

**Form 603**

Corporations Act 2001

Section 671B

**Notice of initial substantial holder****To** Company Name/Scheme Diploma Group LimitedACN/ARSN 127 462 686**1. Details of substantial holder (1)**Name Diploma Investments Pty Ltd and each of the entities listed in item 3 of annexure AACN/ARSN (if applicable) 607 874 019The holder became a substantial holder on 11/09/2015**2. Details of voting power**

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

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	234,071,432	234,071,432	49.46%

**3. Details of relevant interests**

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

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
See Annexure A		

**4. Details of present registered holders**

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

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
See Annexure A			

**5. Consideration**

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

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
n/a				

**6. Associates**

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

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

**7. Addresses**

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

Name	Address
See Annexure A	

**Signature**

print name **DOMENICO BUONAVENTURA DI LATTE** capacity **Director**

sign here



date **15/09/2015**

**DIRECTIONS**

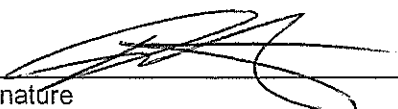
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## ANNEXURE A

Diploma Group Limited ACN 127 462 686

This is annexure A of 2 pages referred to in the form 603 notice of initial substantial shareholder signed by me and dated 15 September 2015

  
Signature

Domenico Di Latte, Director

### 3. Details of relevant interests

Holder of relevant interest	Nature of relevant interest	Class and number of securities
Diploma Investments Pty Ltd ACN 607 874 019	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of entering into a relevant agreement (see annexure B)	234,071,432 ordinary shares
Wandina Holdings Pty Ltd ACN 009 088 135	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of entering into a relevant agreement (see annexure B)	234,071,432 ordinary shares
UP Investments Pty Ltd ACN 113 950 128	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of entering into a relevant agreement (see annexure B)	234,071,432 ordinary shares
Healthy Holdings Pty Ltd ACN 113 989 049	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of entering into a relevant agreement (see annexure B)	234,071,432 ordinary shares
ND Properties Pty Ltd ACN 102 222 864	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of entering into a relevant agreement (see annexure B)	234,071,432 ordinary shares
Cesira Maria Di Latte	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of being the registered holder of the relevant shares	130,000 ordinary shares
Natalina Filomena De Felice	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of being the registered holder of the relevant shares	104,000 ordinary shares
Nicola Domenico Di Latte	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of being the registered holder of the relevant shares	10,000,000 ordinary shares
ATD Developments Pty Ltd ACN 117 947 878	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) as a result of being the registered holder of the relevant shares	7,568,454 ordinary shares

#### 4. Details of present registered holders

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Class and number of securities
Each of the parties listed in item 3 above	Wandina Holdings Pty Ltd ACN 009 088 135	Wandina Holdings Pty Ltd ACN 009 088 135	53,733,333
Each of the parties listed in item 3 above	UP Investments Pty Ltd ACN 113 950 128	UP Investments Pty Ltd ACN 113 950 128	54,903,334
Each of the parties listed in item 3 above	Healthy Holdings Pty Ltd ACN 113 989 049	Healthy Holdings Pty Ltd ACN 113 989 049	53,780,834
Each of the parties listed in item 3 above	ND Properties Pty Ltd ACN 102 222 864	ND Properties Pty Ltd ACN 102 222 864	53,851,477
Each of the parties listed in item 3 above	Cesira Maria Di Latte	Cesira Maria Di Latte	130,000
Each of the parties listed in item 3 above	Natalina Filomena De Felice	Natalina Filomena De Felice	104,000
Each of the parties listed in item 3 above	Nicola Domenico Di Latte	Nicola Domenico Di Latte	10,000,000
Each of the parties listed in item 3 above	ATD Developments Pty Ltd ACN 117 947 878	ATD Developments Pty Ltd ACN 117 947 878	7,568,454

#### 6. Associates

Name and ACN/ARCN (if applicable)	Nature of association
Diploma Investments Pty Ltd, Wandina Holdings Pty Ltd, UP Investments Pty Ltd, Healthy Holdings Pty Ltd and ND Properties Pty Ltd	Each of these entities are associates of each other pursuant to section 12(2)(c) of the Corporations Act 2001 (Cth) as they are proposing to act in concert pursuant to a relevant agreement entered into between them (see Annexure B)
Cesira Maria Di Latte	Cesira Maria Di Latte is an associate of Wandina Holdings Pty Ltd pursuant to section 11 of the Corporations Act 2001 (Cth)
Natalina Filomena De Felice	Natalina Filomena De Felice is an associate of UP Investments Pty Ltd, Wandina Holdings Pty Ltd and ATD Developments Pty Ltd pursuant to section 11 of the Corporations Act 2001 (Cth)
Nicola Domenico Di Latte	Nicola Domenico Di Latte is an associate of ND Properties Pty Ltd pursuant to section 11 of the Corporations Act 2001 (Cth)
ATD Developments Pty Ltd ACN 117 947 878	ATD Developments Pty Ltd ACN 117 947 878 is an associate pursuant to section 12(2)(a)(ii) of the Corporations Act 2001 (Cth) because it is controlled by the parties to a relevant agreement (see Annexure B).

#### 7. Addresses

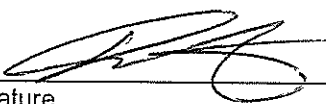
Name	Address
Diploma Investments Pty Ltd ACN 607 874 019	c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park, Western Australia 6017

Wandina Holdings Pty Ltd ACN 009 088 135	c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park, Western Australia 6017
UP Investments Pty Ltd ACN 113 950 128	10 Heytesbury Road, Subiaco, Western Australia 6008
Healthy Holdings Pty Ltd ACN 113 989 049	First Floor, Unit A, 140 Abernethy Road, Belmont, Western Australia 6104
ND Properties Pty Ltd ACN 102 222 864	First Floor, Unit A, 140 Abernethy Road, Belmont, Western Australia 6104
Cesira Maria Di Latte	Peak Apartments, 54/229 Adelaide Terrace, Perth, Western Australia 6000
Natalina Filomena De Felice	Peak Apartments, 54/229 Adelaide Terrace, Perth, Western Australia 6000
Nicola Domenico Di Latte	8 Riverview Court, Dalkeith, Western Australia 6009
ATD Developments Pty Ltd ACN 117 947 878	PO Box 91, Belmont, Western Australia 6984

## **ANNEXURE B**

Diploma Group Limited ACN 127 462 686

This is annexure B of 25 pages referred to in the form 603 notice of initial substantial shareholder signed by me and dated 15 September 2015

  
\_\_\_\_\_  
Signature

Domenico Di Latte, Director

Framework Agreement entered into between Diploma Investments Pty Ltd, Wandina Holdings Pty Ltd, UP Investments Pty Ltd, Healthy Holdings Pty Ltd and ND Properties Pty Ltd

# Framework Agreement

---

Wandina Holdings Pty Ltd ACN 009 088 135 (**Wandina**)

UP Investments Pty Ltd ACN 113 950 128 (**UP Investments**)

Healthy Holdings Pty Ltd ACN 113 989 049 (**Healthy Holdings**)

ND Properties Pty Ltd ACN 102 222 864 (**ND Properties**)

Diploma Investments Pty Ltd ACN 607 874 019 (**Bidco**)

Contact – Kevin Dundo, Partner, [k.dundo@hopgoodganim.com.au](mailto:k.dundo@hopgoodganim.com.au)

## PERTH

Level 27, Allendale Square, 77 St Georges Terrace T +61 8 9211 8111  
Perth WA 6000 Australia F +61 8 9221 9100

Box Z 5312, St Georges Terrace, Perth WA 6831 Australia

E [contactus@hopgoodganim.com.au](mailto:contactus@hopgoodganim.com.au)

## BRISBANE

Level 8, Waterfront Place, 1 Eagle Street T +61 7 3024 0000  
Brisbane Qld 4000 Australia F +61 7 3024 0300

PO Box 7822, Waterfront Place Qld 4001 Australia

[www.hopgoodganim.com.au](http://www.hopgoodganim.com.au)

# Table of Contents



1.	Definitions and interpretation.....	1
1.1	Definitions from Scheme Implementation Agreement .....	1
1.2	Other definitions .....	2
1.3	Interpretation .....	5
1.4	Consents or approval .....	6
1.5	Business Day .....	6
2.	Key objectives .....	6
2.1	Key objectives of Agreement and Scheme .....	6
2.2	Meeting the key objectives .....	6
3.	Share disposal restrictions and conduct obligations .....	7
3.1	Interim restrictions .....	7
3.2	Ongoing restrictions subject to shareholder approval .....	7
3.3	Ongoing restrictions and obligations not subject to shareholder approval .....	7
4.	No control over voting rights .....	8
5.	Representative .....	8
6.	Acquisition and funding under the Scheme .....	8
6.1	Acquisition .....	8
6.2	Funding for Scheme Consideration .....	9
7.	Scheme process .....	9
7.1	Conduct of Scheme .....	9
7.2	Public announcements and communications .....	10
7.3	Disclosure Documents .....	11
7.4	Costs .....	15
7.5	Dealings with Public Authorities .....	15
7.6	Defensive actions by and communications with Diploma Shareholders .....	15
8.	Indemnities .....	16
8.1	Indemnity from ND Properties .....	16
8.2	Indemnity from UP Investments .....	16
8.3	Indemnity from Healthy Holdings .....	16
8.4	Indemnity from Wandina .....	16
8.5	Indemnity from Bidco .....	17
9.	Representations and warranties .....	17
9.1	Mutual representations and warranties .....	17
9.2	ND Properties representations and warranties .....	17
9.3	UP Investments representations and warranties .....	17
9.4	Healthy Holdings representations and warranties .....	18
9.5	Wandina representations and warranties .....	18
10.	Termination .....	18
10.1	Automatic termination .....	18
10.2	Termination for breach .....	18
10.3	Survival .....	19
11.	Confidentiality .....	19
11.1	General obligations .....	19
11.2	Legal requirements .....	19
11.3	Disclosure to Public Authority .....	20
12.	Notices .....	20
13.	General .....	21
13.1	Entire agreement .....	21
13.2	Amendment .....	22
13.3	Severability .....	22
13.4	Assignment .....	22
13.5	No waiver .....	22
13.6	Further assurances .....	22
13.7	No merger .....	22
13.8	No representation or reliance .....	22



# Table of Contents



13.9 Relationship between parties .....	22
13.10 GST .....	23
13.11 Other taxes .....	23
13.12 Governing law .....	23
13.13 Counterparts .....	23

# Framework Agreement



Date 11 SEPTEMBER 2015

---

## Parties

Wandina Holdings Pty Ltd ACN 009 088 135 of c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park, Western Australia 6017 (**Wandina**)

UP Investments Pty Ltd ACN 113 950 128 of 10 Heytesbury Road, Subiaco, Western Australia 6008 (**UP Investments**)

Healthy Holdings Pty Ltd ACN 113 989 049 of c/- First Floor, Unit A, 140 Abernethy Road, Belmont, Western Australia 6104 (**Healthy Holdings**)

ND Properties Pty Ltd ACN 102 222 864 of c/- First Floor, Unit A, 140 Abernethy Road, Belmont, Western Australia 6104 (**ND Properties**)

Diploma Investments Pty Ltd ACN 607 874 019 of c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park, Western Australia 6017 (**Bidco**)

## Background

- A. ND Properties holds approximately 11.38% of Diploma Shares on issue.
- B. UP Investments holds approximately 11.60% of Diploma Shares on issue.
- C. Healthy Holdings holds approximately 11.35% of Diploma Shares on issue.
- D. Wandina holds approximately 11.35% of Diploma Shares on issue.
- E. Bidco subsequently held negotiations in relation to the indicative proposal and has agreed on a proposal under which Bidco would acquire all of the Scheme Shares pursuant to the Scheme.
- F. If the Scheme proceeds, Bidco will acquire and hold the Scheme Shares as bare trustee for the Excluded Shareholders in accordance with the Bare Trust Deed.
- G. On or about the date of this Agreement, Bidco and Diploma will enter into (or have entered into) a Scheme Implementation Agreement which gives effect to the definitive terms on which Diploma and Bidco will propose and implement the Scheme.
- H. This Agreement sets out the manner in which the Excluded Shareholders and Bidco have agreed, as between themselves, to:
  - (a) propose and implement the Scheme; and
  - (b) perform Bidco's obligations, and exercise Bidco's rights, under the Scheme Implementation Agreement.

## It is agreed

### 1. Definitions and interpretation

---

#### 1.1 Definitions from Scheme Implementation Agreement

In this Agreement, capitalised terms have the meanings given in the Scheme Implementation Agreement (including if the Scheme Implementation Agreement is terminated) unless provided otherwise in clause 1.2.



## 1.2 Other definitions

In this Agreement, the following definitions apply unless the context requires otherwise.

**Advisors** means a party's solicitors and external tax, accounting and financial advisors;

**Approvals** means:

- (a) a consent, authority, licence, approval, order, ruling, waiver or exemption that is required by law or by a Public Authority; or
- (b) in relation to anything that will be fully or partly prohibited or restricted by law if a Public Authority intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry or termination of that period without intervention or action.

**associate** has the meaning given in section 12(2) of the Corporations Act.

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

**ASX Listing Rules** means the listing rules of the ASX.

**Bare Trust Deed** means the bare trust deed pursuant to which Bidco will acquire the Scheme Shares on behalf of the Excluded Shareholders pursuant to the Scheme.

**Bidco Board** means the board of directors of Bidco as constituted from time to time.

**Bidco Information** means all information regarding Bidco and its Related Bodies Corporate that is necessary to ensure a Disclosure Document satisfies sub-paragraphs (1) and (2) of clause 7.3(b), but excluding any information determined by ND Properties, UP Investments, Healthy Holdings and Wandina in the case of a dispute under clause 7.3(l).

**Business Day** means a day which is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

**Claim** means, in relation to a party, a demand, claim, action or proceeding made or brought by or against the party, however arising and whether present, ascertained, immediate, future or contingent.

**Competing Transaction** means:

- (a) when used in clause 10.1(d), a takeover offer, scheme of arrangement or other business combination involving Diploma or any proposal not intended to be implemented under this Agreement or the Scheme Implementation Agreement under which any person (other than Bidco) may acquire shares in Diploma or assets or interests in assets of Diploma which, if implemented, would result in a change in control of Diploma or a material change in the assets, liabilities, financial or trading position, prospects or manner of conduct of any business of Diploma; and
- (b) other than when used in clause 10.1(d), any expression of interest, offer or proposal by a person (other than Bidco) or its associates to, directly or indirectly, acquire any voting power in Diploma, or to acquire or enter any cash settled equity swap or other synthetic, economic or derivative transaction connected or relating to any securities in Diploma, or effectively obtain, the benefit of or otherwise receive an economic interest in Diploma's assets or acquire control of Diploma (within the meaning of section 50AA of the Corporations Act) or otherwise acquire or merge with Diploma (including by way



of a dual listed company structure, stapled security structure or other form of synthetic merger).

**Confidential Information** means any information, whether oral or in writing, relating to:

- (a) the Scheme;
- (b) this Agreement;
- (c) the existence, contents or commercial basis of this Agreement or information relating to the negotiations or which may have come to the knowledge of a party in the course of negotiations concerning this Agreement; and

information, whether oral or in writing, relating to the following, where disclosed by or on behalf of a party (the Discloser) to another party (the Recipient), shall be deemed Confidential Information for the Recipient:

- (d) the Discloser's analysis, assessment or evaluation of Diploma;
- (e) the past, existing or future business, operations, intentions or strategic plans of the Discloser or its associates; and
- (f) the operations, dealings, transactions, commercial or financial arrangements or affairs of the Discloser or its associates.

**Confidentiality Deed** means the confidentiality deed between Bidco and Diploma signed on 4 September 2015.

**Diploma EGM** means an extraordinary general meeting of Diploma Shareholders.

**Diploma Representative** has the meaning given in clause 7.6(a).

**Disclosure Document** has the meaning given in clause 7.3(a).

**Dispose** includes sell, assign, transfer, convey or otherwise dispose of a legal, beneficial or relevant interest.

**Escrow Account** has the meaning given in clause 6.2(b)(3).

**Excluded Shareholders** means ND Properties, UP Investments, Healthy Holdings and Wandina.

**Healthy Holdings Information** means all information regarding Healthy Holdings and its Related Bodies Corporate that is necessary to ensure the Disclosure Document satisfies subparagraphs (1) and (2) of clause 7.3(b).

**Interim Restriction Period** means the period commencing on the date of this Agreement and ending on or at the earliest to occur of:

- (a) the date which is 3 months after the date of this Agreement (or, if ASIC modifies section 609(7)(c) of the Corporations Act to provide for a maximum disposal restriction period of longer than 3 months after the date of this Agreement, the last date of such longer period);
- (b) if the Item 7 Resolution is put to Diploma Shareholders at the Diploma EGM for approval but is voted down by Diploma Shareholders, the conclusion of the Diploma EGM; and



(c) termination of this Agreement.

**Item 7 Resolution** means a resolution for the purposes of item 7 of section 611 of the Corporations Act approving the acquisition of relevant interests in Diploma Shares by the Excluded Shareholders arising out of this Agreement.

**Liabilities** means Claims, debts, obligations, liabilities, losses, expenses, costs and damages of any kind and however arising, including penalties, fines and interest and including those which are prospective or contingent and those the amount of which for the time being is not ascertained or ascertainable.

**ND Properties Information** means all information regarding ND Properties and its Related Bodies Corporate that is necessary to ensure the Disclosure Document satisfies sub-paragraphs (1) and (2) of clause 7.3(b).

**Ongoing Restriction Period** means the period commencing at the conclusion of the Diploma EGM at which the Item 7 Resolution is passed and ending on or at the earliest to occur of:

- (a) the time at which the Shareholders Agreement comes into effect; and
- (b) 12 months after the date on which the Item 7 Resolution is passed.

**Public Authority** means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

**Related Persons** of a person means that person's Related Bodies Corporate and their respective employees, advisers and agents.

**relevant interest** has the meaning given in section 9 of the Corporations Act.

**Representative** has the meaning given in clause 5(a).

**Scheme Documents** means the Scheme Implementation Agreement, Scheme and Deed Poll, and **Scheme Document** means any one of them.

**Securities** includes shares, rights to shares, options to acquire shares and other securities with rights of conversion to equity, debentures and notes, in each case as issued or granted by Diploma.

**Shareholders Agreement** means the shareholders agreement to be entered into between the Excluded Shareholders in relation to Diploma on or about the date of Bidco acquiring the Scheme Shares.

**Subsidiary** has the meaning given in the Corporations Act.

**Terminating Party** has the meaning given in clause 10.2.

**Transaction Costs** means the sum of all costs and expenses directly incurred by Excluded Shareholders or Bidco in proposing and implementing the Scheme and the acquisition of the Scheme Shares which are agreed between the parties or unanimously agreed by the Bidco Board, including costs associated with Excluded Shareholders and, where applicable, Bidco jointly engaging solicitors a financial or investment adviser, share registry and shareholder communication costs but excluding:

- (a) all costs and expenses of the Advisors in connection with the Scheme unless otherwise agreed;



- (b) without limiting the generality of paragraph (a), all costs of external advisers unless engaged pursuant to clause 7.1(d);
- (c) all internal costs; and
- (d) the purchase consideration for acquiring the Scheme Shares (including stamp duty).

**Voting power** has the meaning given in section 610 of the Corporations Act.

**UP Investments Information** means all information regarding UP Investments and its Related Bodies Corporate that is necessary to ensure the Disclosure Document satisfies sub-paragraphs (1) and (2) of clause 7.3(b).

**Wandina Information** means all information regarding Wandina and its Related Bodies Corporate that is necessary to ensure the Disclosure Document satisfies sub-paragraphs (1) and (2) of clause 7.3(b).

## 1.3 Interpretation

In this Agreement, headings are for convenience only and do not affect interpretation. The following rules apply in this Agreement unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this Agreement.
- (f) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form but excludes a communication by electronic mail.
- (g) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (h) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (i) A reference to legislation or to a provision of legislation includes:
  - (1) a modification of it (including, in respect of the Corporations Act or a provision of that Act, a modification made by ASIC);
  - (2) a re-enactment of it;
  - (3) a legislative provision substituted for it; and
  - (4) a regulation or statutory instrument issued under it.
- (j) A reference to conduct includes an statement or undertaking, whether or not in writing.



- (k) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (l) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.
- (m) A reference to Australian dollars, dollars and \$ is to Australian currency.
- (n) A reference to a right or obligation of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).
- (o) Mentioning anything after includes, including, for example or similar expressions, does not limit what else might be included.
- (p) Nothing in this Agreement is to be interpreted against a party solely on the ground that the party put forward this Agreement or a relevant part of it.
- (q) A reference to any time is a reference to that time in Perth, Western Australia, Australia.

## 1.4 Consents or approval

If the doing of any act, matter or thing under this Agreement 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.

## 1.5 Business Day

Except where otherwise expressly provided, where under this Agreement the day on or by which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately preceding Business Day.

## 2. Key objectives

---

### 2.1 Key objectives of Agreement and Scheme

- (a) The key objective of this Agreement is to set out the manner in which the parties have agreed, as between themselves, to:
  - (1) propose and implement the Scheme so as to achieve 100% ownership of Diploma; and
  - (2) perform Bidco's obligations, and exercise Bidco's rights, under the Scheme Documents.
- (b) The key objective of the Scheme is for Bidco and the Excluded Shareholders to be the sole shareholders in a privatised Diploma.

### 2.2 Meeting the key objectives



To meet the key objectives in clause 2.1, each party must:

- (a) act in good faith in its dealings with each other in relation to the transactions contemplated by this Agreement; and
- (b) take all steps reasonably required by the other to give effect to this Agreement and the transactions contemplated by it including obtaining all necessary ASIC modifications.

### **3. Share disposal restrictions and conduct obligations**

---

#### **3.1 Interim restrictions**

Each party undertakes that, during the Interim Restriction Period, neither it nor any of its Related Bodies Corporate will do any of the following without the written consent of the other parties:

- (a) Dispose of any Diploma Shares other than to a Related Body Corporate; or
- (b) undertake any of the actions described in clauses 3.2(b)(2) to 3.2(b)(6).

#### **3.2 Ongoing restrictions subject to shareholder approval**

- (a) Clause 3.2(b) is conditional on the Item 7 Resolution being passed. If the Item 7 Resolution is passed, the interim restrictions in clause 3.1 will cease to apply and will instead be replaced by the undertakings in clause 3.2(b).
- (b) Subject to the Item 7 Resolution being passed, each party undertakes that, during the Ongoing Restriction Period, neither any of its Related Bodies Corporate will do any of the following without the written consent of the other parties:
  - (1) Dispose of any Diploma Shares other than to a Related Body Corporate;
  - (2) acquire or agree to acquire all or any part of Diploma's assets;
  - (3) directly or indirectly solicit, initiate, participate in or encourage any inquiries, negotiations or discussions with any other person other than each other or each other's Related Persons with respect to a Competing Transaction;
  - (4) enter into a reconstruction, rearrangement, merger, joint venture transaction or similar which may prejudice the successful implementation of the Scheme;
  - (5) undertake any other action which may prejudice the successful implementation of the Scheme; or
  - (6) amend or enter into any agreement, arrangement or understanding between it (or its Related Body Corporate) and Diploma.

#### **3.3 Ongoing restrictions and obligations not subject to shareholder approval**

Each party undertakes that:

- (a) from the date of this Agreement until its termination, neither it nor any of its Related Bodies Corporate will take any action which would:
  - (1) put another party in breach of the Corporations Act;
  - (2) put Bidco in breach of a Scheme Document; or





- (3) effect or require any variation of a Scheme Document (other than as may be contemplated by this Agreement);
- (b) from the date of this Agreement until the later of its termination and the end of the Ongoing Restriction Period, neither it nor any of its Related Bodies Corporate or other associates will acquire, agree to acquire or make any offer to acquire a relevant interest or economic interest in any Diploma Shares other than:
  - (1) by reason of this Agreement; or
  - (2) in accordance with the Scheme; and
- (c) from the date of this Agreement until the later of its termination and the end of the Ongoing Restriction Period, if it or any of its Related Persons is approached by any other person to discuss a Competing Transaction, it will immediately inform the other parties and disclose to the other parties the name of that person, the details of the Competing Transaction and the substance of discussions regarding the Competing Transaction.

## 4. No control over voting rights

---

The parties acknowledge that nothing in this Agreement shall confer on any party any control over, or power to influence, the exercise of voting rights attached to Diploma Shares held by another party or by a Related Body Corporate of another party.

## 5. Representative

---

- (a) Bidco must ensure that a nominee is appointed as the representative of the Bidco Board in relation to the conduct of the Scheme at all times (**Representative**) and the parties must do everything reasonably necessary to procure such appointment.
- (b) The Representative will have the authority and obligations described in clause 7.1.
- (c) Following prior consultation with the Excluded Shareholders, any Bidco director may give notice of removal of the Representative, by notice to all parties. If such notice is given:
  - (1) subject to paragraph (iii) below, the Representative will also be removed as a director of the Bidco Board and the parties must do everything reasonably necessary to procure such removal;
  - (2) the Excluded Shareholders will meet and decide who will be appointed to replace that person as a member of the Bidco Board and who will be the Representative to replace that person. The parties must use their best endeavours to ensure that a replacement Representative is duly appointed as soon as reasonably practicable; and
  - (3) the incumbent Representative will remain in the role until a replacement is determined and duly appointed in accordance with paragraph (2) above.

## 6. Acquisition and funding under the Scheme

---

### 6.1 Acquisition

- (a) Immediately upon the Item 7 Resolution being passed, Bidco and the Excluded Shareholders will execute the Bare Trust Deed.



- (b) If the Scheme becomes Effective, the Scheme Shares will be acquired by Bidco on the date on which the Scheme is implemented.
- (c) Bidco will acquire and hold the Scheme Shares on trust for the Excluded Shareholders in accordance with the Bare Trust Deed.

## 6.2 Funding for Scheme Consideration

- (a) Bidco will be responsible for funding the total consideration payable in respect of the acquisition of the Scheme Shares.
- (b) The parties must procure the advance to Bidco of funds within a reasonable time prior to the payment of Scheme Consideration becoming due and payable which:
  - (1) are, in aggregate, sufficient to fund the total consideration payable in respect of the acquisition of the Scheme Shares in accordance with the terms of the Scheme;
  - (2) must be available for drawdown by Bidco for the purpose of meeting its funding obligations under the Scheme Documents; and
  - (3) shall be paid into an escrow account established by Bidco, details of which must be notified to the Excluded Shareholders within a reasonable time prior to the payment of Scheme Consideration becoming due and payable.

## 7. Scheme process

---

### 7.1 Conduct of Scheme

- (a) Subject to the limits described in the other paragraphs of this clause 7, the Representative must undertake to do the following:
  - (1) implement decisions of the Bidco Board in relation to matters in clause 7.1(c) or any other matters which are approved by the Bidco Board;
  - (2) deal with all logistics of the Scheme insofar as they related to Bidco;
  - (3) issue substantial holding notices as required under the Corporations Act on behalf of all parties, subject to ND Properties, UP Investments, Healthy Holdings and Wandina providing Bidco with all information required in order to complete the substantial holding notices;
  - (4) where necessary, liaise with share registry and other service providers;
  - (5) prepare the documents referred to in clause 7.3(a); and
  - (6) such other matters as the Bidco Board unanimously agrees to be necessary.
- (b) The Representative must:
  - (1) consult regularly with the Bidco Board and the parties in respect of the implementation of the Scheme; and
  - (2) keep the Bidco Board and the parties fully informed of:
    - (A) all communications with Diploma in relation to, or arising out of, the Scheme Documents;

- (B) any dealings with Diploma necessary in connection with the services noted in clause 7.1(a);
  - (C) the conduct and progress of the Scheme process, to the extent such information is known to the Representative; and
  - (D) any approach from a third party regarding a proposed dealing in assets or shares of Diploma.
- (c) The Bidco Board must consult with the Excluded Shareholders to agree the terms of any proposal:
  - (1) to the extent not already provided in another sub-paragraph of this paragraph (c) or elsewhere in this Agreement, to perform any obligation imposed on Bidco, or exercise any right or discretion conferred on Bidco, under a Scheme Document;
  - (2) by any party to reach any agreement, arrangement or understanding with, or propose to do so, Diploma or any Diploma Shareholder (in either case in addition to, or in substitution of, a Scheme Document);
  - (3) to waive any Condition in the Scheme Implementation Agreement;
  - (4) to amend, assign or terminate a Scheme Document;
  - (5) to provide to Diploma the Bidco Information, or any information related to the Bidco Information, as required by the Scheme Implementation Agreement;
  - (6) by Bidco to make any application to Public Authorities;
  - (7) by any party to commence Takeovers Panel proceedings in relation to the Scheme;
  - (8) by Bidco to make any submissions or issue any material correspondence to a Public Authority;
  - (9) by Bidco to give any consent or notice under this Agreement or any Scheme Document, or otherwise exercise any discretion conferred on Bidco under this Agreement or any Scheme Document;
  - (10) by any party to purchase Diploma Shares outside the Scheme;
  - (11) by any party to reach any agreement, arrangement or understanding with any third party regarding dealing in the assets or shares of Diploma;
  - (12) to issue any instruction in relation to the Escrow Account; or
  - (13) which requires the unanimous agreement of the Bidco Board under the terms of this Agreement,

except to the extent such proposal is required by an order made by the Takeovers Panel or a court.
- (d) To the extent that Bidco seeks to engage external advisers, the terms of such engagement must be unanimously approved by the Bidco Board in consultation with the Excluded Shareholders.

## 7.2 Public announcements and communications



- (a) Any press release or other public announcement by ND Properties, UP Investments, Healthy Holdings and Wandina regarding the Scheme will only be made with the prior written consent of each other of them, such consent not to be unreasonably withheld or delayed.
- (b) Paragraph (a) does not apply to the extent that a press release or other public announcement is required by law or the rules of a recognised stock exchange, provided that the party required to make the release or announcement must before doing so:
  - (1) notify the other party;
  - (2) except where immediate disclosure is required by law or the rules of a recognised stock exchange, consult in good faith with the other party in respect of the form, content and timing of that release or announcement and give the other party a reasonable opportunity to comment on the contents of, and the requirement for, any such release or announcement and prepare its own contemporary release, if necessary; and
  - (3) ensure that the release or announcement is consistent with the terms of this Agreement and the Scheme Implementation Agreement.
- (c) Any press release or other public announcement by or on behalf of Bidco regarding the Scheme will only be made with the prior unanimous approval of the Bidco Board.

## 7.3 Disclosure Documents

- (a) The parties acknowledge that Bidco will prepare, in consultation with the parties:
  - (1) the Bidco Information; and
  - (2) all other documents which:
    - (A) the parties are required from time to time to prepare under the Corporations Act in connection with the Scheme, including substantial holding notices under the Corporations Act; or
    - (B) the parties otherwise elect to prepare and:
      - (i) announce to ASX;
      - (ii) provide to Diploma Shareholders or be used in communications with Diploma Shareholders, including scripts used by telephone call centres providing information helpline services or shareholder canvassing services;
      - (iii) lodge with ASIC; or
      - (iv) provide to the Takeovers Panel or the Court,

(each a **Disclosure Document** and collectively the **Disclosure Documents**).
- (b) Subject to clauses 7.3(i) and 10, the parties must take all reasonable steps to that each Disclosure Document:
  - (1) complies with the Scheme Implementation Agreement;



- (2) complies with the Corporations Act, the ASX Listing Rules and applicable ASIC regulatory guides;
  - (3) is not misleading or deceptive in any material respect (whether by omission or otherwise); and
  - (4) is updated by all such further or new information that may arise after the Disclosure Document has been issued, filed, lodged or finalised (as applicable) until there is no longer any legal requirement to provide updated information, so as to ensure that the Disclosure Document is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (c) ND Properties must do the following:
  - (1) in respect of each Disclosure Document, provide to the Representative (with a copy to Bidco) the ND Properties Information, such information to be in a form suitable for inclusion in the Disclosure Document; and
  - (2) ensure that all such information is:
    - (A) not misleading or deceptive in any material respect (whether by omission or otherwise), including in the form and context in which it appears in the Disclosure Document; and
    - (B) updated by all such further or new information that may arise after the Disclosure Document has been issued, filed, lodged or finalised (as applicable) until there is no longer any legal requirement to provide updated information, so as to ensure that the Disclosure Document is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (d) UP Investments must do the following:
  - (1) in respect of each Disclosure Document, provide to the Representative (with a copy to Bidco) the UP Investments Information, such information to be in a form suitable for inclusion in the Disclosure Document; and
  - (2) ensure that all such information is:
    - (A) not misleading or deceptive in any material respect (whether by omission or otherwise), including in the form and context in which it appears in the Disclosure Document; and
    - (B) updated by all such further or new information that may arise after the Disclosure Document has been issued, filed, lodged or finalised (as applicable) until there is no longer any legal requirement to provide updated information, so as to ensure that the Disclosure Document is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (e) Healthy Holdings must do the following:
  - (1) in respect of each Disclosure Document, provide to the Representative (with a copy to Bidco) the Healthy Holdings Information, such information to be in a form suitable for inclusion in the Disclosure Document; and
  - (2) ensure that all such information is:



- (A) not misleading or deceptive in any material respect (whether by omission or otherwise), including in the form and context in which it appears in the Disclosure Document; and
  - (B) updated by all such further or new information that may arise after the Disclosure Document has been issued, filed, lodged or finalised (as applicable) until there is no longer any legal requirement to provide updated information, so as to ensure that the Disclosure Document is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (f) Wandina must do the following:
  - (1) in respect of each Disclosure Document, provide to the Representative (with a copy to Bidco) the Wandina Information, such information to be in a form suitable for inclusion in the Disclosure Document; and
  - (2) ensure that all such information is:
    - (A) not misleading or deceptive in any material respect (whether by omission or otherwise), including in the form and context in which it appears in the Disclosure Document; and
    - (B) updated by all such further or new information that may arise after the Disclosure Document has been issued, filed, lodged or finalised (as applicable) until there is no longer any legal requirement to provide updated information, so as to ensure that the Disclosure Document is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (g) Bidco must do the following:
  - (1) in respect of each Disclosure Document, provide to the Representative the Bidco Information, such information to be in a form suitable for inclusion in the Disclosure Document; and
  - (2) ensure that all such information is:
    - (A) not misleading or deceptive in any material respect (whether by omission or otherwise), including in the form and context in which it appears in the Disclosure Document; and
    - (B) updated by all such further or new information that may arise after the Disclosure Document has been issued, filed, lodged or finalised (as applicable) until there is no longer any legal requirement to provide updated information, so as to ensure that the Disclosure Document is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (h) Each party must promptly inform the other if they have any reason to believe that any information in a Disclosure Document is misleading or deceptive in any material respect (whether by omission or otherwise) whether because of ND Properties, UP Investments, Healthy Holdings, Wandina Information, Bidco Provided Information or otherwise.
- (i) ND Properties will bear responsibility for all ND Properties Information, UP Investments will bear responsibility for all UP Investments Information, Healthy Holdings will bear responsibility for all Healthy Holdings Information, Wandina will bear responsibility for



all Wandina Information and Bidco will bear responsibility for all Bidco Provided Information.

- (j) Unless otherwise agreed between ND Properties, UP Investments, Healthy Holdings and Wandina, each party must undertake appropriate verification processes for the information supplied by that party for any Disclosure Document, and the Representative must not provide the consent for inclusion of the Bidco Information in the Scheme Booklet under the Scheme Implementation Agreement unless and until the Representative receives:
  - (1) from ND Properties, a duly completed verification certificate (in a form customary for transactions of this nature and reasonably acceptable to all directors of the Bidco Board in respect of the ND Properties Information) to form part of the Bidco Information;
  - (2) from UP Investments, a duly completed verification certificate (in a form customary for transactions of this nature and reasonably acceptable to all directors of the Bidco Board in respect of the UP Investments Information) to form part of the Bidco Information;
  - (3) from Healthy Holdings, a duly completed verification certificate (in a form customary for transactions of this nature and reasonably acceptable to all directors of the Bidco Board in respect of the Healthy Holdings Information) to form part of the Bidco Information;
  - (4) from Wandina, a duly completed verification certificate (in a form customary for transactions of this nature and reasonably acceptable to all directors of the Bidco Board in respect of the Wandina Information) to form part of the Bidco Information; and
  - (5) from Bidco, a duly completed verification certificate (in a form customary for transactions of this nature and reasonably acceptable to all directors of the Bidco Board in respect of the Bidco Provided Information) to form part of the Bidco Information.
- (k) The Representative will (and the Excluded Shareholders must procure that the Representative does) ensure the parties have a reasonable opportunity to review one or more drafts (including the final draft) of any Disclosure Document, correspondence or communications proposed to be sent to ASX, ASIC, the Takeovers Panel or the Court in relation to the Scheme by Bidco.
- (l) If the Bidco Board is unable to unanimously agree on the form or content of a Disclosure Document then:
  - (1) it will consult in good faith with the Excluded Shareholders to try to settle an agreed form of the Disclosure Document,

provided that if the parties fail to agree on the form or content of the Disclosure Document in the time permitted by paragraphs (i) and (ii) above:

  - (2) if the dispute relates to ND Properties Information, ND Properties will have the final decision on such form or content; and
  - (3) if the dispute relates to UP Investments Information, UP Investments will have the final decision on such form or content; and
  - (4) if the dispute relates to Healthy Holdings Information, Healthy Holdings will have the final decision on such form or content; and



- (5) if the dispute relates to Wandina Information, Wandina will have the final decision on such form or content; and
- (6) in all other cases, Bidco will have the final decision on such form or content.

## 7.4 Costs

- (a) All parties are to bear their own costs in relation to:
  - (1) the negotiation, preparation and execution of this Agreement and the Scheme Documents; and
  - (2) the Scheme,

including costs incurred in retaining its own Advisors.

- (b) From the date of this Agreement, the funding for all:
  - (1) Transaction Costs; and
  - (2) any stamp duty payable in connection with the acquisition of Scheme Shares,will be shared by the Excluded Shareholders according to the proportion of Bidco shares to be acquired (or acquired) by each Excluded Shareholder.

## 7.5 Dealings with Public Authorities

- (a) The Excluded Shareholders will consult with each other regarding any other dealings with a Public Authority which may impact on the Scheme, and inform the Bidco Board of these dealings.
- (b) Each party will notify the other parties immediately if it receives any notice of actual or proposed action by a Public Authority which concerns or is likely to impact on the Scheme. Any action to be taken by a party in response to such notice will be consistent with the objectives recorded in this Agreement.
- (c) Each party must use reasonable endeavours to ensure that information provided to Public Authorities as contemplated by this clause 7.5 will be accurate and complete in all material respects.

## 7.6 Defensive actions by and communications with Diploma Shareholders

- (a) In this clause 7.6, a **Diploma Representative** means Diploma, each subsidiary of Diploma and each Independent Director.
- (b) Any approach or communication with a Diploma Representative or a Diploma Shareholder in connection with the Scheme may only be implemented by the Representative or a party pursuant to decision of the Bidco Board (including permitted Diploma Shareholder engagement strategy approved by the Bidco Board and subject to any protocol agreed by the parties).
- (c) Each party must notify the other parties immediately upon receiving any communication by or on behalf of Diploma or a Diploma Shareholder which raises any issues which concern or may impact on the Scheme.
- (d) If any party or member of the Bidco Board becomes the subject of any actions by a Diploma Representative or Diploma Shareholder in connection with the Scheme, the



other parties will provide such assistance as that party may reasonably require to defend or otherwise deal with such actions.

## **8. Indemnities**

---

### **8.1 Indemnity from ND Properties**

ND Properties indemnifies UP Investments, Healthy Holdings, Wandina, Bidco and their Related Persons against any Liability which any of those persons may suffer or incur to the extent resulting from:

- (a) a breach by ND Properties of this Agreement;
- (b) a Disclosure Document being misleading or deceptive (whether by omission or otherwise) as a result of ND Properties Information, excluding any statements regarding the post-Scheme intentions of ND Properties, UP Investments, Healthy Holdings, Wandina and Bidco; or
- (c) any act or omission on the part of the Representative that is not authorised by this Agreement.

### **8.2 Indemnity from UP Investments**

UP Investments indemnifies ND Properties, Healthy Holdings, Wandina, Bidco and their Related Persons against any Liability which any of those persons may suffer or incur to the extent resulting from:

- (a) a breach by UP Investments of this Agreement; or
- (b) a Disclosure Document being misleading or deceptive (whether by omission or otherwise) as a result of UP Investments Information, excluding any statements regarding the post-Scheme intentions of ND Properties, UP Investments, Healthy Holdings, Wandina and Bidco.

### **8.3 Indemnity from Healthy Holdings**

Healthy Holdings indemnifies ND Properties, UP Investments, Wandina, Bidco and their Related Persons against any Liability which any of those persons may suffer or incur to the extent resulting from:

- (a) a breach by Healthy Holdings of this Agreement; or
- (b) a Disclosure Document being misleading or deceptive (whether by omission or otherwise) as a result of Healthy Holdings Information, excluding any statements regarding the post-Scheme intentions of ND Properties, UP Investments, Healthy Holdings, Wandina and Bidco.

### **8.4 Indemnity from Wandina**

Wandina indemnifies ND Properties, UP Investments, Healthy Holdings, Bidco and their Related Persons against any Liability which any of those persons may suffer or incur to the extent resulting from:

- (a) a breach by Wandina of this Agreement; or
- (b) a Disclosure Document being misleading or deceptive (whether by omission or otherwise) as a result of Wandina Information, excluding any statements regarding the



post-Scheme intentions of ND Properties, UP Investments, Healthy Holdings, Wandina and Bidco.

## 8.5 Indemnity from Bidco

Bidco indemnifies ND Properties, UP Investments, Healthy Holdings, Wandina and their Related Persons against any Liability which any of those persons may suffer or incur to the extent resulting from:

- (a) a breach by Bidco of this Agreement; or
- (b) a Disclosure Document being misleading or deceptive (whether by omission or otherwise) as a result of Bidco Information, excluding any statements regarding the post-Scheme intentions of ND Properties, UP Investments, Healthy Holdings, Wandina and Bidco.

## 9. Representations and warranties

---

### 9.1 Mutual representations and warranties

Each party represents and warrants to the other that each of the following statements is true and accurate as at the date of this Agreement:

- (a) it is a company validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Agreement;
- (c) it has taken all necessary corporate action to authorise execution and performance of this Agreement, and neither the execution nor performance of this Agreement will breach any legal obligation of that party or require the consent of any third party; and
- (d) neither it nor its associates have provided or agreed to provide any consideration for any Securities under any purchase or agreement during the four months before the date of this Agreement.

### 9.2 ND Properties representations and warranties

ND Properties represents and warrants to UP Investments, Healthy Holdings and Wandina that each of the following statements is true and correct immediately prior to the execution of this Agreement:

- (a) ND Properties is the registered holder and beneficial owner of 53,851,477 Diploma Shares (which represents approximately 11.38% of all the issued Diploma Shares); and
- (b) other than in respect of the Diploma Shares described in paragraph (a), ND Properties does not have a relevant interest in any Diploma Shares.

### 9.3 UP Investments representations and warranties

UP Investments represents and warrants to ND Properties, Healthy Holdings and Wandina that each of the following statements is true and correct immediately prior to the execution of this Agreement:



- (a) UP Investments is the registered holder and beneficial owner of 54,903,344 Diploma Shares (which represents approximately 11.60% of all the issued Diploma Shares); and
- (b) other than in respect of the Diploma Shares described in paragraph (a), UP Investments does not have a relevant interest in any Diploma Shares.

## 9.4 Healthy Holdings representations and warranties

Healthy Holdings represents and warrants to ND Properties, UP Investments and Wandina that each of the following statements is true and correct immediately prior to the execution of this Agreement:

- (a) Healthy Holdings is the registered holder and beneficial owner of 53,733,344 Diploma Shares (which represents approximately 11.35% of all the issued Diploma Shares); and
- (b) other than in respect of the Diploma Shares described in paragraph (a), Healthy Holdings does not have a relevant interest in any Diploma Shares.

## 9.5 Wandina representations and warranties

Wandina represents and warrants to ND Properties, UP Investments and Healthy Holdings that each of the following statements is true and correct immediately prior to the execution of this Agreement:

- (a) Wandina is the registered holder and beneficial owner of 53,733,344 Diploma Shares (which represents approximately 11.35% of all the issued Diploma Shares); and
- (b) other than in respect of the Diploma Shares described in paragraph (a), Wandina does not have a relevant interest in any Diploma Shares.

## 10. Termination

---

### 10.1 Automatic termination

This Agreement will terminate automatically:

- (a) if the Item 7 Resolution has not been passed within 3 months of the date of this Agreement (or, if ASIC modifies section 609(7) (c) of the Corporations Act to provide for a maximum disposal restriction period of longer than 3 months after the date of this Agreement, by the last date of such longer period);
- (b) if the Scheme Implementation Agreement is terminated;
- (c) on the first Day after the date on which the Scheme is implemented; or
- (d) if there bona fide Competing Transaction which involves the proposed acquisition of 100% of the Diploma Shares on issue, and Bidco does not match the consideration offered under that Competing Transaction (or announce an intention to do so) within 5 Business Days of the Competing Transaction becoming unconditional (except as to any minimum acceptance or minimum relevant interest condition).

### 10.2 Termination for breach

ND Properties, UP Investments, Healthy Holdings and Wandina (the **Terminating Party**) may terminate this Agreement at any time if:



- (a) the other is in material breach of any term of this Agreement other than as a result of a breach by the Terminating Party;
- (b) the Terminating Party has given notice to the other parties setting out the relevant circumstances and stating an intention to terminate this Agreement; and
- (c) the relevant circumstances have continued to exist for 10 Business Days from the time such notice is given.

## 10.3 Survival

If this Agreement is terminated under clause 10.1 or 10.2, each of the parties will be released from their respective obligations under this Agreement provided that:

- (a) the termination of this Agreement will not release any party from any Liability to another party as a consequence of the breach or non-fulfilment by that party of its obligations under this Agreement prior to the time of such termination;
- (b) the obligations in this clause and in clauses 1 (Definitions and interpretation), 6 (Acquisition and funding under the Scheme), 7.4 (Costs), 8 (Indemnities), 9 (Representations and warranties), 11 (Confidentiality), 12 (Notices) and 13 (General) survive termination of this Agreement;
- (c) if the Item 7 Resolution has been passed within 3 months of the date of this Agreement (or, if ASIC modifies section 609(7) (c) of the Corporations Act to provide for a maximum disposal restriction period of longer than 3 months after the date of this Agreement, by the last date of such longer period), the obligations in clauses 3.2 (Ongoing restrictions subject to shareholder approval), 3.3(b) and 3.3(c) also survive termination of this Agreement; and
- (d) if the parties would contravene a Scheme Document or the Corporations Act if they did not proceed or continue with assisting Diploma to implement the Scheme then, despite that termination, the parties will continue to be bound by this Agreement to the extent necessary to ensure that no such contravention occurs, but ensuring that:
  - (1) the terms of the Scheme Documents are not amended (except to the extent required by the Takeovers Panel or a court); and
  - (2) none of the Conditions, if waivable by Bidco, are waived.

## 11. Confidentiality

---

### 11.1 General obligations

Subject to clauses 11.2 and 11.3, a party must not:

- (a) use or permit any person to use the Confidential Information for any purpose other than the performance of its obligations under this Agreement; or
- (b) except as permitted by this Agreement, disclose or in any way communicate to any other person any Confidential Information.

### 11.2 Legal requirements

A party may disclose Confidential Information where that information:

- (a) is in, or comes into, the public domain other than by breach of this Agreement;



- (b) is known to the disclosing party prior to its receipt from the other party;
- (c) is made known to the disclosing party by a third party, other than by breach of this Agreement;
- (d) is required to be disclosed by law or by the listing rules of a stock exchange on which the disclosing party is listed (whether or not that requirement arises as a result of actions by a party);
- (e) is reasonably required to be disclosed to perform the disclosing party's obligations under this Agreement;
- (f) is reasonably required to be disclosed to enforce the disclosing party's rights or to enforce the obligations of the other party to this Agreement; or
- (g) is disclosed to the disclosing party's professional advisers in circumstances where the professional adviser is under a duty to keep the information confidential,

however, to the extent possible, the disclosing party must consult with the other party before making the disclosure and must use its best endeavours to agree on the form and content of the disclosure.

## 11.3 Disclosure to Public Authority

A party must not disclose any Confidential Information to any Public Authority which refers, directly or indirectly, to the other parties, or discuss the terms of this Agreement with any such Public Authority, without the prior approval of the other parties, such approval not to be unreasonably withheld.

## 12. Notices

---

Any notice, demand, consent or other communication (a Notice) given or made under this Agreement:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post or by hand, fax or email to the address, fax number or email address below or the address, fax number or email address last notified by the intended recipient to the sender:

- (1) to ND Properties:

c/- First Floor, Unit A, Abernethy Road, Belmont WA 6104

Attention: Nick Di Latte

Email: [NDiLatte@diploma.com.au](mailto:NDiLatte@diploma.com.au)

- (2) to UP Investments:

c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park WA 6017

Attention: Natalie De Felice

Email: [NDeFelice@diploma.com.au](mailto:NDeFelice@diploma.com.au)

- (3) to Healthy Holdings:



c/- First Floor, Unit A, 140 Abernethy Road, Belmont WA 6104

Attention: Frank Di Latte

Email: FDiLatte@diploma.com.au

(4) to Wandina:

c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park WA 6017

Attention: Dominic Di Latte

Email: DDiLatte@diploma.com.au

(5) to Bidco

c/- Frank Cullura & Associates, Suite 6, 16 Main Street, Osborne Park WA 6017

Attention: Dominic Di Latte

Email: DDiLatte@diploma.com.au

(c) will be taken to be duly given or made:

- (1) in the case of delivery in person, when delivered;
- (2) in the case of delivery by post, on the third Business Day after the date of posting);
- (3) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error; and
- (4) in the case of email:
  - (A) when the sender receives an automated message confirming delivery; or
  - (B) four 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 result is that a Notice would be taken to be given or made on a day that is not a Business Day in the place to which the Notice is sent or is later than 5.00pm (local time) it will be taken to have been duly given or made at 9.00am on the next Business Day in that place.

## 13. General

---

### 13.1 Entire agreement

Unless otherwise agreed in writing by the Excluded Shareholders, this Agreement:



- (a) contains the entire agreement between the parties with respect to its subject matter; and
- (b) sets out the only conduct relied on by the parties and supersedes all earlier conduct and prior agreements and understandings between the parties in connection with its subject matter.

## 13.2 Amendment

This Agreement may be amended only by a document signed by or on behalf of each of the parties.

## 13.3 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

## 13.4 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## 13.5 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this Agreement does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

## 13.6 Further assurances

Each party do anything necessary (including executing agreements and documents) full effect to this Agreement and the transactions contemplated by it.

## 13.7 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this Agreement. They will survive the of any assignment or other document entered into for the purpose of implementing a transaction.

## 13.8 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 Agreement, except for representations or inducements expressly set out in this Agreement.
- (b) Each party acknowledges and confirms that it does not enter into this Agreement 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 Agreement.

## 13.9 Relationship between parties

Except where this Agreement expressly states otherwise:



- (a) nothing in this Agreement makes one party a partner, agent, fiduciary or legal representative of the other party; and
- (b) each party's liability in each case is individual and not joint and individual.

## 13.10 GST

- (a) Unless otherwise expressly stated, all amounts payable under this Agreement are expressed to be exclusive of GST. If GST is payable on a Taxable Supply made under or in connection with this Agreement, the recipient of the supply must pay the supplier an additional amount equal to the GST payable on that supply provided that the supplier first issues a tax invoice for that supply.
- (b) Without limiting clause 14.9(a), if an amount payable under this Agreement is calculated by reference to a Liability incurred by a party, then the amount of the Liability must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of the acquisition of the supply to which that Liability relates. A party will be assumed to be entitled to a full Input Tax Credit unless it demonstrates that its entitlement is otherwise prior to the date on which payment must be made.
- (c) Words and expressions used in this clause 13.9 have the same meaning as in A New Tax System (Goods and Services) Tax Act 1999 (Cth).

## 13.11 Other taxes

Unless otherwise expressly stated, all amounts payable under this Agreement are expressed to be exclusive of any indirect transaction taxes and withholding taxes that are levied or imposed by a Public Authority.

## 13.12 Governing law

This Agreement is governed by the laws of Western Australia. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there, and waives any right to claim that those courts are an inconvenient forum.

## 13.13 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.



# Framework Agreement



## Signing page

Executed by Diploma Investments Pty Ltd  
ACN 607 874 019

~~Director/Sole Director~~/Sole Director and Secretary

DOMENICO BUONAVENTURA DI LATTE

Print full name of Director/Sole Director

Director/Secretary (if applicable)

Executed by Wandina Holdings Pty Ltd  
ACN 009 088 135

~~Director/Sole Director/Sole Director and Secretary~~

NATALINA FILOMENA DE FELICE

Print full name of Director/Sole Director

Director/Secretary (if applicable)

FRANCESCO PIETRO DI LATTE

Print full name of Director/Secretary

Executed by UP Investments Pty Ltd ACN 113  
950 128

~~Director/Sole Director/Sole Director and Secretary~~

NATALINA FILOMENA DE FELICE

Print full name of Director/Sole Director

Director/Secretary (if applicable)

Print full name of Director/Secretary

Executed by Healthy Holdings Pty Ltd ACN 113  
989 049

~~Director/Sole Director/Sole Director and Secretary~~

FRANCESCO PIETRO DI LATTE

Print full name of Director/Sole Director

Director/Secretary (if applicable)

Print full name of Director/Secretary

# Framework Agreement



**Executed** by ND Properties Pty Ltd ACN 102  
222 864

~~Director/Sole Director~~/Sole Director and Secretary

Director/Secretary (if applicable)

**NICOLA DOMENICO DI LATTE**

Print full name of Director/Sole Director

Print full name of Director/Secretary