$0.26. We consider the FME approach to be the most appropriate methodology to value Dreamscape. As detailed in section 10.2, the shares of Dreamscape display a low level of liquidity, with only 24.76% of Dreamscape's issued capital being traded in the twelve-month period prior to the announcement of the Scheme. Therefore, the Quoted market price does not necessarily reflect the most accurate underlying value of the Company's shares. While we have not relied on this valuation methodology as our primary valuation methodology, it does support our assessed value per Dreamscape share under the FME valuation methodology.

11. Valuation of Scheme Consideration

Under the Scheme, Shareholders will receive cash consideration of \$0.27 for every share in Dreamscape that they hold.

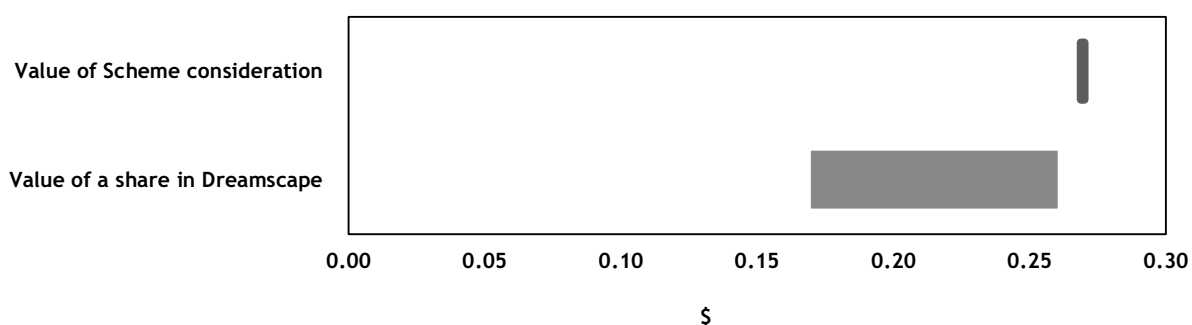
12. Is the Scheme fair?

The value of a Dreamscape share (on a controlling interest basis) and the Scheme consideration per share is set out below:

| | Ref | Low \$ | High \$ |
|--------------------------------|------|-----------|------------|
| Value of a share in Dreamscape | 10.3 | 0.17 | 0.26 |
| Value of Scheme consideration | 11 | 0.27 | 0.27 |

We note from the table above that the value of a share in Dreamscape on a control basis is less than the value of the Scheme Consideration. Therefore, we consider that the Scheme is fair.

The above valuation ranges are presented graphically below:



13. Is the Scheme reasonable?

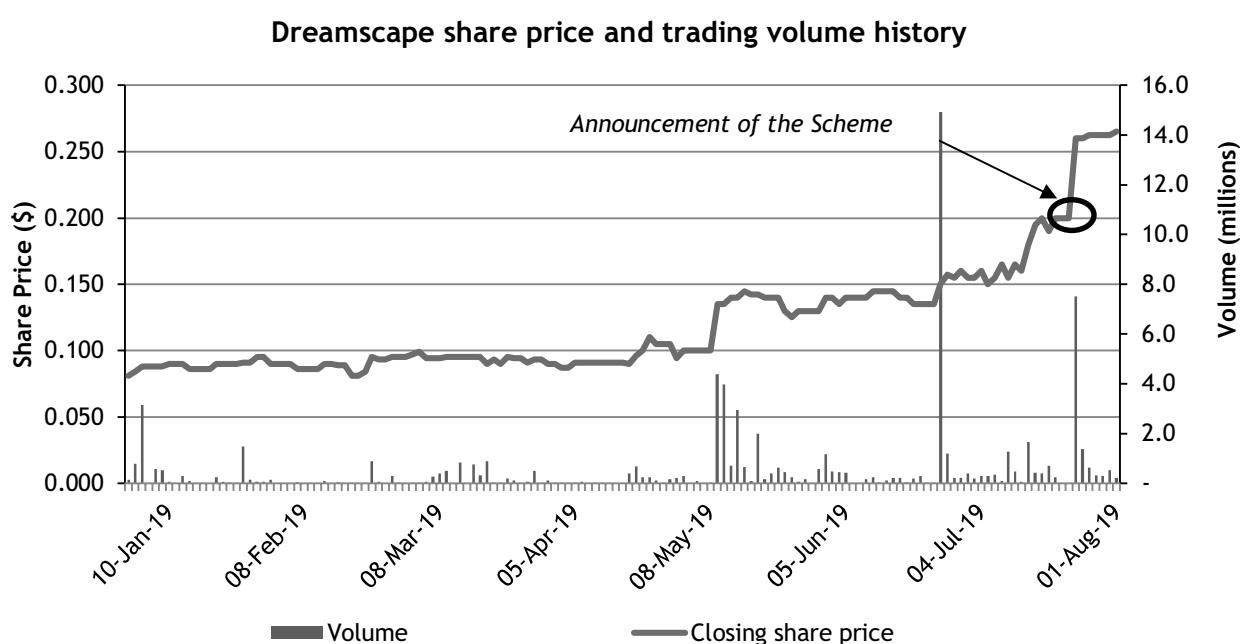
13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Dreamscape a premium over the value resulting from the Scheme.

13.2 Consequences of not Approving the Scheme

Potential decline in share price

We have analysed movements in Dreamscape's share price since the Scheme was announced. A graph of Dreamscape's share price since the announcement is set out below.



Source: Bloomberg

The closing price of a Dreamscape share from 2 January 2019 to 1 August 2019 has ranged from a low of \$0.081 on 2 January 2019, 19 February 2019 and 20 February 2019 to a high of \$0.265 on 1 August 2019. On 24 July 2019, being the date the Scheme was announced, 7,512,707 shares were traded, representing approximately 2% of the Company's current issued share capital.

Following the announcement of the Scheme, Dreamscape's share price closed at \$0.260, up from a close price of \$0.200 on the date prior to the announcement of the Scheme. We note that following the announcement of the Scheme, the share price has traded at a discount to the Scheme consideration of \$0.270 per share, suggesting that the market is pricing in risk that the Scheme may not proceed.

Should the Scheme not be approved, there is a risk that the share price of Dreamscape may fall back to pre-announcement levels.

13.3 Advantages of Approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

13.3.1 The Scheme is fair

As analysed in Section 12, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

13.3.2 Shareholders obtain cash under the Scheme

The Scheme involves the acquisition of all the outstanding shares in Dreamscape or a cash price of \$0.270 per share. Shareholders will obtain cash for the exit on their investment which offers certainty in their returns, and provides Shareholders with an opportunity to utilise the cash received for other purposes such as alternative investments.

The cash consideration of \$0.270 per share, may benefit shareholders who hold large parcels of shares and may have difficulty selling their shares on market, or in the event that they are able to sell, they may cause the quoted market price to fall.

13.3.3 The Scheme consideration offered is a premium to the last traded price of a Dreamscape share prior to the announcement of the Scheme

The Company's closing price on the last trading day prior to the announcement of the Scheme was \$0.200. Therefore, the Scheme Consideration represents a 35% premium to the last quoted price of a Dreamscape share prior to the announcement of the Scheme.

We note that subsequent to the announcement of the Scheme the share price has remained below the Scheme Consideration of \$0.270.

13.3.4 Shareholders will no longer be exposed to the risks associated with being a shareholder in Dreamscape.

Network attacks or security breaches, systems failure, capacity constraints, and intensifying competition are some of the specific risks Dreamscape Shareholders have been exposed to, and may continue to be exposed to. If the Scheme is approved, Shareholders will no longer be exposed to the specific risks of holding shares in Dreamscape.

13.4 Disadvantages of Approving the Scheme

If the Scheme is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

13.4.1 Shareholders will be unable to participate in the potential upside of the Company's operations

If the Scheme is approved, Shareholders will be unable to participate in the potential upside from Dreamscape's operations. Dreamscape Shareholders would not be able to access any returns generated by Dreamscape's recently acquired businesses or its underlying business.

13.4.2 Shareholders will forego the opportunity to potentially receive dividends in the future

If the Scheme is approved and Dreamscapes revenues continue to grow, there is a possibility that the Company may choose to pay dividends to shareholders. We note that there is no certainty that management would elect to distribute dividends to shareholders. However, if the Scheme is approved, Shareholders will forego the opportunity to potentially receive dividends in the future.

14. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that the Scheme is fair and reasonable to the Shareholders of Dreamscape. Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders

15. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Audited financial statements of Dreamscape for the years ended 30 June 2018 and 30 June 2017;
- Unaudited management accounts for the year ended 30 June 2019;
- Draft Scheme Implementation Deed;
- Budget for the year ended 30 June 2020;
- Siteplus Option Agreement;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Dreamscape.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$43,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Dreamscape in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Dreamscape, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Web.com, Siris Capital, and Dreamscape and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Web.com, Siris Capital, and Dreamscape and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Dreamscape, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Dreamscape and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources Leader for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Waqar Ali is a fellow member of the Association of Chartered Certified Accountants and a CFA Charterholder. He has 12 years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's report and valuations for various purposes in a range of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Dreamscape for inclusion in the Scheme Booklet which will be sent to all Dreamscape Shareholders. Dreamscape engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Scheme.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto

may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Dreamscape. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts and budgets provided to BDO Corporate Finance (WA) Pty Ltd by Dreamscape and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts and budgets provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Dreamscape, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 - Glossary of Terms

| Reference | Definition |
|-----------------------|--|
| The Act | The Corporations Act 2001 Cth |
| APES 225 | Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' |
| Arq | Arq Group Limited |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange |
| ATO | Australian Taxation Office |
| auDA | .au Domain Administration Limited |
| BDO | BDO Corporate Finance (WA) Pty Ltd |
| Budget | The budget prepared by the Dreamscape's management for the year ended 30 June 2020 |
| Budget Period | the year ending 30 June 2020 |
| CentralNic | CentralNic Group Plc |
| Cloudsafe | Cloudsafe Holdings Limited |
| Cloudsafe Call Option | A call option deed between Cloudsafe and Web.com, under which Web.com is entitled to purchased approximately 9.99% of Dreamscape, and if Foreign Investment Review Board approval is obtained, a further 9.99% of Dreamscape |
| Commonwealth Bank | Commonwealth Bank of Australia |
| The Company | Dreamscape Networks Limited |
| Corporations Act | The Corporations Act 2001 Cth |
| DCF | Discounted Future Cash Flows |
| DNS | Domain Name System |
| Dreamscape | Dreamscape Networks Limited |
| EBIT | Earnings before interest and tax |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| EV | Enterprise Value |
| The Facility | A \$23.00 million cash advance facility from the Commonwealth Bank of Australia |
| FIRB | Foreign Investment Review Board |

| Reference | Definition |
|----------------------|--|
| FME | Future Maintainable Earnings |
| FOS | Financial Ombudsman Service |
| GABIA | GABIA, inc |
| GDP | Gross Domestic Product |
| GST | Goods and Services Tax |
| ICANN | Internet Corporation for Assigned Names and Numbers |
| iomart | iomart Group plc |
| IP | Internet Protocol |
| MAS | The Monetary Authority of Singapore |
| NAV | Net Asset Value |
| Q1 2019 | The first quarter of the 2019 calendar year |
| Q4 2018 | The fourth quarter of the 2018 calendar year |
| QMP | Quoted market price |
| RBA | Reserve Bank of Australia |
| Regulations | Corporations Act Regulations 2001 (Cth) |
| Our Report | This Independent Expert's Report prepared by BDO |
| RG 60 | Schemes of arrangement (September 2011) |
| RG 111 | Content of expert reports (March 2011) |
| RG 112 | Independence of experts (March 2011) |
| RXP | RXP Services Limited |
| Scheme | The Scheme of arrangement between Dreamscape and Web.com |
| Scheme Consideration | Under the terms of the Scheme, Dreamscape shareholders will receive cash consideration of \$0.27 for every Dreamscape share that they hold |
| Section 411 | Section 411 of the Corporations Act |
| Shareholders | Non associated shareholders of Dreamscape |
| SID | Scheme Implementation Deed |
| Siris Capital | Siris Capital Group, LLC |
| Siteplus | Siteplus Pte Ltd |
| Siteplus Option | Dreamscape's option to acquire all of the issued capital in Siteplus for \$12.0 million |

| Reference | Definition |
|---------------------------|---|
| Siteplus Option Agreement | An option agreement between Dreamscape and the vendors of Siteplus, under which the Vendors of Siteplus will grant Dreamscape an option to acquire all of the issued capital in Siteplus for \$12.0 million |
| TLD | Top-Level Domain |
| TPP | TPP Wholesale Pty Ltd |
| Trading Multiples | Earnings multiples of publicly traded comparable companies |
| Transaction Multiples | Multiples implied from comparable transactions |
| Vendors | The shareholders of Siteplus |
| VWAP | Volume Weighted Average Price |
| Web.com | Web.com Group, Inc. |

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The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Trading and Transaction Multiples

Trading multiples:

The comparable companies identified were:

| Company Name | Ticker | Exchange | Industry | Company Description |
|-----------------------------|----------|--|---|---|
| Arq Group Limited (ASX:ARQ) | ASX:ARQ | Australian Securities Exchange (ASX) | Domain Services (Primary); Internet Presence Providers (IPP) (Primary); Web Hosting (Primary) | ARQ Group Limited, together with its subsidiaries, provides digital solutions worldwide. It operates through SMB Solutions and Enterprise segments. The SMB Solutions segment provides domain name registrations and renewals, Website and email hosting, and analysis, as well as Website development services. This segment also offers digital marketing solutions, such as search engine optimization, search engine advertising, and Web design services for small and medium businesses. The Enterprise segment provides cloud professional and managed services; mobile application development; and data and analytics software and professional services to Australian enterprises and government organizations. The company was formerly known as Melbourne IT Limited and changed its name to ARQ Group Limited in May 2018. ARQ Group Limited was founded in 1996 and is based in Sydney, Australia. |
| CentralNic Group Plc | AIM:CNIC | London Stock Exchange AIM Market (AIM) | Internet Services and Infrastructure | CentralNic Group Plc, through its subsidiaries, provides domain name services worldwide. It operates through Reseller, Small Business, and Corporate segments. The Reseller segment offers services through the registry service provider mechanism; acts as a reseller platform provider; and sells domain names of .SK extension to registrars. It provides domain names and consultancy services to retailers. The Small Business provides domain names and ancillary services to end users. The Corporate segment offers technical and consultancy services to corporate clients; licenses a company developed registry management platform; and sells domain names. The company offers registry services, distribution, and strategic consultancy for new top level domains (TLDs), country code TLD's, and second-level domains, as well as domain management services. It also operates as an owner and registrant of a portfolio of domain names, which it uses as domain extensions and for resale on the domain name aftermarket. The company was founded in 2004 and is headquartered in London, the United Kingdom. |

| Company Name | Ticker | Exchange | Industry | Company Description |
|--------------------------------|----------------|--|---|--|
| RXP Services Limited (ASX:RXP) | ASX:RXP | Australian Securities Exchange (ASX) | System and Platform Integration (Primary); Web Design (Primary) | RXP Services Limited provides information and communications technology consulting, development, support, and maintenance services to corporations and government bodies in the Asia-Pacific Region. The company offers innovation, customer experience and service design, mobile and app development, talent solutions, and user experience services; and application and cloud development, architecture and solutions design, bots and intelligent applications, and customer relationship management services, as well as digital experience platforms, DevOps solutions, and Internet of things. It also provides advisory, solutions, and enterprise architecture; business analysis and process; capability uplift, learning, and development; change management; and project and delivery services. In addition, the company offers BI, reporting, analytics, and visualization; data governance; data management and migration; data quality; data integration and delivery; master data management and product information management; and strategy and architecture solutions, as well as data warehouses, marts, and lakes. Further, it provides process transformation, enterprise mobility, and field service management services; and strategic and support services, as well as delivery as a service. RXP Services Limited is based in Melbourne, Australia. |
| GABIA, Inc. (KOSDAQ:A079940) | KOSDAQ:A079940 | KOSDAQ (KOSDAQ) | Domain Services (Primary); Internet Presence Providers (IPP) (Primary); Web Hosting (Primary) | GABIA, Inc. develops IT infrastructure solutions in South Korea. It offers domain registration, hosting, server/co-location/cloud, and security/control solutions, as well as solutions for corporate business and shopping malls. The company was founded in 1999 and is based in Seongnam, South Korea. |
| iomart Group plc | AIM:IOM | London Stock Exchange AIM Market (AIM) | Internet Services and Infrastructure | iomart Group plc provides managed cloud services in the United Kingdom and internationally. It operates through two segments, Cloud Services and Easyspace. The company offers a range of products to the micro and SME markets, including domain names, shared, dedicated and virtual servers, and email services. It provides data protection services, including cloud backup, cloud storage, disaster recovery, dynamic workplace recovery, secondary data management, and GDPR resources; and managed services, including managed AWS, managed azure, office 365, domain management, hosted exchange, virtual desktop, and business mail. In addition, the company offers various security services, including managed secure platforms, security consultancy, data protection, DDoS protection, and managed security. Further, the company also offers Web services and consultancy services. iomart Group Plc was founded in 1998 and is headquartered in Glasgow, the United Kingdom. |

Transaction Multiples

The comparable transactions identified were:

| Target Company | Bidder Company | Seller Company | Deal Description |
|--|------------------------|------------------------|--|
| TPP Wholesale Pty Limited | CentralNic Group Plc | Arq Group Limited | <p>CentralNic Group Plc has agreed to acquire TPP Wholesale Pty Limited from Arq Group Limited.</p> <p>CentralNic Group Plc, the listed UK-based company engaged in providing registry service from the sale of Internet domain names, is headquartered in London.</p> <p>TPP Wholesale Pty Limited, an Australia-based business of Arq Group Limited that provides domain names, web hosting, security and email services, is headquartered in, Sydney.</p> <p>Arq Group Limited, the listed Australia-based company engaged in the business of domain name registrations and related online business solutions, is headquartered in Melbourne.</p> <p>Terms: CentralNic will pay a total cash consideration of AUD 24.40m (USD 16.75m) for TPP. Out of this, AUD 21.30m (USD 14.64m) will be paid upfront. AUD 2.10m (USD 1.44m) will be paid as deferred consideration for 2 years ended 2021. CentralNic will also assume certain liabilities of approximately AUD 1.60m (USD 1.10m). The transaction represents an EV/EBITDA multiple of 6.26x. Arq has also entered into a Transitional Services Agreement to provide certain services associated with the separation of TPP.</p> <p>Financing:</p> <p>UPDATE 01 August 2019: CentralNic Group Plc has completed the acquisition of TPP Wholesale Pty Limited from Arq Group Limited.</p> <p>Source Link:</p> <p>CentralNic Group Plc stock exchange announcement, 20 May 2019</p> <p>CentralNic Group Plc stock exchange announcement, 01 August 2019</p> |
| Exabytes Network Sdn. Bhd. (40% Stake) | Ekuiti Nasional Berhad | Ekuiti Nasional Berhad | <p>Ekuiti Nasional Berhad, a Malaysia-based private equity company, has acquired a 40% stake in Exabytes Network Sdn. Bhd., a Malaysia-based web and eCommerce hosting provider of domain registration, website design and digital marketing, for a total consideration of MYR 44m (USD 10.76m).</p> <p>Under the terms of the transaction, Ekuiti has an option to increase its stake upto 54%. The transaction will enable Ekuinas to take advantage of global internet economy that is currently valued at USD 3.5trn. Exabytes has the platform to scale their businesses locally and regionally into new markets across the Southeast Asian region.</p> <p>Source Links:</p> <p>Ekuiti Nasional Berhad press release, 18 March 2019</p> <p>Exabytes Network Sdn. Bhd. press release, 18 March 2019</p> <p>Exabytes Network (Singapore) Pte. Ltd. press release, 18 March 2019</p> <p>PT. Exabytes Network Indonesia press release, 18 March 2019 (Indonesian)</p> |

| Target Company | Bidder Company | Seller Company | Deal Description |
|---------------------------|-----------------------------|---------------------------------|---|
| Instra Corporation | CentralNic Group Plc | Tony Lentino (Private Investor) | <p>CentralNic Group Plc, has agreed to acquire Instra Corporation from Tony Lentino. CentralNic Group Plc, headquartered in London, is the listed UK-based investment holding company having interest in companies engaged in providing registry service from the sale of Internet domain names. Instra Corporation, headquartered in Melbourne, is the Australia-based company involved in domain name businesses.</p> <p>Tony Lentino is an Australian internet entrepreneur and the owner of Super Black Racing.</p> <p>Terms: The offer represents a total consideration of AUD 33m that includes AUD 30m payable in cash; AUD 3m to be paid in equity, based on the issuance of 5,217,391 shares valued at a price of GBP 0.575 as of 07 December 2015.</p> <p>Financing: The cash portion of the consideration will be funded through the following: existing cash facilities of CentralNic; a GBP 3.5m term loan; the net proceeds from placing 25,000,000 new ordinary shares of 0.1p each at 40 pence per share to institutional investors; cash from premium domain name sales.</p> <p>Source links: CentralNic Group Plc stock exchange announcement, 08 December 2015 CentralNic Group Plc press release, 08 December 2015 Instra Corporation press release, 09 December 2015</p> |
| NetRegistry Group Limited | Arq Group Limited (ASX:ARQ) | Corpsand Pty Limited | <p>Melbourne IT Ltd. (ASX:MLB) entered into a share purchase agreement to acquire Netregistry Group Limited from a group of shareholders for AUD 50.1 million in cash and stock on February 27, 2014. Under the terms of agreement, a combination of cash and scrip at the election of the Netregistry shareholders will be paid. Shares constituting between 4.99% and 9.99% of the pro forma Melbourne IT shares outstanding will be offered to Netregistry shareholders with the balance in cash. This translates into between 4.3 million and 9.3 million shares in Melbourne IT and between AUD 38 million and AUD 45 million in cash. The group of shareholders includes Corpsand Pty Limited, Anthony Good, Gavin Mark Cohen, Desmond Cohen and Joel Berstein. The acquisition will be funded through a mix of cash on hand, scrip consideration, and use of a new AUD 20 million revolving credit facility. Netregistry generated adjusted EBITDA of approximately AUD 6 million and annualized revenues of AUD 30 million for the year ended December 31, 2013. Larry Bloch, Founder and Chief Executive Officer of Netregistry Group will join the Melbourne IT Board. Netregistry's key management team and staff will be retained.</p> <p>The transaction is subject to regulatory approvals, including auDA, and is expected to close during the first half of calendar 2014. The transaction is expected to be significantly accretive to earnings per share in 2014 and 2015. PricewaterhouseCoopers Australia and Ernst & Young acted as accountants, Gresham Partners Limited acted as a financial advisor and Craig Semple, Brooke Coghlan, Joshua Fast, Gina Cass-Gottlieb and Alexander Danne of Gilbert + Tobin acted as legal advisor for Melbourne IT Ltd. Grant Samuel & Associates Ltd. acted as financial advisor and Michael Reede, Alice Morstyn, Keara Streeton, Anand Sundaraj and Ka Sen Wong of Allen & Overy Australia acted as legal advisors to NetRegistry Group Limited.</p> |

| Target Company | Bidder Company | Seller Company | Deal Description |
|---|----------------|-------------------|--|
| Melbourne IT Limited (International wholesale domain reseller channel) | Tucows Inc | Arq Group Limited | <p>Tucows Inc, a listed Canada-based distributor of e-business services and applications on the internet has agreed to acquire International Domain Name Registration Business of Melbourne IT Limited (MLB), a listed Australia-based company engaged in the business of domain name registrations and related online business solutions, for a minimum consideration of AUD 8.1m (USD 6.04m) and a maximum consideration of AUD 8.5m (USD 6.34m). The acquisition will add hundreds of resellers and approximately 1.6 million domains under management to Tucows' OpenSRS wholesale domain business. The transaction will be immediately accretive to Tucows' earnings. The disposal of its International Domain Name Registration Business is a part of MLB's strategy to drive growth from new managed solutions offerings in both its Small and Medium Business Division (SMB) and Enterprise Services (ES) Business divisions. The disposal of the international domain names business which was a non-core operation and reinvestment of the capital in its digital solutions business is inline with MLB's strategy and is expected to accelerate its growth. The transaction is subject to customary closing conditions and is expected to complete by 30 April 2016.</p> <p>The International Domain Name Registration Business encompasses approximately 250 global resellers across the USA, Europe and Asia. Concurrently MLB has agreed to purchase InfoReady Pty Ltd., for a consideration of AUD 15.4m (USD 11.49m) and has announced its intention to raise AUD 15m (USD 11.19m) of new equity via an underwritten institutional placement.</p> <p>UPDATE 01 April 2016: Tucows Inc. has completed acquisition of international domain name registration business, from Melbourne IT Limited, for a consideration of USD 6m on 31 March 2016.</p> <p>Source Links: Tucows Inc. press release, 15 March 2016 Melbourne IT Limited press release, 16 March 2016 Melbourne IT Limited stock exchange announcement, 01 April 2016 ARQ Group Limited Annual report 2017</p> |

| | | |
|------------------------------|---------------|--|
| Bombora Technologies Pty Ltd | NeuStar, Inc. | <p>Neustar, Inc. the listed US-based provider of real-time information and analytics services, has acquired Bombora Technologies Pty Ltd, the Australia-based provider of registry services for a number of top-level domains (TLD), for a total consideration of AUD 118.5 (USD 86.9m).</p> <p>This acquisition expands Neustar's registry services, which operates the.biz,.us, and.co TLDs, in addition to over 300 new TLDs. Bombora's strong market presence in Australia will enable Neustar to expand their footprint to the Asia-Pacific region. Bombora Technologies is the parent company of ARI Registry Services, AusRegistry and ZOAK Solutions. This acquisition is expected to contribute USD 8m, of revenue and USD 1.1m, of operating income in 2015.</p> <p>Over the last two years, Bombora's revenue has grown at a compounded annual growth rate of 12% to AUD 28.2 (USD 20.6m) in 2014, with operating margins between 25% and 30%.</p> <p>Source Link: Neustar, Inc. press release, 30 July 2015</p> |
|------------------------------|---------------|--|

| Target Company | Bidder Company | Seller Company | Deal Description |
|--|-------------------|----------------|---|
| Outware Systems Pty. Ltd (50.2% Stake) | Arq Group Limited | | <p>Melbourne IT Limited, the listed Australia-based company engaged in the business of domain name registrations and related online business solutions, has acquired 50.2% stake in Outware Systems Pty. Ltd. (trading as Outware Mobile), the Australia-based company engaged in development of mobile applications, for a consideration of AUD 21.7m (USD 16.57m).</p> <p>Concurrent to the acquisition, there are put and call options in place to acquire up to 100% of the company over the next two years. The total transaction value for 100% acquisition of Outware Mobile is expected to be AUD 67m (USD 51.2m), implying a forward EBITDA multiple of 8.6 times. The acquisition is in line with Melbourne IT's strategy of building its enterprise services into leading software enabled cloud solution provider in Australia. Melbourne IT and Outware Mobile already share a number of common customers who will get a uniform company to provide extensive solutions due to the acquisition. The transaction is materially earnings accretive for Melbourne IT.</p> <p>Post acquisition, the founders Danny Gorog, Eytan Lenko and Gideon Kowadlo will remain in the business and continue with their current roles. Outware Mobile has a workforce of 115 employees and is estimated to generate revenues of AUD 15.6m (USD 11.92m) and EBITDA of AUD 5.1m (USD 3.9m) for the year ended June 2015.</p> <p>UPDATE 16 June 2015: Melbourne IT Limited has completed the acquisition of 50.2% stake in Outware Systems Pty. Ltd.</p> |
| Uber Global Pty Ltd. | Arq Group Limited | | <p>Melbourne IT Limited has agreed to acquire Uber Global Pty Ltd. Uber Global Pty Ltd., the Australia-based company engaged in providing cloud services.</p> <p>Melbourne IT Limited, the listed Australia-based company engaged in the business of domain name registrations and related online business solutions.</p> <p>Terms: Melbourne IT will pay a consideration of AUD 15.5m (USD 12.0668m) to Uber Global. Melbourne IT will pay additional earnouts to Uber Global on the achievement of normalized 2015 EBITDA exceeding AUD 2.1m which is capped at AUD 5m.</p> <p>Financing: The acquisition of Uber will be financed from the cash reserves of Melbourne IT fund.</p> <p>Rationale: The acquisition of Uber will strengthen the customer base, hosting business and deliver material synergy benefits.</p> <p>Post Deal Details: The acquisition of Uber will be earnings accretive for Melbourne IT.</p> <p>Expected Completion: The transaction is expected to complete by 30 April 2015.</p> <p>Conditions: Regulatory approval.</p> <p>UPDATE 30 April 2015: Melbourne IT Limited has completed the acquisition of Uber Global Pty Ltd.</p> <p>Source Link: Melbourne IT Limited stock exchange announcement, 25 February 2015</p> |

ANNEXURE 2 - SCHEME IMPLEMENTATION DEED

Scheme implementation deed

Dreamscape Networks Limited

Web.com Group, Inc.

Execution version

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Date: 23 July 2019

Parties

- 1 **Dreamscape Networks Limited (ABN 98 612 069 842)** of Level 2, 46-50 Kings Park Road, West Perth WA 6005, Australia (**Dreamscape**)
- 2 **Web.com Group, Inc.** of 5335 Gate Parkway, Jacksonville, FL United States (**Web.com**)

The parties agree:

Background

- A Dreamscape and Web.com have agreed to implement the Transaction on and subject to the terms and conditions of this deed.
 - B Dreamscape and Web.com have agreed certain other matters in connection with the Transaction as set out in this deed.
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

2 Agreement to propose Scheme

2.1 Proposal of Scheme

- (a) Dreamscape will propose and implement the Scheme on and subject to the terms and conditions of this deed.
- (b) Subject to clauses 2.1(c) and (d), Web.com will assist Dreamscape in proposing and implementing the Scheme on and subject to the terms and conditions of this deed.
- (c) Web.com may nominate any wholly-owned Subsidiary of Web.com (**Web.com Sub**) to acquire the Scheme Shares under the Scheme by giving written notice to

Dreamscape on before the date that is 5 Business Days before the First Court Date (**Sub Notification**).

- (d) If Web.com nominates a Web.com Sub to acquire the Scheme Shares under the Scheme, then:
 - (i) references in this deed to Web.com acquiring the Scheme Shares under the Scheme, or taking any other action under or in respect of the Scheme, are to be read as references to the Web.com Sub doing so;
 - (ii) other references in this deed to Web.com are to be read as references to Web.com or Web.com Sub (as the context requires);
 - (iii) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to Web.com Sub, rather than Web.com;
 - (iv) Web.com must procure that Web.com Sub complies with its obligations under this deed and under the Scheme; and
 - (v) any such nomination will not relieve Web.com of its obligations under this deed or the Deed Poll, including the obligation to pay (or procure the payment by Web.com Sub of) the Scheme Consideration in accordance with the terms of the Scheme. However, Dreamscape agrees that Web.com will not be in breach of this deed for failing to discharge an obligation of Web.com under this deed if the Web.com Sub fully discharges that obligation.

2.2 Timetable

The parties acknowledge the Timetable as an indicative timetable and will consult with each other regularly in relation to:

- (a) performing their respective obligations within the framework established by the Timetable; and
- (b) any need to modify the Timetable.

3 Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, unless and until each of the following conditions precedent is satisfied or waived (to the extent and in the manner set out in this clause 3):

Non-waivable Conditions

- (a) (**FIRB**) before 8.00am on the Second Court Date, either:
 - (i) Web.com has received a written notice under FATA from the Treasurer (or his delegate) stating that, or to the effect that, the Commonwealth Government does not object to the acquisition of all the Scheme Shares by Web.com under the Transaction, either without condition or on terms that are acceptable to Web.com (acting reasonably); or

- (ii) following notice of the proposed acquisition of all the Scheme Shares by Web.com under the Transaction having been given by Web.com to the Treasurer under FATA, the Treasurer ceases to be empowered to make any order under Part 3 of FATA;
- (b) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably).
- (c) **(Independent Expert)** the Independent Expert:
 - (i) concluding in the Independent Expert's Report that in its opinion the Scheme is in the best interests of Scheme Shareholders on or before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act; and
 - (ii) not having notified Dreamscape in writing that it has withdrawn or qualified this conclusion as at 8.00am on the Second Court Date.

Conditions for the benefit of both parties

- (d) **(ASIC and ASX approvals)** before 8.00am on the Second Court Date, all Regulatory Approvals required to implement the Scheme are granted or obtained (including ASIC and ASX having issued or provided such consents, waivers or approvals as are necessary or which Dreamscape and Web.com agree are reasonably necessary or desirable to implement the Scheme), either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably), and those Regulatory Approvals have not been withdrawn, cancelled or revoked before 8.00am on the Second Court Date;
- (e) **(Orders convening Scheme Meeting)** the Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act;
- (f) **(Shareholder approval)** the Scheme is approved by Dreamscape Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (g) **(Restraints)** no law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any Court of competent jurisdiction or Governmental Agency or other legal restraint or prohibition preventing or materially restricting the Scheme is in effect at 8.00am on the Second Court Date;
- (h) **(Siteplus Transaction Documents):**
 - (i) each of the Siteplus Transaction Documents have been duly executed by each party thereto; and
 - (ii) as at 8.00am on the Second Court Date:
 - (A) each of the Siteplus Transaction Documents remains on foot; and
 - (B) Dreamscape Shareholders have approved the Siteplus EGM Resolutions by the requisite majorities in accordance with the Listing Rules.

Conditions for the benefit of Web.com

- (i) **(Dreamscape Warranties)** the Dreamscape Warranties are true and correct as at the date of this deed and as at 8.00am on the Second Court Date (or if a representation or warranty is expressed to be operative as at any other date, as at that date); and
- (j) **(No Prescribed Occurrence)** no Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date;
- (k) **(No Material Adverse Change)** there is no Material Adverse Change between the date of this deed and 8.00am on the Second Court Date;
- (l) **(Dreamscape Performance Rights)** before 8.00am on the Second Court Date, the Dreamscape Board has made all necessary determinations such that all Dreamscape Performance Rights outstanding at the date of this deed will either vest, be cancelled or have lapsed prior to the Record Date in accordance with clause 4.4;
- (m) **(Dreamscape Options)** before 8.00am on the Second Court Date, each Dreamscape Optionholder enters into a deed with Web.com and Dreamscape regarding the Dreamscape Options held by each Dreamscape Optionholder pursuant to clause 4.5 (and all conditions precedent to completion under such deed, other than a condition that the Scheme become Effective, are satisfied); and
- (n) **(Tax Audit)** before 8.00am on the Second Court Date, the Australian Tax Office notified Dreamscape of its assessment of the tax liabilities of Dreamscape and any assessment is not material to Dreamscape or is satisfactory to Web.com (acting reasonably).

3.2 FIRB condition

Each of Web.com and Dreamscape acknowledges and agrees that the Standard Tax Conditions issued by FIRB from time to time are reasonable and acceptable to it if they are included in any “no objections” notification contemplated by clause 3.1(a) that is received in connection with the Transaction.

3.3 Benefit and waiver of conditions precedent

- (a) The Conditions in clauses 3.1(a), 3.1(b) and 3.1(c) cannot be waived.
- (b) The Conditions in clauses 3.1(d), 3.1(e), 3.1(f), 3.1(g) and 3.1(h) are for the benefit of both parties and any breach or non-satisfaction of any of them may only be waived in accordance with applicable law and with the written agreement of both parties.
- (c) The Conditions in clauses 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(m) and 3.1(n) are for the sole benefit of Web.com and any breach or non-satisfaction of any of them may only be waived by Web.com in writing.
- (d) A party entitled to waive the breach or non-satisfaction of a Condition pursuant to this clause 3.3 (either individually or jointly) may do so in its absolute discretion.
- (e) Any waiver of the breach or non-satisfaction of a Condition by a party who is entitled to do so pursuant to this clause 3.3 is only effective if such waiver is given on or prior to 8.00am on the Second Court Date.

- (f) If a party waives the breach or non-satisfaction of any Condition, that waiver will not preclude it from suing the other party for any breach of this deed including a breach that resulted in the non-satisfaction of the Condition that was waived.
- (g) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition arising from any other event.

3.4 Reasonable endeavours

Each party must use their respective reasonable endeavours to ensure or procure that:

- (a) each of the Conditions is satisfied as soon as reasonably practicable after the date of this deed or continues to be satisfied at all times until the last time they are to be satisfied (as the case may be);
- (b) there is no occurrence within their control that prevents, or would be reasonably likely to prevent, the satisfaction of any Condition (except to the extent such action is required to be taken or procured pursuant to, or is otherwise permitted by, this deed or the Scheme, or is required by law); and
- (c) each of Dreamscape and Web.com must:
 - (i) promptly apply for all relevant Regulatory Approvals and provide the other party with a copy of all applications for Regulatory Approvals;
 - (ii) take all the steps for which it is responsible as part of the Regulatory Approvals process;
 - (iii) respond to all requests for information in respect of the applications for Regulatory Approvals at the earliest practicable time;
 - (iv) except to the extent prohibited by the relevant Regulatory Authority, provide the other with all information and assistance reasonably requested by the other or the relevant Regulatory Authority in connection with the applications for Regulatory Approvals;
 - (v) to the extent that it is within either party's respective control, use its reasonable endeavours to procure that there is no occurrence that would prevent a Condition relating to a Regulatory Approval from being satisfied and no other party shall take any action that will or is likely to hinder or prevent the satisfaction of the Condition except to the extent that such action is required by law; and
 - (vi) if the participation of the other party in any meeting with the relevant Regulatory Authority relating to a Regulatory Approval is required by the relevant Regulatory Authority, use reasonable endeavours to procure that the relevant meeting is held at such time that will enable the other party and its Authorised Persons to be present.

3.5 Notifications

Each of Web.com and Dreamscape must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 3.4).

3.6 Certificate

- (a) At the hearing on the Second Court Date:
 - (i) Web.com and Dreamscape will provide a joint certificate to the Court confirming whether or not the Condition in clauses 3.1(g), 3.1(m) and 3.1(n) (being the Conditions for which they are both responsible) have been satisfied or waived in accordance with the terms of this deed;
 - (ii) Web.com will provide a certificate to the Court confirming whether or not the Condition in clause 3.1(a) (being the Condition for which it is responsible), have been satisfied in accordance with the terms of this deed; and
 - (iii) Dreamscape will provide a certificate to the Court confirming whether or not the Conditions in clause 3.1(c), 3.1(d), 3.1(e), 3.1(f), 3.1(h), 3.1(i), 3.1(j), 3.1(k) and 3.1(l) (being the Conditions for which it is responsible), have been satisfied or waived in accordance with the terms of this deed.
- (b) Each party must provide to the other party a draft of the certificate to be provided by it pursuant to clause 3.6(a) by 5.00pm on the day that is two Business Days prior to the Second Court Date.

3.7 Scheme voted down because of Headcount Test

If the Scheme is not approved by Dreamscape Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Dreamscape or Web.com considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Dreamscape must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as counsel engaged by Dreamscape to represent it in Court proceedings related to the Scheme, in consultation with Web.com, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

3.8 Conditions not capable of being satisfied

- (a) If a Condition is not satisfied, or becomes incapable of being satisfied, before the End Date, then unless the relevant Condition (where capable of waiver) is waived:
 - (i) subject to clause 3.8(b), either party may give the other party written notice (**Consultation Notice**) within 5 Business Days after the relevant notice of that fact being given under clause 3.5(c);
 - (ii) upon delivery of the Consultation Notice, the parties must consult in good faith with a view to determining whether they can reach agreement with respect to:
 - (A) the terms (if any) on which the party with the benefit of the relevant Condition will waive that Condition;
 - (B) an extension of the time for satisfaction of the relevant Condition or an extension of the End Date (as the case may be);
 - (C) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (D) the Transaction proceeding by way of alternative means or methods; and
 - (iii) if the parties are unable to reach such agreement within 5 Business Days after a Consultation Notice is given, or if a Consultation Notice is not given within the timeframe specified in clause 3.8(a)(i) then, subject to clause 3.8(b), either party may terminate this deed by notice to the other without any liability to any party by reason of that termination alone.
- (b) A party will not be entitled to give a Consultation Notice or terminate this deed pursuant to clause 3.8(a)(iii) if the relevant Condition has not been satisfied as a result of:
 - (i) a breach of this deed by that party; or
 - (ii) a deliberate act or omission of that party which directly and materially contributed to that Condition not being satisfied.

3.9 Interpretation

- (a) For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being satisfied if:
 - (i) in the case of a Condition relating a Regulatory Approval, the relevant Regulatory Authority makes or has made a final adverse determination in writing to the effect that it will not provide the Regulatory Approval or such Regulatory Approval will be subject to conditions that are unacceptable to Dreamscape or Web.com (acting reasonably); and
 - (ii) in all other cases, there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this deed).

4 Scheme and Scheme Consideration

4.1 Scheme

The parties acknowledge and agree that, subject to the Scheme becoming Effective, on the Implementation Date the general effect of the Scheme will be that all of the Scheme Shares will be transferred to Web.com and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.

4.2 Scheme Consideration

(a) Web.com undertakes and warrants to Dreamscape (in its own right and separately as trustee for each Scheme Shareholder) that, if the Scheme becomes Effective, in consideration for the transfer to Web.com of the Scheme Shares held by each Scheme Shareholder under the terms of the Scheme, Web.com will:

- (i) accept that transfer on the Implementation Date; and
- (ii) pay, or procure the payment, into a trust account operated by Dreamscape as trustee for the Scheme Shareholders of an amount in cleared funds equal to the aggregate amount of the Scheme Consideration for all Scheme Shares, by no later than the Business Day before the Implementation Date (provided that any interest on the amount so deposited (less bank fees and other charges) will accrue for the benefit of Web.com),

in each case in accordance with the terms of the Scheme.

(b) Subject to the Scheme becoming Effective and Web.com complying with its obligations under clause 4.2(a), at 10.00am on the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:

- (i) all existing Dreamscape Shares at the Record Date will be transferred to Web.com; and
- (ii) in exchange, each Scheme Shareholder will receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder as at the Record Date, which Dreamscape will procure is paid to each Scheme Shareholder from the trust account referred to in clause 4.2(a)(ii).

4.3 No amendment to Scheme without consent

Dreamscape must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Web.com.

4.4 Dreamscape Performance Rights

Dreamscape must take such action as is necessary after the Effective Date and prior to the Record Date to ensure that any Dreamscape Performance Rights which have not already vested, lapsed or been cancelled do vest, lapse or are cancelled prior to the Record Date, which action may include the Dreamscape Board:

- (a) accelerating the exercise period under such rights such that all rights convert or are exercised prior to the Record Date; and

- (b) notifying such holders of such accelerating prior to the Scheme Meeting,

and Dreamscape must, prior to the Record Date, issue the number of Dreamscape Shares required by the terms of those Dreamscape Performance Rights on such vesting so that the relevant holders of the Dreamscape Performance Rights can participate in the Scheme.

4.5 Dreamscape Options

The parties must use all reasonable endeavours (acting co-operatively and in good faith) to procure that, as soon as practicable after the date of this deed and in any case prior to 8.00am on the Second Court Date, each holder of Dreamscape Options enters into a deed with Dreamscape, substantially in the form of Schedule 6 (or such other form acceptable to both Web.com and Dreamscape (each acting reasonably)), under which:

- (a) the holder agrees to the cancellation of all of their Dreamscape Options with such cancellation to be subject to the Scheme becoming Effective and to take effect on the Implementation Date;
- (b) Dreamscape agrees to provide, or procure the provision of, consideration as determined in accordance with Schedule 5 to the holder on the Implementation Date;
- (c) Web.com agrees to pay, or procure the payment, into a trust account operated by Dreamscape as trustee for the Dreamscape Optionholders an amount in cleared funds equal to the aggregate amount to be paid by Dreamscape to the Dreamscape Optionholders under clause 4.5(b) by no later than the Business Day before the Implementation Date (provided that any interest on the amount so deposited (less bank fees and other charges) will accrue for the benefit of Web.com); and
- (d) Dreamscape agrees to cooperate with Web.com to facilitate the cancellation of all Dreamscape Options (including, if required the Dreamscape Board making any necessary lawful amendment, consent or determination for the purposes of the relevant terms and conditions upon which the Dreamscape Options were issued and using reasonable endeavours to procure the grant of any necessary waivers by ASX).

5 Implementation of the Scheme

5.1 Dreamscape's obligations

Dreamscape must take all steps reasonably necessary to implement the Scheme as soon as reasonably practicable, including taking each of the following steps:

- (a) **(Timetable)** use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (subject to the assumptions and limitations set out in the Timetable);
- (b) **(promote merits of the Transaction)** participate in, and ensure the directors of Dreamscape participate in, efforts reasonably undertaken by Web.com to promote the merits of the Transaction and solicit proxy votes in favour of the Scheme, including meeting with key Dreamscape Shareholders at the reasonable request of Web.com;

- (c) **(Scheme Booklet)** prepare the Scheme Booklet in compliance with all applicable laws (in particular with the Corporations Act, RG 60 and the Listing Rules);
- (d) **(drafts of Scheme Booklet)** make available to Web.com drafts of the Scheme Booklet (excluding any draft of the Independent Expert's Report), consult with Web.com in relation to the content of those drafts, and consider in good faith, for the purpose of amending those drafts, comments from Web.com on those drafts;
- (e) **(commission Independent Expert's Report)** promptly appoint an Independent Expert to provide the Independent Expert's Report, and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (f) **(experts)** provide all assistance and information reasonably requested by any experts appointed by Dreamscape and/or Web.com in connection with the preparation of the Scheme Booklet;
- (g) **(approval of Web.com Information)** seek approval from Web.com for the form and context in which the Web.com Information appears in the Scheme Booklet, which approval Web.com must not unreasonably withhold or delay, and Dreamscape must not lodge the Scheme Booklet with ASIC until such approval is obtained from (or unreasonably withheld by) Web.com;
- (h) **(liaison with ASIC):**
 - (i) provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet and keep Web.com reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet and use reasonable endeavours, in consultation with Web.com, to resolve any such matters;
- (i) **(approval of Scheme Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Dreamscape Board, or of a committee of the Dreamscape Board appointed for the purpose, is held to consider approving the Scheme Booklet for despatch to the Dreamscape Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;
- (j) **(section 411(17)(b) statements)** apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (k) **(first Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approval in clause 5.1(i) has been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Dreamscape to convene the Scheme Meeting;
- (l) **(registration of Scheme Booklet)** if the Court directs Dreamscape to convene the Scheme Meeting, as soon as possible after such orders are made, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (m) **(updating Scheme Booklet)** until the date of the Scheme Meeting, promptly update the Scheme Booklet with any information that arises after the Scheme

Booklet has been dispatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect (including because of any material omission from that statement);

- (n) **(shareholder engagement)** for so long as a majority of the Dreamscape Board continues to provide the Recommendation in the manner set out in clause 6.2, as may reasonably be requested by Web.com, undertake reasonable shareholder engagement and proxy solicitation actions so as to promote the merits of the Transaction;
- (o) **(convening Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Scheme Booklet to the Dreamscape Shareholders and convening and holding the Scheme Meeting, provided that if this deed is terminated under clause 13 Dreamscape will take all steps reasonably required to ensure the Scheme Meeting is not held;
- (p) **(Court approval application)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or, where clause 3.7 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act), subject to all other Conditions being satisfied or waived in accordance with this deed (other than the Condition in 3.1(b)), apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;
- (q) **(implementation of Scheme)** if the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;
 - (iii) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to Web.com on the Implementation Date; and
 - (iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (r) **(documents)** consult with Web.com in relation to the content of the documents required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders); and
- (s) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations.

5.2 Web.com's obligations

Web.com must take all steps reasonably necessary to assist Dreamscape to implement the Scheme as soon as reasonably practicable after the date of this deed, including taking each of the following steps:

- (a) **(Timetable)** use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (subject to the assumptions and limitations set out in the Timetable);

- (b) **(Web.com Information)** provide to Dreamscape information regarding Web.com and Web.com's intentions with respect to the assets, business and employees of Dreamscape (including its present intentions with respect to exercise of the Siteplus Option) if the Scheme is approved and implemented that is required by all applicable laws (in particular under the Corporations Act, RG 60 and the Listing Rules) for inclusion in the Scheme Booklet;
- (c) **(confirmation of Web.com Information)** subject to clause 5.8, promptly after Dreamscape requests that it does so, confirm in writing to Dreamscape that it consents to the inclusion of the Web.com Information in the Scheme Booklet, in the form and context in which the Web.com Information appears;
- (d) **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Scheme Booklet;
- (e) **(assistance with Scheme Booklet and Court documents)** promptly provide any assistance or information reasonably requested by Dreamscape or its Advisers in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to Dreamscape Shareholders) and any documents required to be filed with the Court in respect of the Scheme;
- (f) **(Deed Poll)** before 5:00pm on the Business Day before the First Court Date, enter into the Deed Poll and deliver it to Dreamscape;
- (g) **(representation)** procure that Web.com is represented by counsel at the Court hearings convened for the purposes of section 411(1) and 411(4)(b) of the Corporations Act;
- (h) **(Share transfer)** if the Scheme becomes Effective, accept the transfer of the Scheme Shares as contemplated by clause 4.2(b)(i) and execute any instruments of transfer required to effect the transfer of the Scheme Shares; and
- (i) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations.

5.3 Conduct of Court proceedings

- (a) Web.com is entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) Nothing in this deed gives Dreamscape or Web.com any right or power to give undertakings to the Court for or on behalf of the other party without that other party's written consent.

5.4 Appeal process

If the Court refuses to make any orders directing Dreamscape to convene the Scheme Meeting or approving the Scheme, Dreamscape and Web.com must:

- (a) consult with each other in good faith as to whether to appeal the Court's decision; and
- (b) appeal the Court decision unless the parties agree otherwise or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospect of success.

5.5 New information

- (a) Dreamscape must provide to Web.com all such further or new information of which Dreamscape becomes aware that arises after the Scheme Booklet has been despatched to Dreamscape Shareholders until the date of the Scheme Meeting where this is or may be necessary to ensure that the Scheme Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (b) Web.com must provide to Dreamscape all such further or new information of which Web.com becomes aware that arises after the Scheme Booklet has been despatched to Dreamscape Shareholders until the date of the Scheme Meeting where this is or may be necessary to ensure that the Web.com Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.

5.6 Verification

- (a) Dreamscape must undertake reasonable verification processes in relation to the information included in the Scheme Booklet (other than the Web.com Information and the Independent Expert's Report) so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (b) Web.com must undertake reasonable verification processes in relation to the Web.com Information so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise).

5.7 Responsibility statements

The Scheme Booklet will include a responsibility statement to the effect that:

- (a) Web.com will be responsible for the Web.com Information contained in the Scheme Booklet and, to the maximum extent permitted by law, Dreamscape will not be responsible for any Web.com Information and will disclaim any liability for Web.com Information appearing in the Scheme Booklet; and
- (b) Dreamscape will be responsible for the Scheme Booklet (other than the Web.com Information and the Independent Expert's Report) and, to the maximum extent permitted by law, Web.com will not be responsible for any information appearing in the Scheme Booklet other than the Web.com Information and will disclaim any liability for any information appearing in the Scheme Booklet other than the Web.com Information.

5.8 Disagreement on content

If Web.com and Dreamscape disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to the form or content of any information appearing in the Scheme Booklet other than the Web.com Information, the Dreamscape Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet; and
- (b) if the disagreement relates to the form or content of the Web.com Information, Dreamscape will make such amendments to the form or content of the disputed part of the Web.com Information as Web.com reasonably requires.

5.9 Good faith co-operation

Each party must procure that its Authorised Persons work (including by attending meetings and by providing information) in good faith and in a timely and co-operative fashion with the other parties to implement the Scheme, to prepare all documents required relating to the Scheme, and to agree and execute the strategy described in clause 7.5.

6 Board recommendation

6.1 Recommendation

Subject to clause 6.3, Dreamscape represents and warrants to Web.com, as at the date of this deed, that it has been advised by each Dreamscape director that he or she will act in accordance with this clause 6 and clause 10.6(b).

6.2 Dreamscape's Statement to contain recommendation

Subject to clause 6.3, Dreamscape must ensure that the Scheme Booklet and each other public statement in relation to the Scheme includes:

- (a) a unanimous recommendation by the Dreamscape Board that Dreamscape Shareholders vote in favour of the Scheme (**Recommendation**); and
- (b) a statement by each Dreamscape director that he or she intends to vote in favour of the Scheme in respect of all Dreamscape Shares controlled or held by, or on behalf of, that Dreamscape director (**Voting Intention**),

qualified only by words to the effect of:

- (c) *'in the absence of a superior proposal'*; and
- (d) other than in respect of the Scheme Booklet or any document issued after the issue of the Scheme Booklet, *'subject to the independent expert concluding that the scheme is in the best interests of Dreamscape shareholders'*.

6.3 Withdrawal, modification or absence of recommendation and voting intention

Dreamscape represents and warrants to Web.com, as at the date of this deed, that it has been advised by each Dreamscape director that he or she does not intend to, and Dreamscape must procure that each Dreamscape director does not:

- (a) change, withdraw or modify his or her Recommendation or Voting Intention; or
- (b) make any public statement or take any other action that is inconsistent with his or her recommendation of the Scheme,

in each case except where:

- (c) Dreamscape receives a Competing Proposal and the relevant Dreamscape director determines, after all of Web.com's rights under clause 10.6 have been exhausted, that the Competing Proposal constitutes a Superior Proposal;
- (d) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Dreamscape Shareholders, or the Independent Expert concludes in the Independent Expert's Report that the Scheme

is in the best interests of Dreamscape Shareholders but then changes or publicly withdraws this conclusion prior to 8.00am on the Second Court Date; or

- (e) a Dreamscape director publicly (or otherwise) withdraws his or her Recommendation, or does not make a Recommendation, to the extent that, after first obtaining written advice from senior counsel practicing in and experienced in schemes of arrangements, the Dreamscape director reasonably determines that he or she should not provide or continue to maintain any recommendation because that Dreamscape Director has an interest in the Scheme that renders it inappropriate for him or her to maintain any such recommendation, provided that the Dreamscape director provides a statement to Dreamscape setting out his or her reasons for withdrawing or not making a Recommendation for inclusion in the Scheme Booklet and other public statements in relation to the Scheme.

6.4 No breach if recommendation withdrawn or restricted

Dreamscape will not be in breach of any term of this agreement, and will not be liable to Web.com under this agreement, solely as a result of a Dreamscape Director publicly (or otherwise) withdrawing his or her Recommendation, or not making a Recommendation, as permitted by clause 6.3(e), provided, in each case, the Dreamscape Director does not otherwise adversely change or adversely qualify his or her Recommendation or recommend, endorse or support a Competing Proposal, whether publicly or otherwise, and provided that statement provided by the Dreamscape director referred to in clause 6.3(e) is included in the Scheme Booklet and, where appropriate, other public statements in relation to the Scheme.

7 Conduct of business before the Implementation Date

7.1 Conduct of Dreamscape business

Subject to clause 7.3, from the date of this deed up to and including the Implementation Date, Dreamscape must conduct its business, and must ensure that each member of the Dreamscape Group:

- (a) conducts its business, in the ordinary and usual course of business and in compliance in all material respects with all applicable laws, regulations and regulatory approvals;
- (b) operates those businesses in a manner substantially consistent with the manner in which those businesses have been conducted in the 12 months prior to the date of this deed;
- (c) use reasonable endeavours to:
 - (i) preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them;
 - (ii) maintain the condition of its business and assets in accordance with the ordinary course of its business;
 - (iii) comply in all material respects with all Material Contracts to which a member of the Dreamscape Group is a party, and with laws, authorisations and licences applicable to each member of the Dreamscape Group; and
 - (iv) retain the services of all key employees;

- (d) not take or fail to take any action that constitutes a Prescribed Occurrence; and
- (e) not take or fail to take any action that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied.

7.2 Dreamscape Prohibited actions

Subject to clause 7.3, from the date of this deed up to and including the Implementation Date, Dreamscape must not, and must procure that the Dreamscape Group does not:

- (a) declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of a dividend, capital reduction or otherwise;
- (b) other than in respect of the Siteplus Acquisition, in respect of any single transaction or series of related or similar transactions, acquire or dispose of any interest in a business, real property, entity or undertaking, the value of which exceeds \$150,000 in aggregate;
- (c) in respect of any single transaction or series of related or similar transactions, incur or enter into commitments involving capital expenditure in excess of \$150,000 in aggregate;
- (d) enter into a new employment contract with a potential employee of the Dreamscape Group under which contract the total remuneration payable to that potential employee would exceed \$150,000 in any 12 month period;
- (e) declare or pay any bonuses, salary increases or management charges to any employee, director, contractor or consultant;
- (f) enter into any enterprise bargaining agreement or any other form of collective agreement concerning the terms of employment of employees of the Dreamscape Group;
- (g) incur any additional financial indebtedness (except for draw-downs on existing banking facilities consistent with the Budget), or guarantee or indemnify the obligations of any person other than a member of the Dreamscape Group, other than in the usual and ordinary course of business and consistent with the practice in the 12 month period prior to the date of this deed;
- (h) enter into any new financing arrangement, agreement or otherwise provide financial accommodation (irrespective of what form the accommodation takes), or amend the term of any existing financing arrangement, agreement or instrument, other than:
 - (i) in the usual and ordinary course of business and consistent with the practice in the 12 month period prior to the date of this deed; or
 - (ii) any such financing arrangement, agreement or financial accommodation (irrespective of what form that takes) to or among members of the Dreamscape Group;
- (i) give or agree to give a financial benefit to a related party of Dreamscape;
- (j) except for amendments, terminations, or non-renewals in the ordinary course of business consistent with past practice that would not be material to the Dreamscape Group, modify, amend, waive, fail to enforce (in each case, in any material respect), assign or terminate any Material Contract of the Dreamscape

Group or enter into a contract which would be material to the conduct of the Dreamscape Group's business if entered into prior to the date of this deed (other than Material Contracts with customers entered into in the ordinary course of business consistent with past practice);

- (k) amend its constitution;
- (l) pay any Adviser any fee where that fee is contingent on the Transaction (other than as Fairly Disclosed in the Disclosure Letter);
- (m) alter in any material respect any accounting policy of any member of the Dreamscape Group, other than any change required by applicable accounting standards; or
- (n) agree to do any of the matters set out above.

7.3 Dreamscape permitted activities

- (a) The obligations of Dreamscape under clauses 7.1 and 7.2 do not apply in respect of any matter of event:
 - (i) required to be done or procured by Dreamscape pursuant to this deed or the Scheme or the Siteplus Transaction Documents;
 - (ii) to the extent that it is Fairly Disclosed in the Disclosure Letter or the Due Diligence Materials (including the Budget);
 - (iii) which has been Fairly Disclosed to the ASX before the date of this deed;
 - (iv) for which Web.com has provided prior written consent (not to be unreasonably withheld or delayed);
 - (v) required by any applicable law or regulation, or by an order, injunction or undertaking of a court or Governmental Agency; and
 - (vi) is required to be done by any member of the Dreamscape Group or its Representatives to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or material damage to property).
- (b) For the avoidance of doubt, nothing in this clause 7 restricts the ability of Dreamscape to respond to a Competing Proposal provided it is permitted to do so in accordance with clause 10.

7.4 Access and integration

- (a) Subject to clauses 7.4(b), from the date of this deed to the Second Court Date, Dreamscape must provide Web.com and its Representatives with:
 - (i) all reasonable access (subject to the Confidentiality Deed) during normal business hours and on reasonable notice to the management, offices, books, records and business operations of Dreamscape that Web.com reasonably requires; and
 - (ii) reasonable co-operation,for the purposes of:

- (iii) implementing the Transaction;
 - (iv) facilitating any Regulatory Approval in relation to the Transaction;
 - (v) assisting Web.com to prepare for the transition of ownership of the Dreamscape Group; or
 - (vi) any other purpose that is agreed in writing between the parties.
- (b) Nothing in clause 7.4(a) requires Dreamscape or any member of the Dreamscape Group to:
- (i) disclose or make available any information in breach of an obligation of confidentiality to any person or applicable privacy laws;
 - (ii) without limitation to any of Dreamscape's obligations and covenants in clause 10, disclose or make available any information concerning the consideration of the Transaction or any actual or potential Competing Proposal by the Dreamscape Board (or a sub-committee of the Dreamscape Board) or Dreamscape management; or
 - (iii) do anything that would, in the reasonable opinion of Dreamscape (acting in good faith), result in undue disruption to the Dreamscape Group's business.
- (c) Web.com and each of its Representatives agrees to comply with Dreamscape's reasonable requirements (including allowing oversight and participation by Dreamscape representatives and, if required by Dreamscape, entering into appropriate confidentiality undertakings).

7.5 Change of control

- (a) As soon as practicable after the date of this deed, the parties must:
- (i) seek to identify any change of control or similar provisions in any Material Contract to which a member of the Dreamscape Group is party which may be triggered by the implementation of the Transaction (**Change of Control Requirements**); and
 - (ii) use all reasonable endeavours to agree a proposed strategy to obtain any consents required in accordance with the terms of any identified Change of Control Requirements, and, if agreed between the parties as part of the proposed strategy, to then use reasonable efforts to promptly seek those consents in accordance with the agreed strategy.
- (b) For the avoidance of doubt, subject to complying with clause 7.5(a), a failure by the Dreamscape Group to obtain any change of control approval or third party consent as part of the Change of Control Requirements will not constitute a breach of this deed by Dreamscape.

7.6 Siteplus Option Agreement

Dreamscape must ensure, at all times on or before the Implementation Date, that:

- (a) it consults with Web.com before Dreamscape Networks International Pte Ltd gives any consent or approval, or exercises any rights, under the Siteplus Option Agreement (including but not limited to clauses 3 and 4 of the Siteplus Option Agreement); and

- (b) Dreamscape Networks International Pte Ltd only gives a consent or approval, or exercises a right, under the Siteplus Option Agreement in accordance with the directions of Web.com.

8 Board composition

Dreamscape must procure that, with effect on and from the Implementation Date (subject to the provision of the Scheme Consideration in accordance with clause 4.2):

- (a) those persons nominated by Web.com to Dreamscape in writing before the Record Date are appointed to the Dreamscape Board and the boards of other members of the Dreamscape Group, provided that:
 - (i) such persons sign consents to act as a director of the relevant member(s) of the Dreamscape Group; and
 - (ii) such consents to act are provided to Dreamscape before the Implementation Date; and
- (b) those directors of Dreamscape and directors of other members of the Dreamscape Group, as nominated by Web.com before the Record Date, resign as a director of the relevant member(s) of the Dreamscape Group (provided that nothing in this clause 8(b) requires any such director to forego any rights they may have under any deed of access and indemnity or policy of directors and officers insurance).

9 Representations and warranties

9.1 Web.com representations and warranties

- (a) Web.com represents and warrants to Dreamscape that each of the Web.com Warranties are true and correct as at the date of this deed and at all subsequent times until and as at 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Web.com represents and warrants that:
 - (i) Web.com is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) the execution and delivery of this deed has been properly authorised by all necessary corporate action and Web.com has full corporate power and lawful authority to execute and deliver this deed and the Deed Poll, and to perform or cause to be performed its obligations under this deed and the Deed Poll;
 - (iii) this deed constitutes legal, valid and binding obligations on it and this deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Web.com is a party or is bound;
 - (iv) as far as Web.com is aware, no regulatory approval is required to be obtained by Web.com in order for it to execute, deliver and perform this deed, other than those approvals set out in clause 3.1;

- (v) the Web.com Information provided to Dreamscape in accordance with clause 5.2(a) for inclusion in the Scheme Booklet will:
 - (A) be provided in good faith;
 - (B) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
 - (C) be provided on the understanding that Dreamscape will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (vi) as at the date the Scheme Booklet is despatched to Dreamscape Shareholders, the Web.com Information, in the form and context in which that information appears in the version of the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vii) Web.com will, as a continuing obligation, provide to Dreamscape all further or new information which arises after the Scheme Booklet has been despatched to Dreamscape Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Web.com Information is not misleading or deceptive in any material respect (including by way of omission);
- (viii) all information provided by or on behalf of Web.com to the Independent Expert to enable the Independent Expert's Report to be included in the Scheme Booklet to be prepared and completed will not be misleading or deceptive in any material respect (whether by omission or otherwise) and will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Scheme Booklet;
- (ix) no Insolvency Event has occurred in relation to Web.com or another member of the Web.com Group, nor has any regulatory action of any nature of which Web.com is aware been taken that would prevent or restrict Web.com's ability to fulfil its obligations under this deed; and
- (x) Web.com will have available to it on the Implementation Date sufficient cash amounts (whether from internal cash resources or external funding (including debt and equity financing) arrangements or a combination of both) to satisfy Web.com's obligation to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll.

9.2 Web.com's indemnity

Web.com agrees with Dreamscape (on Dreamscape's own behalf and separately as trustee for each of the other Dreamscape Indemnified Parties) to indemnify and keep indemnified Dreamscape and Dreamscape Indemnified Parties against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which Dreamscape may suffer or incur by reason of any breach of any of the Web.com Warranties.

9.3 Dreamscape representations and warranties

- (a) Dreamscape represents and warrants to Web.com each of the Dreamscape Warranties are true and correct as at the date of this deed and at all subsequent times until and as at 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Dreamscape represents and warrants that:
 - (i) Dreamscape is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) the execution and delivery of this deed by Dreamscape has been properly authorised by all necessary corporate action and Dreamscape has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed and the Scheme;
 - (iii) this deed constitutes legal, valid and binding obligations on Dreamscape and the execution of this deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which Dreamscape or any of its Subsidiaries is a party or to which they are bound;
 - (iv) no Prescribed Occurrence has occurred since 1 January 2019;
 - (v) the information contained in the Scheme Booklet (other than the Web.com Information):
 - (A) will be prepared and included in the Scheme Booklet in good faith; and
 - (B) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60;
 - (vi) as at the date the Scheme Booklet is despatched to Dreamscape Shareholders, the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Web.com Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
 - (vii) Dreamscape will, as a continuing obligation (but in respect of the Web.com Information, only to the extent that Web.com provides Dreamscape with updates to the Web.com Information), ensure that the Scheme Booklet is updated to include all further or new information which arises after the Scheme Booklet has been despatched to Dreamscape Shareholders until the date of the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive (including by way of omission) in any material respect;
 - (viii) the issued capital of Dreamscape as of the date of this deed is:
 - (A) 388,846,666 Dreamscape Shares;
 - (B) 806,666 Dreamscape Performance Rights; and

(C) Dreamscape Options, comprising of:

- (1) 2,814,900 options exercisable at \$0.25 on or before 31 December 2019;
- (2) 11,000,000 options exercisable at \$0.25 on or before 30 June 2020;
- (3) 8,250,000 options exercisable at \$0.35 on or before 30 June 2021; and
- (4) 6,750,000 options exercisable at \$0.45 on or before 30 June 2022,

and there are no other Dreamscape options, performance rights, shares, warrants, convertible notes, instruments or other securities (or offers or agreements to issue any of the foregoing) that may convert into Dreamscape Shares;

- (ix) Dreamscape's financial statements as disclosed to the ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as Dreamscape is aware, there has not been any event, change, effect or development which would require Dreamscape to restate its financial statements as disclosed to the ASX;
- (x) any statement or belief contained in the Dreamscape Information is honestly held and there are reasonable grounds for Dreamscape holding that opinion or belief;
- (xi) each member of the Dreamscape Group has complied in all material respects with all laws or regulations applicable to them (or order of any Regulatory Authority having jurisdiction over them);
- (xii) no member of the Dreamscape Group has received notice from any Governmental Agency of any breach of Australian and foreign laws or regulations applicable to them or orders of Australian and foreign Government Agencies having jurisdiction over them;
- (xiii) with respect to Material Contracts, so far as Dreamscape is aware, or ought to be aware, after due and diligent inquiry of each Dreamscape Group member:
 - (A) no member of the Dreamscape Group is in default, or would be in default but for the requirements of notice or lapse of time, under any Material Contract;
 - (B) no other party to any Material Contract is in default, or would be in default but for the requirements of notice or lapse of time, under that agreement;
 - (C) no member of the Dreamscape Group has received, or given, any notice of termination of any Material Contract; or
 - (D) no member of the Dreamscape Group is party to any Material Contract under which any person (other than Dreamscape) is entitled upon a change in control of Dreamscape to terminate the Material

Contract; or impose or require the adoption of terms that are less favourable to that member of the Dreamscape Group than the current terms;

- (xiv) the Dreamscape Group has all material Authorisations necessary for it to conduct the business of the Dreamscape Group as presently being conducted and these material Authorisations are in force and effect and are being complied with;
- (xv) as at the date of this deed, Dreamscape is not aware of, or ought to be aware, after due and diligent inquiry of each Dreamscape Group member, of any materially adverse information relating to the Dreamscape Group or any information that has or could reasonably be expected to give rise to a Material Adverse Change;
- (xvi) Dreamscape has complied with its continuous disclosure obligations under Listing Rule 3.1 and, other than in relation to this Transaction, as at the date of this deed it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;
- (xvii) the Due Diligence Materials were compiled in good faith with reasonable care and:
 - (A) Dreamscape has not deliberately withheld from the Due Diligence Materials any information of which Dreamscape is aware which, if disclosed, might reasonably be expected to affect the decision of Web.com to enter into this deed or complete the Transaction;
 - (B) Dreamscape has not deliberately omitted from the Due Diligence Materials any information which would render the information disclosed incomplete or misleading in any material respect; and
 - (C) Dreamscape has not deliberately included in the Due Diligence Materials any information that is misleading in any material respect; and
- (xviii) no Insolvency Event has occurred in relation to Dreamscape or another member of the Dreamscape Group, nor has any regulatory action of any nature of which Dreamscape is aware been taken that would prevent or restrict Dreamscape's ability to fulfil its obligations under this deed;

9.4 Dreamscape's indemnity

Dreamscape agrees with Web.com (on Web.com's own behalf and separately as trustee for each of the other Web.com Indemnified Parties) to indemnify and keep indemnified Web.com and Web.com Indemnified Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which Web.com may suffer or incur by reason of any breach of any of the Dreamscape Warranties.

9.5 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or is reasonably expected to constitute a breach of any of the representations or warranties given by it under this clause 9.

9.6 Survival of representations

Each representation and warranty in clauses 9.1 and 9.3:

- (a) is severable;
- (b) will survive the termination of this deed; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this deed.

9.7 Survival of indemnities

Each indemnity in this deed (including those in clauses 9.2 and 9.4) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survive the termination of this deed.

10 Exclusivity

10.1 No existing discussions

Dreamscape represents and warrants to Web.com that, as at the date of this deed, Dreamscape Group:

- (a) is not a party to any agreement with a third party entered into for the purpose of facilitating a Competing Proposal; and
- (b) is not participating in any discussions or negotiations with a third party that concern, or that could reasonably be expected to lead to, a Competing Proposal.

10.2 No-shop

During the Exclusivity Period, Dreamscape must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

- (a) solicit, invite, initiate or encourage any Competing Proposal;
- (b) solicit, invite, initiate or encourage any enquiries, proposals, discussions or negotiations with any third party in relation to, or that could reasonably be expected to lead to, a Competing Proposal; or
- (c) communicate any intention to do any of these things referred to in clauses 10.2(a) to 10.2(b).

10.3 No-talk

Subject to clause 10.7, during the Exclusivity Period, Dreamscape must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

(a) negotiate or enter into or participate in negotiations or discussions with any person;
or

(b) communicate any intention to do any of these things,

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by Dreamscape or any of its Related Bodies Corporate, or that person has announced the Competing Proposal.

10.4 No due diligence

Subject to clause 10.7, during the Exclusivity Period, except with the prior written consent of Web.com, Dreamscape must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:

(a) solicit, invite, initiate, encourage, facilitate or permit any person (other than Web.com) to undertake due diligence investigations in respect of Dreamscape, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or

(b) make available to any person (other than Web.com) or permit any such person to receive, other than as required by law or the rules of any prescribed financial market, any non-public information relating to Dreamscape, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

10.5 Notification of approaches

(a) During the Exclusivity Period, Dreamscape must promptly notify Web.com in writing of:

(i) any approach, inquiry or proposal made by any person to Dreamscape, any of its Related Bodies Corporate or any of their respective Authorised Persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal; and

(ii) any request made by any person to Dreamscape, any of its Related Bodies Corporate, or any of their respective Authorised Persons, for any information relating to Dreamscape, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

(b) A notice given under clause 10.5(a) must be accompanied by all material details of the proposal, including:

(i) to the extent known by Dreamscape, the material terms and conditions (including price, conditions precedent, proposed timetable and break fees (if any)) of any Competing Proposal; and

(ii) subject to clause 10.7, the identity of the person who made the approach, inquiry or proposal referred to in clause 10.5(a)(i), or who made the request for information referred to in clause 10.5(a)(ii).

- (c) During the Exclusivity Period, Dreamscape must promptly provide Web.com with:
 - (i) in the case of written materials, a copy of; or
 - (ii) in any other case, a written statement of,

any material non-public information relating to Dreamscape, its Related Bodies Corporate, or any of their businesses and operations made available or received by any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal and which has not previously been provided to Web.com.

10.6 Matching right

- (a) If Dreamscape is permitted by virtue of clause 10.7 to engage in activity that would otherwise breach any of clauses 10.3, 10.4, and 10.5(b), Dreamscape must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal (**Rival Acquirer**) on customary terms and must not enter into any other agreement, understanding or commitment in respect of a Competing Proposal or a potential Competing Proposal except as permitted by clause 10.6(b).
- (b) If Dreamscape receives a Competing Proposal and as a result, any Dreamscape director proposes to either:
 - (i) change, withdraw or modify his or her recommendation of the Scheme; or
 - (ii) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal (other than a confidentiality agreement contemplated by clause 10.6(a)),

Dreamscape must use all reasonable endeavours to procure (and at the date of this deed, has been advised by each Dreamscape director that they will act in accordance with this clause 10.6(b)) that no Dreamscape director does so until each of the following has occurred:

- (iii) the relevant Dreamscape director has made the determination contemplated by clause 10.7(b) in respect of that Competing Proposal;
 - (iv) Dreamscape has given Web.com written notice (**Relevant Notice**) of the Dreamscape director's proposal to take the action referred to in clauses 10.6(b)(i) or 10.6(b)(ii) (subject to Web.com's rights under clause 10.6(d)), including details of the grounds on which the Dreamscape directors propose to take such action;
 - (v) subject to clause 10.6(c), Dreamscape has given Web.com all information required by clause 10.5(b);
 - (vi) Web.com's rights under clause 10.6(d) have been exhausted; and
 - (vii) the Dreamscape directors have made the determination contemplated by clause 10.7(b) in respect of that Competing Proposal after Web.com's rights under clause 10.6(d) have been exhausted and after evaluation of any Counter Proposal.
- (c) Prior to giving Web.com the information under clause 10.6(b)(iv), Dreamscape must advise the Rival Acquirer that the Rival Acquirer's name and other details

which may identify the Rival Acquirer will be provided by Dreamscape to Web.com on a confidential basis.

- (d) If Dreamscape gives a Relevant Notice to Web.com under clause 10.6(b)(iv), Web.com will have the right, but not the obligation, at any time during the period of 4 Business Days following the receipt of the Relevant Notice, to amend the terms of the Transaction including increasing the amount of consideration offered under the Transaction or proposing any other form of transaction (each a **Counter Proposal**), and if it does so then the Dreamscape directors must review the Counter Proposal in good faith. If the Dreamscape directors determine that the Counter Proposal would be more favourable to Dreamscape and the Dreamscape Shareholders than the Competing Proposal (having regard to the matters noted in clause 10.7(b)), then Dreamscape and Web.com must use their reasonable endeavours to agree the amendments to this deed that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and Dreamscape must use its reasonable endeavours to procure that the Dreamscape directors recommend the Counter Proposal to the Dreamscape Shareholders and not recommend the applicable Competing Proposal.
- (e) For the purposes of this clause 10.6, each successive material modification of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.

10.7 Fiduciary out

The restrictions in clauses 10.3 and 10.4 and the obligations in clause 10.5(b) do not apply to restrict Dreamscape or any member of the Dreamscape Group or any Dreamscape Indemnified Party from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 10) provided that:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the Dreamscape Board considers is of reputable commercial standing; and
- (b) the Dreamscape Board has determined in good faith after:
 - (i) consultation with Dreamscape's financial advisers, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
 - (ii) receiving advice from Dreamscape's external Australian legal adviser practising in the area of corporate law,

that that failing to respond to the Competing Proposal or failing to or refusing to take action may constitute a breach of its fiduciary or statutory duties, or it would otherwise be unlawful not to take that action.

10.8 Normal provision of information

Nothing in this clause 10 prevents Dreamscape from:

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency;

- (c) providing information required to be provided by law, including to satisfying its obligations under the Listing Rules or to any Government Agency;
- (d) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business; or
- (e) making presentations to, or responding to enquiries from, brokers, portfolio investors, analysts and other third parties in the ordinary course of business or promoting the merits of the Transaction.

11 Dreamscape Break Fee

11.1 Web.com declaration

Web.com represents and warrants to Dreamscape that it would not have entered into this deed without the benefit of this clause 11 and it would not have entered into and continued the negotiations leading up to this deed unless Web.com had a reasonable expectation that Dreamscape would agree to enter into a clause of this kind.

11.2 Acknowledgments in relation to Dreamscape Break Fee

- (a) Dreamscape acknowledges that Web.com has incurred and will incur significant costs, including significant opportunity costs, if they enter into this deed and the Scheme is subsequently not implemented. Those costs include external advisory costs, some internal costs of a similar kind, out-of-pocket expenses.
- (b) Dreamscape represents and warrants that:
 - (i) it has received legal advice on this deed and the operation of this clause 11; and
 - (ii) it considers this clause 11 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 11 in order to secure the significant benefits to it (and its Shareholders) resulting from the Scheme.
- (c) The parties acknowledge that:
 - (i) the amount of the costs is inherently unascertainable and that, even after termination of this deed, the costs will not be able to be accurately ascertained; and
 - (ii) the Break Fee represents a genuine and reasonable estimate of cost and loss that Web.com will suffer if the Scheme is subsequently not implemented.

11.3 Dreamscape Break Fee

- (a) Dreamscape must pay to Web.com the Dreamscape Break Fee, within 5 Business Days after receipt of a written demand for payment from Web.com, if:
 - (i) prior to the earlier of the Effective Date and the End Date, the Dreamscape Board withdraws or adversely modifies its recommendation that Dreamscape Shareholders vote in favour of the Scheme, other than as a result of:
 - (A) the report (including any update, revision or amendment thereto) of the Independent Expert opining that the Scheme is not in the best

interests of Scheme Shareholders (other than where the reason for that opinion is a Competing Proposal);

- (B) a withdrawal or modification of a recommendation under clause 6.3(e);
 - (C) any matter or thing giving Dreamscape the right to terminate this deed under clause 13.1; or
 - (D) failure of a condition precedent in clause 3.1, other than as a result of a breach by Dreamscape of clause 3.4 (to the extent applicable to the relevant condition);
- (ii) a Competing Proposal is announced before the End Date and, within 12 months of the Competing Proposal being announced, the Competing Proposal results in a person or persons (other than a member of the Web.com Group) obtaining Control of Dreamscape, merging or amalgamating with Dreamscape or acquiring (directly or indirectly) an interest in all or a substantial part of the business or assets of the Dreamscape Group; or
 - (iii) Web.com has terminated this deed under clause 13.1(a) and the relevant breach by Dreamscape:
 - (A) constitutes a Material Adverse Change; or
 - (B) is material in the context of the Scheme taken as a whole.
- (b) The payment of the Dreamscape Break Fee by Dreamscape to Web.com provided for in this clause 11.3 must be made within 5 Business Days of receipt of a written demand for payment by Web.com. The demand may only be made after the occurrence of an event referred to in clause 11.3(a).

11.4 Qualifications

- (a) No Dreamscape Break Fee is payable if the Scheme becomes Effective. To the extent that any amounts have already been paid to Web.com under this clause 11 and the Scheme becomes Effective, such amounts must be immediately refunded to Dreamscape.
- (b) The Dreamscape Break Fee is not payable by Dreamscape if Dreamscape validly terminates this deed in accordance with clause 13.1(a).
- (c) The Dreamscape Break Fee is only payable once and the maximum amount payable by Dreamscape under clause 11.3 is the amount of the Break Fee.
- (d) This clause 11 does not impose an obligation on Dreamscape to pay the Dreamscape Break Fee to the extent (and only to the extent) that the obligation to pay the Dreamscape Break Fee:
 - (i) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (ii) is held to be unenforceable by one party against another as determined by a court,

after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted.

- (e) During the course of the Takeovers Panel or court proceedings (including any appeal or review thereof) referred to in clause 11.4(d), the parties must take all reasonable steps to ensure that any such declaration or determination has the minimum effect possible.
- (f) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 11.4(d).
- (g) A statement that shareholders should “*take no action pending further advice*” (or words to that effect) is not regarded as an adverse modification of a recommendation for the purposes of clause 11.3(a)(i), provided that the Dreamscape Board publicly re-affirms its recommendation in favour of the Transaction at least 5 Business Days before the earlier of the date that the Scheme is considered by Dreamscape Shareholders and the End Date.

11.5 Dreamscape’s limitation of liability

Notwithstanding any other provisions of this agreement but subject to clause 11.6:

- (a) the maximum liability of Dreamscape to Web.com under or in connection with this deed including in respect of any breach of the deed will be the Dreamscape Break Fee; and
- (b) a payment by Dreamscape in accordance with this clause 11 represents the sole and absolute liability of Dreamscape under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by Dreamscape in connection with this deed.

11.6 Regulatory Intervention

If any regulatory body (including ASIC or the Takeovers Panel) or a court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the Dreamscape Break Fee, including as to the amount or circumstances in which it is to be paid, then:

- (a) the parties will accept this determination and amend this deed to that extent; and
- (b) it will not result in a breach of this deed or termination of the transactions contemplated by it.

12 Web.com Break Fee

12.1 Acknowledgments in relation to Web.com Break Fee

- (a) Each party acknowledges that, if they enter into this deed and the Scheme is subsequently not implemented, Dreamscape will incur significant costs, including significant opportunity costs. Those costs include external advisory costs, some internal costs of a similar kind and out-of-pocket expenses.
- (b) In the circumstances referred to in clause 12.1(a), Dreamscape has requested provision be made for the costs outlined in this clause 12.1, in the form of the Web.com Break Fee, without which Dreamscape would not have entered into this deed or otherwise agreed to implement the Scheme.
- (c) Web.com represents and warrants that:

- (i) it has received legal advice on this deed and the operation of this clause 12; and
 - (ii) it considers this clause 12 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 12 in order to secure the significant benefits to Web.com (and its shareholders) resulting from the Scheme.
- (d) The parties acknowledge that:
- (i) the amount of the costs is inherently unascertainable and that, even after termination of this deed, the costs will not be able to be accurately ascertained; and
 - (ii) the Web.com Break Fee represents a genuine and reasonable estimate of cost and loss that Dreamscape will suffer if the Scheme is subsequently not implemented.

12.2 Web.com Break Fee

- (a) Subject to clause 12.3, Web.com must pay to Dreamscape the Web.com Break Fee, within 5 Business Days after receipt of a written demand for payment from Dreamscape, if Dreamscape has terminated this deed for material breach by Web.com in accordance with clause 13.1(a).
- (b) The payment of the Web.com Break Fee by Web.com to Dreamscape provided for in this clause 12.2 must be made within 5 Business Days of receipt of a written demand for payment by Dreamscape. The demand may only be made after the occurrence of an event referred to in clause 12.2(a).

12.3 Qualifications

- (a) No Web.com Break Fee is payable if the Scheme becomes Effective. To the extent that any amounts have already been paid to Dreamscape under this clause 12 and the Scheme becomes Effective, such amounts must be immediately refunded to Web.com.
- (b) The Web.com Break Fee is not payable by Web.com if Web.com validly terminates this deed in accordance with clause 13.1(a).
- (c) The Web.com Break Fee is only payable once and the maximum amount payable by Web.com under clause 12.2 is the amount of the Web.com Break Fee.
- (d) This clause 12 does not impose an obligation on Web.com to pay the Web.com Break Fee to the extent (and only to the extent) that the obligation to pay the Web.com Break Fee:
 - (i) constitutes unacceptable circumstances as declared by the Takeovers Panel; or
 - (ii) is held to be unenforceable by one party against another as determined by a court,

after all proper avenues of appeal and review, whether judicial or otherwise, have been exhausted.
- (e) During the course of the Takeovers Panel or court proceedings (including any appeal or review thereof) referred to in clause 12.3(d), the parties must take all

reasonable steps to ensure that any such declaration or determination has the minimum effect possible.

- (f) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in clause 12.3(d).

12.4 Web.com's limitation of liability

Notwithstanding any other provisions of this agreement but subject to clause 12.5:

- (a) the maximum liability of Web.com to Dreamscape under or in connection with this deed including in respect of any breach of the deed will be the Web.com Break Fee; and
- (b) a payment by Web.com in accordance with this clause 12 represents the sole and absolute liability of Web.com under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by Web.com in connection with this deed.

12.5 Regulatory Intervention

If any regulatory body (including ASIC or the Takeovers Panel) or a court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the Web.com Break Fee, including as to the amount or circumstances in which it is to be paid, then:

- (a) the parties will accept this determination and amend this deed to that extent; and
- (b) it will not result in a breach of this deed or termination of the transactions contemplated by it.

13 Termination

13.1 Termination by either party

Either party may, by notice in writing to the other, terminate this deed:

- (a) at any time prior to 8.00am on the Second Court Date if the other is in material breach of any of its obligations (including, for the avoidance of doubt, any breach of any of its material obligations) under this deed (other than the breaching party's respective representations and warranties, which are the subject of clause 13.1(b) below)), the party wishing to terminate has given written notice to the other party in a timely manner setting out details of the relevant circumstance and stating an intention to terminate this deed and, if capable of remedy, the relevant circumstances continue to exist for 10 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time the notice is given; or
- (b) at any time before 8.00am on the Second Court Date, if the other party has breached any of its respective representations and warranties such that the Condition set out in clause 3.1(i) could not be satisfied prior to the End Date, the party wishing to terminate has given written notice to the breaching party in a timely manner setting out the relevant circumstances and stating an intention to terminate this deed, and the relevant circumstances continue to exist for 10 Business Days

(or any shorter period ending at 5.00pm on the day before the Second Court Date) from the time the notice is given; or

- (c) in accordance with clause 3.8.

13.2 Termination by Dreamscape

Dreamscape may, by notice in writing to Web.com, terminate this deed at any time prior to 8.00am on the Second Court Date if at any time before then a majority of the Dreamscape Board has failed to make the Recommendation or has changed, withdrawn or modified their recommendation of the Scheme in the manner contemplated in clause 6.3.

13.3 Termination by Web.com

Web.com may, by notice in writing to Dreamscape, terminate this deed at any time prior to 8.00am on the Second Court Date if, at any time before then:

- (a) either:
 - (i) the Dreamscape public announcement to be issued in accordance with clause 15.2; or
 - (ii) the Scheme Booklet,does not include the Recommendation and Voting Intention in respect of every Dreamscape director (other than in the circumstances described in clause 6.3(e));
- (b) any Dreamscape director fails to make the Recommendation or Voting Intention, or changes, withdraws, modifies or qualifies his or her Recommendation or Voting Intention (other than in the circumstances described in clause 6.3(e)); or
- (c) any Dreamscape director recommends or supports a Competing Proposal.

13.4 Effect of termination

- (a) In the event of termination of this deed under clause 3.8 or 13.1, this deed will become void and have no effect, except that the provisions of clauses 9.6, 9.7, 11, 12, 14 and 17.2 to 17.14 (inclusive) survive termination.
- (b) Termination of this deed does not affect any accrued rights of a party in respect of a breach of this deed prior to termination.

14 Releases

14.1 Release of Dreamscape Indemnified Parties

- (a) Subject to any restrictions imposed by law, Web.com releases any and all rights that it may have as at the date of this deed and from time to time, and agrees with Dreamscape that it will not make any Claim, against any Dreamscape Indemnified Party in connection with:
 - (i) any breach of any covenant, representation or warranty given by Dreamscape under this deed;

(ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or

(iii) any failure to provide information,

except where a Dreamscape Indemnified Party has acted in fraud or has engaged in wilful misconduct. To avoid doubt, nothing in this clause 14.1(a) limits the rights of Web.com to terminate this deed under clause 12.

(b) Dreamscape receives and holds the benefit of clause 14.1(a) as trustee for the Dreamscape Indemnified Parties.

14.2 Release of Web.com Indemnified Parties

(a) Subject to any restrictions imposed by law, Dreamscape releases any and all rights that it may have as at the date of this deed and from time to time, and agrees with Web.com that it will not make any Claim, against any Web.com Indemnified Party in connection with:

(i) any breach of any covenant, representation or warranty given by Web.com under this deed;

(ii) any disclosure containing any statement which is false or misleading (whether by omission or otherwise); or

(iii) any failure to provide information,

except where a Web.com Indemnified Party has acted in fraud or has engaged in wilful misconduct. To avoid doubt, nothing in this clause 14.2(a) limits the rights of Dreamscape to terminate this deed under clause 12.

(b) Web.com receives and holds the benefit of clause 14.2(a) as trustee for the Web.com Indemnified Parties.

14.3 Deeds of indemnity, access and insurance

(a) Dreamscape must obtain a proposal for a directors' and officers' run-off insurance policy in respect of any directors and officers and relevant former directors and officers of any member of the Dreamscape Group that applies for no less than a 7 year period following the Implementation Date (**D&O run off policy**) on terms approved by Web.com (acting reasonably).

(b) Web.com must not unreasonably withhold, condition or delay approval under clause 14.3(a), and acknowledges that it is reasonable for Dreamscape to obtain a D&O run off policy at such costs which are reasonable and standard for a company similar to Dreamscape or a member of the Dreamscape Group (as the case may be).

(c) Before 8.00am on the Second Court Date, Dreamscape must enter into the D&O run off policy.

(d) Web.com acknowledges that, notwithstanding any other provision of this deed, any reasonable actions to facilitate the D&O run off policy or in connection therewith will not be Prescribed Occurrences or breach any provision of this deed.

- (e) Subject to the Scheme becoming Effective, Web.com undertakes in favour of Dreamscape and each other Dreamscape Indemnified Party that it will procure that:
 - (i) for a period of 7 years from the Implementation Date, ensure that the constitution of Dreamscape and each member of the Dreamscape Group will continue to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its previous directors and officers against any liability incurred by that person in his or her capacity as a director of or officer of the company to any person other than a member of the Dreamscape Group;
 - (ii) Dreamscape and each member of the Dreamscape Group complies with any deeds of indemnity, access and insurance entered into by them in favour of their respective directors and officers from time to time; and
 - (iii) The D&O run off policy is maintained at such costs which are reasonable and standard for a company similar to Dreamscape or a member of the Dreamscape Group (as the case may be).
 - (f) Dreamscape receives and holds the benefit of clause 14.3 as trustee for each director and officer of a member of the Dreamscape Group.
-

15 Confidentiality and Public Announcement

15.1 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality Deed save that the terms of this deed will prevail over the Confidentiality Deed to the extent of any inconsistency.

15.2 Public Announcements on execution

Immediately after the date of this deed, Dreamscape must issue a public announcement in the form previously agreed to in writing between the parties.

15.3 Further public announcements

- (a) Subject to clause 15.3(b), the parties must:
 - (i) consult with each other before issuing and, to the extent practicable, give each other a reasonable opportunity to review and consider in good faith the views of the other party regarding, any press release or other public statement with respect to the Transaction; and
 - (ii) must not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, fiduciary duties or the Listing Rules.
- (b) The provisions of clause 15.3(a) do not apply to:
 - (i) any announcement, document or publication in connection with a Competing Proposal or withdrawal of a Dreamscape Board recommendation; or
 - (ii) any disclosure by Dreamscape or Web.com of any information concerning this deed or the transactions contemplated by this deed in connection with

any dispute between the parties regarding this deed, the Scheme or the transactions contemplated by this deed.

16 Notices

16.1 Service of notices

- (a) A notice, consent or other communication under this deed (**Notice**) is only effective if:

- (i) it is in writing, signed by or on behalf of the party giving it; and
- (ii) it is directed to the recipient's address for notices as follows:

Dreamscape

Address: Level 2, 46-50 Kings Park Road, West Perth WA 6005 Australia
E-mail: evan.c@dreamscapenetworks.com
Attn: Evan Cross (Non-executive Director)

with a copy to DLA Piper Australia:

Address: Level 31, Central Park, 152-158 St Georges Terrace, Perth WA 6000 Australia
E-mail: michael.bowen@dlapiper.com and scott.gibson@dlapiper.com
Attn: Michael Bowen and Scott Gibson

Web.com

Address: 5335 Gate Parkway, Jacksonville, FL 32256 United States
E-mail: jneace@web.com
Attn: Jeff Neace (General Counsel)

with a copy to Siris Capital Group, LLC:

Address: 601 Lexington Avenue, 59th Floor, New York, NY 10022 United States
E-mail: sipprelle@siris.com
Attn: Tyler Sipprelle (Vice President)

with a copy to Gilbert + Tobin:

Address: Level 35, Tower 2, International Towers Sydney, 200 Barangaroo Avenue, Barangaroo, NSW 2000
E-mail: adandreti@gtlaw.com.au and kko@gtlaw.com.au
Attn: Adam D'Andreti and Kevin Ko

with a copy to Sidley Austin LLP:

Address: 1999 Avenue of the Stars, 17th Floor, Los Angeles, CA 90067, United States
E-mail: vsekhon@sidley.com
Attn: Vijay S. Sekhon

- (b) If a party changes address and fails to notify the other party of this change and the new address, delivery of Notices to a new address, or otherwise brought to the

attention of the addressee, are deemed compliance with the notice obligations under this clause 16.1.

16.2 Effective on receipt

A Notice given in accordance with clause 16.1 takes effect when received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from outside Australia); or
- (c) if sent by email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 16.2(a) or 16.2(b) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

17 General

17.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this deed.

17.2 Payments

Unless otherwise expressly provided in this deed, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this deed, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

17.3 Consents or approvals

Except as expressly provided in this deed, a party may conditionally or unconditionally in its absolute discretion give or withhold any consent or approval under this deed.

17.4 GST

- (a) Any reference in this clause 17.4 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this deed is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this deed but for the application of this clause 17.4(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 17.4(c) does not apply to any taxable supply under or in connection with this deed that is expressly stated to include GST.
- (d) The amount on account of GST payable in accordance with this clause 17.4 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.
- (f) Unless expressly included, any monetary thresholds specified in this deed are exclusive of GST.

17.5 Stamp duty

Web.com must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme (including the acquisition or transfer of Scheme Shares pursuant to the Scheme).

17.6 Expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this deed and the Scheme Booklet and the proposed, attempted or actual implementation of this deed and the Scheme.

17.7 Amendments

This deed may only be varied by a document signed by or on behalf of each of the parties.

17.8 Assignment

A party must not assign or novate this deed or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of the other party, which consent may be withheld at the absolute discretion of the party from whom consent is sought.

17.9 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed will operate as a waiver of another breach of that term or of a breach of any other term of this deed.
- (d) Nothing in this deed obliges a party to exercise a right to waive any conditional term of this deed that may be in its power.

17.10 Counterparts

- (a) This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This deed is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by email to the email address of the other party specified in clause 16, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

17.11 Entire agreement

This deed:

- (a) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
- (b) supersedes any prior agreement (whether or not in writing) between the parties.

17.12 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.

17.13 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

17.14 Governing law

- (a) This deed is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

Schedule 1 Dictionary

1 Dictionary

1.1 Defined terms

In this deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

ACCC means the Australian Competition and Consumer Commission.

Accounting Standards means:

- (a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts; and
- (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a).

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting, financial or taxation advice) to Dreamscape or Web.com.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

Authorised Person means, in respect of a person:

- (a) a director, officer, contractor, agent or employee of the person;
- (b) an Adviser of the person; and
- (c) a director, officer or employee of an Adviser of the person.

Budget means the budget for the Dreamscape Group in respect of the financial year ended 30 June 2020 which has been provided as part of the Due Diligence Materials.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales or Perth, Western Australia.

Change of Control Requirements has the meaning given to that term in clause 7.5.

Claim means a claim, notice, demand, action, proceeding, litigation, prosecution, arbitration, investigation, judgment, award, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute.

Competing Proposal means any proposal, offer or transaction by a third party (other than Web.com or its Related Bodies Corporate) that, if completed, would mean:

- (a) a person would acquire a Relevant Interest or voting power in 15% or more of the Dreamscape Shares or of the securities of any material member of the Dreamscape Group;
- (b) a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 15% or more of the Dreamscape Shares or of the securities of any material member of the Dreamscape Group;
- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, Dreamscape or any material member of the Dreamscape Group;
- (d) a person would acquire Control of Dreamscape or any material member of the Dreamscape Group;
- (e) a person may otherwise acquire, or merge with, Dreamscape or any material member of the Dreamscape Group (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or
- (f) Dreamscape will issue, on a fully diluted basis, 15% or more of its capital as consideration for the assets or share capital or another person,

or would otherwise result in the Transaction not being able to be implemented on the basis set out in this deed. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Conditions means the conditions set out in clause 3.1 and **Condition** means any one of them.

Confidentiality Deed means the confidentiality deed between Dreamscape and Web.com dated on or about 27 December 2018.

Consultation Notice has the meaning given to that term in clause 3.8(a)(i).

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

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

Counter Proposal has the meaning given to that term in clause 10.6(d).

Court means the Federal Court of Australia (Perth registry) or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll to be executed by Web.com prior to the First Court Date, substantially in the form set out in Schedule 4 or in such other form as is acceptable to Dreamscape acting reasonably, provided that where Web.com nominates a Web.com Sub in accordance with clause 2.1(c), the Deed Poll must provide for the Web.com Sub to have the primary obligations under the Deed Poll.

Disclosure Letter means the letter so entitled from Dreamscape provided to Web.com on or prior to the date of this deed and countersigned by Web.com.

Dreamscape Board means the board of directors of Dreamscape as constituted from time to time (or any committee of the board of directors of Dreamscape constituted from time to time to consider the Transaction on behalf of Dreamscape).

Dreamscape Break Fee means an amount equal to \$1,000,000.00.

Dreamscape Group means Dreamscape and its Subsidiaries.

Dreamscape Indemnified Parties means each Authorised Person of a member of the Dreamscape Group.

Dreamscape Information means information regarding the Dreamscape Group provided by Dreamscape for inclusion in the Scheme Booklet (which for the avoidance of doubt does not include the Web.com Information or the Independent Expert's Report).

Dreamscape Option means an option conferring on its holder the right, but not the obligation, to acquire a Dreamscape Share.

Dreamscape Option Cancellation Deed means an option conferring on its holder the right, but not the obligation, to acquire a Dreamscape Share.

Dreamscape Optionholder means each person who is registered in the Dreamscape Register as a holder of Dreamscape Options.

Dreamscape Performance Right means a right to be issued a Dreamscape Share.

Dreamscape Register means the register of members of Dreamscape maintained by or on behalf of Dreamscape in accordance with section 168(1) of the Corporations Act.

Dreamscape Share means a fully paid ordinary share in the capital of Dreamscape.

Dreamscape Shareholder means each person who is registered in the Dreamscape Register as a holder of Dreamscape Shares.

Dreamscape Warranties means the representations and warranties of Dreamscape set out in clause 9.3.

Due Diligence Materials means the information in relation to the Dreamscape Group disclosed in writing by or on behalf of Dreamscape to Web.com and its Representatives prior to the date of this deed in:

- (a) the Online Data Room; and
- (b) any written answers to requests for further information made by Web.com and its Representatives as contained in the Online Data Room.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means the later of:

- (a) the date that is 180 calendar days after the date of this deed;

- (b) if the Regulatory Approval Condition has not been satisfied prior to the date referred to in sub-paragraph (a) immediately above – a further 30 calendar days after the end of 180 calendar days after the date of this deed; and
- (c) such other date and time agreed in writing between Web.com and Dreamscape.

Excluded Shareholder means any Dreamscape Shareholder who is Web.com or a wholly-owned subsidiary of Web.com.

Exclusivity Period means the period commencing on the date of this deed and ending on the earliest of:

- (a) the End Date;
- (b) the Effective Date; and
- (c) the date this deed is terminated in accordance with its terms.

FATA means the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*.

FIRB means the Foreign Investment Review Board.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act, or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned meeting.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, FIRB, ASIC, ASX and any regulatory organisation established under statute or any stock exchange.

GST means a goods and services tax, or similar value added tax, levied or imposed in Australia under the GST Law.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

GST Exclusive Consideration has the meaning given to that term in clause 17.4(c).

GST Law has the meaning given to it in the GST Act.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Dreamscape Shareholders present and voting, either in person or by proxy.

Implementation Date means, with respect to the Scheme, the fifth Business Day, or such other Business Day as the parties agree, following the Record Date for the Scheme.

Independent Expert means an expert, independent of the parties, engaged by Dreamscape in good faith to opine on whether the Scheme is in the best interests of Dreamscape Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by Dreamscape for inclusion in the Scheme Booklet, which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best

interests of Dreamscape Shareholders, and includes any update, revision or amendment of that report by the Independent Expert.

Insolvency Event means in relation to a person:

- (a) **(insolvency official)** the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **(arrangements)** the entry by the person into a compromise or arrangement with its creditors generally;
- (c) **(winding up)** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **(ceasing business)** the person ceases or threatens to cease to carry on business;
- (e) **(insolvency)** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (f) **(deregistration)** the person being deregistered as a company or otherwise dissolved;
- (g) **(deed of company arrangement)** the person executing a deed of company arrangement;
- (h) **(person as trustee or partner)** the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
 - (i) a breach of trust or obligation as partner by the person;
 - (ii) the person acting outside the scope of its powers as trustee or partner;
 - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability;
 - (iv) the assets of the trust or partnership being insufficient to discharge the liability; or
- (i) **(analogous events)** anything analogous to those set out in any of paragraphs (a) to (f) inclusive occurs in relation to the person under the laws of a foreign jurisdiction,

and a person shall be **Insolvent** if any event specified in paragraphs (a) to (i) inclusive occurs in respect of that person.

Key Management Personnel means:

- (a) Mark Evans;
- (b) Gavin Gibson;
- (c) Anthony Sparks; and
- (d) Robert Winkelmann.

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

Material Adverse Change means an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to Web.com (whether it becomes public or not) after the date of this deed, and which (individually or when aggregated with other events, occurrences or matters) has or is reasonably likely to have the effect of:

- (a) diminishing the net assets of the Dreamscape Group by 10% or more (calculated in accordance with the audited consolidated accounts of Dreamscape in respect of the half-year ending 31 December 2018); or
- (b) diminishing the annual EBITDA of the Dreamscape Group by 10% or more (calculated on the basis of IFRS in accordance with the the lower end of Dreamscape's FY2019 guidance range as disclosed to ASX on 26 June 2019)),

compared to Dreamscape's consolidated annual financial statements for the year ended 30 June 2018 (in each case determined in accordance with Accounting Standards), other than events, occurrences or matters:

- (c) required to be done or procured by Dreamscape pursuant to this deed or the Scheme;
- (d) to the extent that it was Fairly Disclosed in the Disclosure Letter or the Due Diligence Materials;
- (e) to the extent it was Fairly Disclosed to the ASX before the date of this deed or which may arise from an event, occurrence or matter which was so disclosed;
- (f) to the extent it was actually known to Web.com prior to the date of the deed (which does not include knowledge of the generic risk of an event, matter or circumstance occurring, but does include knowledge of a specific risk of an event, matter or circumstance occurring);
- (g) which Web.com has previously approved in writing;
- (h) directly relating to costs and expenses incurred by Dreamscape associated with the Scheme process, including all fees payable to external advisers of Dreamscape, to the extent such amounts are Fairly Disclosed in the Disclosure Letter or the Due Diligence Materials; or
- (i) which arise from:
 - (i) changes that affect the domain and hosting industry generally;
 - (ii) changes in exchange rates or interest rates;
 - (iii) general economic, political or business conditions, including material adverse changes or major disruptions to, or fluctuations in, domestic or

international financial markets, and acts of terrorism, war (whether or not declared), natural disaster or the like; or

- (iv) changes to accounting standards or policies or the interpretation of them, applicable laws or policies of a Government Agency in Australia.

Material Contracts means any agreement, contract, deed or other arrangement, right or instrument which:

- (a) generates, or is expected to generate, annual revenue for the Dreamscape Group in excess of \$150,000 individually; or
- (b) incurs, or expected to incur, gross annual expenditure for the Dreamscape Group in excess of \$150,000 individually.

New Employment Contract means a new employment agreement between Dreamscape and a Key Management Personnel in a form agreed between Dreamscape and Web.com.

Notice has the meaning given to that term in clause 16.1(a).

Online Data Room means the documents and information (including, for the avoidance of doubt, information and responses to questions or requests for information from Web.com and its Representatives provided by Dreamscape or its Representatives via the "Q&A" function) contained in the Ansarada online data room entitled "Project Excelsior", except in the documents and information in file "04 SitePlus", to which Web.com and its Representatives were given access prior to the date of this deed, an electronic copy of which has been provided to Web.com by Dreamscape or its Representatives on or before the date of this deed.

Prescribed Occurrence means the occurrence of any of the following on or after the date of this deed and before 8.00am on the Second Court Date:

- (a) Dreamscape converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) any member of the Dreamscape Group resolves to reduce its share capital in any way;
- (c) any member of the Dreamscape Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the Dreamscape Group declares, pays or distributes any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital;
- (e) any member of the Dreamscape Group issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option;
- (f) any member of the Dreamscape Group issues, or agrees to issue, convertible notes;

- (g) any member of the Dreamscape Group disposes, or agrees to dispose, of the whole, or a substantial part, of the business or property of the Dreamscape Group;
- (h) any member of the Dreamscape Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property; or
- (i) an Insolvency Event occurs in relation to any member of the Dreamscape Group, provided that a Prescribed Occurrence will not include any matter:
 - (j) required to be done or procured by Dreamscape pursuant to this deed or the Scheme;
 - (k) to the extent it is Fairly Disclosed in filings of Dreamscape with the ASX prior to the date of this deed;
 - (l) to the extent it is Fairly Disclosed in the Disclosure Letter or the Due Diligence Materials;
 - (m) required by law or by an order of a court or Governmental Agency;
 - (n) expressly permitted pursuant to this deed; or
 - (o) the undertaking of which Web.com has previously approved in writing.

Receiving Party has the meaning given to that term in clause 17.2.

Recipient has the meaning given to that term in clause 17.4(c).

Recommendation has the meaning given to the term in clause 6.2(a).

Record Date means, in respect of the Scheme, 5.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Regulatory Approval means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Governmental Agency; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Regulatory Approval Condition means the Condition in clause 3.1(a).

Regulatory Authority means:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;

- (c) any regulatory organisation established under statute; and
- (d) includes the FIRB, the ACCC, ASX, ASIC and the Australian Tax Office.

Related Body Corporate of a person, means a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

Relevant Expense has the meaning given to that term in clause 17.4(e).

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

Relevant Notice has the meaning given to that term in clause 10.6(b)(iv).

Representative of a party includes an employee, agent, officer, director, adviser, partner, joint venturer or sub-contractor of that party.

Rival Acquirer has the meaning given to that term in clause 10.6(a).

RG 60 means Regulatory Guide 60 issued by ASIC.

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Dreamscape and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Schedule 3 or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

Scheme Booklet means the explanatory booklet to be prepared by Dreamscape in respect of the Transaction in accordance with the terms of this deed and to be despatched to Dreamscape Shareholders.

Scheme Consideration means an amount of \$0.27 for each Scheme Share.

Scheme Meeting means the meeting of Dreamscape Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Dreamscape Share on issue as at the Record Date other than any Dreamscape Share then held by an Excluded Shareholder (but including any such Dreamscape Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Splitting means the splitting by a holder of Dreamscape Shares into two or more parcels of Dreamscape Shares whether or not it results in any change in beneficial ownership of the Dreamscape Shares.

Siteplus means Siteplus Pte. Ltd. (CRN 201614837Z), a company incorporated in Singapore.

Siteplus Acquisition means the acquisition by Dreamscape (or a Related Body Corporate of Dreamscape) of all of the issued capital of Siteplus pursuant to the terms of the Siteplus Transaction Documents.

Siteplus EGM Resolutions means resolutions to be put to Dreamscape Shareholders under Listing Rule 10.1 to approve the entry into the Siteplus Option Agreement by Dreamscape.

Siteplus Option Agreement means the option agreement dated on or around the date of this deed, pursuant to which, the Siteplus Vendors shall grant Dreamscape Networks International Pte Ltd (CRN 201814004Z) a call option to acquire 100% of the issued share capital of Siteplus, the grant of which is subject to Dreamscape Shareholders approving the Siteplus EGM Resolutions.

Siteplus Transaction Documents means:

- (a) the Siteplus Option Agreement; and
- (b) the cancellation deeds in respect of Siteplus performance rights between Siteplus and each of:
 - (i) Mr Vitali Cherneha; and
 - (ii) Mr Maksym Dubovenko,

each in the form agreed between the parties at the time of entering into this deed (or such other form agreed between the parties (each acting reasonably)).

Siteplus Vendors means the owners of 100% of the issued share capital of Siteplus.

Standard Tax Condition means any tax-related conditions which are in the form, or substantially in the form, of those set out in Attachment B of FIRB Guidance Note 47 on 'Tax Conditions' (in the form released on 13 August 2018).

Sub Notification has the meaning given to that term in clause 2.1(c).

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the Dreamscape Board determines, acting in good faith and in order to satisfy what the Dreamscape Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Dreamscape Shareholders than the Transaction having regard to matters including consideration, conditionality, funding, certainty and timing.

Supplier has the meaning given to that term in clause 17.4(c).

Timetable means the indicative timetable in relation to the Transaction set out in Schedule 2 with such modifications as may be agreed in writing by the parties.

Transaction means the proposed acquisition by Web.com, in accordance with the terms and conditions of this deed, of all of the Dreamscape Shares (other than the Dreamscape Shares held by an Excluded Shareholder) through the implementation of the Scheme.

Treasurer means the Treasurer of Australia.

Voting Intention has the meaning given to that term in clause 6.2(b).

Web.com Break Fee means an amount equal to \$1,000,000.00.

Web.com Group means Web.com and its Subsidiaries.

Web.com Indemnified Parties means each Authorised Person of a member of the Web.com Group.

Web.com Information means such information regarding Web.com that is provided by or on behalf of Web.com to Dreamscape or the Independent Expert:

- (c) to enable the Scheme Booklet to be prepared and completed in compliance with all applicable laws;
- (d) to enable applications for Regulatory Approvals to be made; and
- (e) otherwise in compliance with Web.com's obligations under clause 5.2(a).

Web.com Sub has the meaning given to that term in clause 2.1(c).

Web.com Warranties means the representations and warranties of Web.com set out in clause 9.1.

1.2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;

- (vi) this deed includes all schedules and attachments to it;
- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
- (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
- (ix) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (x) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and each of them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) a reference to time is to Sydney, Australia time;
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it;
- (k) a reference to a fact, matter, circumstance or thing being **Fairly Disclosed** to a party means disclosed in writing to any of that party or any of its Authorised Persons in good faith and in sufficient detail so as to reasonably apprise a party (or one of its Authorised Persons) as to the nature and scope of the relevant matter, event or circumstance; and
- (l) an obligation imposed by this deed on a party to use reasonable endeavours to ensure that an act or thing occurs or does not occur is to be read as including an obligation on that party to cause its subsidiaries to use reasonable endeavours to ensure that such act or thing occurs or does not occur, as the case may be.

Schedule 2 Indicative Timetable

| Event | Date |
|--|--------------------------------|
| Enter into Scheme Implementation Agreement | 23 July 2019 |
| Lodge Scheme Booklet with ASIC for review and comment | Mid August |
| First Court Date | Late August |
| Scheme Booklet registered with ASIC | Late August |
| Despatch Scheme Booklet to Dreamscape Shareholders | Late August |
| Scheme Meeting | Late September |
| Second Court Date | Late September / early October |
| Effective Date – lodge office copy of Court order approving the Scheme with ASIC | Early October |
| Record Date | Early October |
| Implementation Date: Pay Scheme Considerations to participants in the Scheme. Reconstitute boards of each Dreamscape Group company | Mid October |

Deed of variation

Scheme Implementation Deed

Dreamscape Networks Limited

Web.com Group, Inc.

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Date: 28/08/2019

Parties

- 1 **Dreamscape Networks Limited (ABN 98 612 069 842)** of Level 2, 46-50 Kings Park Road, West Perth WA 6005, Australia (**Dreamscape**)
 - 2 **Web.com Group, Inc.** of 5335 Gate Parkway, Jacksonville, FL United States (**Web.com**)
-

Background

- A The parties are party to a scheme implementation deed dated 23 July 2019 (**Scheme Implementation Deed**).
- B The parties agree to vary the Scheme Implementation Deed as set out in this deed.

The parties agree:

1 Defined terms and interpretation

This deed is to be interpreted in accordance with clause 1 and Schedule 1 of the Scheme Implementation Deed.

2 Variation of Scheme Implementation Deed

2.1 Variation

On the date of this deed, the Scheme Implementation Deed is varied as follows:

- (a) clause 6 is varied by replacing the heading *"Board recommendation"* with *"IBC recommendation"*;
- (b) clauses 5.1(n), 6.1, 6.2, 6.3 and 6.4 are varied by replacing wherever they appear:
 - (i) each reference to *"Dreamscape director"* with *"Dreamscape IBC Member"*, and
 - (ii) each reference to *"Dreamscape Board"* to *"Dreamscape IBC"*;
- (c) Schedule 1 is varied by inserting the following new definitions:

"Dreamscape IBC Member means each member of the Dreamscape IBC, being each of Ng Shin Ein, Evan Cross and Peter James as at the date of this deed."

"Dreamscape IBC means the independent board committed of Dreamscape established in connection with the Transaction."
- (d) clause 2.1(c), insert the words *"or agreement between the parties"* after the words *"written notice to Dreamscape"*; and
- (e) clause 2.1(c), replace *"5 Business Days"* with *"1 Business Day"*.

2.2 Ratification and confirmation

The parties ratify and confirm the Scheme Implementation Deed as varied by this deed.

2.3 Amendments not to affect rights or obligations

Nothing in this deed affects any right or obligation arising under the Scheme Implementation Deed prior to the date of this deed.

3 Nomination of Web.com Sub

Web.com hereby nominates Web.com Aus Bidco Pty Ltd (ACN 635 836 298) as "Web.com Sub" under clause 2.1(c) of the Scheme Implementation Deed, and Dreamscape accepts such nomination for all purposes of the Scheme Implementation Deed.

4 General

4.1 Counterparts

This deed may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

4.2 Entire agreement

This deed, together with the Scheme Implementation Deed, is the entire agreement between the parties about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.

4.3 Further assurances

Except as expressly provided in this deed, each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

4.4 Governing law

- (a) This deed is governed by the laws of Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

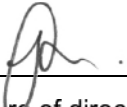
4.5 Variation

No variation of this deed is effective unless made in writing and signed by each party.

Execution page

Executed as a deed.

Signed by **Dreamscape Networks Limited** in
accordance with section 127 of the *Corporations*
Act 2001 (Cth) by:



Signature of director

Evan Cross

Name of director (print)




Signature of director/secretary

Tony Sparks

Name of director/secretary (print)

Signed by **Web.com Group, Inc.** in the presence
of:



Signature of witness

Jeffrey S. Neace

Name of witness (print)



Signature of authorised signatory

Christina L. Clohecy

Name of authorised signatory (print)

Scheme of arrangement

Dreamscape Networks Limited

Each person who holds one or more Scheme Shares

Agreed form

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Date:

Parties

- 1 **Dreamscape Networks Limited (ABN 98 612 069 842)** of Level 2, 46-50 Kings Park Road, West Perth WA 6005, Australia (**Dreamscape**)
 - 2 Each person who holds one or more Scheme Shares (**Scheme Shareholders**)
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Preliminary matters

- (a) Dreamscape is a public company limited by shares and is admitted to the official list of ASX.
- (b) As at *[insert date]*, Dreamscape had on issue or had granted (as applicable):
 - (i) [388,846,666] Dreamscape Shares;
 - (ii) [806,666] Dreamscape Performance Rights; and
 - (iii) Dreamscape Options, comprising of:
 - (A) [2,814,900] options exercisable at \$0.25 on or before 31 December 2019;
 - (B) [11,000,000] options exercisable at \$0.25 on or before 30 June 2020;
 - (C) [8,250,000] options exercisable at \$0.35 on or before 30 June 2021; and
 - (D) [6,750,000] options exercisable at \$0.45 on or before 30 June 2022.
- (c) Web.com Group, Inc. is a U.S. company established in Delaware.

- (d) [insert name] (**Web.com Sub**) is a proprietary company limited by shares incorporated in Singapore. Web.com Sub is a wholly-owned subsidiary of Web.com.
- (e) On 23 July 2019, Web.com and Dreamscape entered into the Scheme Implementation Deed pursuant to which, amongst other things, Dreamscape has agreed to propose this Scheme to the Scheme Shareholders, and each of Dreamscape and Web.com have agreed to take certain steps to give effect to this Scheme.
- (f) If this Scheme becomes Effective, then all the Scheme Shares and all of the rights and entitlements attaching to them on the Implementation Date will be transferred to Web.com Sub, and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Scheme.
- (g) Web.com Sub has entered into the Deed Poll for the purposes of covenanting in favour of Scheme Shareholders to perform all actions attributed to it under this Scheme.

3 Conditions

3.1 Conditions to this Scheme

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following:

- (a) as at 8.00am on the Second Court Date, each of the conditions set out in clause 3.1 of the Scheme Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(b) of the Scheme Implementation Deed) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- (b) as at 8.00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll have been terminated in accordance with their terms;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act either unconditionally or subject to any alternations or conditions made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by Web.com and Dreamscape;
- (d) such conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme, and that are agreed to by Web.com and Dreamscape, have been satisfied or waived; and
- (e) the coming into effect of the Scheme Order, in accordance with section 411(10) of the Corporations Act, on or before the End Date.

3.2 Certificate

Dreamscape will provide to the Court on the Second Court Date certificates signed by Web.com and Dreamscape (or such other evidence as the Court requests) stating whether or not the conditions to this Scheme (other than the conditions in clauses 3.1(c) to 3.1(e) above and the condition in clause 3.1(b) of the Scheme Implementation Deed) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed as at 8.00am on the Second Court Date.

4 The Scheme

- (a) Subject to clause 3.1, this Scheme takes effect for all purposes on and from the Effective Date.
- (b) This Scheme will lapse and be of no further force or effect if:
 - (i) the Effective Date has not occurred on or before the End Date; or
 - (ii) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms unless Dreamscape and Web.com otherwise agree in writing.

5 Implementation of the Scheme

5.1 Lodgement of Scheme Order with ASIC

If the conditions in clauses 3.1(a) to 3.1(d) are satisfied or waived, Dreamscape must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order approving this Scheme as soon as possible after, and in any event by 5.00pm on the first Business Day after, the day on which the Court approves this Scheme.

5.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, the following actions will occur (in the order set out below):

- (a) Web.com Sub will deposit (or procure the deposit of) the Scheme Consideration in the manner contemplated by clause 6.2(a); and
- (b) on the Implementation Date:
 - (i) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Web.com Sub, without the need for any further act by any Scheme Shareholder (other than acts performed by Dreamscape as attorney and agent for Scheme Shareholders under clause 9) by:
 - (A) Dreamscape delivering to Web.com Sub a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Dreamscape; and
 - (B) Web.com Sub duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Dreamscape for registration; and
 - (ii) immediately following receipt of the Scheme Transfer in accordance with clause 5.2(b)(i)(B) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), Dreamscape must enter, or procure the entry of, the name of Web.com Sub in the Register in respect of all the Scheme Shares transferred to Web.com Sub in accordance with this Scheme.

6 Scheme Consideration

6.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, on the Implementation Date, in consideration for the transfer to Web.com Sub of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration in respect of each of their Scheme Shares.

6.2 Provision of Scheme Consideration

- (a) Web.com Sub must, by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to the Scheme Shareholders in an Australian dollar denominated trust account operated by or on behalf of Dreamscape as trustee of the Scheme Shareholders (the **Trust Account**) provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Web.com Sub's account.
- (b) Subject to Web.com Sub having complied with clause 6.2(a), Dreamscape must, on the Implementation Date and from the Trust Account, pay or procure the payment to each Scheme Shareholder the Scheme Consideration attributable to that Scheme Shareholder, based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date.
- (c) Dreamscape's obligation under clause 6.2(b) will be satisfied by Dreamscape:
 - (i) where a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Dreamscape Share Registry to receive dividend payments from Dreamscape by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Shareholder by prepaid post to their address shown in the Dreamscape Register as at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 6.3), for the relevant amount.
- (d) If, following satisfaction of Web.com Sub's obligations under clause 6.2(a) but prior to the occurrence of all of the events described in clause 5, this Scheme lapses under clause 4(b):
 - (i) Dreamscape must immediately repay (or cause to be repaid) to or at the direction of Web.com Sub the funds that were deposited in the Trust Account plus any interest on the amounts deposited (less bank fees and other charges);
 - (ii) the obligation to transfer Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, to Web.com Sub under clause 5 will immediately cease;
 - (iii) Web.com Sub must return the Scheme Transfers, if provided pursuant to clause 5; and

- (iv) Dreamscape is no longer obliged to enter, or procure the entry of, the name of Web.com Sub in the Dreamscape Register in accordance with clause 5.

6.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Dreamscape Register on the Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Dreamscape Register as at the Record Date.

6.4 Unclaimed monies

- (a) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1990* (WA)).
- (b) Dreamscape may cancel a cheque issued under this clause 6.2(c) if the cheque:
 - (i) is returned to Dreamscape; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (c) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Dreamscape (or the Dreamscape Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Dreamscape must reissue a cheque that was previously cancelled under this clause 6.4.

6.5 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Dreamscape's obligations under the other provisions of clause 5 and this clause 6 and provided Web.com Sub has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Dreamscape (or the Dreamscape Share Registry on Dreamscape's behalf) to Web.com Sub.

6.6 Orders of a Court or Governmental Agency

- (a) If written notice is given to Dreamscape (or the Dreamscape Share Registry) of an order or direction made by a court or Governmental Agency that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Dreamscape in accordance with clause 5, then Dreamscape shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

- (ii) prevents Dreamscape from providing consideration to any particular Scheme Shareholder in accordance with clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Dreamscape shall be entitled to (as applicable) retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration in accordance with clause 5 as permitted by that (or another) court or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 6.6(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

7 Dealings in Dreamscape Shares

7.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Dreamscape Shares or other alterations to the Dreamscape Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Dreamscape Register as the holder of the relevant Dreamscape Shares on or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the 5.00pm on the Record Date at the place where the Dreamscape Register is kept,

and Dreamscape must not accept for registration, nor recognise for any purpose (except a transfer to Web.com Sub pursuant to this Scheme and any subsequent transfer by Web.com Sub or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2 Register

- (a) Dreamscape must register all registrable transmission applications or transfers of the Scheme Shares in accordance with clause 7.1(b) on or before the Record Date.
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Dreamscape shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Dreamscape must maintain the Dreamscape Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Dreamscape Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Dreamscape Shares (other than statements of holding in favour of Web.com Sub) will cease to have effect after the Record Date as

documents of title in respect of those shares and, as from the Record Date, each entry on the Register (other than entries on the Register in respect of Web.com Sub and subsequent transferees) will cease to have effect, except as evidence of entitlement to the Scheme Consideration in respect of the Dreamscape Shares relating to that entry.

- (e) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, Dreamscape will ensure that details of the names, registered addresses and holdings of Dreamscape Shares for each Scheme Shareholder as shown in the Dreamscape Register as at the Record Date are available to Web.com Sub in the form Web.com Sub reasonably requires.

8 Quotation of Dreamscape Shares

- (a) Dreamscape will ensure that ASX suspends trading of Dreamscape Shares on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Web.com, Dreamscape will apply:
 - (i) to the ASX for termination of the official quotation of Dreamscape Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

9 General Scheme provisions

9.1 Appointment of agent and attorney

- (a) On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints Dreamscape as its agent and attorney for the purposes of:
 - (i) executing and delivering any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Share Transfer; and
 - (ii) enforcing the Deed Poll against Web.com Sub,and Dreamscape accepts such appointment.
- (b) Dreamscape, as agent and attorney of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

9.2 Enforcement of Deed Poll

Dreamscape undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Web.com Sub (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

9.3 Scheme Shareholders' agreements

Under this Scheme:

- (a) each Scheme Shareholder irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Web.com Sub in accordance with the terms of this Scheme;
- (b) each Scheme Shareholder irrevocably agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) each Scheme Shareholder irrevocably acknowledges that this Scheme binds Dreamscape and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Dreamscape; and
- (d) each Scheme Shareholder irrevocably consents to Dreamscape and Web.com Sub doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme,

without the need for any further act by that Scheme Shareholder.

9.4 Warranty by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Web.com Sub, and to the extent enforceable, to have appointed and authorised Dreamscape as that Scheme Shareholder's agent and attorney to warrant to Web.com Sub, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Web.com Sub pursuant to this Scheme, be fully paid and free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
 - (ii) they have full power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares, to Web.com Sub.
- (b) Dreamscape undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Web.com Sub on behalf of that Scheme Shareholder.

9.5 Title to Scheme Shares

- (a) Immediately upon deposit of the Scheme Consideration in accordance with clause 6.2(a), Web.com Sub will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Dreamscape of Web.com Sub in the Dreamscape Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Web.com Sub will, at the time of transfer of them to Web.com Sub, vest in Web.com Sub free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

9.6 Appointment of sole proxy

Immediately upon deposit of the Scheme Consideration in accordance with clause 6.2(a), and until Dreamscape registers Web.com Sub as the holder of all Scheme Shares in the Dreamscape Register, each Scheme Shareholder:

- (a) is deemed to have appointed Web.com Sub as attorney and agent (and directed Web.com Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Web.com Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) acknowledges that no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.6(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Web.com Sub reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred in clause 9.6(a), Web.com Sub and any director, officer, secretary or agent nominated by Web.com Sub under that clause may act in the best interests of Web.com Sub as the intended registered holder of the Scheme Shares.

9.7 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Dreamscape, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Dreamscape's registered office or at the Dreamscape Share Registry as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Dreamscape Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.8 Inconsistencies

This Scheme binds Dreamscape and all Dreamscape Shareholders, and to the extent of any inconsistency, overrides the Dreamscape constitution.

9.9 No liability when acting in good faith

None of Web.com, Web.com Sub, Dreamscape nor any director, officer, secretary or employee of Dreamscape will be liable for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

9.10 Further assurance

Dreamscape will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

9.11 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Dreamscape may, by its counsel on behalf of all persons concerned, consent to only such of those conditions or alterations to this Scheme to which Web.com has consented.

9.12 Stamp Duty

Web.com Sub will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Web.com Sub.

9.13 Governing Law

- (a) This Scheme is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

Schedule 1 Dictionary

1 Dictionary

In this deed:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales or Perth, Western Australia.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Federal Court of Australia (Perth registry) or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll dated [*insert date*] under which Web.com Sub covenants in favour of the Scheme Shareholders to perform all actions attributed to it under this Scheme.

Dreamscape Option means an option conferring on its holder the right, but not the obligation, to acquire a Dreamscape Share.

Dreamscape Performance Right means a right to be issued a Dreamscape Share.

Dreamscape Register means the register of members of Dreamscape maintained by or on behalf of Dreamscape in accordance with section 168(1) of the Corporations Act.

Dreamscape Share means a fully paid ordinary share in the capital of Dreamscape.

Dreamscape Shareholder means each person who is registered in the Dreamscape Register as a holder of Dreamscape Shares.

Dreamscape Share Registry means Computershare Investor Services Pty Limited or any replacement provider of share registry services to Dreamscape.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the later of:

- (a) the date that is 180 calendar days after the date of the Scheme Implementation Deed;

- (b) if a Regulatory Approval Condition has not been satisfied prior to the date referred to in sub-paragraph (a) immediately above – a further 30 calendar days after the end of 180 calendar days after the date of this deed; and
- (c) such other date and time agreed in writing between Web.com and Dreamscape.

Excluded Shareholder means any Saratoga Shareholder who is a member of the Web.com Group.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, Australian Competition and Consumer Commission, Australian Taxation Office, Foreign Investment Review Board, ASIC, ASX and any regulatory organisation established under statute or any stock exchange.

Implementation Date means the fifth Business Day, or such other Business Day as Web.com and Dreamscape agree, following the Record Date.

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

Record Date means, in respect of this Scheme, 7.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Regulatory Approval Condition has the meaning given to it in the Scheme Implementation Deed.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Dreamscape and the Dreamscape Shareholders as set out in this document together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by Web.com and Dreamscape.

Scheme Consideration means an amount of \$0.27 for each Scheme Share.

Scheme Implementation Deed means the scheme implementation deed dated 23 July 2019 between Web.com and Dreamscape, as amended or varied from time to time.

Scheme Meeting means the meeting of Dreamscape Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any adjournment or postponement of that meeting.

Scheme Order means the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Share means a Dreamscape Share on issue as at the Record Date other than any Dreamscape Share then held by an Excluded Shareholder (but including any such Dreamscape Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means each person who holds one or more Scheme Shares.

Scheme Transfer means, in relation to each Scheme Shareholder, a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

takes effect or taking effect means on and from the first time when an office copy of the Scheme Order approving the Scheme pursuant to section 411(4)(b) of the Corporations Act is lodged with ASIC pursuant to section 411(10) of the Corporations Act.

Trust Account has the meaning given in clause 6.2(a).

Web.com means Web.com Group, Inc of 5335 Gate Parkway, Jacksonville, FL 32256, United States.

Web.com Group means Web.com and its Subsidiaries (excluding, at any time, Dreamscape and its Subsidiaries).

2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Scheme;
 - (vi) this Scheme includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;

- (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
- (ix) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (x) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and each of them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) a reference to time is to Sydney, Australia time; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.

Schedule 4 Deed Poll

Deed poll

[insert full name of Web.com Sub]

in favour of each Scheme Shareholder

Agreed form

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Date:

Parties

This deed poll is made by:

Name [insert full name of Web.com Sub]
Short name **Web.com Sub**
Address [insert]

in favour of each Scheme Shareholder.

Background

- A Web.com and Dreamscape Networks Limited (**Dreamscape**) have entered into a scheme implementation deed with respect to the Scheme and associated matters (**Scheme Implementation Deed**). Under the terms of the Scheme Implementation Deed, Web.com has nominated Web.com Sub to acquire the Scheme Shares under the Scheme.
- B The effect of the Scheme will be to transfer all Scheme Shares to Web.com Sub in exchange for the Scheme Consideration.
- C Web.com Sub is entering into this deed poll to covenant in favour of the Scheme Shareholders that it will perform all actions attributed to it under the Scheme.

The parties agree:

1 Defined terms and interpretation

1.1 Defined terms

In this deed poll, unless otherwise defined, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Dreamscape and Scheme Shareholders in respect of all Scheme Shares (**Scheme**).

1.2 Interpretation

In this deed poll, headings are for convenience only and do not affect its interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to any document (including the Scheme) is to that document as varied, novated, ratified or replaced; and
- (c) a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule.

1.3 Nature of deed poll

Web.com Sub acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Dreamscape and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Web.com Sub on behalf of that Scheme Shareholder.

2 Condition precedent and termination

2.1 Condition precedent to obligations of the Scheme

The obligations of Web.com Sub under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Web.com Sub under this deed poll will automatically terminate, and the terms of this deed poll will be of no force or effect, if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Web.com Sub are released from its obligations to further perform this deed poll, except those obligations under clause 6.7 which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against Web.com Sub in respect of any breach of this deed poll which occurs before it is terminated.

3 Scheme obligations

Subject to clause 2, Web.com Sub covenants in favour of each Scheme Shareholder to:

- (a) by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds an amount equal to the aggregate Scheme Consideration payable to the Scheme Shareholders in an Australian dollar denominated trust account operated by or on behalf of Dreamscape as trustee of the Scheme Shareholders, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Web.com Sub's account;
- (b) perform all actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme; and

- (c) to comply with its obligations under the Scheme Implementation Deed, in so far as that deed relates to the Scheme, and do all things necessary or expedient on its part to implement the Scheme.

4 Warranties

Web.com Sub represents and warrants with respect to itself in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) the execution and performance of this deed poll and each transaction contemplated by this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Web.com Sub has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 General

6.1 Notices

Any notice or other communication to Web.com Sub in respect of this deed poll (**Notice**):

- (a) is only effective if:
 - (i) it is in writing, signed by the person making the communication or by a person duly authorised by that person;
 - (ii) it is directed to the recipient's address for notices as follows:

Address: 5335 Gate Parkway, Jacksonville, FL 32256, United States
E-mail: jneace@web.com
Attn: Jeff Neace (General Counsel)

with a copy to Siris Capital Group, LLC:

Address: 601 Lexington Avenue, 59th Floor, New York, NY 10022 United States

E-mail: sipprelle@siris.com
Attn: Tyler Sipprelle (Vice President)

with a copy to Gilbert + Tobin:

Address: Level 35, Tower 2, International Towers Sydney,
200 Barangaroo Avenue, Barangaroo, NSW 2000
E-mail: adandreti@gtlaw.com.au and kko@gtlaw.com.au
Attn: Adam D'Andreti and Kevin Ko

with a copy to Sidley Austin LLP:

Address: 1999 Avenue of the Stars, 17th Floor, Los Angeles, CA 90067,
United States
E-mail: vsekhn@sidley.com
Attn: Vijay S. Sekhon

- (b) takes effect when received (or at a later time specified in it), and is taken to be received:
 - (i) if hand delivered, on delivery;
 - (ii) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from outside Australia);
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery;
or
 - (B) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 6.1(b)(i) or 6.1(b)(ii) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

6.2 Governing law

- (a) This deed poll is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

6.3 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right, power or remedy does not prevent another or further exercise of that or another right,

power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

6.4 Variation

This deed poll may not be varied unless:

- (a) if before the First Court Date (as defined in the Scheme Implementation Deed), the variation is agreed to by Dreamscape; or
- (b) if on or after the First Court Date but before the Second Court Date (both as defined in the Scheme Implementation Deed), the variation is agreed to by Dreamscape and the Court indicates that the variation would not of itself preclude approval of the Scheme; or
- (c) if on or after the Second Court Date (as defined in the Scheme Implementation Deed), the variation is agreed to by Saratoga and is approved by the Court,

in which event Web.com Sub will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.5 Cumulative rights

The rights, powers and remedies of Web.com Sub and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.6 Assignment

The rights created by this deed poll are personal to Web.com Sub and each Scheme Shareholder and may only be assigned with the prior written consent of Web.com Sub.

6.7 Stamp duty

Web.com Sub must pay any stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll.

6.8 Further assurances

Web.com Sub must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

Execution page

Executed as a **deed poll**.

Executed by **[insert full name of Web.com Sub]**
in the presence of:

Signature of witness

Signature of authorised signatory

Name of witness (print)

Name of authorised signatory (print)

Schedule 5 Option Consideration

| Class of Dreamscape Options | Number of Dreamscape Options | Dreamscape Option Consideration |
|--|------------------------------|---------------------------------|
| Dreamscape Options exercisable at \$0.25 on or before 31 December 2019 | 2,814,900 | \$0.02 per option |
| Dreamscape Options exercisable at \$0.25 on or before 30 June 2020 | 11,000,000 | \$0.02 per option |
| Dreamscape Options exercisable at \$0.35 on or before 30 June 2021 | 8,250,000 | \$0.0097 per option |
| Dreamscape Options exercisable at \$0.45 and expiring 30 June 2022 | 6,750,000 | \$0.0119 per option |

Schedule 6 Dreamscape Option Cancellation Deed



OPTION CANCELLATION DEED

Web.com Group, Inc.

Dreamscape Networks Limited

The party described in item 1 of schedule 1

EXECUTION VERSION

Level 31, Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box Z5470
Perth WA 6831
Australia
DX 130 Perth
T +61 8 6467 6000
F +61 8 6467 6001

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DETAILS

Date 2019

Parties

Web.com
WEB.COM GROUP, INC. of 5335 Gate Parkway, Jacksonville, FL United States

Dreamscape
DREAMSCAPE NETWORKS LIMITED (ABN 98 612 069 842) of Level 2, 46-50 Kings Park Road, West Perth WA 6005, Australia

Option Holder
The party described in item 1 of schedule 1

BACKGROUND

- A The Option Holder is the holder of the Dreamscape Options.
- B On or around the date of this Deed, Web.com and Dreamscape entered into the Scheme Implementation Deed under which Web.com agreed, subject to the satisfaction of certain conditions precedent, to acquire all the ordinary shares in Dreamscape, pursuant to the Scheme.
- C The Option Holder has agreed, subject to the Scheme becoming Effective and on and subject to the terms and conditions of this Deed, that the Dreamscape Options will be cancelled, in exchange for the Consideration.

AGREED TERMS

1. DEFINED TERMS AND INTERPRETATION

- 1.1 In this Deed, unless expressly stated otherwise:

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it known as the 'Australian Securities Exchange'.

Business Day means a day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney, New South Wales or Perth, Western Australia.

Claim means a claim, action, proceeding or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Consideration means the amount payable for each Relevant Dreamscape Option in item 3 of schedule 1.

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

Court means the Federal Court of Australia (Perth registry) or such other court of competent jurisdiction under the Corporations Act as Web.com and Dreamscape may agree in writing.

Deal, in relation to a Dreamscape Option, means to sell, assign, transfer, grant an Encumbrance over, exercise or otherwise dispose of, or agree or offer to do the same, in relation to that Dreamscape Option or any legal, beneficial or economic interest in that Dreamscape Option and Dealt should have a corresponding meaning.

Deed means this Option Cancellation Deed.

Dreamscape Options means all of the options held by the Option Holder, conferring the right on the Option Holder to be issued one Dreamscape Share for each option, being at the date of this Deed that number of Dreamscape Options held by the Option Holder set out in item 2 of schedule 1.

Dreamscape Share means a fully paid ordinary share in the capital of Dreamscape.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means a security for payment of money, performance of an obligation or protection against default, including a 'security interest' (as defined in the *Personal Property Securities Act 2009* (Cth)), bill of sale, mortgage, charge, lien, pledge, trust, power, title retention arrangement, right of set-off, profit a prendre, assignment of income, garnishee order, monetary claim or flawed deposit arrangement.

End Date means the date that is six months after the date of the Scheme Implementation Deed or such later date as Web.com and Dreamscape agree in writing.

Excluded Shareholder means any holder of Dreamscape Shares who is Web.com or an associate of Web.com.

GST Law means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Date means the means the fifth Business Day after the Record Date or such other day as Web.com and Dreamscape agree in writing.

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

Relevant Dreamscape Options means all Dreamscape Options which are held by the Option Holder at the Implementation Date, conferring the right on the Option Holder to be issued one Dreamscape Share for each Dreamscape Option.

Restraint Period means the period commencing on the date that this Deed is executed by the party which executes it last in time and ending on the earlier of the termination of this Deed and the termination of the Scheme Implementation Deed.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Dreamscape and the Scheme Shareholders, in the form of Schedule 3 to the Scheme Implementation Deed, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Implementation Deed means the Scheme Implementation Deed between Web.com and Dreamscape dated on or around the date of this Deed.

Record Date means 5.00pm on the fifth Business Day after the Effective Date of the Scheme.

Scheme Shareholder means a holder of one or more Dreamscape Shares, as shown in the register of members maintained by (or on behalf of) Dreamscape in accordance with the Corporations Act as at the Record Date (other than an Excluded Shareholder).

Second Court Date has the meaning given in the Scheme Implementation Deed.

Subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Interpretation

1.2 In this Deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this Deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Deed;
 - (vi) this Deed includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable securities exchange and is a reference to that law as amended, consolidated or replaced; and
 - (viii) an agreement other than this Deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and

- (ix) any time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (g) an agreement on the part of two or more persons binds them jointly and severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Deed or any part of it; and
- (j) a reference to '\$' or 'dollar' is to Australian currency.

1.3 A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in clause 1.1, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in clause 1.1, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in clause 1.1 or the Corporations Act, has the meaning given to it in the GST Law.

1.4 If the doing of any act, matter or thing under this Deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

2. DEALINGS IN DREAMSCAPE OPTIONS

2.1 The Option Holder must not Deal with a Dreamscape Option during the Restraint Period without the prior written consent of Web.com, unless expressly permitted to do so under this Deed.

3. APPROVALS AND ASSISTANCE

ASX approvals

3.1 Dreamscape must, between the date of this Deed and the Implementation Date:

- (a) seek all ASX approvals, confirmations or waivers necessary for the parties to undertake and effect the transactions under this Deed without first obtaining Dreamscape shareholder approval, including a waiver of any requirement under rule 6.23 of the Listing Rules to obtain the approval of Dreamscape shareholders; and
- (b) if required, seek all necessary Dreamscape shareholder approvals,

for the purposes of enabling the cancellation of Dreamscape Options under this Deed.

Assistance

- 3.2 Web.com and the Option Holder must, between the date of this Deed and the Implementation Date, provide Dreamscape, upon request, with all assistance and information that Dreamscape reasonably requires for the purpose of seeking the approvals under clause 3.1.

4. CANCELLATION OF DREAMSCAPE OPTIONS

Transactions

- 4.1 The Option Holder agrees to the cancellation of the Relevant Dreamscape Options on and subject to the terms and conditions of this Deed.
- 4.2 Web.com must provide, or procure the provision of, the Consideration into a trust account operated by Dreamscape as trustee for the Option Holder by no later than the Business Day before the Implementation Date (provided that any interest on the amount so deposited (less bank fees and other charges) will accrue for the benefit of Web.com). Dreamscape will provide, or procure the provision of, the Consideration from the trust account to the Option Holder, as consideration for the cancellation of the Relevant Dreamscape Options, on the Implementation Date under this Deed.

Cancellation and release

- 4.3 With effect on and from the Implementation Date, all rights and obligations pertaining to or under the Relevant Dreamscape Options are irrevocably cancelled and extinguished without the need for any further act by the Option Holder, and the Option Holder:
- (a) releases Dreamscape from all its obligations in relation to the Relevant Dreamscape Options;
 - (b) releases and waives any and all rights, including in relation to any Claims, the Option Holder may have had (including to be issued Dreamscape Shares) in relation to the Relevant Dreamscape Options;
 - (c) must deliver to Dreamscape all option certificates or other indicia of ownership relating to the Relevant Dreamscape Options (if any), so that such option certificates and other indicia of ownership can be cancelled;
 - (d) agrees that all option certificates relating to the Relevant Dreamscape Options (if any) which the Option Holder has not forwarded to Dreamscape for cancellation by Dreamscape cease to have any value or be of any effect;
 - (e) authorises Dreamscape to update the register of holders of options in Dreamscape by recording the cancellation and extinguishment of the Relevant Dreamscape Options; and
 - (f) agrees that this Deed may be pleaded as a bar to any Claim against Dreamscape in connection with the Relevant Dreamscape Options.

Conditions precedent

- 4.4 The obligations of the parties under clauses 4.1 to 4.2 and 4.3 are conditional upon the following conditions precedent being satisfied (or waived in accordance with clause 4.5):
- (a) the Scheme becoming Effective;
 - (b) the approvals, confirmations or waivers under clause 3.1 required for the parties to undertake the actions in clauses 4.1 to 4.2 and 4.3 being obtained on or before 8.00am on the Second Court Date; and
 - (c) the Option Holder not having Dealt with the Dreamscape Options contrary to this Deed.
- 4.5 Each party has the benefit of the conditions precedent in clauses 4.4(a) and 4.4(b), and any non-fulfilment of those conditions precedent can only be waived with the written consent of each of the parties.
- 4.6 Web.com has the benefit of the condition precedent in clause 4.4(c) and any non-fulfilment of that condition precedent can only be waived by written notice of Web.com to the other parties.

Termination

- 4.7 A party entitled to the benefit of a condition precedent in clause 4.4 may terminate this Deed by giving not less than two Business Days written notice to the other parties if that condition precedent is not satisfied or waived in accordance with clause 4.5 or 4.6 by the time specified in clause 4.4 for satisfaction of that condition precedent or if no such time is specified, the End Date, and provided that the terminating party is not in material breach of a material obligation under this Deed.
- 4.8 If the Scheme Implementation Deed is validly terminated in accordance with its terms, this Deed will terminate and be of no further force or effect.

5. REPRESENTATIONS AND WARRANTIES

- 5.1 The Option Holder represents and warrants Web.com and Dreamscape, as at the date of this Deed and immediately prior to the cancellation of the Relevant Dreamscape Options under this Deed (or such other date specified below), that:
- (a) the Option Holder has the power and lawful authority to enter into and perform this Deed and that this Deed constitutes a legal, valid and binding obligation on the Option Holder;
 - (b) at the date of this Deed, the Option Holder is the legal and beneficial owner of the Dreamscape Options set out in item 2 of schedule 1;
 - (c) the Dreamscape Options are not subject to any Encumbrances; and
 - (d) at the date of this Deed, other than the Dreamscape Options and any options, performance rights or other rights to subscribe for or to be issued Dreamscape Shares specified in item 2 of schedule 1, the Option Holder does not hold or have an interest

in any option, Dreamscape Options or other rights to subscribe for or to be issued Dreamscape Shares.

6. CHANGE TO SCHEME CONSIDERATION

- 6.1 If there is a change to the consideration being offered to Scheme Shareholders under the Scheme, Dreamscape undertakes to negotiate in good faith with the Option Holder in relation to a change to the Consideration which generally accords with the change to the consideration offered to Scheme Shareholders under the Scheme and applies the same methodology used in calculating the Consideration.

7. MISCELLANEOUS PROVISIONS

Governing law and jurisdiction

- 7.1 This Deed is governed by the laws of the State of Western Australia.
- 7.2 Each party submits to the non-exclusive jurisdiction of the courts of the State of Western Australia, the Federal Court of Australia and the Federal Circuit Court of Australia (as applicable).

Variation

- 7.3 The parties can vary this Deed only if the variation is in writing and signed by each of the parties.

Assignment, novation or transfer

- 7.4 A party must obtain the prior written consent of the each other party before it transfers, assigns or novates a right or obligation under this Deed and any purported transfer, assignment or novation without such consent is void.

Severance

- 7.5 If any provision of this Deed is invalid, illegal or unenforceable, that provision must be severed from and ignored in the interpretation of this Deed to the minimum extent necessary and to the intent that the remaining provisions of this Deed remain in full force and effect.

Further assurances

- 7.6 The Option Holder agrees to do all things and execute all deeds, instruments or other documents that Web.com or Dreamscape consider to be necessary or desirable to give effect to the provisions of this Deed and the transactions contemplated by it.

Entire agreement

- 7.7 This Deed constitutes the entire agreement between the parties and supersedes all previous discussions, undertakings and agreements in relation to the subject matter of this Deed.

Costs and transfer duty

- 7.8 All transfer duty or duty (including fines, penalties and interest) that may be payable on or in relation to this Deed or any instrument executed under this Deed must be borne by Web.com.

Counterparts and commencement

- 7.9 This Deed may be executed in any number of counterparts which taken together are one and the same document.
- 7.10 This Deed is binding on the Parties on the exchange of counterparts.
- 7.11 A copy of an entire signed counterpart sent by facsimile or email must be treated as an original counterpart.
- 7.12 This Deed comes into effect upon the later of:
- (a) the time that this Deed is executed by the party that executes last in time; and
 - (b) the exchange of counterparts of the Deed under clauses 7.9 to 7.12.

Agent and attorney

- 7.13 With effect from the Effective Date, the Option Holder irrevocably appoints Web.com and each of its directors from time to time, jointly and severally, as the Option Holder's agent and attorney to do or perform on the Option Holder's behalf such actions as may be appropriate in order to cancel the Relevant Dreamscape Options on the Implementation Date, including signing or execution of any agreements, deeds or other documents.

Confidentiality

- 7.14 The Option Holder agrees to keep this Deed confidential until Web.com has announced the terms of the Scheme Implementation Deed and the terms of this agreement to ASX.

SCHEDULE 1: OPTION HOLDER, DREAMSCAPE OPTIONS AND CONSIDERATION

| Item | Defined term | Details |
|-------------|---------------------|---|
| 1. | Option Holder | Name: <i>[insert Option Holder]</i> Address: <i>[insert]</i> |
| 2. | Dreamscape Options | <i>[insert number and terms]</i> |
| 3. | Consideration | <i>[insert agreed amount]</i> |

Executed as a deed by **Dreamscape Networks Limited** accordance with s127 of the Corporations Act 2001 (Cth):

.....
Signature of director

.....
Signature of director/company secretary

.....
Name of director (print)

.....
Name of director/company secretary
(print)

Executed by **Web.com Group, Inc.** in the presence of:

.....
Signature of witness

.....
Signature of authorised signatory

.....
Name of witness (print)

.....
Name of authorised signatory (print)

Signed, sealed and delivered by [**Option Holder**] in the presence of:

.....
Signature of witness

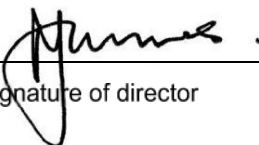
.....
Signature of [**Option Holder**]

.....
Name of witness (print)

Execution page

Executed as a deed.

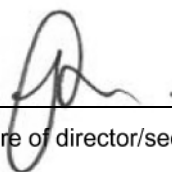
Signed by **Dreamscape Networks Limited** in
accordance with section 127 of the *Corporations
Act 2001* (Cth) by:



Signature of director

Peter James

Name of director (print)



Signature of director/secretary

Evan Cross

Name of director/secretary (print)

Signed by **Web.com Group, Inc.** in the presence
of:

Norma C. Wheeler

Signature of witness

Norma C. Wheeler

Name of witness (print)

Christina L Clohec

Signature of authorised signatory

Christina Clohec

Name of authorised signatory (print)

ANNEXURE 3 - SCHEME

Scheme of arrangement

Dreamscape Networks Limited

Each person who holds one or more Scheme Shares

Agreed form

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Date:

Parties

- 1 **Dreamscape Networks Limited (ABN 98 612 069 842)** of Level 2, 46-50 Kings Park Road, West Perth WA 6005, Australia (**Dreamscape**)
 - 2 Each person who holds one or more Scheme Shares (**Scheme Shareholders**)
-

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Preliminary matters

- (a) Dreamscape is a public company limited by shares and is admitted to the official list of ASX.
- (b) As at *[insert date]*, Dreamscape had on issue or had granted (as applicable):
 - (i) [388,846,666] Dreamscape Shares;
 - (ii) [806,666] Dreamscape Performance Rights; and
 - (iii) Dreamscape Options, comprising of:
 - (A) [2,814,900] options exercisable at \$0.25 on or before 31 December 2019;
 - (B) [11,000,000] options exercisable at \$0.25 on or before 30 June 2020;
 - (C) [8,250,000] options exercisable at \$0.35 on or before 30 June 2021; and
 - (D) [6,750,000] options exercisable at \$0.45 on or before 30 June 2022.
- (c) Web.com Group, Inc. is a U.S. company established in Delaware.

- (d) [insert name] (**Web.com Sub**) is a proprietary company limited by shares incorporated in Singapore. Web.com Sub is a wholly-owned subsidiary of Web.com.
- (e) On 23 July 2019, Web.com and Dreamscape entered into the Scheme Implementation Deed pursuant to which, amongst other things, Dreamscape has agreed to propose this Scheme to the Scheme Shareholders, and each of Dreamscape and Web.com have agreed to take certain steps to give effect to this Scheme.
- (f) If this Scheme becomes Effective, then all the Scheme Shares and all of the rights and entitlements attaching to them on the Implementation Date will be transferred to Web.com Sub, and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Scheme.
- (g) Web.com Sub has entered into the Deed Poll for the purposes of covenanting in favour of Scheme Shareholders to perform all actions attributed to it under this Scheme.

3 Conditions

3.1 Conditions to this Scheme

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following:

- (a) as at 8.00am on the Second Court Date, each of the conditions set out in clause 3.1 of the Scheme Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(b) of the Scheme Implementation Deed) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- (b) as at 8.00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll have been terminated in accordance with their terms;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act either unconditionally or subject to any alternations or conditions made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by Web.com and Dreamscape;
- (d) such conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme, and that are agreed to by Web.com and Dreamscape, have been satisfied or waived; and
- (e) the coming into effect of the Scheme Order, in accordance with section 411(10) of the Corporations Act, on or before the End Date.

3.2 Certificate

Dreamscape will provide to the Court on the Second Court Date certificates signed by Web.com and Dreamscape (or such other evidence as the Court requests) stating whether or not the conditions to this Scheme (other than the conditions in clauses 3.1(c) to 3.1(e) above and the condition in clause 3.1(b) of the Scheme Implementation Deed) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed as at 8.00am on the Second Court Date.

4 The Scheme

- (a) Subject to clause 3.1, this Scheme takes effect for all purposes on and from the Effective Date.
- (b) This Scheme will lapse and be of no further force or effect if:
 - (i) the Effective Date has not occurred on or before the End Date; or
 - (ii) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms unless Dreamscape and Web.com otherwise agree in writing.

5 Implementation of the Scheme

5.1 Lodgement of Scheme Order with ASIC

If the conditions in clauses 3.1(a) to 3.1(d) are satisfied or waived, Dreamscape must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order approving this Scheme as soon as possible after, and in any event by 5.00pm on the first Business Day after, the day on which the Court approves this Scheme.

5.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, the following actions will occur (in the order set out below):

- (a) Web.com Sub will deposit (or procure the deposit of) the Scheme Consideration in the manner contemplated by clause 6.2(a); and
- (b) on the Implementation Date:
 - (i) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Web.com Sub, without the need for any further act by any Scheme Shareholder (other than acts performed by Dreamscape as attorney and agent for Scheme Shareholders under clause 9) by:
 - (A) Dreamscape delivering to Web.com Sub a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Dreamscape; and
 - (B) Web.com Sub duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Dreamscape for registration; and
 - (ii) immediately following receipt of the Scheme Transfer in accordance with clause 5.2(b)(i)(B) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), Dreamscape must enter, or procure the entry of, the name of Web.com Sub in the Register in respect of all the Scheme Shares transferred to Web.com Sub in accordance with this Scheme.

6 Scheme Consideration

6.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, on the Implementation Date, in consideration for the transfer to Web.com Sub of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration in respect of each of their Scheme Shares.

6.2 Provision of Scheme Consideration

- (a) Web.com Sub must, by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to the Scheme Shareholders in an Australian dollar denominated trust account operated by or on behalf of Dreamscape as trustee of the Scheme Shareholders (the **Trust Account**) provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Web.com Sub's account.
- (b) Subject to Web.com Sub having complied with clause 6.2(a), Dreamscape must, on the Implementation Date and from the Trust Account, pay or procure the payment to each Scheme Shareholder the Scheme Consideration attributable to that Scheme Shareholder, based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date.
- (c) Dreamscape's obligation under clause 6.2(b) will be satisfied by Dreamscape:
 - (i) where a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Dreamscape Share Registry to receive dividend payments from Dreamscape by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Shareholder by prepaid post to their address shown in the Dreamscape Register as at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 6.3), for the relevant amount.
- (d) If, following satisfaction of Web.com Sub's obligations under clause 6.2(a) but prior to the occurrence of all of the events described in clause 5, this Scheme lapses under clause 4(b):
 - (i) Dreamscape must immediately repay (or cause to be repaid) to or at the direction of Web.com Sub the funds that were deposited in the Trust Account plus any interest on the amounts deposited (less bank fees and other charges);
 - (ii) the obligation to transfer Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, to Web.com Sub under clause 5 will immediately cease;
 - (iii) Web.com Sub must return the Scheme Transfers, if provided pursuant to clause 5; and

- (iv) Dreamscape is no longer obliged to enter, or procure the entry of, the name of Web.com Sub in the Dreamscape Register in accordance with clause 5.

6.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Dreamscape Register on the Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Dreamscape Register as at the Record Date.

6.4 Unclaimed monies

- (a) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1990* (WA)).
- (b) Dreamscape may cancel a cheque issued under this clause 6.2(c) if the cheque:
 - (i) is returned to Dreamscape; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (c) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Dreamscape (or the Dreamscape Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Dreamscape must reissue a cheque that was previously cancelled under this clause 6.4.

6.5 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Dreamscape's obligations under the other provisions of clause 5 and this clause 6 and provided Web.com Sub has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Dreamscape (or the Dreamscape Share Registry on Dreamscape's behalf) to Web.com Sub.

6.6 Orders of a Court or Governmental Agency

- (a) If written notice is given to Dreamscape (or the Dreamscape Share Registry) of an order or direction made by a court or Governmental Agency that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Dreamscape in accordance with clause 5, then Dreamscape shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or

- (ii) prevents Dreamscape from providing consideration to any particular Scheme Shareholder in accordance with clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Dreamscape shall be entitled to (as applicable) retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration in accordance with clause 5 as permitted by that (or another) court or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 6.6(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

7 Dealings in Dreamscape Shares

7.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Dreamscape Shares or other alterations to the Dreamscape Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Dreamscape Register as the holder of the relevant Dreamscape Shares on or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the 5.00pm on the Record Date at the place where the Dreamscape Register is kept,

and Dreamscape must not accept for registration, nor recognise for any purpose (except a transfer to Web.com Sub pursuant to this Scheme and any subsequent transfer by Web.com Sub or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

7.2 Register

- (a) Dreamscape must register all registrable transmission applications or transfers of the Scheme Shares in accordance with clause 7.1(b) on or before the Record Date.
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Dreamscape shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Dreamscape must maintain the Dreamscape Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Dreamscape Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Dreamscape Shares (other than statements of holding in favour of Web.com Sub) will cease to have effect after the Record Date as

documents of title in respect of those shares and, as from the Record Date, each entry on the Register (other than entries on the Register in respect of Web.com Sub and subsequent transferees) will cease to have effect, except as evidence of entitlement to the Scheme Consideration in respect of the Dreamscape Shares relating to that entry.

- (e) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, Dreamscape will ensure that details of the names, registered addresses and holdings of Dreamscape Shares for each Scheme Shareholder as shown in the Dreamscape Register as at the Record Date are available to Web.com Sub in the form Web.com Sub reasonably requires.

8 Quotation of Dreamscape Shares

- (a) Dreamscape will ensure that ASX suspends trading of Dreamscape Shares on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Web.com, Dreamscape will apply:
 - (i) to the ASX for termination of the official quotation of Dreamscape Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

9 General Scheme provisions

9.1 Appointment of agent and attorney

- (a) On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints Dreamscape as its agent and attorney for the purposes of:
 - (i) executing and delivering any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Share Transfer; and
 - (ii) enforcing the Deed Poll against Web.com Sub,and Dreamscape accepts such appointment.
- (b) Dreamscape, as agent and attorney of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

9.2 Enforcement of Deed Poll

Dreamscape undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Web.com Sub (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

9.3 Scheme Shareholders' agreements

Under this Scheme:

- (a) each Scheme Shareholder irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Web.com Sub in accordance with the terms of this Scheme;
- (b) each Scheme Shareholder irrevocably agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) each Scheme Shareholder irrevocably acknowledges that this Scheme binds Dreamscape and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Dreamscape; and
- (d) each Scheme Shareholder irrevocably consents to Dreamscape and Web.com Sub doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme,

without the need for any further act by that Scheme Shareholder.

9.4 Warranty by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Web.com Sub, and to the extent enforceable, to have appointed and authorised Dreamscape as that Scheme Shareholder's agent and attorney to warrant to Web.com Sub, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Web.com Sub pursuant to this Scheme, be fully paid and free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
 - (ii) they have full power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares, to Web.com Sub.
- (b) Dreamscape undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Web.com Sub on behalf of that Scheme Shareholder.

9.5 Title to Scheme Shares

- (a) Immediately upon deposit of the Scheme Consideration in accordance with clause 6.2(a), Web.com Sub will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Dreamscape of Web.com Sub in the Dreamscape Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Web.com Sub will, at the time of transfer of them to Web.com Sub, vest in Web.com Sub free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

9.6 Appointment of sole proxy

Immediately upon deposit of the Scheme Consideration in accordance with clause 6.2(a), and until Dreamscape registers Web.com Sub as the holder of all Scheme Shares in the Dreamscape Register, each Scheme Shareholder:

- (a) is deemed to have appointed Web.com Sub as attorney and agent (and directed Web.com Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Web.com Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) acknowledges that no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.6(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Web.com Sub reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred in clause 9.6(a), Web.com Sub and any director, officer, secretary or agent nominated by Web.com Sub under that clause may act in the best interests of Web.com Sub as the intended registered holder of the Scheme Shares.

9.7 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Dreamscape, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Dreamscape's registered office or at the Dreamscape Share Registry as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Dreamscape Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.8 Inconsistencies

This Scheme binds Dreamscape and all Dreamscape Shareholders, and to the extent of any inconsistency, overrides the Dreamscape constitution.

9.9 No liability when acting in good faith

None of Web.com, Web.com Sub, Dreamscape nor any director, officer, secretary or employee of Dreamscape will be liable for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

9.10 Further assurance

Dreamscape will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

9.11 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Dreamscape may, by its counsel on behalf of all persons concerned, consent to only such of those conditions or alterations to this Scheme to which Web.com has consented.

9.12 Stamp Duty

Web.com Sub will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Web.com Sub.

9.13 Governing Law

- (a) This Scheme is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

Schedule 1 Dictionary

1 Dictionary

In this deed:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales or Perth, Western Australia.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Federal Court of Australia (Perth registry) or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll dated [*insert date*] under which Web.com Sub covenants in favour of the Scheme Shareholders to perform all actions attributed to it under this Scheme.

Dreamscape Option means an option conferring on its holder the right, but not the obligation, to acquire a Dreamscape Share.

Dreamscape Performance Right means a right to be issued a Dreamscape Share.

Dreamscape Register means the register of members of Dreamscape maintained by or on behalf of Dreamscape in accordance with section 168(1) of the Corporations Act.

Dreamscape Share means a fully paid ordinary share in the capital of Dreamscape.

Dreamscape Shareholder means each person who is registered in the Dreamscape Register as a holder of Dreamscape Shares.

Dreamscape Share Registry means Computershare Investor Services Pty Limited or any replacement provider of share registry services to Dreamscape.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the later of:

- (a) the date that is 180 calendar days after the date of the Scheme Implementation Deed;

- (b) if a Regulatory Approval Condition has not been satisfied prior to the date referred to in sub-paragraph (a) immediately above – a further 30 calendar days after the end of 180 calendar days after the date of this deed; and
- (c) such other date and time agreed in writing between Web.com and Dreamscape.

Excluded Shareholder means any Saratoga Shareholder who is a member of the Web.com Group.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, Australian Competition and Consumer Commission, Australian Taxation Office, Foreign Investment Review Board, ASIC, ASX and any regulatory organisation established under statute or any stock exchange.

Implementation Date means the fifth Business Day, or such other Business Day as Web.com and Dreamscape agree, following the Record Date.

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

Record Date means, in respect of this Scheme, 7.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Regulatory Approval Condition has the meaning given to it in the Scheme Implementation Deed.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Dreamscape and the Dreamscape Shareholders as set out in this document together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by Web.com and Dreamscape.

Scheme Consideration means an amount of \$0.27 for each Scheme Share.

Scheme Implementation Deed means the scheme implementation deed dated 23 July 2019 between Web.com and Dreamscape, as amended or varied from time to time.

Scheme Meeting means the meeting of Dreamscape Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any adjournment or postponement of that meeting.

Scheme Order means the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Share means a Dreamscape Share on issue as at the Record Date other than any Dreamscape Share then held by an Excluded Shareholder (but including any such Dreamscape Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means each person who holds one or more Scheme Shares.

Scheme Transfer means, in relation to each Scheme Shareholder, a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

takes effect or taking effect means on and from the first time when an office copy of the Scheme Order approving the Scheme pursuant to section 411(4)(b) of the Corporations Act is lodged with ASIC pursuant to section 411(10) of the Corporations Act.

Trust Account has the meaning given in clause 6.2(a).

Web.com means Web.com Group, Inc of 5335 Gate Parkway, Jacksonville, FL 32256, United States.

Web.com Group means Web.com and its Subsidiaries (excluding, at any time, Dreamscape and its Subsidiaries).

2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Scheme;
 - (vi) this Scheme includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;

- (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
- (ix) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (x) a monetary amount is in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and each of them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) a reference to time is to Sydney, Australia time; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.

ANNEXURE 4 - DEED POLL

Deed poll

Web.com Aus Bidco Pty Ltd

in favour of each Scheme Shareholder

Agreed form

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Date: 28/08/2019

Parties

This deed poll is made by:

| | |
|------------|--|
| Name | Web.com Aus Bidco Pty Ltd (ACN 635 836 298) |
| Short name | Web.com BidCo |
| Address | C/- Level 35, Tower Two, International Towers Sydney, 200 Barangaroo Avenue, Barangaroo, NSW 2000 |

in favour of each Scheme Shareholder.

Background

- A Web.com Group, Inc. (**Web.com**) and Dreamscape Networks Limited (**Dreamscape**) have entered into a scheme implementation deed with respect to the Scheme and associated matters (**Scheme Implementation Deed**). Under the terms of the Scheme Implementation Deed, Web.com has nominated Web.com BidCo to acquire the Scheme Shares under the Scheme.
- B The effect of the Scheme will be to transfer all Scheme Shares to Web.com BidCo in exchange for the Scheme Consideration.
- C Web.com BidCo is entering into this deed poll to covenant in favour of the Scheme Shareholders that it will perform all actions attributed to it under the Scheme.

The parties agree:

1 Defined terms and interpretation

1.1 Defined terms

In this deed poll, unless otherwise defined, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Dreamscape and Scheme Shareholders in respect of all Scheme Shares (**Scheme**).

1.2 Interpretation

In this deed poll, headings are for convenience only and do not affect its interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to any document (including the Scheme) is to that document as varied, novated, ratified or replaced; and
- (c) a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule.

1.3 Nature of deed poll

Web.com BidCo acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Dreamscape and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Web.com BidCo on behalf of that Scheme Shareholder.

2 Condition precedent and termination

2.1 Condition precedent to obligations of the Scheme

The obligations of Web.com BidCo under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Web.com BidCo under this deed poll will automatically terminate, and the terms of this deed poll will be of no force or effect, if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Web.com BidCo are released from its obligations to further perform this deed poll, except those obligations under clause 6.7 which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights it has against Web.com BidCo in respect of any breach of this deed poll which occurs before it is terminated.

3 Scheme obligations

Subject to clause 2, Web.com BidCo covenants in favour of each Scheme Shareholder to:

- (a) by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds an amount equal to the aggregate Scheme Consideration payable to the Scheme Shareholders in an Australian dollar denominated trust account operated by or on behalf of Dreamscape as trustee of the Scheme Shareholders, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Web.com BidCo's account;
- (b) perform all actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme; and

- (c) to comply with its obligations under the Scheme Implementation Deed, in so far as that deed relates to the Scheme, and do all things necessary or expedient on its part to implement the Scheme.

4 Warranties

Web.com BidCo represents and warrants with respect to itself in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) the execution and performance of this deed poll and each transaction contemplated by this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Web.com BidCo has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 General

6.1 Notices

Any notice or other communication to Web.com BidCo in respect of this deed poll (**Notice**):

- (a) is only effective if:
 - (i) it is in writing, signed by the person making the communication or by a person duly authorised by that person;
 - (ii) it is directed to the recipient's address for notices as follows:

Address: 5335 Gate Parkway, Jacksonville, FL 32256, United States
E-mail: jneace@web.com
Attn: Jeff Neace (General Counsel)

with a copy to Siris Capital Group, LLC:

Address: 601 Lexington Avenue, 59th Floor, New York, NY 10022 United States
E-mail: sipprelle@sisiris.com
Attn: Tyler Sipprelle (Vice President)

with a copy to Gilbert + Tobin:

Address: Level 35, Tower 2, International Towers Sydney,
200 Barangaroo Avenue, Barangaroo, NSW 2000
E-mail: adandreti@gtlaw.com.au and kko@gtlaw.com.au
Attn: Adam D'Andreti and Kevin Ko

with a copy to Sidley Austin LLP:

Address: 1999 Avenue of the Stars, 17th Floor, Los Angeles, CA 90067,
United States
E-mail: vsekhn@sidley.com
Attn: Vijay S. Sekhon

- (b) takes effect when received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
 - (ii) if sent by prepaid post, the second Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from outside Australia);
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 6.1(b)(i) or 6.1(b)(ii) is not on a Business Day or after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

6.2 Governing law

- (a) This deed poll is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

6.3 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right,

power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

6.4 Variation

This deed poll may not be varied unless:

- (a) if before the First Court Date (as defined in the Scheme Implementation Deed), the variation is agreed to by Dreamscape; or
- (b) if on or after the First Court Date but before the Second Court Date (both as defined in the Scheme Implementation Deed), the variation is agreed to by Dreamscape and the Court indicates that the variation would not of itself preclude approval of the Scheme; or
- (c) if on or after the Second Court Date (as defined in the Scheme Implementation Deed), the variation is agreed to by Web.com BidCo and is approved by the Court,

in which event Web.com BidCo will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.5 Cumulative rights

The rights, powers and remedies of Web.com BidCo and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.6 Assignment

The rights created by this deed poll are personal to Web.com BidCo and each Scheme Shareholder and may only be assigned with the prior written consent of Web.com BidCo.

6.7 Stamp duty

Web.com BidCo must pay any stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll.

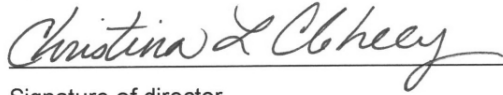
6.8 Further assurances

Web.com BidCo must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

Execution page

Executed as a **deed poll**.

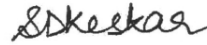
Signed, sealed and delivered by
Web.com Aus Bidco Pty Ltd in accordance with
section 127 of the *Corporations Act 2001* (Cth)
by:



Signature of director

Christina L. Clohecy

Name of director (print)



Signature of director/secretary

SWAPNA KESKAR

Name of director/secretary (print)

ANNEXURE 5 - NOTICE OF SCHEME MEETING



DREAMSCAPE NETWORKS LIMITED
ABN 98 612 069 842

NOTICE OF SCHEME MEETING

**The extraordinary general meeting of the Company will be held at
HLB Mann Judd, Level 4, 130 Stirling Street Perth Western Australia on Monday, 7
October 2019 at 10:30am (WST).**

This Notice of extraordinary general meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +618 9422 0894

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

NOTICE OF GENERAL MEETING

By an order of the Supreme Court of Western Australia (**Court**) made on 30 August 2019 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of the holders of ordinary shares in Dreamscape Networks Limited ACN 612 069 842 (**Dreamscape** and **Shareholders**, respectively) will be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia on 7 October 2019 at 10:30am (WST) (**Scheme Meeting**).

The Court has also directed that Michael Philipp Bowen act as chairman of the Scheme Meeting or failing him Scott Douglas Gibson, and has directed the chairman to report the results of the Scheme Meeting to the Court.

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modification) a scheme of arrangement proposed to be made between Dreamscape and Shareholders (**Scheme**).

To enable you to make an informed voting decision, important information on the Scheme is set out in the booklet accompanying this Notice (**Scheme Booklet**). The Scheme Booklet and Explanatory Memorandum to this Notice and Proxy Form both form part of this Notice. Terms and abbreviations used in this Notice and in the Scheme Booklet are defined in the Scheme Booklet.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The extraordinary general meeting of the Shareholders of the Company will be held at:

HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia
Commencing at 10:30am (WST) on Monday, 7 October 2019

VOTING ENTITLEMENTS

The Dreamscape board has determined, and the Court has ordered, that a person's entitlement to vote at the Scheme Meeting will be the entitlement of that person as set out in the Dreamscape share register as at 5:00pm (WST) on 5 October 2019.

HOW TO VOTE

The business of the Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:30am (WST).

PROXIES

A Proxy Form accompanies this Notice of Meeting. To be effective, the Proxy Form must be completed and received at the Company's share registry, Computershare Investor Services Pty Limited, by 10:30am (WST) on 5 October 2019, being no later than 48 hours before commencement of the Meeting.

(a) Online at:

www.investorvote.com.au and following the instructions provided

(b) Mail to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

(c) Fax to:

1800 783 447 (within Australia)

+61 3 9473 2555 (outside Australia)

(d) Custodian voting:

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

If you are entitled to attend and cast a vote at the Meeting, you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of your votes if no proportion or number of votes is specified.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present.

CORPORATE REPRESENTATIVES

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

POWERS OF ATTORNEY

A person appearing as an attorney for a Shareholder should produce a properly executed original (or certified copy) of an appropriate power of attorney for admission to the annual general meeting.

AGENDA

1. RESOLUTION - APPROVAL OF THE SCHEME

To consider and, if thought fit, to pass with or without amendment, the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Dreamscape and the holders of its ordinary shares as contained in and more particularly described in the Scheme Booklet of which the Notice forms part, is approved, and the Directors of Dreamscape are authorised to agree to such alterations or conditions as are thought fit by the Court, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions."

Dated: 30 August 2019

By order of the Board

Tony Sparks
Company Secretary

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at HLB Mann Judd, Level 4, 130 Stirling Street Perth WA 6000 on Monday, 7 October 2019 at 10:30am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the resolution set out in the Notice.

A Proxy Form is located at the end of this Explanatory Memorandum.

2. REQUIRED VOTING MAJORITY

In order for the Scheme to become effective, the resolution set out in the Notice must be passed at a meeting by:

- (a) unless the Court orders otherwise, a majority of the number of Shareholders present and voting (whether in person or by proxy, attorney or, in the case of corporate shareholders, a corporate representative) at the meeting; and
- (b) at least 75% of the votes cast on the resolution.

The Court has the discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution but not by a majority in number of Shareholders (other than excluded shareholders) present and voting at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll rather than by a show of hands.

3. COURT APPROVAL

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without alteration or conditions) is subject to approval of the Court. If the resolution proposed at the Scheme Meeting is approved by the requisite majority, and the relevant conditions of the Scheme (other than approval by the Court) are satisfied, or waived, by the time required under the Scheme, Dreamscape intends to apply to the Court for the necessary orders to give effect to the Scheme.

4. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

4.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the

instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (c) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (a) a proxy need not be a member of the Company; and
- (b) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:30am (WST) on 5 October 2019, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.