

14 June 2012

GWA Group Limited enters into Scheme Implementation Agreement to acquire security and locksmith group Q Technology Group Limited

- **GWA Group Limited (GWA) (through a wholly-owned subsidiary) proposes to acquire all ordinary shares in Q Technology Group Ltd (QTG) for a cash consideration of 3.8 cents per share¹ (the Scheme Consideration).**
- **The Scheme Consideration of 3.8 cents per share represents a premium of 130% to QTG's volume weighted average share price (VWAP) of 1.65 cents in the month up to and including 13 June 2012 (being the last day of trading before the Scheme was announced).**
- **The transaction will be implemented by way of a scheme of arrangement (the Scheme). If the Scheme is implemented, QTG will become a wholly owned subsidiary of GWA and will be delisted from the ASX.**
- **The QTG Board have provided a unanimous recommendation that QTG shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of QTG shareholders.**
- **GWA has also entered into a Call Option Deed with Bond Street Custodians Limited in its capacity as custodian for Helmsman Funds Management Limited in its capacity as trustee of the Helmsman Capital Fund Trust IIA (Helmsman) over 28,049,813 ordinary shares in QTG representing 14.3% of QTG's ordinary shares on issue.**

GWA, Australia's leading supplier of building fixtures and fittings to households and commercial premises, today has entered into a Scheme Implementation Agreement with QTG in the form attached to this announcement (SIA) under which, subject to approval by shareholders of QTG and the satisfaction of a number of conditions, it is proposed that GWA will acquire 100% of the issued ordinary shares in QTG, for

¹ This amount will be reduced by the following amounts (per ordinary share): (i) the aggregate cash amount of any dividend declared, determined or paid by QTG during the period from the date of this announcement until the implementation date; and (ii) the aggregate amount of any consideration paid by QTG to cancel QTG options and any other rights to be issued QTG shares and options (as one of the conditions precedent to the Scheme).

the Scheme Consideration. The Scheme Consideration of 3.8 cents per share represents a 14% discount to Net Asset value, and a premium to the Net Tangible Assets of 2.4 cents of QTG at 31 December 2011. The Scheme implies an enterprise value of \$20.6 million for QTG comprising an equity value of \$7.4 million² and assumed debt obligations of \$13.2 million.

GWA has also entered into a Call Option Deed with Helmsman which enables GWA to acquire 28,049,813 ordinary shares in QTG (representing 14.3% of QTG's ordinary shares on issue) from Helmsman where a competing proposal is matched by GWA under the matching rights included in the SIA. QTG has provided its written consent to this transaction in accordance with the standstill arrangement discussed below. The details of the Call Option Deed will be disclosed in a substantial holder notice to be lodged with the ASX by GWA.

QTG's Chairman Comments

QTG's Non-Executive Chairman Bruce Higgins said, "After a detailed review of QTG's options and an assessment of GWA's proposal, the QTG Board unanimously considers the Scheme to be in the best interests of QTG shareholders. We recommend that QTG shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of QTG shareholders. Each QTG director intends to vote in favour of the Scheme, or procure that the voting rights which the director has control over are voted in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of QTG shareholders".

Implementation and Transaction Conditions

The Scheme is subject to certain conditions precedent, including:

- securing ongoing supply of products from QTG's key suppliers;
- cancellation of all outstanding QTG options;
- no QTG regulated events and/or material adverse changes;
- the repayment by GWA of QTG's finance facilities being no more than \$14 million;
- an independent expert report concluding that the Scheme is in the best interests of QTG shareholders;
- the QTG Board unanimously stating in the scheme booklet that it considers the Scheme to be in the best interests of QTG shareholders and recommending that QTG shareholders vote in favour of the Scheme in the absence of a superior proposal (and subject to the independent expert concluding that the Scheme is in the best interests of QTG shareholders), and the QTG Board not withdrawing, qualifying or varying those statements or recommendations before the Scheme is approved by QTG shareholders;

² As at the date of this announcement, QTG had 196,065,483 ordinary shares on issue.

- no person obtaining a relevant interest in 10% or more of QTG's ordinary shares between the date of this announcement and the second court date (other than GWA or a related body corporate of GWA, or an existing QTG shareholder which is an institutional or portfolio investor);
- change of control waivers or consents obtained for key contracts and finance arrangements;
- the deed of company arrangement in relation to QRSciences Pty Ltd has been effectuated and notice given to ASIC;
- QTG shareholder and court approvals for the Scheme; and
- any regulatory approvals.

The SIA attached in Appendix 1 to this announcement contains full details of these conditions in clause 3.1. QTG has also agreed to customary obligations that limit QTG's ability to engage with third parties on a competing proposal, although these obligations (apart from the no shop) are subject to fiduciary duty exceptions. QTG has also agreed to grant GWA a matching right in certain circumstances where a competing proposal is received by QTG. A break fee of 1% of the transaction value is payable by both QTG and GWA in certain circumstances.

Standstill Arrangement

GWA and QTG are also parties to a Confidentiality Agreement dated 26 April 2012 (Confidentiality Agreement), pursuant to which they have agreed, amongst other things, that until 26 October 2012, GWA will not acquire any QTG shares. The standstill arrangement in the Confidentiality Agreement is subject to a number of exceptions that permit any acquisitions:

- where QTG has given its written consent;
- which occur as part of the implementation of a transaction on terms which are agreed and recommended by the Board of QTG to its shareholders; or
- where there is a competing proposal for a change of control of QTG not involving GWA or its related bodies corporate.

About QTG

QTG is an ASX listed entity with:

- an approximate revenue of \$50 million;
- approximately 200 employees; and
- an approximate market capitalisation of \$4 million (as at 13 June 2012, being the last day of trading before the Scheme was announced). It comprises two operating businesses, being Q Video Systems and API Locksmiths.

The Q Video Systems business is an importer and wholesale distributor of security surveillance, monitoring equipment and alarms. API Locksmiths is a supplier of safes, locks, alarms and locksmithing services. The core business of API Locksmiths is the provision of locksmithing services. API Locksmiths has a national network of offices, and contracts with major commercial enterprises including banks, casino and building management companies.

Key Metrics of the Scheme

The Scheme Consideration of 3.8 cents per share represents:

- a premium of 100% to the ASX closing share price of 1.90 cents on 13 June 2012, being the last trading day before the Scheme was announced;
- a premium of 130% to the VWAP of 1.65 cents in the one month up to and including 13 June 2012; and
- a premium of 78% to the VWAP of 2.14 cents in the three months up to and including 13 June 2012.

GWA's Managing Director Comments

GWA Managing Director Peter Crowley said, "The proposed acquisition of QTG, including the businesses operated by its subsidiaries, Q Video Systems and API Locksmiths, provides access to new markets and logical product extensions to our Door & Access Systems Division.

QTG has a successful management team, high quality products and a strong position across the markets in which it operates. The operating businesses have not been able to achieve their potential in recent years under the burden of excessive debt and we expect the inclusion of QTG in the GWA Door & Access Systems Division will provide the business a strong platform for growth. These businesses will further strengthen GWA's market offer in residential and commercial access systems and provide a service capability to complement our product offerings."

Next Steps

A scheme booklet is expected to be mailed to QTG shareholders around mid August 2012 containing full details of the Scheme. The scheme booklet will include, among other things, the reasons for the QTG Board's unanimous recommendation that shareholders vote in favour of the Scheme (in the absence of a superior proposal, and provided that the independent expert concludes that the Scheme is in the best interests of QTG shareholders), and a copy of the independent expert's report. The Scheme is expected to be implemented in early October 2012.

An indicative transaction timetable is outlined below:

Event	Anticipated Timing
Lodgement of draft Scheme Booklet with ASIC	12 July 2012
First Court Date	3 August 2012
Mailing of Scheme Booklet	13 August 2012
Scheme Meeting	12 September 2012
Second Court Date	14 September 2012
Effective Date	17 September 2012
Record Date	24 September 2012
Implementation Date	2 October 2012

Note: All dates shown are indicative and subject to change.

Other Items

QTG shareholders should consult their stockbroker, accountant, tax, financial or other professional adviser if they are uncertain about the impact of the Scheme on their particular investment objectives. QTG will inform the market of any material developments at the appropriate time.

An investor presentation has been prepared for the transaction. The presentation has been placed on both QTG's and GWA's websites. QTG's website address is www.qtechnologygroup.com.au and GWA's website address is www.gwagroup.com.au

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Appendix 1 - Scheme Implementation Agreement

Scheme Implementation Agreement

GWA Group Limited
Q Technology Group Limited

Allens
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Brisbane QLD 4000
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Fax 61 7 3334 3444
www.aar.com.au

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Date	14 June 2012
Parties	
1.	GWA Group Limited (ABN 15 055 964 380) of Level 2, HQ South Tower, 520 Wickham Street, Fortitude Valley QLD 4006 (Bidder).
2.	Q Technology Group Limited (ABN 27 009 259 876) of Unit 5, 435 Williamstown Road, Port Melbourne, VIC 3207 (Target).
Recitals	
A	Bidder, through BidCo, proposes to acquire all of the Scheme Shares pursuant to the Scheme.
B	Target has agreed to propose the Scheme to Target Shareholders and to issue the Scheme Booklet to Target Shareholders, and Bidder and Target have agreed to implement the Scheme, upon and subject to the terms and conditions of this Agreement.

It is agreed as follows.

1. Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

ACCC means the Australian Competition and Consumer Commission.

Accounting Standards means the requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group, the requirements of the Corporations Act in relation to the preparation and content of accounts and, to the extent that any matter is not covered by them, means generally accepted accounting principles applied from time to time in Australia for companies similar to the Target and its Subsidiaries.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity in connection with the Scheme.

Agreed Form means in relation to any document, such document in the form agreed between Bidder and Target, such agreement not to be unreasonably withheld or delayed.

Agreed Public Announcement means the public announcement to be made jointly by Bidder and Target in the form of annexure C.

Announcement Date means:

- (a) the date on which this Agreement is executed; or
- (b) if this Agreement is executed on a day that is not a Trading Day, the first Trading Day immediately following the day of execution.

API means API Services and Solutions Pty Ltd (ACN 146 230 711).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the ASX operated by it.

ASX Listing Rules means the official listing rules of ASX.

ATO means the Australian Taxation Office.

BidCo means a Wholly-Owned Subsidiary of Bidder nominated by Bidder, being GWA Group Holdings Limited (ABN 68 009 659 385).

Bidder Board means the board of directors of Bidder (as constituted from time to time) and includes any authorised committee of directors.

Bidder Break Fee means an amount equal to 1% of the Scheme Consideration (exclusive of GST) payable in accordance with this Agreement.

Bidder Deed Poll means a deed poll to be executed by Bidder and BidCo in favour of the Scheme Shareholders substantially in the form of annexure B (or in such other form as Bidder and Target may agree in writing).

Bidder Director means a director of Bidder.

Bidder Disclosed Information means all information (in whatever form) provided by Bidder or any of its Representatives to Target or any of its Representatives in connection with the Scheme or relating to the Bidder Group's past, present or future operations, affairs, business and/or strategic plans, whether provided before or after entry into this Agreement.

Bidder Group means Bidder and its Related Bodies Corporate.

Bidder Group Member means a member of the Bidder Group.

Bidder Indemnified Parties means:

- (a) each Bidder Group Member; and
- (b) the Officers of each Bidder Group Member.

Bidder Provided Information means all information regarding the Bidder Group and the Merged Group that is provided by or on behalf of Bidder to Target or any of its Representatives (and that is specifically identified as such by Bidder or any of its Representatives) to enable the Scheme Booklet to be prepared and completed in accordance with clause 5.1 and any updates to that information provided by or on behalf of Bidder to Target or any its Representatives in accordance with clause 5.3(f).

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and

- (b) a day that banks are open for business in Melbourne, Victoria and Brisbane, Queensland, Australia.

Business Records means all books of account, accounts, records and data of whatever kind and all other documents relating to the Target Group.

Claim means in relation to any person, a claim, action, proceeding, judgment, damage, loss, cost, expense or liability incurred by or to or made or recovered by or against the person, however arising and whether past, present, unascertained, immediate, future or contingent.

Communications means all forms of communications, whether written, oral, in electronic format or otherwise, and whether direct or indirect via agents or Representatives.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (other than any Transaction that may be made and implemented in accordance with this Agreement) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) a Third Party will (other than as custodian, nominee or bare trustee):
- (i) acquire an interest in, or a Relevant Interest in, or become the holder of, 20% or more of the shares in any Target Group Member;
 - (ii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a substantial part of the assets or business of any Target Group Member;
 - (iii) otherwise acquire control (within the meaning of section 50AA of the Corporations Act) of any Target Group Member; or
 - (iv) otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or economic interest in, any Target Group Member or in all or a substantial part of their respective assets or business, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Target Group or other synthetic merger or any other transaction or arrangement; or
- (b) Target would be required to abandon or otherwise fail to proceed with the Scheme or the Transaction, by whatever means.

Conditions Precedent means the conditions precedent set out in clause 3.1.

Confidentiality Agreement means the agreement of that name between Bidder and Target dated 26 April 2012.

Confidential Information has the same meaning given to that term in the Confidentiality Agreement.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction as Bidder and Target may agree in writing.

DOCA means the deed of company arrangement dated 4 October 2010 in relation to QRSciences Pty Ltd (ACN 071 648 309).

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.

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

End Date means 31 October 2012, or such later date as Bidder and Target may agree in writing.

Exclusivity Period means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) the termination of this Agreement in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

Finance Debt means indebtedness (whether actual or contingent) in respect of money borrowed or raised or other financial accommodation. It includes indebtedness under or in respect of:

- (a) a Guarantee of Finance Debt or a Guarantee given to a financier;
- (b) a finance lease;
- (c) a swap, option, hedge, forward, futures or similar transaction;
- (d) an acceptance, endorsement or discounting arrangement;
- (e) a redeemable share or redeemable stock; or
- (f) the deferred purchase price (for more than 90 days) of an asset or service,

or an obligation to deliver assets or services paid for in advance by a financier or otherwise relating to a financing transaction.

Finance Party means each person who provides or has provided Finance Debt to one or more Target Group Members.

First Court Date means the first day of hearing of an application made to the Court by Target for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

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 (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the ACCC, the ATO, ASX, the Foreign Investment Review Board and any regulatory organisation established under statute or any stock exchange.

Guarantee means an obligation or offer to provide funds (including by subscription or purchase) or otherwise be responsible in respect of an obligation or indebtedness, or the financial condition or solvency, of another person. It includes a guarantee, indemnity, letter of credit or legally binding letter of comfort, or an obligation or offer to purchase an obligation or indebtedness of another person.

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

Implementation Date means the date that is five Business Days after the Record Date, or such other date as:

- (a) may be agreed in writing between Bidder and Target;
- (b) ordered by the Court; or
- (c) may be required by ASX.

Independent Expert means an independent expert to be engaged by Target in accordance with clause 5.1(b) to express an opinion on whether the Scheme is in the best interests of Target Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by Target for inclusion in the Scheme Booklet, and any update to such report that the Independent Expert issues prior to the Scheme Meeting.

Institutional Investor means a person that in the ordinary course of its business acquires and holds passive, non-controlling stakes in listed companies for medium to long term investment purposes.

Key Contract means each contract and lease listed in part 1 of schedule 1.

Key Finance Party means:

- (a) each Finance Party listed in part 2 of schedule 1; and
- (b) any person to whom Finance Debt exceeding \$50,000 is owed by the Target or a Subsidiary of the Target.

Key Supplier means each supplier that is key to the business, operations or prospects of the Target Group as agreed by the parties before the date of this agreement.

Material Contract means any agreement, arrangement or understanding (or any series of related contracts or commitments) to which any Target Group Member is party that:

- (a) requires or may result in receipt of revenue or expenditure by any Target Group Member (either alone or together with any other Target Group Member) of \$100,000 or more in any year;
- (b) relates to a leasehold property;
- (c) is with a Key Supplier; or
- (d) is otherwise material to the business, operations or prospects of any Target Group Member.

It includes the Key Contracts.

Loan Note Deed means the loan note deed dated 30 September 2010 between Target and Bond Street Custodians Limited (ACN 008 607 065) as trustee of the Helmsman Capital Fund Trust IIB and amended and restated in or about October 2010.

Merged Group means Bidder and its Related Bodies Corporate, immediately after implementation of the Scheme.

Note means a note issued under the Loan Note Deed.

Notice of Meeting means the notice convening the Scheme Meeting, together with the proxy form for the Scheme Meeting.

Officer means, in relation to an entity, any of its directors, officers and employees.

Performance Guarantee means any bank guarantee, letter of credit or other promise to pay (however described) given for the benefit of a person on behalf of a Target Group Member.

PPSA means the *Personal Property Securities Act 2009* (Cth).

QVS means QRSciences Security Pty Ltd (ACN 120 813 292).

Record Date means 7pm on the date that is five Business Days after the Effective Date, or such other date as may be agreed in writing between Bidder and Target or as may be required by ASX.

Regulatory Approval means:

- (a) any approval, consent, authorisation, registration, filing, lodgment, 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 lodgment, filing, registration or notification, the expiry of that period without intervention or action.

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

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

Representative means, in relation to a person:

- (a) a Related Body Corporate of the person; or
- (b) an Officer of the person or any of the person's Related Bodies Corporate; or
- (c) an Adviser to the person or any of the person's Related Bodies Corporate.

Sale of Business Agreement means the agreement of that name between API Security Pty Ltd, QRSciences Holdings Limited, NSL Investments Pty Limited, Stewarts Security Specialists Pty Limited, Marjas Pty Limited and API Security (NZ) Pty Limited dated 22 September 2010.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Target and Target Shareholders substantially in the form of annexure A, or in such other form as Bidder and Target may agree in writing.

Scheme Booklet means the explanatory memorandum to be prepared in respect of the Scheme in accordance with the terms of this Agreement and to be despatched by Target to Target Shareholders, including the Independent Expert's Report, the Scheme, the Bidder Deed Poll and the Notice of Meeting.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to BidCo of their Scheme Shares in accordance with clause 4.

Scheme Meeting means the meeting of Target Shareholders to be ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Resolution means the resolution to be put to Target Shareholders to approve the Scheme (such resolution to be put to Target Shareholders at the Scheme Meeting and that, to be passed, must be approved by the requisite majorities of Target Shareholders under section 411(4)(a)(ii) of the Corporations Act).

Scheme Shareholder means each person who is registered in the Target Register as a holder of Scheme Shares as at the Record Date.

Scheme Shares means the Target Shares on issue as at the Record Date.

Scheme Orders means the orders of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.

Second Court Date means the first day of hearing of an application made to the Court by Target for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Security includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind. It includes:

- (a) anything which gives a creditor priority to other creditors with respect to any asset;
- (b) retention of title and a deposit of money by way of security; and
- (c) a security interest under the PPSA.

It does not include an interest of the kind referred to in section 12(3) of the PPSA where the transaction concerned does not, in substance, secure payment or performance of an obligation.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal that the Target Board determines, acting in good faith and in order to satisfy what the Target Board considers to be its fiduciary or statutory duties (and after having obtained written advice from Target's external legal and, if appropriate, financial advisers):

- (a) is capable of being valued and completed, taking into account all aspects of the Competing Proposal, including its conditions; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to the Target Shareholders than the Scheme and the Transaction viewed in

aggregate, taking into account all the terms and conditions of the Competing Proposal,

after taking into account a qualitative assessment of the identity, reputation and financial standing of the party making the Competing Proposal.

Takeovers Panel means the panel established under section 171 of the *Australian Securities and Investments Commission Act 2001* (Cth).

Target Board means the board of directors of Target (as constituted from time to time), and includes any authorised committee of directors.

Target Break Fee means an amount equal to 1% of the Scheme Consideration (exclusive of GST) payable in accordance with this Agreement.

Target Director means a director of Target.

Target Disclosed Information means all information (in whatever form) provided by Target and its Representatives to Bidder and its Representatives in connection with the Scheme or relating to the Target Group's past, present or future operations, affairs, business and/or strategic plans, whether provided before or after entry into this Agreement and whether provided for the purpose of facilitating Bidder's due diligence investigations in relation to the Target Group or otherwise (including information provided by way of access to data rooms, site visits, management presentations, and interviews and discussions with or other access to the Target Group's external auditors and Advisers).

Target ESP means any employee incentive scheme operated by Target for the benefit of employees of Target or any of its subsidiaries.

Target Group means Target and its Subsidiaries.

Target Group Member means a member of the Target Group.

Target Indemnified Parties means:

- (a) each Target Group Member; and
- (b) the Officers of each Target Group Member.

Target Material Adverse Change means any event, occurrence or matter that individually or when aggregated with all such events, occurrences or matters:

- (a) varies, or is reasonably likely to vary, (whether now or in the future) the consolidated net assets (excluding Finance Debt) of the Target Group by an amount equal to \$1.5 million or more, as compared to the consolidated net assets (excluding Finance Debt) of the Target Group as specified in Target's unaudited consolidated balance sheet as at 30 April 2012, provided that any depreciation, amortisation, reduction, impairment or write-down of goodwill relating to Target Group's acquisition of API, and any foreign exchange adjustments, are excluded from this calculation;
- (b) diminishes, or is reasonably likely to diminish, (whether now or in the future) the underlying sales and profit performance of the business operated by QVS or API;
or

- (c) has the result that the Target Group is unable to carry on its business in substantially the same manner as carried on as at the date of this Agreement, other than an event, occurrence or matter:
- (d) required to be undertaken or procured by the Target Group pursuant to the Transaction Documents;
- (e) to the extent that event, occurrence or matter is fairly disclosed in the Target Disclosed Information;
- (f) to the extent that event, occurrence or matter was known to Bidder prior to the date of this Agreement (which does not include knowledge of the risk of an event, occurrence or matter happening); or
- (g) comprising a change in any applicable law.

Target Option means an option either granted or agreed to be granted to subscribe for a Target Share and as set out in clause 9.2(b)(ii).

Target Option Right means a right to be issued a Target Option as set out in clause 9.2(b)(iii).

Target Provided Information means all information included in the Scheme Booklet, and any updates to that information prepared by or on behalf of Target in accordance with clause 5.1(j), other than:

- (a) the Bidder Provided Information and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information; and
- (b) the Independent Expert's Report.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

Target Regulated Event means the occurrence of any of the following events (other than as required to be undertaken or procured by the Target Group pursuant to, or otherwise as contemplated by, the Transaction Documents, or to the extent fairly disclosed in the Target Disclosed Information, or as agreed to in writing by Bidder):

- (a) Target or any Subsidiary of Target converts all or any of its securities into a larger or smaller number of securities;
- (b) Target or any Subsidiary of Target reduces, or resolves to reduce, its capital in any way;
- (c) Target or any Subsidiary of Target:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Target or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option;

- (e) Target or any of its Subsidiaries issues, or agrees to issue, convertible notes or any other security or instrument convertible into shares;
- (f) Target or any of its Subsidiaries issues, or agrees to issue, or grants an option to subscribe for, debentures (as defined in section 9 of the Corporations Act);
- (g) Target or any Subsidiary of Target agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital.
- (h) Target or any Subsidiary of Target makes any change to its constitution or other constituent documents;
- (i) Target or any Subsidiary of Target disposes legally or beneficially, or agrees to dispose legally or beneficially, of shares in a Related Body Corporate of Target;
- (j) Target or any of its Subsidiaries:
 - (i) acquires, leases or disposes of;
 - (ii) agrees to acquire, lease or dispose of; or
 - (iii) offers, proposes or announces a bid or tenders for,
any entity, business or assets, other than:
 - (iv) trading inventories and consumables in the ordinary and usual course of business; or
 - (v) as legally committed in any contract fairly disclosed to Bidder in the Target Disclosed Information,
where the value of such entity, business or assets, or the amount involved in the relevant transaction, exceeds \$100,000 (either individually or, in the case of related businesses or classes of assets or a series of related transactions, collectively);
- (k) Target or any Subsidiary of Target creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or assets other than in the ordinary course of its business;
- (l) other than as legally committed in any contract fairly disclosed to Bidder in the Target Disclosed Information, Target or any Subsidiary of Target enters into any Material Contract, or Target or any Subsidiary of Target undertakes capital expenditure in excess of \$50,000;
- (m) Target or any Subsidiary of Target incurs any Finance Debt or issues any indebtedness or debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this Agreement where the funds drawn pursuant to those advances are used in the ordinary course of business or in connection with a purpose that is contemplated and permitted in paragraph (j) of this definition;
- (n) an event of default (however described) occurs under an arrangement with a Key Finance Party or under terms providing for any other Finance Debt exceeding in aggregate \$50,000 and the relevant Finance Party exercises any power, right or remedy which becomes exercisable following an event of default under a Security

granted to it or Finance Debt exceeding in aggregate \$50,000 of Target or any Subsidiary of the Target becomes due and payable before its stated maturity or expiry;

- (o) a person, who is entitled to exercise any right under any provision of any Material Contract relating to Target's businesses that entitles the person to terminate or modify the contract as a result of the announcement or implementation of the Scheme, exercises such right;
- (p) Target or any Subsidiary of Target makes any loans, advances or capital contributions to, or investments in, any other person, other than to or in Target or any Wholly-Owned Subsidiary of Target in the ordinary course of business, or otherwise in the ordinary course of business;
- (q) Target or any Subsidiary of Target:
 - (i) pays any bonus to any Officer of Target or any Subsidiary of Target, other than bonuses payable to executives in accordance with the employment terms of that executive in existence as at the date of this Agreement and in the ordinary and usual course of business on the basis of principles consistent with those applied for the payment of bonuses by Target or the relevant Subsidiary of Target at the end of the relevant entity's most recent financial year as at the date of this Agreement (provided that, for the avoidance of doubt, the payment of any bonus in accordance with such employment terms requires that the applicable performance targets or benchmarks relating to the payment of the bonus are satisfied and that any other applicable conditions are fulfilled);
 - (ii) subject to paragraph (q)(i) of this definition, increases the remuneration or compensation of any Officer of Target or any Subsidiary of Target other than in accordance with Target's normal salary review procedure conducted in good faith and in the ordinary and usual course of business on the basis of principles consistent with those applied for Target's normal salary review procedure;
 - (iii) grants to any Officer of Target or any Subsidiary of Target any increase in severance or termination pay or superannuation entitlements; or
 - (iv) makes or agrees to make any material change to the terms of, or waives any Claims or rights under, or waives the benefit of any provisions of, any contract of employment with any executive of Target or of any Subsidiary of Target or any contract with any contractor personnel of Target or of any Subsidiary of Target;
- (r) Target or any Subsidiary of Target:
 - (i) changes the terms of any Material Contract;
 - (ii) pays, discharges or satisfies any Claims, liabilities or obligations under any Material Contract other than the payment, discharge or satisfaction consistent with past practice and in accordance with its terms; or

- (iii) waives any material Claims or rights under, or waives the benefit of any provision of, any Material Contract,
- where the consequences of such action are material to Target or the relevant Subsidiary of Target;
- (s) Target or any Subsidiary of Target becomes the subject of any litigation which is commenced or threatened (where such threat is communicated to Target or a Subsidiary of Target in writing from a reputable law firm) which may reasonably be expected to result in a judgment against any member of the Target Group for an amount that is greater than \$50,000;
- (t) Target or any Subsidiary of Target becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation;
- (u) Target or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of Target or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (v) a liquidator or provisional liquidator of Target or any of its Subsidiaries is appointed;
- (w) a court makes an order for the winding up of Target or any of its Subsidiaries;
- (x) an administrator of Target or of any of its Subsidiaries is appointed under the Corporations Act;
- (y) Target or any of its Subsidiaries ceases, or threatens to cease, to carry on business;
- (z) Target or any of its Subsidiaries executes a deed of company arrangement;
- (aa) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or any of its Subsidiaries;
- (bb) Target or any of its Subsidiaries is deregistered as a company or otherwise dissolved;
- (cc) Target or any of its Subsidiaries is or becomes unable to pay its debts when they fall due; or
- (dd) Target or any of its Subsidiaries enters into any understanding, arrangement or commitment (of any nature) to do anything listed in paragraphs (a) to (r) (inclusive) of this definition.

Target Share means a fully paid ordinary share in Target.

Target Share Right means:

- (a) a right to acquire a Target Share issued by Target under a Target ESP as set out in clause 9.2(b)(iv); or

- (b) any right to acquire a Target Share arising under the Loan Note Deed (or the "Convertible Note Deed" referred to in it) or any arrangement relating to the provision of Finance Debt to one or more Target Group Members.

Target Shareholder means a person who is registered in the Target Register as a holder of Target Shares from time to time.

Third Party means any of the following:

- (a) a person other than any Bidder Group Member; or
- (b) a consortium, partnership, limited partnership, syndicate or other group in which no Bidder Group Member has agreed in writing to be a participant.

Timetable means the indicative timetable in relation to the Scheme set out in schedule 2, or such other indicative timetable as Bidder and Target may agree in writing or as may be required by ASX.

Trading Day has the meaning given in the ASX Listing Rules.

Transaction Documents means:

- (a) this Agreement;
- (b) the Scheme;
- (c) the Bidder Deed Poll;
- (d) the Confidentiality Agreement; and
- (e) any other document, in the Agreed Form which Bidder and Target agree is necessary or desirable to be entered into for the purposes of the Scheme.

Transaction means the proposed transaction pursuant to which BidCo will acquire the Scheme Shares under the Scheme, in consideration for the provision of the Scheme Consideration and any action to be undertaken pursuant to, or in connection with, a Transaction Document.

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

Wholly-Owned Subsidiary means, in relation to a party, a body corporate, all of the issued shares of which are or will be directly or indirectly owned by that party.

1.2 Interpretation

The following rules apply unless the context requires otherwise.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) 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.
- (c) The singular includes the plural and conversely.
- (d) A gender includes all genders.
- (e) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

- (f) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (g) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this Agreement.
- (h) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.
- (i) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
- (j) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (k) A reference to \$ is to the lawful currency of Australia.
- (l) Words and phrases defined in the Corporations Act in a context similar to that in which the expression is used in this Agreement have the meaning given to them in the Corporations Act.
- (m) A reference to time is a reference to time in Victoria, Australia.
- (n) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
- (o) The meaning of general words is not limited by specific examples introduced by **including**, or **for example**, or similar expressions.
- (p) A reference to **fairly disclosed** means disclosure in sufficient detail to allow Bidder (acting reasonably, and being experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the Target Group) to identify the nature and scope of the relevant event, matter or circumstance.
- (q) A reference to a **liability** incurred by any person includes any liability of that person arising from or in connection with any obligation (including indemnities and all other obligations owed as principal or guarantor) whether liquidated or not, whether present, prospective or contingent and whether owed, incurred or imposed by or to or on account of or for the account of that person alone, severally or jointly or jointly and severally with any other person.
- (r) A reference to a **loss** incurred by any person includes any loss, liability, damage, cost, charge or expense that the person pays, incurs or is liable for and any other diminution of value of any description that the person suffers, including all liabilities on account of taxes or duties, all interest, penalties, fines and other amounts payable to third parties and all reasonable legal expenses and other expenses in connection with investigating or defending any Claim, action, demand or

proceeding, whether or not resulting in any liability, and all amounts paid in settlement of any such Claims.

1.3 Best and reasonable endeavours

A reference to a party using or obligation on a party to use its best endeavours or reasonable endeavours does not oblige that party to:

- (a) pay money:
 - (i) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or
 - (ii) in circumstances that are commercially onerous or unreasonable in the context of this Agreement;
- (b) provide other valuable consideration to or for the benefit of any person; or
- (c) agree to commercially onerous or unreasonable conditions.

1.4 Benefit of Agreement

Target acknowledges that its undertakings, acknowledgements, representations and warranties under this Agreement are given for the benefit of, and may be relied upon, by BidCo (in addition to Bidder), notwithstanding that BidCo is not (or may not be) a party to this Agreement.

2. Agreement to Proceed with Scheme

2.1 Target to propose Scheme

Target agrees to propose and implement the Scheme upon and subject to the terms and conditions of this Agreement, and to use all reasonable endeavours to do so as soon as is reasonably practicable and otherwise in accordance with the Timetable.

2.2 Bidder to assist

Bidder agrees to assist Target to implement the Scheme upon and subject to the terms and conditions of this Agreement, and to use all reasonable endeavours to do so as soon as is reasonably practicable and otherwise in accordance with the Timetable.

3. Conditions Precedent and Pre-Implementation Steps

3.1 Conditions Precedent

Subject to this clause 3, the obligations of Target under clause 5.1(n) and Bidder's obligation to pay, or procure the payment of, the Scheme Consideration in accordance with the Bidder Deed Poll and clause 5.3(i) are subject to the satisfaction (or waiver in accordance with clause 3.2) of each of the following Conditions Precedent:

Conditions Precedent for the benefit of Bidder and Target

- (a) **(Regulatory Approvals)** before 8am on the Second Court Date, all Regulatory Approvals required to implement the Transaction are granted or obtained and those Regulatory Approvals are not withdrawn, cancelled or revoked;
- (b) **(Independent Expert's Report)** the Independent Expert provides the Independent Expert's Report to Target, stating that in its opinion the Scheme is in the best interests of Target Shareholders, and the Independent Expert does not change its opinion or withdraw the Independent Expert's Report by notice in writing to Target prior to 8am on the Second Court Date;
- (c) **(Target Shareholder approval)** the Scheme Resolution is approved by the requisite majorities of Target Shareholders under section 411(4)(a)(ii) of the Corporations Act;
- (d) **(Court approval of Scheme)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act and an office copy of the Scheme Orders are lodged with ASIC as contemplated by section 411(10) of the Corporations Act;
- (e) **(no restraints)** no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Governmental Agency of competent jurisdiction, remains in effect as at 8am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Transaction or any Transaction Document;

Conditions Precedent for the benefit of Bidder only

- (f) **(no Target Regulated Events)** no Target Regulated Event occurs between the date of this Agreement and 8am on the Second Court Date;
- (g) **(no Target Material Adverse Change)** no Target Material Adverse Change occurs between the date of this Agreement and 8am on the Second Court Date;
- (h) **(Target representations and warranties)** the representations and warranties of Target set out in clause 9.2:
 - (i) that are qualified as to materiality, are true and correct; and
 - (ii) that are not so qualified, are true and correct in all material respects, as at the date of this Agreement and as at 8am on the Second Court Date as though made on and as of that time;
- (i) **(Target Board recommendation)** the Target Board has, in the Scheme Booklet, unanimously stated that it considers the Scheme to be in the best interests of Target Shareholders and recommended that Target Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal, and the Target Board has not withdrawn, qualified or varied those statements or recommendations before the Scheme Resolution is approved by the requisite majorities of Target Shareholders;

- (j) **(interest in Target)** between the date of this Agreement and 8am on the Second Court Date, no person (other than any Bidder Group Member or any existing Institutional Investor or portfolio investor who is a Target Shareholder as at the date of this Agreement) acquires an interest in securities so as to have a Relevant Interest in 10% or more of Target Shares;
- (k) **(audited accounts)** as at 8am on the Second Court Date, the Target's consolidated financial statements for the financial year ended 30 June 2012 have been prepared in accordance with the Accounting Standards and audited and lodged with ASX and ASIC in accordance with the requirements of the Corporations Act;
- (l) **(Key Contracts)** before 8am on the Second Court Date, the Target has obtained a written waiver or consent from each person who is entitled to exercise any right under any provision of each Key Contract that entitles the person to terminate or modify the contract as a result of the announcement or implementation of the Scheme, each such consent or waiver to be on terms that the Bidder considers acceptable (acting reasonably);
- (m) **(API intellectual property)** before 8am on the Second Court Date, API:
 - (i) appears as the registered owner on the trade marks registers administered by IP Australia and the Intellectual Property Office of New Zealand, as applicable, of the trade marks referred to in schedule 3 of the Sale of Business Agreement; and
 - (ii) appears as the registered owner on the records kept by the relevant domain names registrars, of the domain names set out in Schedule 3 of the Sale of Business Agreement.
- (n) **(Key Suppliers)** as at 8am on the Second Court Date, Bidder is satisfied (after receiving such documents and information as requested by the Bidder) (acting reasonably) that each Key Supplier will continue to supply the relevant products to the Target Group following the implementation of the Scheme;
- (o) **(arrangements relating to Finance Debt)** as at 8am on the Second Court Date:
 - (i) Target has obtained from each Key Finance Party a written waiver of any circumstance that constitutes (or may come to constitute) an event of default (however described) under arrangements relating to Finance Debt, as a result of the announcement or implementation of the Scheme, each such waiver to be on terms that the Bidder considers acceptable (acting reasonably); and
 - (ii) Bidder has confirmed to the Target that the Bidder is satisfied (after receiving such documents and information as requested by the Bidder) that it will, following implementation of the Scheme, be required to pay to the Finance Parties (together aggregated) an amount no greater than \$14 million in order to:
 - (A) discharge all obligations of each Target Group Member to a Finance Party; and

- (B) procure a release of each Security from each Finance Party;
- (p) **(DOCA)** as at 8am on the Second Court Date, the DOCA has been effectuated and notice has been given to ASIC in accordance with clause 11.2 of that deed; and
- (q) **(Target Options, Target Option Rights and Target Share Rights)** as at the date the Scheme Booklet is lodged with ASIC in accordance with clause 5.1(c), Target has agreed (on terms including as to the consideration payable (if any) acceptable to Bidder) with each holder of Target Options, Target Option Rights and Target Share Rights and any other rights to be issued Target Shares, that all such rights will be cancelled (and that all Notes will be surrendered by the relevant noteholder to Target on or prior to 8am on the Second Court Date).

Conditions Precedent for the benefit of Target only

- (r) **(Bidder representations and warranties)** the representations and warranties of Bidder set out in clause 9.1:
 - (i) that are qualified as to materiality, are true and correct; and
 - (ii) that are not so qualified, are true and correct in all material respects,as at the date of this Agreement and as at 8am on the Second Court Date as though made on and as of that time.

3.2 Benefit and waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a) to 3.1(e) are for the benefit of each party, and (except in the cases of the Conditions Precedent in clauses 3.1(c) and 3.1(d), which cannot be waived, except as contemplated in clause 3.7) any breach or non-fulfilment of any of those Conditions Precedent may only be waived with the written consent of both parties.
- (b) The Conditions Precedent in clauses 3.1(f) to 3.1(q) are for the sole benefit of Bidder, and any breach or non-fulfilment of any of those Conditions Precedent may only be waived by Bidder giving its written consent.
- (c) The Condition Precedent in clause 3.1(r) is for the sole benefit of Target, and any breach or non-fulfilment of that Condition Precedent may only be waived by Target giving its written consent.
- (d) A party entitled to waive the breach or non-fulfilment of a Condition Precedent pursuant to this clause 3.2 may do so in its absolute discretion.
- (e) If a waiver by a party of a Condition Precedent is itself expressed to be conditional and the other party accepts the conditions, the terms of the conditions apply accordingly. If the other party does not accept the conditions, the relevant Condition Precedent has not been waived.
- (f) If a party waives the breach or non-fulfilment of a Condition Precedent, that waiver will not preclude it from suing the other party for any breach of this Agreement constituted by the same event that gave rise to the breach or non-fulfilment of the Condition Precedent.

- (g) Waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same events or circumstances; or
 - (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event or circumstance.

3.3 Best endeavours and co-operation

Without prejudice to any other obligations of the parties under this Agreement:

- (a) Bidder must use its best endeavours to satisfy, or procure the satisfaction of, the Condition Precedent in clause 3.1(r);
- (b) Target must use its best endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(f), 3.1(g), 3.1(h), 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(m), 3.1(n), 3.1(o), 3.1(p) and 3.1(q);
- (c) each of Target and Bidder must use their respective best endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(a), 3.1(d) and 3.1(e), to the extent that it is within their respective control; and
- (d) neither party will take any action that will or is likely to hinder or prevent the satisfaction of any Condition Precedent, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, the Transaction Documents, or is required by law.

For the purposes of paragraphs (a), (b) and (c), the 'best endeavours' of a party will require that party to (among other things):

- (e) observe and comply with clause 8.2;
- (f) seek to satisfy the relevant Condition Precedent as soon as practicable after the date of this Agreement or seek to ensure the relevant Condition Precedent continues to be satisfied at all times until the last time it is to be satisfied (as the case requires) with a view to the Effective Date occurring on or before the End Date provided that the parties are not obliged to waive any Condition Precedent; and
- (g) co-operate with the other party or a Governmental Agency or third party in good faith with a view to satisfying the Conditions Precedent, including providing all information reasonably required by the other party in relation to the Bidder Group or Target Group (as applicable) in order to satisfy the Conditions Precedent and providing all information reasonably required by any Governmental Agency or other third party to such Governmental Agency or third party as appropriate.

3.4 Notifications

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;

- (b) promptly notify the other party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied; and
- (c) promptly notify the other party in writing of a failure to satisfy a Condition Precedent or of any fact or circumstance that results in that Condition Precedent becoming incapable of being satisfied or that may result in that Condition Precedent not being satisfied in accordance with its terms (having regard to the obligations of the parties under clause 3.3 and the terms of clause 3.6).

3.5 Failure of Conditions Precedent

- (a) If:
 - (i) there is a breach or non-fulfilment of a Condition Precedent that is not waived in accordance with clause 3.2 before the End Date;
 - (ii) a Condition Precedent becomes incapable of satisfaction, having regard to the obligations of the parties under clause 3.3 and the terms of clause 3.6 (and the breach or non-fulfilment of the Condition Precedent that would otherwise occur has not already been waived); or
 - (iii) the Scheme has not become Effective by the End Date,either party may serve notice on the other party, and the parties must then consult in good faith with a view to determining whether:
 - (iv) the Scheme or the Transaction may proceed by way of alternative means or methods and, if so, to agree on the terms of such alternative means or methods;
 - (v) to extend the relevant time or date for satisfaction of the Condition Precedent;
 - (vi) to change the date of the application to be made to the Court for orders under the Corporations Act approving the Scheme or to adjourn that application (as applicable) to another date agreed by the parties; or
 - (vii) to extend the End Date.
- (b) If Bidder and Target are unable to reach agreement under clauses 3.5(a)(iv), 3.5(a)(v), 3.5(a)(vi) or 3.5(a)(vii) within five Business Days after the delivery of the notice under that clause or any shorter period ending at 5pm on the day before the Second Court Date, either party may terminate this Agreement by notice in writing to the other party, provided that:
 - (i) the Condition Precedent to which the notice relates is for the benefit of that party (whether or not the Condition Precedent is also for the benefit of the other party); and
 - (ii) there has been no failure by that party to comply with its obligations under this Agreement, where that failure directly and materially contributed to the Condition Precedent to which the notice relates becoming incapable of satisfaction, or being breached or not fulfilled before the End Date,

in which case clause 13.4 will have effect.

3.6 Conditions of Regulatory Approvals

Notwithstanding anything in this Agreement to the contrary, in obtaining any Regulatory Approval, Bidder will not be required to agree to conditions that Bidder does not reasonably consider to be acceptable, including any conditions:

- (a) requiring Bidder or any member of the Bidder Group to agree to or offer to:
 - (i) divest or hold separate any of Bidder's, Target's or any of their respective Related Bodies Corporate's material businesses or assets;
 - (ii) cease to conduct or materially reduce the scope of any business or operations in any jurisdiction in which Bidder, Target or any of their respective Related Bodies Corporate conducts business or operations as at the date of this Agreement; or
 - (iii) limit the type or scope of any proposed or potential business or operations in any jurisdiction (whether or not Bidder, Target or any of their respective Related Bodies Corporate conducts business or operations in that jurisdiction as at the date of this Agreement); or
- (b) that do not merely impose procedural or other non material requirements incidental to the Regulatory Approval,

and any Regulatory Approval that is given subject to any such conditions will not satisfy the Condition Precedent to which it relates, unless Bidder agrees otherwise (in its sole and absolute discretion).

3.7 Scheme voted down

If the Scheme is not approved by Target Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, then Target must if requested by Bidder acting reasonably:

- (a) seek the Scheme Orders, notwithstanding the Headcount Test has not been satisfied;
- (b) make such submissions to the Court and file such evidence as counsel engaged by Target to represent it in Court proceedings related to the Scheme, in consultation with Bidder, considers is reasonably required to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test; and
- (c) waive the Condition Precedent under clause 3.1(c).

3.8 Certificates in relation to Conditions Precedent

On the Second Court Date:

- (a) Target must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8am on the Second Court Date:

- (i) the conditions precedent set out in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(f), 3.1(g), 3.1(h), 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(m), 3.1(o), 3.1(p) and 3.1(q) have been satisfied or waived in accordance with this Agreement; and
 - (ii) to the best of Target's knowledge whether the condition precedent set out in clause 3.1(e) has been satisfied or waived in accordance with this Agreement; and
- (b) Bidder must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8am on the Second Court Date:
 - (i) the conditions precedent set out in clauses 3.1(a), 3.1(f), 3.1(g), 3.1(n), 3.1(o) and 3.1(r) have been satisfied or waived in accordance with this Agreement; and
 - (ii) to the best of Bidder's knowledge whether the condition precedent set out in clause 3.1(e) has been satisfied or waived in accordance with this Agreement.

Each party must provide to the other party a draft of the relevant certificate to be provided by it pursuant to this clause 3.8 by 5pm on the day that is two Business Days prior to the Second Court Date, and must provide to the other party on the Second Court Date a copy of the final certificate or other evidence provided to the Court.

4. Scheme

4.1 Outline of Scheme

- (a) The parties agree that:
 - (i) Target will propose the Scheme in the form set out in annexure A, or in such other form as the parties agree in writing (such agreement not to be unreasonably withheld); and
 - (ii) the Scheme, if approved by the Court, will be subject to any alterations or conditions that are made or required by the Court and approved in writing by each party (such approval not to be unreasonably withheld or delayed).
- (b) Subject to the Scheme becoming Effective, on the Implementation Date the general effect of the Scheme will be as follows:
 - (i) all of the Scheme Shares will be transferred to BidCo in accordance with the terms of the Scheme; and
 - (ii) in consideration for the transfer to BidCo of all Scheme Shares held by the Scheme Shareholders, the Scheme Shareholders will receive the Scheme Consideration in accordance with clause 4.2 and the terms of the Scheme.

4.2 Scheme Consideration

- (a) Subject to 4.2(b) and the Scheme becoming Effective, Bidder agrees in favour of Target that, in consideration of the transfer to BidCo of each Scheme Share under

the Scheme, Bidder will procure that BidCo accepts such transfer, and will provide or procure that BidCo provides to each Scheme Shareholder A\$0.038 in cash for each Scheme Share held by them, in accordance with the terms of the Scheme.

- (b) If any consideration is payable by Target to any holder of Target Options, Target Option Rights, Target Share Rights or any other rights to be issued Target Shares for the cancellation of such rights in accordance with clause 3.1(q) (**Option Consideration**), the consideration payable to each Scheme Shareholder for each Scheme Share held by them pursuant to clause 4.2(a) will be reduced by an amount equal to the aggregate amount of the Option Consideration (if any) paid by Target, divided by the number of Scheme Shares.

5. Steps for Implementation

5.1 Target's obligations in respect of the Scheme

Target must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable, and in particular Target must:

- (a) (**preparation of Scheme Booklet**) as soon as reasonably practicable after the date of this Agreement, prepare the Scheme Booklet in accordance with clause 5.4;
- (b) (**Independent Expert**) promptly appoint the Independent Expert (if the Independent Expert has not been appointed prior to the date of this Agreement), and promptly provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) (**liaison with ASIC**) as soon as reasonably practicable after the date of this Agreement but no later than 14 days before the First Court Date, 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 to Bidder, and (to the extent reasonably practicable) keep Bidder reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters), and use its best endeavours, in co-operation with Bidder, to resolve any such matters (which will include allowing Bidder to participate in Target's meetings and discussions with ASIC);
- (d) (**indication of intent**) apply to ASIC for a letter indicating whether ASIC proposes to make submissions to the Court, or intervene to oppose the Scheme, on the First Court Date;
- (e) (**approval of Scheme Booklet**) as soon as practicable after ASIC has provided its indication of intent in accordance with clause 5.1(d), procure that a meeting of the Target Board is convened to approve the Scheme Booklet for despatch to Target Shareholders (and provide Bidder with a copy of an extract of the applicable

resolutions from the applicable minutes of meeting, as soon as practicable after those minutes have been prepared and signed);

- (f) **(Court documents)** promptly prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) in accordance with all applicable laws, and provide Bidder with drafts of those documents for review and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments from Bidder and its Representatives on those drafts;
- (g) **(first Court hearing)** promptly lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for orders under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting;
- (h) **(registration of Scheme Booklet)** if the Court directs Target 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;
- (i) **(Scheme Meeting)** promptly take all reasonable steps necessary to comply with the orders of the Court, including, as required, despatching the Scheme Booklet to Target Shareholders, convening and holding the Scheme Meeting in accordance with the Court orders, and putting the Scheme Resolution to Target Shareholders at the Scheme Meeting, provided that if this Agreement is terminated under clause 13 it will take all steps reasonably required to ensure the Scheme Meeting is not held;
- (j) **(update Scheme Booklet)** if it becomes aware of information after the date of despatch of the Scheme Booklet that is material for disclosure to Target Shareholders in deciding whether to approve the Scheme Resolution or that is required to be disclosed to Target Shareholders under any applicable law, as expeditiously as practicable:
 - (i) inform Target Shareholders of the information in an appropriate and timely manner, and in accordance with applicable law and after consultation with Bidder as to the manner of provision of that information to Target Shareholders; and
 - (ii) to the extent it is reasonably practicable to do so, provide Bidder with drafts of any documents that it proposes to issue to Target Shareholders under this clause 5.1(j) and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments received in a timely manner from Bidder or its Representatives on those drafts;
- (k) **(section 411(17)(b) statement)** 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;

- (l) **(Court approval)** if the Scheme Resolution is passed by the requisite majorities of Target Shareholders under section 411(4)(a)(ii) of the Corporations Act, as soon as practicable after such time apply to the Court for orders approving the Scheme;
- (m) **(provided Target Register information)** as soon as practicable after the Record Date, and in any event at least three Business Days before the Implementation Date, give to Bidder (or as it directs) details of the names, registered addresses and holdings of Target Shares of every Scheme Shareholder as shown in the Target Register as at the Record Date, in such form as Bidder may reasonably require;
- (n) **(implementation of the Scheme)** if the Court approves the Scheme:
 - (i) lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, as soon as possible after the Court makes those orders, and in any event by no later than 4pm on the first Business Day after the date on which the Court makes those orders or such other Business Day as Target and Bidder may agree in writing;
 - (ii) use best endeavours to ensure that ASX suspends trading in Target Shares with effect from the close of trading on the Effective Date;
 - (iii) close the Target Register as at the Record Date to determine the identity of Scheme Shareholders and to determine their entitlements to the Scheme Consideration in accordance with the Scheme;
 - (iv) promptly execute proper instruments of transfer of, and register all transfers of, the Scheme Shares to BidCo in accordance with the Scheme; and
 - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme and to effect the transfer of the Scheme Shares to BidCo;
- (o) **(information)** provide all necessary information, or have the share registry of Target provide all necessary information, to Bidder about the Scheme and Target Shareholders, in each case in a form reasonably requested by Bidder and at least on a weekly basis, which Bidder reasonably requires in order to:
 - (i) canvass approval of the Scheme by, or discuss the Scheme with, Target Shareholders (including the results of directions by Target to Target Shareholders under Part 6C.2 of the Corporations Act); and
 - (ii) facilitate the provision by Bidder and BidCo of the Scheme Consideration;
- (p) **(representation)** allow, and not oppose, any application by Bidder or BidCo for leave of the Court to be represented, or the separate representation of Bidder or BidCo by counsel, at the Court hearings heard for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme, provided that in making any application for representation or in appearing before the Court, Bidder and BidCo act in accordance with the Transaction Documents and do not oppose

any application by Target in exercise of its rights under the Transaction Documents;

- (q) **(Material Contracts)** without limiting clauses 3.1(l) and 3.1(n), use best endeavours to promptly obtain a waiver or consent from each person who is entitled to exercise any right under any provision of any Material Contract relating to Target's businesses that entitles the person to terminate or modify the contract as a result of the announcement or implementation of the Scheme, and keep Bidder informed of its progress in obtaining such waivers or consents and use its best endeavours, in co-operation with Bidder, to resolve any matters raised by any applicable counterparty to such Material Contract;
- (r) **(ASX listing)** use its best endeavours to ensure that the Target Shares continue to be quoted on ASX until the close of business on the Implementation Date;
- (s) **(publication of information on website)** promptly after they become available, publish on its website the date fixed for any Court hearing in relation to the Scheme, including any adjournments or continuance of the hearing, the date of the Scheme Meeting and the text of all announcements made to ASX in connection with the Scheme;
- (t) **(keep Bidder informed)** from the First Court Date until the Implementation Date, promptly inform Bidder if it becomes aware that the Scheme Booklet contains a statement that is or has become misleading or deceptive in a material respect or that contains a material omission;
- (u) **(Bidder Provided Information)** during the period until the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) becomes publicly available, only use that information with the prior written consent of Bidder (not to be unreasonably withheld or delayed);
- (v) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this Agreement and the other Transaction Documents are effected in accordance with all applicable laws and regulations; and
- (w) **(all things necessary or desirable)** do all other things contemplated by or necessary or desirable to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

5.2 Appeal process

If the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, Target must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent barrister with at least 10 years' experience advises that, in their view, an appeal would have no reasonable prospect of success before the End Date).

5.3 Bidder's obligations in respect of the Scheme

Bidder must take all steps reasonably necessary to assist Target to propose and implement the Scheme as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable, and in particular Bidder must:

- (a) **(provide information)** provide to Target the information referred to in clause 5.4(d);
- (b) **(preparation of Scheme Booklet)** provide assistance with the preparation of the Scheme Booklet in accordance with clause 5.4;
- (c) **(Independent Expert information)** provide all assistance and information reasonably requested by Target or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **(liaison with ASIC)** provide reasonable assistance to Target to assist Target to resolve any matter raised by ASIC regarding the Scheme Booklet or the Scheme during its review of the Scheme Booklet;
- (e) **(approval of Scheme Booklet)** as soon as practicable after ASIC has provided its indication of intent in accordance with clause 5.1(d), procure that a meeting of the Bidder Board (or of a committee of the Bidder Board appointed for the purpose) is convened to approve those sections of the Scheme Booklet that comprise the Bidder Provided Information as being in a form appropriate for despatch to Target Shareholders (and provide Target with a copy of an extract of the applicable resolutions from the applicable minutes of meeting, as soon as practicable after those minutes have been prepared and signed);
- (f) **(keep Target informed)** from the First Court Date until the Implementation Date, promptly inform Target if it becomes aware that the Bidder Provided Information contains a statement that, in the form and context in which it appears in the Scheme Booklet, is or has become misleading or deceptive in any material respect or that contains any material omission, and provide such further or new information as is required to ensure that such information is no longer misleading or deceptive in any material respect or does not contain any material omission;
- (g) **(Court representation)** procure that, if requested by Target, it and BidCo are represented by counsel at the Court hearings convened in connection with the Scheme, at which, through its counsel and if requested by the Court, Bidder will undertake (and will procure that BidCo undertakes) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this Agreement and the Scheme;
- (h) **(Bidder Deed Poll)** prior to the First Court Date, execute (and procure that BidCo executes) the Bidder Deed Poll;
- (i) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration in accordance with the Scheme and the Bidder Deed Poll on the Implementation Date;

- (j) **(Target Provided Information)** during the period until the Target Provided Information becomes publicly available, only use the Target Provided Information for the purpose for which it was provided to Bidder or otherwise with the prior written consent of Target (not to be unreasonably withheld or delayed); and
- (k) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this Agreement are effected in accordance with all applicable laws and regulations.

5.4 Preparation of Scheme Booklet

- (a) **(Target to prepare)** Subject to Bidder complying with its obligations under clause 5.4(d), Target must prepare the Scheme Booklet as soon as is reasonably practicable after the date of this Agreement and otherwise substantially in accordance with the Timetable.
- (b) **(Compliance requirements)** Target must ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, except that the obligation to do so in respect of the Bidder Provided Information is subject to Bidder complying with its obligations under clauses 5.4(d) and 9.1(b).
- (c) **(Content of Scheme Booklet)** Without limiting clause 5.4(b), the Scheme Booklet will include or be accompanied by:
 - (i) the Scheme;
 - (ii) the Notice of Meeting;
 - (iii) a copy of this Agreement (without the schedules and annexures) or a summary of it;
 - (iv) a copy of the executed Bidder Deed Poll;
 - (v) the Independent Expert's Report;
 - (vi) a statement that the Target Board unanimously considers the Scheme to be in the best interests of Target Shareholders and recommends that Target Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal, unless prior to the issue of the Scheme Booklet the Target Board has changed or withdrawn those statements and recommendations in accordance with clause 7.1; and
 - (vii) a statement that each Target Director who is able to control voting rights in relation to Target Shares intends to vote those Target Shares, or procure that those Target Shares are voted, in favour of the Scheme Resolution, in the absence of a Superior Proposal, unless prior to the issue of the Scheme Booklet the Target Director has changed his or her voting intention in accordance with clause 7.2.
- (d) **(Bidder Provided Information)** Bidder must provide the Bidder Provided Information to Target as soon as is reasonably practicable after the date of this

Agreement and otherwise substantially in accordance with the Timetable, in a form that includes all information regarding the Bidder Group that is required by the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, including all the information that would be required under sections 636(1)(c), (f), (g), (h), (i), (k)(ii), (l) and (m) of the Corporations Act to be included in a bidder's statement if Bidder were offering the Scheme Consideration as consideration under a takeover bid, and must provide to Target such assistance as Target may reasonably require in order to adapt such information for inclusion in the Scheme Booklet.

- (e) **(Review by Bidder)** Target must make available to Bidder in a timely manner drafts of the Scheme Booklet (including any draft of the Independent Expert's Report, but excluding those sections containing the Independent Expert's opinions or conclusions), consult with Bidder in relation to the content of those drafts (including the inclusion of any Bidder Provided Information and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information), and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments from Bidder and its Representatives on those drafts.
- (f) **(Dispute as to Scheme Booklet)** If, after a reasonable period of consultation and compliance by Target with its obligations under clauses 5.4(e), Bidder and Target, acting reasonably and in good faith, are unable to agree on the form or content of the Scheme Booklet, then:
 - (i) if the disagreement relates to the form or content of the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information), Target will, acting in good faith, make such amendments to that information in the Scheme Booklet as Bidder may reasonably require; and
 - (ii) if the disagreement relates to the form or content of the Target Provided Information, Target will, acting in good faith, decide the final form of that information in the Scheme Booklet.
- (g) **(Consent of Bidder)** Without limiting clause 5.4(f), Target must obtain written consent from Bidder in relation to the form and context in which any Bidder Provided Information (and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) is used, such consent not to be unreasonably withheld or delayed by Bidder.
- (h) **(Verification)** Target must undertake appropriate verification processes in relation to the Target Provided Information included in the Scheme Booklet, and Bidder and BidCo must undertake appropriate verification processes in relation to the Bidder Provided Information included in the Scheme Booklet.

5.5 Target Board changes

As soon as practicable after the Implementation Date, but subject to the Scheme Consideration having been paid in full to Target Shareholders, Target will use its best endeavours to:

- (a) take all action necessary to procure that any Target Director designated by Bidder in writing, and any director of any Target Subsidiary designated by Bidder in writing, resigns their office; and
- (b) cause the appointment to the Target Board and to the boards of each of its Subsidiaries of such persons as nominated by Bidder, subject to those persons having provided a consent to act as directors of the relevant company/companies.

6. Conduct of Business and Requests for Access

6.1 Conduct of Target business

- (a) Subject to clause 6.1(b), during the period from the date of this Agreement up to and including the Implementation Date, Target must:
 - (i) procure that the Target Group conducts its business and operations in the ordinary course and substantially consistent (subject to any applicable laws, regulations and Regulatory Approvals) with the manner in which each such business and operation has been conducted in the period prior to the date of this Agreement and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;
 - (ii) to the extent consistent with that obligation, use its best endeavours to preserve intact the Target Group's current business organisation, to keep available the services of the current Officers of it and the other Target Group Members, and to preserve the Target Group's relationship with Governmental Agencies, ratings agencies, customers, suppliers, landlords, trade unions, licensors, licensees and others having business dealings with it.
- (b) The obligations of Target under clause 6.1(a) do not apply in respect of any matter:
 - (i) required to be done or procured by Target pursuant to, or that is otherwise expressly permitted or contemplated by, the Transaction Documents;
 - (ii) required to be undertaken by law; or
 - (iii) the undertaking of which Bidder has approved in writing, such approval not to be unreasonably withheld or delayed.

6.2 Access to information, co-operation and other obligations

- (a) **(Provision of access and information)** During the period from the date of this Agreement up to and including the Implementation Date, Target must, and must procure each of its Subsidiaries to, respond to reasonable requests from Bidder and its Representatives for information concerning the Target Group businesses

and operations (subject to any existing confidentiality obligations owed to Third Parties), and give Bidder and its Representatives reasonable access to its Officers, records, Finance Parties, key suppliers and customers (including the Key Suppliers), and otherwise provide reasonable co-operation to Bidder and its Representatives, in each case for the purposes of:

- (i) the implementation of the Transaction;
- (ii) planning for the integration of the Target Group and the Bidder Group following the implementation of the Scheme;
- (iii) engaging with the key suppliers and customers of the Target Group (including the Key Suppliers) to maintain and ensure continuity of supply of relevant products to the Target Group following the implementation of the Scheme;
- (iv) engaging with each Key Finance Party, in relation to arrangements for payment or repayment of Finance Debt or the release of any Security over the assets of one or more Target Group Members in favour of a Key Finance Party; or
- (v) any other purpose that is agreed in writing between the parties,

subject to the proper performance by the directors and officers of Target and its Subsidiaries of their fiduciary duties.

- (b) **(Promotion of Scheme)** During the period from the date of this Agreement up to and including the Implementation Date, Target must participate in (and ensure that the chairman, managing director and such other senior executives of Target or its Subsidiaries as reasonably requested by Bidder participate in) efforts reasonably requested by Bidder to promote the merits of the Scheme, including:
 - (i) meeting with key Target Shareholders and stakeholders of the Target Group at the reasonable request of Bidder;
 - (ii) communicating with the employees, customers and contractual counterparties of Target and its Subsidiaries; and
 - (iii) meeting and communicating with Governmental Agencies together with Bidder.
- (c) **(Consultation with Bidder)** Without limiting clause 6.2(a), during the period from the date of this Agreement up to and including the Implementation Date, Target must consult with Bidder, on a regular and ongoing basis, in relation to the conduct of material aspects of the Target Group businesses and operations, and consider in good faith Bidder's views in relation to the same, and:
 - (i) promptly provide to Bidder Target's monthly management reports (including detailed profit and loss statement, balance sheet and statement of cash flows), as and when that information becomes available to senior executives of Target;
 - (ii) consult with Bidder in relation to any proposed extension, renewal, replacement, revocation, amendment or surrender of any Regulatory

Approval of a type referred to in paragraph (a) of the definition of Regulatory Approval that is material to the business or operations of any Target Group Member, and promptly take, or refrain from taking, such action in relation to that proposal as may be reasonably requested by Bidder (such reasonableness to be determined having regard to the interests of the Target Group); and

- (iii) consult with Bidder in relation to any material dealings with any Governmental Agency in connection with the business or operations of any Target Group Member.
- (d) **(Co-operation regarding tax calculations)** During the period from the date of this Agreement up to and including the Implementation Date, the parties will do all things reasonably necessary, and provide each other with all information reasonably necessary, to enable Bidder to calculate any necessary tax consolidation calculations, subject to the proper performance by the directors and officers of the parties of their fiduciary duties.
- (e) **(Co-operation regarding replacement of Performance Guarantees)** During the period from the date of this Agreement up to and including the Implementation Date, Target must at its cost do all things (including providing information and signing documents) reasonably requested by the Bidder to assist the Bidder to replace each Performance Guarantee following the Implementation Date.
- (f) **(Limits on Target obligations)** Without limiting clauses 9.2(e) and 9.2(f), the obligations in clauses 6.2(a), 6.2(c) and 6.2(d) do not require Target to:
 - (i) provide information to Bidder concerning the Target Directors' and management's consideration of the Scheme; or
 - (ii) breach an obligation of confidentiality to any person,and, for the avoidance of doubt, nothing in those clauses entitles either party to terminate this Agreement or to claim damages for breach of contract in the event that they are not satisfied.
- (g) **(Limits on Bidder obligations)** The obligations in clause 6.2(d) do not require Bidder to:
 - (i) provide information to Target concerning the Bidder Directors' and management's consideration of the Transaction; or
 - (ii) breach an obligation of confidentiality to any person.
- (h) The parties acknowledge that all information that is provided pursuant to this clause 6.2 will be provided subject to the terms of the Confidentiality Agreement.

6.3 Transaction Documents

The parties agree that they will negotiate in good faith and use their respective best endeavours to agree the terms of all Transaction Documents which are not in Agreed Form at the date of this Agreement as soon as reasonably practicable and in any event before the date of the Scheme Booklet.

6.4 No Target Regulated Events

Without limiting clause 6.2(a), during the period from the date of this Agreement up to and including the Implementation Date, Target must ensure, to the extent within the control of any Target Group Member (or two or more of them), that no Target Regulated Event occurs, without the prior written consent of Bidder.

7. Target Board Recommendations and Intentions

7.1 Target Board recommendation

- (a) The Agreed Public Announcement to be issued by Target and Bidder immediately after execution of this Agreement must state (on the basis of written statements or resolutions made by each of the Target Directors) that the Target Board unanimously considers the Scheme to be in the best interests of Target Shareholders and recommends that Target Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Target Shareholders.
- (b) Target must use its best endeavours to procure that the Target Board and each of the Target Directors:
- (i) does not change or withdraw the statements and recommendations set out in the Agreed Public Announcement;
 - (ii) in the Scheme Booklet, states that the Target Board unanimously considers the Scheme to be in the best interests of Target Shareholders and recommends that Target Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal, and does not change or withdraw those statements or recommendations once made; and
 - (iii) does not make any public statement or any statement to brokers, analysts, journalists, Target Shareholders or professional or institutional investors to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended,
- unless:
- (iv) either:
 - (A) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Target Shareholders (including in any update to its report); or
 - (B) the Target receives a Competing Proposal and a majority of the Target Board determines that the Competing Proposal constitutes a Superior Proposal; and
 - (v) a majority of the Target Board, after considering the matter in good faith and after consulting in good faith with Bidder in relation to its proposed change of statement and recommendation, no longer considers the Scheme to be in the best interests of Target Shareholders.

7.2 Target Director intentions

- (a) The Agreed Public Announcement to be issued by Target and Bidder immediately after execution of this Agreement, and the Scheme Booklet despatched to Target Shareholders, must state (on the basis of written statements or resolutions made by each of the relevant Target Directors) that each Target Director who holds Target Shares, or who has control over voting rights attaching to Target Shares, intends to vote in favour of the Scheme, or procure that the Target Shares the voting rights of which the Target Director has control over are voted in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Target Shareholders.
- (b) Target must use its best endeavours to ensure that each Target Director who holds Target Shares, or who has control over voting rights attaching to Target Shares:
 - (i) intends to vote in favour of the Scheme Resolution, or procure that the Target Shares the voting rights of which the Target Director has control over are voted in favour of the Scheme Resolution; and
 - (ii) does not change that voting intention,unless:
 - (iii) either:
 - (A) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Target Shareholders (including in any update to its report); or
 - (B) the Target receives a Competing Proposal and a majority of the Target Board determines that the Competing Proposal constitutes a Superior Proposal; and
 - (iv) the applicable Target Director, after considering the matter in good faith and after consulting in good faith with Bidder in relation to their proposed change or withdrawal of intention, no longer considers the Scheme to be in the best interests of Target Shareholders.

8. Public Announcements, Communications and Confidentiality

8.1 Required announcements

- (a) On the Announcement Date, Bidder and Target must jointly release the Agreed Public Announcement, which has attached to it a copy of this Agreement.
- (b) Subject to clause 8.3, where a party is required by applicable law, the ASX Listing Rules or any other applicable stock exchange regulation to make any announcement or to make any disclosure in connection with this Agreement (including its termination), the Scheme, the Transaction or any other transaction contemplated by this Agreement or the Scheme, it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by law or applicable requirement, but in any event prior notice,

and has consulted with the other party as to (and has given the other party a reasonable opportunity to comment on) the form and content of that announcement or disclosure and taken all reasonable steps to restrict that disclosure to the greatest extent possible. Nothing in this clause requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable law, the ASX Listing Rules or any other stock exchange regulation.

8.2 Agreement on other Communications

Except in relation to Communications regulated by clause 8.1 and to the extent permitted by applicable law:

- (a) Bidder and Target must in good faith and on a timely and pragmatic basis consult with each other and agree in advance on all aspects (including the timing, form, content and manner) and keep each other informed about the progress of:
 - (i) any Communications with any Governmental Agency in relation to the implementation of the Scheme, whether or not such Communications are for the purposes of satisfying a Condition Precedent; and
 - (ii) any public announcement or disclosure in connection with this Agreement (including its termination), the Scheme, the Transaction or any other transaction contemplated by this Agreement, the Scheme or the Transaction;
- (b) each of Bidder, BidCo and Target is entitled to be represented and to make submissions in any meeting with any Governmental Agency relating to any Regulatory Approval;
- (c) each of Bidder and Target must ensure that any other Communications with third parties in relation to the Scheme (such as with employees or shareholders or with the media other than by way of public announcement or disclosure) must be in accordance with the communication protocols and messages agreed between the parties (and if branded with the name or logo of the other party, must be consented to by that party);
- (d) each party must provide copies to the other party of any written Communications sent to or received from a person referred to in clause 8.2(a) promptly upon despatch or receipt (as the case may be); and
- (e) each party will have the right to be present and make submissions at or in relation to any proposed meeting with any Governmental Agency in relation to the Scheme.

8.3 Disclosure on termination of this Agreement

The parties agree that, if this Agreement is terminated under clause 13, either party may disclose by way of announcement to ASX the fact that this Agreement has been terminated, where such disclosure is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed, and provided, where reasonably practicable, that party consults with the other party as to (and gives the other party a reasonable opportunity to comment on) the form and content of the announcement prior to its disclosure.

8.4 Confidentiality Agreement

Except as set out in clause 8.3, the parties acknowledge and agree that:

- (a) they continue to be bound by the Confidentiality Agreement after the date of this Agreement;
- (b) the rights and obligations of the parties under the Confidentiality Agreement survive termination of this Agreement; and
- (c) the existence and content of this Agreement constitute Confidential Information for the purposes of the Confidentiality Agreement and may be disclosed only as permitted by this clause 8.

9. Representations and Warranties

9.1 Bidder representations and warranties

Bidder represents and warrants to Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that, except as consented to in writing by Target:

- (a) on each date from the date of this Agreement until (and including) the Second Court Date:
 - (i) Bidder is a corporation validly existing under the laws of its place of incorporation;
 - (ii) Bidder has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
 - (iii) Bidder has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement;
 - (iv) this Agreement is Bidder's valid and binding obligation enforceable in accordance with its terms; and
 - (v) the execution and performance by Bidder of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:
 - (A) a law, judgment, ruling, order or decree binding on it;
 - (B) its constitution; or
 - (C) any other document or agreement that is binding on Bidder's assets;
- (b) on the First Court Date, the date of the Scheme Meeting and the Second Court Date:
 - (i) the Bidder Provided Information has been prepared and included in the Scheme Booklet in good faith and on the understanding that Target and each of its Officers have relied on that information for the purposes of

preparing the Scheme Booklet and proposing the Scheme, and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;

- (ii) the Bidder Provided Information complies in all material respects with the requirements referred to in clause 5.4(d);
 - (iii) the Bidder Provided Information in the form and context in which it appears in the Scheme Booklet (as consented to by Bidder in accordance with clause 5.4(g)) is not, as at that date, misleading or deceptive in any material respect and does not contain any material omission; and
 - (iv) all information provided by or on behalf of Bidder to the Independent Expert to enable the Independent Expert's Report, respectively, to be prepared has been prepared and provided in good faith and on the understanding that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report; and
- (c) on the date of this Agreement, the First Court Date, the date of the Scheme Meeting and the Second Court Date, the Bidder Disclosed Information has been disclosed in good faith.

9.2 Target representations and warranties

Target represents and warrants to Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) that, except as consented to in writing by Bidder:

- (a) on each date from the date of this Agreement until (and including) the Second Court Date:
 - (i) Target is a corporation validly existing under the laws of its place of incorporation;
 - (ii) Target has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
 - (iii) Target has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement;
 - (iv) this Agreement is Target's valid and binding obligation enforceable in accordance with its terms;
 - (v) the execution and performance by Target of this Agreement and each transaction contemplated by this Agreement did not and will not violate in any respect a provision of:
 - (A) a law or treaty or a judgment, ruling, order or decree binding on it or any of its Related Bodies Corporate;
 - (B) its constitution; or
 - (C) any other document or agreement that is binding on it or its assets, or any of its Related Bodies Corporate or their assets;

- (vi) each Target Group Member is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against any Target Group Member for the winding up, dissolution or termination of that Target Group Member or for the appointment of a liquidator, receiver, administrator, or similar officer over any or all of any Target Group Member's assets;
 - (vii) Target is not aware of any material breach of law by any Target Group Member of any Australian or foreign laws and regulations applicable to it or orders of Australian or foreign Governmental Agencies having jurisdiction over it and the Target Group has all material licences, permits and franchises necessary for it to conduct its activities as presently being conducted;
 - (viii) as at the date of this Agreement, neither ASIC nor ASX (as applicable) has made a determination against any Target Group Member for any contravention of the requirements of the Corporations Act or the ASX Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the ASX Listing Rules;
 - (ix) so far as Target is aware, there has not been any event, change, effect or development that would require Target to restate Target's financial statements as disclosed to ASX;
 - (x) all Business Records have been properly and accurately maintained in all material respects in accordance with proper accountancy and business practices and all applicable laws and, so far as Target is aware, contain no material inaccuracies or discrepancies of any kind;
- (b) as at the date of this Agreement, the total securities of Target on issue are as follows:
- (i) 196,065,483 Target Shares;
 - (ii) 59,044,992 Target Options (comprising 43,035,039 listed Target Options and 16,009,953 unlisted Target Options);
 - (iii) 0 Target Option Rights; and
 - (iv) 0 Target Share Rights,
- and no Target Group Member has issued (or is actually or contingently required to issue) any other securities or instruments that are still outstanding (or may become outstanding) and that may convert into Target securities;
- (c) on each date from the date of this Agreement until (and including) the Second Court Date, the liability of the Target Group Members (together aggregated) in respect of Performance Guarantees is no greater than:
- (i) GE Commercial Corporation (Australia) Pty Ltd - \$532,983;
 - (ii) National Australia Bank Limited - \$79,658; and
 - (iii) National Australia Bank Limited - \$204,688;

- (d) on each date from the date of this Agreement until (and including) the Second Court Date, each Note is held by Bond Street Custodians Limited (ACN 008 607 065) as trustee of the Helmsman Capital Fund Trust IIB;
- (e) on the First Court Date and the Second Court Date:
 - (i) the Target Provided Information has been prepared and included in the Scheme Booklet in good faith and on the understanding that Bidder and each of its Officers have relied on that information for the purposes of considering and approving the Bidder Provided Information in the Scheme Booklet, and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
 - (ii) the Target Provided Information complies in all material respects with the requirements referred to in clause 5.4(b);
 - (iii) the Target Provided Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; and
 - (iv) all information provided by or on behalf of Target to the Independent Expert to enable the Independent Expert's Report to be prepared has been prepared and provided in good faith and on the understanding that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
- (f) on the date of this Agreement, the First Court Date, the date of the Scheme Meeting and the Second Court Date:
 - (i) following the making by Target of the Agreed Public Announcement, Target is not in breach of its continuous disclosure obligations under ASX Listing Rule 3.1 and is not withholding any information from Bidder that is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A; and
 - (ii) the Target Disclosed Information has been disclosed in good faith, and Target has used all reasonable endeavours to disclose to Bidder all material information that is objectively necessary for Bidder to make an informed decision as to whether to proceed with the Transaction; and
- (g) as at the date of this Agreement, Target's Voting Power in Bidder is nil and no member of the Target Group has a Relevant Interest in any securities of Bidder or any other economic interest in any such securities (including any interest arising under a derivative or swap arrangement).

9.3 Reliance by parties

Each party (**Representor**) acknowledges that:

- (a) in entering into this Agreement the other party has relied on the representations and warranties provided by the Representor under this clause 9;

- (b) any breach of the representations and warranties provided by the Representor under this clause 9 after the Scheme becomes Effective may only give rise to a Claim in damages and cannot result in a termination of this Agreement; and
- (c) it has not entered into this Agreement in reliance on any warranty or representation made by or on behalf of the other party except those warranties and representations set out in this Agreement. This acknowledgment does not prejudice the rights any party may have in relation to the Target Provided Information, the Target Disclosed Information, the Bidder Provided Information, the Bidder Disclosed Information or any information filed by the other party with ASX or ASIC.

9.4 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 9.

9.5 Status of representations and warranties

Each representation and warranty in this clause 9:

- (a) is severable;
- (b) will survive the termination of this Agreement; and
- (c) is given with the intent that liability under it will not be confined to breaches that are discovered prior to the date of termination of this Agreement.

10. Indemnities

10.1 Indemnity by Target

Subject to section 199A of the Corporations Act, Target agrees with Bidder (on Bidder's own behalf and separately as trustee for each of the other Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all loss that any of the Bidder Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties of Target in clause 9.2, or of any obligation, undertaking or covenant of Target under any Transaction Document to which it is a party.

10.2 Indemnity by Bidder

Subject to section 199A of the Corporations Act, Bidder agrees with Target (on Target's own behalf and separately as trustee for each of the other Target Indemnified Parties) to indemnify and keep indemnified the Target Indemnified Parties from and against all loss that any of the Target Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties of Bidder in clause 9.1, or of any obligation, undertaking or covenant of Bidder under any Transaction Document to which it is a party.

10.3 Survival of indemnities

Each indemnity in clauses 10.1 and 10.2 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 Agreement; and
- (d) survive the termination of this Agreement.

10.4 Enforcement of indemnities

- (a) The indemnity in clause 10.1 is given to Bidder, for itself and as trustee for each of the other Bidder Indemnified Parties, and a reference to a loss in that indemnity includes a loss suffered or incurred by any of the Bidder Indemnified Parties.
- (b) The indemnity in clause 10.2 is given to Target, for itself and as trustee for each of the other Target Indemnified Parties, and a reference to a loss in that indemnity includes a loss suffered or incurred by any of the Target Indemnified Parties.
- (c) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by clause 10.1 or 10.2.

11. Exclusivity**11.1 Termination of existing discussions**

- (a) Target represents and warrants that, as at the time of execution of this Agreement, it is not in any negotiations or discussions, and has ceased any existing negotiations or discussions, in respect of any Competing Proposal with any person (other than, for the avoidance of doubt, the discussions with Bidder and its Representatives in respect of the Scheme and the Transaction).
- (b) Target agrees that if it has provided any confidential information to a Third Party pursuant to a confidentiality agreement and in connection with such Third Party's consideration of a possible Competing Proposal, Target has requested or will promptly request in writing the immediate return or destruction by the Third Party of such confidential information.

11.2 No shop restriction

During the Exclusivity Period, Target must not, and must ensure that each of its Representatives does not, except with the prior written consent of Bidder, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

11.3 No talk restriction

- (a) Subject to clause 11.3(b), during the Exclusivity Period, Target must not, and must ensure that each of its Representatives does not, except with the prior written consent of Bidder, enter into, continue or participate in negotiations or discussions with, or enter into any agreement, arrangement or understanding with, any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, even if:
 - (i) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Target or any of its Representatives; or
 - (ii) the Competing Proposal has been publicly announced.
- (b) Target and its Representatives may undertake any action that would otherwise be prohibited by clause 11.3(a) in relation to a Competing Proposal where:
 - (i) the Target Board determines that the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal; and
 - (ii) the Target Board, acting in good faith, after having obtained written advice from Target's external legal and, if appropriate, financial advisers, determines that not undertaking that act would be likely to involve a breach of the fiduciary or statutory duties owed by any Target Director.

11.4 No due diligence

- (a) Subject to clause 11.4(b) and without limiting the general nature of clause 11.3, during the Exclusivity Period, Target must not, and must ensure that each of its Representatives does not, except with the prior written consent of Bidder, make available to any Third Party (other than to Bidder or any of its Representatives) or permit any such Third Party to receive any non-public information relating to any Target Group Member in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.
- (b) Clause 11.4(a) does not apply where:
 - (i) the Target Board determines that, where there is a Competing Proposal, the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal or, where there is not yet a Competing Proposal, the steps that the Target Board proposes to take may reasonably be expected to lead to a Competing Proposal that is a Superior Proposal;
 - (ii) the Target Board, acting in good faith, after having obtained written advice from Target's external legal and, if appropriate, financial advisers, determines that not undertaking that act would, or would be likely to, involve a breach of the fiduciary or statutory duties owed by any Target Director; and
- (c) if Target proposes to provide any confidential information to a Third Party, before Target provides such information to the Third Party the Third Party has entered into a written agreement in favour of Target regarding the use and disclosure of the

confidential information by the person and that restricts the Third Party's ability to solicit the employees of the Target Group.

11.5 Notification by Target and matching rights

- (a) During the Exclusivity Period, Target must promptly notify Bidder if:
- (i) it is approached by any Third Party to take any action of a kind that would breach its obligations under clause 11.3 or 11.4 (or that would breach its obligations under clause 11.3 or 11.4 if it were not for the provisos to the relevant clause); or
 - (ii) it proposes to take any action of a kind that would breach its obligations under clause 11.3 or 11.4 (or that would breach its obligations under clause 11.3 or 11.4 if it were not for the provisos to the relevant clause),
- unless (and only to the extent that) the Target Board, acting in good faith, and after having obtained written advice from Target's external legal and, if appropriate, financial advisers, determines that it would, or would be likely to, involve a breach of its fiduciary or statutory duties to so notify Bidder (in which case Target must promptly notify Bidder that such a determination has been made and that Target is relying on the proviso in this clause).
- (b) If Target receives a Competing Proposal, and as a result the Target Board or any Target Director proposes to publicly change or withdraw its statement that it considers the Scheme to be in the best interests of Target Shareholders and/or its recommendation that Target Shareholders vote in favour of the Scheme Resolution, Target must:
- (i) give Bidder three clear Business Days notice in writing of such proposed change or withdrawal; and
 - (ii) provide to Bidder with that notice all material terms of the applicable Competing Proposal, including details of the proposed price or implied value (including details of the consideration if not simply cash), conditions, timing and break fee (if any), together with a copy of any material confidential information concerning the Target Group's operations provided to any person associated with the Competing Proposal not previously provided to Bidder.

Target will use its reasonable endeavours to ask the person who has made the applicable Competing Proposal (the **Competing Party**) for their consent to their name and other identifying details which may identify the Competing Party (**Identifying Details**) being provided by Target to Bidder on a confidential basis. If consent is refused, Target may only withhold the Identifying Details from Bidder if the Target Board, acting in good faith, after having obtained advice from Target's external legal advisers, determines that failing to do so would, or would be likely to, involve a breach of the fiduciary or statutory obligations owed by any Target Director. Any information provided pursuant to this clause 11.5(b) will be provided subject to the terms of the Confidentiality Agreement.

- (c) During the period of three clear Business Days referred to in clause 11.5(b), Bidder will have the right to offer to amend the terms of the Scheme or the Transaction (a ***Bidder Counterproposal***) so that the terms of the Scheme or the Transaction (as amended) would provide a superior outcome for the Target Shareholders than the applicable Competing Proposal.
- (d) Target must procure that the Target Board considers any such Bidder Counterproposal and if the Target Board, acting in good faith, determines that:
- (i) the Bidder Counterproposal would provide a superior outcome for the Target Shareholders than the applicable Competing Proposal (it being acknowledged that the price or value implied by the Bidder Counterproposal does have to be above, but does not have to be materially above, the price or value implied by the applicable Competing Proposal for the Target Board to consider the Bidder Counterproposal in relation to price to be superior); and
 - (ii) the other terms and conditions of the Bidder Counterproposal taken as a whole are not less favourable than those in the applicable Competing Proposal,
- then,
- (iii) Target and Bidder must use their best endeavours to agree the amendments to the Transaction Documents that are reasonably necessary to reflect the Bidder Counterproposal (including amendments to the Scheme Consideration that are reasonably necessary to reflect the Bidder Counterproposal), and to enter into one or more appropriate amended agreements to give effect to those amendments and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable; and
 - (iv) Target must use its best endeavours to procure that each of the Target Directors recommends the Bidder Counterproposal to Target Shareholders and not the applicable Competing Proposal.
- (e) Any material modification to any Competing Proposal (which will include any material modification relating to the price or value of any Competing Proposal) will be taken to make that proposal a new Competing Proposal in respect of which Target must comply with its obligations under this clause 11.5.
- (f) Notwithstanding anything in this clause 11.5, each obligation of Target under this clause 11.5 does not apply to the extent that the Target Board, acting in good faith and after having taken advice from Target's external legal advisers, determines that complying with such obligation would be likely to involve a breach of the fiduciary or statutory duties owed by any Target Director.

11.6 Normal provision of information

Nothing in this clause 11 prevents a party from:

- (a) providing information to its Representatives;

- (b) providing information to any Governmental Agency;
- (c) providing information to its auditors, Advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law or any Governmental Agency; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

11.7 Acknowledgement

Bidder has required Target to agree to the obligations set out in this clause 11 in consideration of it proceeding with the Scheme and incurring significant costs in doing so. In the absence of obtaining these obligations from Target, Bidder would not have entered into this Agreement.

12. Break Fee

12.1 Payment of costs

- (a) Target and Bidder believe that the Transaction will provide benefits to Target, Bidder and their respective shareholders, and acknowledge that if they enter into this Agreement and the Scheme is subsequently not implemented, Bidder and Target will incur significant costs.
- (b) Bidder and Target acknowledge that without the provision for the payments referred to in clauses 12.2 and 12.3, Bidder and Target would not have entered into this Agreement.
- (c) In the circumstances referred to in clause 12.1(a):
 - (i) the Target Board believes that it is appropriate for Target to agree to the payment referred to in clause 12.2 to secure Bidder's participation; and
 - (ii) the Bidder Board believes that it is appropriate for Bidder to agree to the payment referred to in clause 12.3 to secure Target's participation.
- (d) Target acknowledges that the Target Break Fee represents a reasonable amount to compensate Bidder for the following:
 - (i) all advisory costs (including costs of Advisers other than success fees);
 - (ii) costs of management and directors' time;
 - (iii) all out of pocket expenses;
 - (iv) all commitment fees and other financing costs (whether associated with debt or equity finance); and
 - (v) reasonable opportunity costs in pursuing the Transaction or not pursuing other alternative acquisitions or strategic initiatives.

- (e) Bidder acknowledges that the Bidder Break Fee represents a reasonable amount to compensate Target for the following:
 - (i) all advisory costs (including costs of Advisers other than success fees);
 - (ii) costs of management and directors' time;
 - (iii) all out of pocket expenses; and
 - (iv) reasonable opportunity costs in pursuing the Transaction or not pursuing other alternative acquisitions or strategic initiatives.
- (f) The parties agree that clauses 12.2 and 12.3 do not limit the rights of Target or Bidder in respect of any other Claims that they may have against each other, whether under this Agreement or otherwise.

12.2 Target Break Fee

- (a) Subject to clauses 12.2(b) and 12.4, Target must pay Bidder the Target Break Fee in accordance with clause 12.5(a), without withholding or set off, if:
 - (i) during the Exclusivity Period, any Target Director fails to state that they consider the Scheme to be in the best interests of Target Shareholders or fails to recommend that Target Shareholders approve the Scheme, or publicly changes (including by attaching qualifications to) or withdraws that statement or recommendation, other than in any case in accordance with clauses 7.1(b)(iv)(A) and 7.1(b)(v) and provided that the Independent Expert's conclusion is not reached as a result of a Competing Proposal having been announced or made public;
 - (ii) a Competing Proposal is announced or made during the Exclusivity Period and is publicly recommended, promoted or otherwise endorsed by the Target Board or by any of the Target Directors;
 - (iii) a Competing Proposal is announced or made during the Exclusivity Period and is completed at any time prior to the first anniversary of the date of this Agreement and, as a result, a Third Party acquires a Relevant Interest, shareholding and/or economic interest in more than 50% of the Target Shares; or
 - (iv) Bidder terminates this Agreement in accordance with clause 13.1(b) or 13.2(a).
- (b) Despite any other term of this Agreement, the Target Break Fee is only payable once.
- (c) Despite any other term of this Agreement, the Target Break Fee will not be payable to Bidder if:
 - (i) the Scheme becomes Effective notwithstanding the occurrence of any event in clause 12.2(a) (in which case the Target Break Fee, if already paid, must be refunded by Bidder); or
 - (ii) Target is entitled to terminate this Agreement under clause 13.1(b).

12.3 Bidder Break Fee

- (a) Subject to clauses 12.3(b) and 12.4, Bidder must pay Target the Bidder Break Fee in accordance with clause 12.5(c), without withholding or set off, if:
 - (i) Target terminates this agreement in accordance with clause 13.1(b); or
 - (ii) Bidder or BidCo does not pay the Scheme Consideration in accordance with the terms of this Agreement, the terms of the Scheme and the terms of the Bidder Deed Poll.
- (b) Despite any other term of this Agreement:
 - (i) the Bidder Break Fee is only payable once; and
 - (ii) the Bidder Break Fee will not be payable to Target if Bidder is entitled to terminate this Agreement under clause 13.1(b).

12.4 Compliance with law

If a court or the Takeovers Panel determines that any part of the Target Break Fee:

- (a) constitutes or would, if performed, constitute:
 - (i) a breach of the fiduciary or statutory duties of the Target Board; or
 - (ii) unacceptable circumstances within the meaning of the Corporations Act; or
- (b) is unenforceable or would, if paid, be unlawful for any reason,

and all reasonable rights of appeal or review in respect of that determination have expired or been exhausted, then Target will not be obliged to pay such part of the Target Break Fee and, if such fee has already been paid, then Bidder must within five Business Days after receiving written demand from Target refund that part of the Target Break Fee to Target.

12.5 Time for payment

- (a) Target must pay Bidder the Target Break Fee, if it is payable pursuant to clause 12.2(a), within five Business Days after receiving a written notice from Bidder setting out the relevant circumstances and requiring payment of the Target Break Fee.
- (b) A written notice requiring payment of the Target Break Fee as applicable, may only be made after the Scheme fails to become Effective by the End Date or this Agreement is terminated in accordance with its terms.
- (c) Bidder must pay Target the Bidder Break Fee, if it is payable pursuant to clause 12.3(a), within five Business Days after receiving a written notice from Target setting out the relevant circumstances and requiring payment of the Bidder Break Fee.
- (d) A written notice requiring payment of the Bidder Break Fee as applicable, may only be made after the Scheme fails to become Effective by the End Date or this Agreement is terminated in accordance with its terms.

13. Termination

13.1 Termination by either party

Either party (**terminating party**) may terminate this Agreement by notice to the other:

- (a) in accordance with clause 3.5; or
- (b) at any time before 8am on the Second Court Date if the other party is in material breach of any clause of this Agreement (including a material breach of a representation or warranty given by the other party under clause 9), provided that (except, where Bidder is the terminating party, in the case of a material breach by Target of clause 7 or 11) the terminating party has given notice to the other party setting out the relevant circumstances and stating an intention to terminate this Agreement and requesting the other party to remedy the breach, and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5pm on the last Business Day before the Second Court Date) from the time such notice is given.

13.2 Termination by Bidder

Bidder may terminate this Agreement at any time before 8am on the Second Court Date by notice in writing to Target:

- (a) if a Target Regulated Event or a Target Material Adverse Change occurs, provided that Bidder has given notice to Target setting out the relevant circumstances and stating an intention to terminate this Agreement, and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5pm on the last Business Day before the Second Court Date) from the time such notice is given;
- (b) if any Target Director publicly changes (including by attaching qualifications to) or withdraws their statement that they consider the Scheme to be in the best interests of Target Shareholders or their recommendation that Target Shareholders approve the Scheme, or publicly recommends, promotes or otherwise endorses a Competing Proposal, whether or not in accordance with clause 7.1(b); or
- (c) if a Competing Proposal is announced, made in writing, or becomes open for acceptance.

13.3 Termination by Target

Target may terminate this Agreement at any time before 8am on the Second Court Date by notice in writing to Bidder if:

- (a) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Target Shareholders (including in any update to its report);
- (b) the Target Board publicly changes (including by attaching qualifications to) or withdraws its statement that it considers the Scheme to be in the best interests of

Target Shareholders or its recommendation that Target Shareholders approve the Scheme, in either case in accordance with clause 7.1(b); or

- (c) the Target Board publicly recommends, promotes or otherwise endorses a Superior Proposal, and in any case any Target Break Fee payable pursuant to clause 12.2 has been paid in full by Target.

13.4 Effect of termination

In the event of termination of this Agreement by either Bidder or Target pursuant to clause 13.1, 13.2 or 13.3, this Agreement will have no further force or effect and the parties will have no further obligations under this Agreement, provided that:

- (a) this clause 13 and clauses 1, 8.3, 8.4, 10, 12, 14 and 15 will survive termination; and
- (b) each party will retain any accrued rights and remedies, including any rights and remedies it has or may have against the other party in respect of any past breach of this Agreement.

14. GST

14.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this Agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

14.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this Agreement is based on any cost, expense or other liability, it must be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

14.3 Adjustment events

If an adjustment event occurs in relation to a supply made under or in connection with this Agreement, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

14.4 Cost exclusive of GST

Any reference in this Agreement to a cost, expense or other similar amount (**Cost**) is a reference to that Cost exclusive of GST (unless otherwise specified).

14.5 Survival

This clause will not merge upon completion and will continue to apply after expiration or termination of this Agreement.

14.6 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) will have the same meaning in this clause.

15. Miscellaneous

15.1 Notices

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

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number below or the address or fax number last notified by the intended recipient to the sender:
 - (i) to **GWA Group Limited** Level 2, HQ South Tower, 520 Wickham Street, Fortitude Valley QLD 4006
Attention: Richard Thornton, Executive Director
Fax No: +61 7 3852 2201
 - (ii) to **Q Technology Group Limited** Unit 5, 435 Williamstown Road, Port Melbourne VIC 3207
Attention: Rick Stokes, Managing Director & Adrian McKenzie, Company Secretary
Fax No: +61 3 9646 2049; and
- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (iii) 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,

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 4pm (local time) it will be conclusively taken to have been duly given or made at the start of business on the next Business Day in that place.

15.2 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. For the avoidance of doubt, the doctrine of affirmation by election will not apply to any failure by a party to exercise, or delay by a party in exercising, any right, power or remedy under this Agreement.

15.3 Remedies cumulative

The rights, powers and remedies provided to each party in this Agreement are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

15.4 Entire agreement

This Agreement and the Confidentiality Agreement contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersede all earlier Conduct by or between the parties in connection with their subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Agreement and completing the transactions contemplated by it. If there is any inconsistency between the provisions of this Agreement and the provisions of the Confidentiality Agreement, the provisions of this Agreement will prevail to the extent of any inconsistency and the provisions of the Confidentiality Agreement will be construed accordingly.

15.5 Amendment

This Agreement may be amended only by another agreement executed by all the parties.

15.6 Assignment

Neither party can assign, charge, encumber or otherwise deal with any of its rights or obligations under this Agreement, or attempt or purport to do so, without the prior written consent of the other party.

15.7 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 execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

15.8 Further assurances

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

15.9 Costs and duty

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All duty payable on or in connection with this Agreement and any instrument executed under or any transaction evidenced by this Agreement must be borne by Bidder.

15.10 Severability of provisions

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.

15.11 Governing law and jurisdiction

This Agreement is governed by the laws of Victoria. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

15.12 Counterparts

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

Schedule 1

1. Key Contracts

Contracts	
Contract for the Provision of Locksmith Services and Associated Goods between Crown Limited (Crown) and Stewarts Security Specialists Pty Ltd dated 1 July 2005	
Agreement for the provision of Locksmith Services between David Jones Limited and API Security Pty Ltd	
Property leases	
Address	Property reference details
Lot 11, 7 King Edward Road, Osborne Park, Western Australia	Lot 11 on SP 38708, Volume 2200 Folio 677
Unit 1, 176 Bannister Road, Canningvale, Western Australia	Lot 405 on Diagram 85369, Volume 1997 Folio 394
2/1 Ross Street, Newstead Queensland	Lot 33 on CP SL 3634, Title Reference 17159178
Unit 13, 43 Lang Parade, Milton, Queensland	Lot 13 on BP 103490, Title Reference 50099817
Tenancy A02A, Village Square, 18 Commerce Drive, Browns Plains	Lot 1 on SP 205166, Title Reference 50741923
4/171-173 Cheltenham Road, Dandenong, Victoria	Lot 4 of Plan SP 26838R, Volume 9784 Folio 060
157-159 Springvale Road, Nunawading, Victoria	Lot 3 of Plan LP 11153, Volume 5519 Folio 635
181 Burgundy Street, Heidelberg, Victoria	Lots 1 and 2 on Plan TP745759
24 Main Street, Greensborough, Victoria	Lot 1 of Plan LP55879, Volume 8367 Folio 315
Ground Floor of 414 La Trobe Street, Melbourne	Land in Plan of Consolidation 168830V, Volume 10796 Folio 089
Unit 2, 73 Collie Street, Fyshwick, Australian Capital Territory	Certificate of Title Volume 1027, Folio 2

2. Key Finance Parties

GE Commercial Corporation (Australia) Pty Ltd

Bond Street Custodians Limited (ACN 008 607 065) as trustee of the Helmsman Capital Fund Trust IIB

Westpac Banking Corporation

Australia and New Zealand Banking Group Limited

National Australia Bank Limited

Pacific Premium Funding Pty Limited

XIT Distribution Pty Ltd

Schedule 2**Indicative Timetable**

Event	Date
Target lodges draft Scheme Booklet with ASIC	Thursday, 12 July 2012
First Court Date	Friday, 3 August 2012
Despatch of Scheme Booklet completed	Monday, 13 August 2012
Scheme Meeting	Wednesday, 12 September 2012
Second Court Date	Friday, 14 September 2012
Effective Date	Monday, 17 September 2012
Record Date	Monday, 24 September 2012
Implementation Date	Tuesday, 2 October 2012

The parties acknowledge that the above timetable has been prepared on the basis of their best estimate of the timing of key events for the Scheme and that certain events may be delayed for reasons outside of the control of the parties, such as the period of consideration by ASIC of the draft Scheme Booklet, the Court hearing to obtain orders to convene the Scheme Meeting may occur after the time specified in the above timetable and the Court hearing to obtain orders to approve the Scheme may occur after the time specified in the above timetable.

In the case of delay, the parties will endeavour in good faith to agree to a substitute timetable (to the extent possible, with the same relative timing between events), while having regard to, amongst other things, the intention of each party to complete the Transaction as soon as practicable.


Scheme Implementation Agreement

Allens > < Linklaters

Executed as an agreement.


Executed in accordance with section 127 of the *Corporations Act 2001* by **GWA Group Limited**:





Director Signature
Peter Charles Crowley

Print Name



Director/Secretary Signature
Richard James Thornton

Print Name

Executed in accordance with section 127 of the *Corporations Act 2001* by **Q Technology Group Limited**:

Director Signature

Print Name

Director/Secretary Signature

Print Name

Executed as an agreement.

Executed in accordance with section 127 of the *Corporations Act 2001* by **GWA Group Limited**:

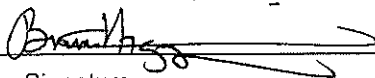
Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed in accordance with section 127 of the *Corporations Act 2001* by **Q Technology Group Limited**:



Director Signature



Director/Secretary Signature

BRUCE E HIGGINS

Print Name

RIK STOKES.

Print Name

Annexure A

Scheme

Scheme of Arrangement

Pursuant to section 411 of the *Corporations Act 2001* (Cth)

Between	
	Q Technology Group Limited (ABN 27 009 259 876) of Unit 5, 435 Williamstown Road, Port Melbourne, VIC 3207 (Target).
And	
	The holders of fully paid ordinary shares in the capital of Target as at the Record Date
Recitals	
A	Target is a public company limited by shares incorporated in Australia, and has been admitted to the official list of ASX.
B	Bidder is a public company limited by shares incorporated in Australia, and has been admitted to the official list of ASX.
C	BidCo is a public company limited by shares incorporated in Australia.
D	Target and Bidder have entered into the Implementation Agreement, pursuant to which, amongst other things, Target has agreed to propose the Scheme to Target Shareholders, and each of Target and Bidder has agreed to take certain steps to give effect to the Scheme.
E	If the Scheme becomes Effective, then: (a) Target will enforce the Bidder Deed Poll against Bidder and BidCo on behalf of and as agent and attorney for the Scheme Shareholders; (b) all the Scheme Shares will be transferred to BidCo and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of the Scheme; and (c) Target will enter the name and address of BidCo in the Target Register as the holder of the Scheme Shares.
F	Each of Bidder and BidCo has entered into the Bidder Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that it will observe and perform the obligations contemplated of it under the Scheme, and (in the case of Bidder) that it will procure that BidCo performs the obligations contemplated of it under the Scheme.

1. Definitions and Interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the ASX operated by it.

ASX Listing Rules means the official listing rules of ASX.

BidCo means GWA Group Holdings Limited (ABN 68 009 659 385).

Bidder means GWA Group Limited (ABN 15 055 964 380).

Bidder Deed Poll means the deed poll dated [] executed by Bidder and BidCo in favour of the Scheme Shareholders.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Melbourne, Victoria and Brisbane, Queensland.

Cash Consideration means A\$0.038 in cash, being the amount payable pursuant to the Scheme for each Scheme Share, subject to the terms of the Scheme, provided that this amount will be reduced by the following amounts:

- (c) an amount equal to the aggregate cash amount of any dividend declared, determined or paid by Target, during the period from (and including) the date of the Implementation Agreement until (and including) the Implementation Date, divided by the number of Scheme Shares; and
- (d) an amount equal to the aggregate amount of the Option Consideration (if any) paid by Target, divided by the number of Scheme Shares.

CHES means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Conditions Precedent means the conditions precedent to the Scheme set out in clause 2.1.

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

Court means the Federal Court of Australia or such other court of competent jurisdiction as Bidder and Target may agree in writing.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.

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

End Date means 31 October 2012, or such later date as Bidder and Target may agree in writing.

Implementation Agreement means the Scheme Implementation Agreement dated 14 June 2012 between Bidder and Target.

Implementation Date means the date that is five Business Days after the Record Date, or such other date as:

- (a) may be agreed in writing between Bidder and Target;
- (b) ordered by the Court; or
- (c) may be required by ASX.

Option Consideration has the meaning given in clause 4.2(b) of the Implementation Agreement.

Record Date means 7pm on the date that is five Business Days after the Effective Date, or such other date as may be agreed in writing between Bidder and Target or as may be required by ASX.

Registered Address means, in relation to a Target Shareholder, the address of that Target Shareholder shown in the Target Register.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Target and Target Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by Bidder and Target.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to BidCo of their Scheme Shares, as ascertained in accordance with clause 5.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Shareholder means each person who is registered in the Target Register as a holder of Scheme Shares as at the Record Date.

Scheme Shares means the Target Shares on issue as at the Record Date.

Scheme Transfer means, in relation to each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose 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 of hearing of an application made to the Court by Target for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

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

Target Share Registry means Computershare Investor Services Pty Limited.

Target Shareholder means a person who is registered in the Target Register as a holder of Target Shares from time to time.

1.2 Interpretation

The following rules apply unless the context requires otherwise.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The singular includes the plural and conversely.
- (c) A gender includes all genders.
- (d) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (f) A reference to a clause is a reference to a clause of this document.
- (g) A reference to an agreement or document (including a reference to this document and its annexures and schedules) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
- (h) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
- (i) A reference to legislation or to a provision of legislation includes a modification or re enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (j) A reference to \$ is to the lawful currency of Australia.
- (k) A reference to time is a reference to time in Victoria, Australia.
- (l) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
- (m) The meaning of general words is not limited by specific examples introduced by **including**, or **for example**, or similar expressions.
- (n) Words and phrases not specifically defined in this document have the same meanings (if any) given to them in the Corporations Act.
- (o) Nothing in this document is to be interpreted against a party solely on the ground that the party put forward this document or a relevant part of it.

2. Conditions Precedent

2.1 Conditions Precedent to the Scheme

The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Implementation Agreement (other than the condition precedent relating to the approval of the Court set out in clause 3.1(d) of the Implementation Agreement) has been satisfied or waived in accordance with the Implementation Agreement;
- (b) as at 8am on the Second Court Date, the Implementation Agreement has not been terminated;
- (c) the Court makes orders approving the Scheme under section 411(4)(b) of the Corporations Act, including with such alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Bidder and Target;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to Bidder and Target have been satisfied; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving the Scheme come into effect pursuant to section 411(10) of the Corporations Act.

2.2 Termination of Implementation Agreement

Without limiting any rights under the Implementation Agreement, in the event that the Implementation Agreement is terminated in accordance with its terms before 8am on the Second Court Date, Target, Bidder and BidCo are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme.

3. Scheme Becoming Effective

3.1 Effective Date of the Scheme

Subject to clause 3.2, the Scheme will take effect on and from the Effective Date.

3.2 End Date

The Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4. Implementation of Scheme

4.1 Transfer of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration in the manner contemplated by clauses 4.2, 5 and 6 and Bidder having provided Target with written confirmation of that having occurred, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to BidCo, without the need for any further act by any Scheme Shareholder (other than acts performed by Target or any of its directors and officers as attorney and agent for Scheme Shareholders under the Scheme), by Target effecting a valid transfer or transfers of the Scheme Shares to BidCo under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:

- (a) Target delivering to BidCo for execution duly completed and, if necessary, stamped Scheme Transfers to transfer all of the Scheme Shares to BidCo, duly executed by Target (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 9.3;
- (b) BidCo executing the Scheme Transfers as transferee and delivering them to Target for registration; and
- (c) Target, immediately after receipt of the Scheme Transfers under clause 4.1(b), entering, or procuring the entry of, the name and address of BidCo in the Target Register as the holder of all of the Scheme Shares.

4.2 Provision of Scheme Consideration

On the Implementation Date, in consideration for, and prior to, the transfer to BidCo of the Scheme Shares, BidCo will pay (and Bidder will procure that BidCo pays) to each Scheme Shareholder the total amount of cash (if any) to which that Scheme Shareholder is entitled under clause 5 as Cash Consideration, in accordance with clause 6.

5. Scheme Consideration

- (a) The Scheme Consideration in respect of the Scheme Shares for which a Scheme Shareholder is registered in the Target Register as the holder as at the Record Date comprises, for each of those Scheme Shares, the Cash Consideration.
- (b) The obligation of BidCo to pay the Scheme Consideration under clause 4.2 will be deemed to be satisfied if BidCo, before 12.00 noon on the Implementation Date, deposits in cleared funds the aggregate Scheme Consideration payable to all Scheme Shareholders into an account nominated by Target (the details of which must be notified by Target to Bidder at least five Business Days before the Implementation Date), such amount to be held on trust by Target for the Scheme Shareholders (except that any interest on the amount will be for the account of BidCo) and for the purpose of Target paying the Scheme Consideration to each Scheme Shareholder.

6. Payment of Scheme Consideration

6.1 Payment of cash amounts

Subject to clause 6.2, the obligation of BidCo to pay the Cash Consideration to a Scheme Shareholder will be satisfied by BidCo on the Implementation Date either (in the sole discretion of BidCo):

- (a) despatching, or procuring the despatch, to that Scheme Shareholder of a pre-printed cheque in the name of that Scheme Shareholder and for the relevant amount (denominated in \$), with such despatch to be made by pre-paid post to that Scheme Shareholder's Registered Address (as at the Record Date); or
- (b) making, or procuring the making of, a deposit for the relevant amount (denominated in \$) in an account with any Australian ADI in Australia notified by that Scheme Shareholder to Target and recorded in or for the purposes of the Target Register as at the Record Date.

6.2 Joint holders

In the case of Scheme Shares held in joint names 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 Target Register as at the Record Date.

6.3 Unclaimed moneys

In the event that Target believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address, and no account has been notified for the purposes of clause 6.1(a) or a deposit into such an account is rejected or refunded, Target may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target to be held on trust by Target for the Scheme Shareholder until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation (except that any interest accruing on the amount will be for the account of BidCo). An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Target must maintain records of the amounts paid, the people who are entitled to the amounts and any transfer of the amounts.

7. Dealings in Target Shares

7.1 Dealings in Target Shares by Scheme Shareholders

For the purpose of establishing the persons who are Scheme Shareholders, dealings in Target Shares will be recognised by Target provided that:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Register as the holder of the relevant Target Shares as at the Record Date; and

- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received [by the Target Share Registry] at the place where the Target Register is maintained] by 5pm on the day which is the Record Date (in which case Target must register such transfers or transmission applications before 7pm on that day),

and Target will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, any transfer or transmission application in respect of Target Shares received after such times, or received prior to such times but not in registrable form.

7.2 Target Register

Target will, until the Scheme Consideration has been provided and the name and address of BidCo has been entered in the Target Register as the holder of all of the Scheme Shares, maintain, or procure the maintenance of, the Target Register in accordance with this clause 7, and the Target Register in this form and the terms of the Scheme will solely determine entitlements to the Scheme Consideration. As from the Record Date (and other than for BidCo following the Implementation Date), each entry in the Target Register as at the Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.

7.3 Effect of share certificates and holding statements

As from the Record Date (and other than for BidCo following the Implementation Date), all share certificates and holding statements for Scheme Shares will cease to have effect as documents of title in respect of those Scheme Shares.

7.4 Information to be given to Bidder

Target must procure that, as soon as practicable after the Record Date and in any event at least three Business Days before the Implementation Date, details of the names, Registered Addresses and holdings of Target Shares of every Scheme Shareholder as shown in the Target Register as at the Record Date are given to Bidder (or as it directs) in such form as Bidder may reasonably require.

7.5 No disposals after Record Date

If the Scheme becomes Effective, each 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.

8. Suspension and Termination of Quotation of Target Shares

- (a) Target must apply to ASX for suspension of trading of the Target Shares on ASX with effect from the close of business on the Effective Date, or from such earlier time as may be reasonably appropriate to ensure that all trades made prior to

suspension may be completed, and the Target Register amended accordingly, prior to the Record Date.

- (b) Target must apply to ASX for termination of official quotation of the Target Shares on ASX and the removal of Target from the official list of ASX with effect from the Business Day immediately following the Implementation Date, or from such later date as may be determined by Bidder.

9. General Provisions

9.1 Further assurances

- (a) Each Scheme Shareholder and Target will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it.
- (b) Without limiting Target's other powers under the Scheme, Target has power to do all things that it considers necessary or desirable to give effect to the Scheme and the Implementation Agreement.

9.2 Scheme Shareholders' agreements and consents

Each Scheme Shareholder:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to BidCo in accordance with the terms of the Scheme; and
- (b) irrevocably consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it;

without the need for any further act by that Scheme Shareholder.

9.3 Appointment of Target as attorney for implementation of Scheme

Each Scheme Shareholder, without the need for any further act by that Scheme Shareholder, irrevocably appoints Target as that Scheme Shareholder's agent and attorney for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) under clause 4.1(a); and
- (b) enforcing the Bidder Deed Poll against Bidder or BidCo,

and Target accepts such appointment. Target, as agent and attorney of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.3 to all or any of its directors and officers (jointly, severally, or jointly and severally).

9.4 Warranty by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to Bidder and BidCo, and, to the extent enforceable, to have appointed and authorised Target as that Scheme Shareholder's agent and attorney to warrant to Bidder and BidCo, that all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to BidCo pursuant to the Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to BidCo pursuant to the Scheme. Target undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Bidder and BidCo on behalf of that Scheme Shareholder.

9.5 Title to Scheme Shares

BidCo will be beneficially entitled to the Scheme Shares transferred to it under the Scheme pending registration by Target of the name and address of BidCo in the Target Register as the holder of the Scheme Shares.

9.6 Appointment of Bidder as attorney for Scheme Shares

- (a) From the Effective Date until BidCo is registered in the Target Register as the holder of all Scheme Shares, each Target Shareholder:
- (i) without the need for any further act by that Target Shareholder, irrevocably appoints BidCo as its proxy to (and irrevocably appoints BidCo as its agent and attorney for the purpose of appointing any director or officer of Bidder or BidCo as that Target Shareholder's proxy and, where appropriate, its corporate representative to):
 - (A) attend shareholders' meetings of Target;
 - (B) exercise the votes attaching to the Target Shares registered in the name of the Target Shareholder; and
 - (C) sign any Target Shareholders' resolution; and
 - (ii) must take all other action in the capacity of a Target Shareholder as BidCo reasonably directs.
- (b) From the Effective Date until BidCo is registered in the Target Register as the holder of all Scheme Shares, no Target Shareholder may attend or vote at any meetings of Target Shareholders or sign any Target Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 9.6.

9.7 Alterations and conditions to Scheme

If the Court proposes to approve the Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the prior consent of Bidder, consent on

behalf of all persons concerned, including each Target Shareholder, to those alterations or conditions.

9.8 Binding effect of Scheme

The Scheme binds Target and all of the Target Shareholders from time to time (including those who did not attend the Scheme Meeting, did not vote at that meeting or voted against the Scheme) and, to the extent of any inconsistency, overrides the constitution of Target.

9.9 Enforcement of Bidder Deed Poll

Target undertakes in favour of each Scheme Shareholder that it will enforce the Bidder Deed Poll against Bidder and BidCo (as applicable) on behalf of and as agent and attorney for the Scheme Shareholders.

9.10 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Target, 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 Target's registered office or by the Target Share Registry, as the case may be.

9.11 Costs and duty

- (a) Subject to clause 9.11(b), each of Bidder and Target will pay their share of the costs of the Scheme in accordance with the Implementation Agreement.
- (b) will pay all duty (including stamp duty and any related fines, penalties and interest) payable on or in connection with the transfer by Scheme Shareholders of the Scheme Shares to BidCo pursuant to the Scheme.

9.12 Governing law and jurisdiction

This Scheme is governed by the laws of Victoria. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning the Scheme.

Annexure B

Bidder Deed Poll

Deed Poll

GWA Group Limited
GWA Group Holdings Limited

Alens
Riverside Centre
123 Eagle Street
Brisbane QLD 4000 Australia
Tel +61 7 3334 3000
Fax +61 7 3334 3444
www.allens.com.au

© Copyright Allens, Australia 2012

Date	2012
By	
	<ol style="list-style-type: none"> 1. GWA Group Limited (ABN 15 055 964 380) of Level 2, HQ South Tower, 520 Wickham Street, Fortitude Valley QLD 4006 (Bidder). 2. GWA Group Holdings Limited (ABN 68 009 659 385) of Level 2, HQ South Tower, 520 Wickham Street, Fortitude Valley QLD 4006 (BidCo).
In favour of	Each Scheme Shareholder
Recitals	
A	Bidder and Q Technology Group Limited (ABN 27 009 259 876) (Target) have entered into a scheme implementation agreement dated 14 June 2012 (the Implementation Agreement).
B	Bidder is the ultimate holding company of BidCo.
C	Target has agreed in the Implementation Agreement to propose the Scheme, pursuant to which (among other things), subject to the satisfaction or waiver of certain conditions precedent, BidCo will acquire all of the Scheme Shares from Scheme Shareholders for the Scheme Consideration.
D	In accordance with the Implementation Agreement, each of Bidder and BidCo enters into this Deed Poll for the purposes of covenanting in favour of the Scheme Shareholders that it will observe and perform the obligations contemplated of it under the Scheme, and (in the case of Bidder) that it will procure that BidCo observes and performs the obligations contemplated of BidCo under the Scheme.

It is declared as follows.

1. Definitions and Interpretation

1.1 Definitions

Words and phrases defined in the Scheme, a copy of which is set out in the annexure to this Deed Poll, have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this document' in that clause are references to 'this Deed Poll', unless the context makes it clear that a rule is not intended to apply.

2. Nature of Deed Poll

Each of Bidder and BidCo acknowledges and agrees that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder appoints Target as its agent and attorney to enforce this Deed Poll against Bidder or BidCo (as applicable) on behalf of that Scheme Shareholder.

3. Conditions Precedent and Termination

3.1 Conditions precedent

Each of Bidder's and BidCo's obligations (as relevant) under this Deed Poll are subject to the Scheme becoming Effective.

3.2 Termination

If the Implementation Agreement is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of Bidder and BidCo under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless Target and Bidder otherwise agree.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) each of Bidder and BidCo is released from its obligations under this Deed Poll; and
- (b) each Scheme Shareholder retains any rights, powers or remedies that the Scheme Shareholder has against Bidder or BidCo in respect of any breach of its obligations under this Deed Poll that occurred before termination of this Deed Poll.

4. Compliance with Scheme Obligations

4.1 Obligations of Bidder and BidCo

Subject to clause 3, in consideration for the transfer to BidCo of the Scheme Shares in accordance with the Scheme:

- (a) Bidder covenants in favour of each Scheme Shareholder that:

- (i) it will observe and perform all obligations contemplated of it under the Scheme; and
 - (ii) it will procure that BidCo observes and performs all obligations contemplated of BidCo under the Scheme; and
 - (b) BidCo covenants in favour of each Scheme Shareholder that it will observe and perform all obligations contemplated of it under the Scheme,
- including in each case the relevant obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

5. Representations and Warranties

Each of Bidder and BidCo makes the following representations and warranties.

- (a) **(Status)** It is a corporation validly existing under the laws of the place of its incorporation.
- (b) **(Power)** It has the power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the 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) **(Document binding)** This Deed Poll is its valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping and registration.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law, judgment, ruling, order or decree binding on it;
 - (ii) its constitution or other constituent documents; or
 - (iii) any material term or provision of any material agreement to which it is party or by which it is bound.

6. Continuing Obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) each of Bidder and BidCo having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7. Further Assurances

Each of Bidder and BidCo will, on its own behalf and, to the extent authorised by the Scheme, on behalf of each Scheme Shareholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8. General

8.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made to Bidder or BidCo under or in connection with this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to Bidder or BidCo (as the case may be) by pre-paid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number below or the address or fax number last notified by Bidder in writing:

Level 2, HQ South Tower, 520 Wickham
Street, Fortitude Valley QLD 4006

Attention: Richard Thornton, Executive
Director

Fax No: +61 7 3852 2201; and

- (c) will be taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of fax, on receipt by the sender of a transmission control report from the dispatching machine showing the relevant number of pages and the correct destination fax machine number or name of recipient and indicating that the transmission has been made without error,

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 4pm (local time) it will be taken to have been duly given or made at the commencement of business on the next business day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by any of Bidder and BidCo or by any Scheme Shareholder operates as a waiver. A single or partial 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 of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

8.3 Remedies cumulative

The rights, powers and remedies of each of Bidder and BidCo and of each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 No merger

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

8.5 No agency or partnership

Nothing in this Deed Poll is to be construed as constituting an agency, partnership, joint venture, or any other form of association between the parties in which one party may be liable for the acts or omissions of any other party. No party has the authority to incur any obligation or make any representation or warranty on behalf of, or to pledge the credit of, any other party.

8.6 Enurement

The provisions of this Deed Poll will, unless otherwise provided in this Deed Poll, enure for the benefit of and be binding on the parties and their respective successors and permitted substitutes and assigns and (where applicable) legal representatives.

8.7 Counterparts

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

8.8 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

- (a) either:
 - (i) before the Second Court Date, the amendment or variation is agreed to in writing by Target, Bidder and BidCo (which such agreement may be given or withheld without reference to or approval by any Target Shareholder) and is approved by the Court (if required); or
 - (ii) on or after the Second Court Date, the amendment or variation is agreed to in writing by Target, Bidder and BidCo (which such agreement may be given or withheld without reference to or approval by any Target Shareholder), and is approved by the Court; and
- (b) Bidder and BidCo enter into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

8.9 Assignment

The rights and obligations of each of Bidder and BidCo and of each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of Bidder, BidCo and Target.

8.10 Costs and duty

Bidder and BidCo must bear their own costs arising out of the negotiation, preparation and execution of this Deed Poll. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this Deed Poll and any instrument executed under or any transaction evidenced by this Deed Poll must be borne by BidCo. BidCo must indemnify each Scheme Shareholder on demand against any liability for that duty (including any related fines, penalties and interest).

8.11 Governing law and jurisdiction

This Deed Poll is governed by the laws of Victoria. Each of Bidder and BidCo submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

Executed and delivered as a Deed in Brisbane.

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **GWA Group Limited:**

Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **GWA Group Holdings Limited:**

Director Signature

Director/Secretary Signature

Print Name

Print Name

Annexure C

Agreed Public Announcement



Corporate Head Office
Unit 5, 435 Williamstown Road
Port Melbourne VIC 3207
T: 03 9646 9016
F: 03 9645 2937
www.qtechnologygroup.com.au



GWA
Group Limited

ABN 15 055 964 380
t 61 7 3109 6000
f 61 7 3852 2201
www.gwagroup.com.au

Level 2, HQ (South Tower)
520 Wickham Street
Fortitude Valley
QLD 4006

GPO Box 1411
Brisbane QLD 4001

14 June 2012

GWA Group Limited enters into Scheme Implementation Agreement to acquire security and locksmith group Q Technology Group Limited

- **GWA Group Limited (GWA) (through a wholly-owned subsidiary) proposes to acquire all ordinary shares in Q Technology Group Ltd (QTG) for a cash consideration of 3.8 cents per share¹ (the Scheme Consideration).**
- **The Scheme Consideration of 3.8 cents per share represents a premium of 130% to QTG's volume weighted average share price (VWAP) of 1.65 cents in the month up to and including 13 June 2012 (being the last day of trading before the Scheme was announced).**
- **The transaction will be implemented by way of a scheme of arrangement (the Scheme). If the Scheme is implemented, QTG will become a wholly owned subsidiary of GWA and will be delisted from the ASX.**
- **The QTG Board have provided a unanimous recommendation that QTG shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of QTG shareholders.**
- **GWA has also entered into a Call Option Deed with Bond Street Custodians Limited in its capacity as custodian for Helmsman Funds Management Limited in its capacity as trustee of the Helmsman Capital Fund Trust IIA (Helmsman) over 28,049,813 ordinary shares in QTG representing 14.3% of QTG's ordinary shares on issue.**

GWA, Australia's leading supplier of building fixtures and fittings to households and commercial premises, today has entered into a Scheme Implementation Agreement with QTG in the form attached to this announcement (SIA) under which, subject to approval by shareholders of QTG and the satisfaction of a number of conditions, it is proposed that GWA will acquire 100% of the issued ordinary shares in QTG, for

¹ This amount will be reduced by the following amounts (per ordinary share): (i) the aggregate cash amount of any dividend declared, determined or paid by QTG during the period from the date of this announcement until the implementation date; and (ii) the aggregate amount of any consideration paid by QTG to cancel QTG options and any other rights to be issued QTG shares and options (as one of the conditions precedent to the Scheme).

the Scheme Consideration. The Scheme Consideration of 3.8 cents per share represents a 14% discount to Net Asset value, and a premium to the Net Tangible Assets of 2.4 cents of QTG at 31 December 2011. The Scheme implies an enterprise value of \$20.6 million for QTG comprising an equity value of \$7.4 million² and assumed debt obligations of \$13.2 million.

GWA has also entered into a Call Option Deed with Helmsman which enables GWA to acquire 28,049,813 ordinary shares in QTG (representing 14.3% of QTG's ordinary shares on issue) from Helmsman where a competing proposal is matched by GWA under the matching rights included in the SIA. QTG has provided its written consent to this transaction in accordance with the standstill arrangement discussed below. The details of the Call Option Deed will be disclosed in a substantial holder notice to be lodged with the ASX by GWA.

QTG's Chairman Comments

QTG's Non-Executive Chairman Bruce Higgins said, "After a detailed review of QTG's options and an assessment of GWA's proposal, the QTG Board unanimously considers the Scheme to be in the best interests of QTG shareholders. We recommend that QTG shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of QTG shareholders. Each QTG director intends to vote in favour of the Scheme, or procure that the voting rights which the director has control over are voted in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of QTG shareholders".

Implementation and Transaction Conditions

The Scheme is subject to certain conditions precedent, including:

- securing ongoing supply of products from QTG's key suppliers;
- cancellation of all outstanding QTG options;
- no QTG regulated events and/or material adverse changes;
- the repayment by GWA of QTG's finance facilities being no more than \$14 million;
- an independent expert report concluding that the Scheme is in the best interests of QTG shareholders;
- the QTG Board unanimously stating in the scheme booklet that it considers the Scheme to be in the best interests of QTG shareholders and recommending that QTG shareholders vote in favour of the Scheme in the absence of a superior proposal (and subject to the independent expert concluding that the Scheme is in the best interests of QTG shareholders), and the QTG Board not withdrawing, qualifying or varying those statements or recommendations before the Scheme is approved by QTG shareholders;

² As at the date of this announcement, QTG had 196,065,483 ordinary shares on issue.

- no person obtaining a relevant interest in 10% or more of QTG's ordinary shares between the date of this announcement and the second court date (other than GWA or a related body corporate of GWA, or an existing QTG shareholder which is an institutional or portfolio investor);
- change of control waivers or consents obtained for key contracts and finance arrangements;
- the deed of company arrangement in relation to QRSciences Pty Ltd has been effectuated and notice given to ASIC;
- QTG shareholder and court approvals for the Scheme; and
- any regulatory approvals.

The SIA attached in Appendix 1 to this announcement contains full details of these conditions in clause 3.1. QTG has also agreed to customary obligations that limit QTG's ability to engage with third parties on a competing proposal, although these obligations (apart from the no shop) are subject to fiduciary duty exceptions. QTG has also agreed to grant GWA a matching right in certain circumstances where a competing proposal is received by QTG. A break fee of 1% of the transaction value is payable by both QTG and GWA in certain circumstances.

Standstill Arrangement

GWA and QTG are also parties to a Confidentiality Agreement dated 26 April 2012 (Confidentiality Agreement), pursuant to which they have agreed, amongst other things, that until 26 October 2012, GWA will not acquire any QTG shares. The standstill arrangement in the Confidentiality Agreement is subject to a number of exceptions that permit any acquisitions:

- where QTG has given its written consent;
- which occur as part of the implementation of a transaction on terms which are agreed and recommended by the Board of QTG to its shareholders; or
- where there is a competing proposal for a change of control of QTG not involving GWA or its related bodies corporate.

About QTG

QTG is an ASX listed entity with:

- an approximate revenue of \$50 million;
- approximately 200 employees; and
- an approximate market capitalisation of \$4 million (as at 13 June 2012, being the last day of trading before the Scheme was announced). It comprises two operating businesses, being Q Video Systems and API Locksmiths.

The Q Video Systems business is an importer and wholesale distributor of security surveillance, monitoring equipment and alarms. API Locksmiths is a supplier of safes, locks, alarms and locksmithing services. The core business of API Locksmiths is the provision of locksmithing services. API Locksmiths has a national network of offices, and contracts with major commercial enterprises including banks, casino and building management companies.

Key Metrics of the Scheme

The Scheme Consideration of 3.8 cents per share represents:

- a premium of 100% to the ASX closing share price of 1.90 cents on 13 June 2012, being the last trading day before the Scheme was announced;
- a premium of 130% to the VWAP of 1.65 cents in the one month up to and including 13 June 2012; and
- a premium of 78% to the VWAP of 2.14 cents in the three months up to and including 13 June 2012.

GWA's Managing Director Comments

GWA Managing Director Peter Crowley said, "The proposed acquisition of QTG, including the businesses operated by its subsidiaries, Q Video Systems and API Locksmiths, provides access to new markets and logical product extensions to our Door & Access Systems Division.

QTG has a successful management team, high quality products and a strong position across the markets in which it operates. The operating businesses have not been able to achieve their potential in recent years under the burden of excessive debt and we expect the inclusion of QTG in the GWA Door & Access Systems Division will provide the business a strong platform for growth. These businesses will further strengthen GWA's market offer in residential and commercial access systems and provide a service capability to complement our product offerings."

Next Steps

A scheme booklet is expected to be mailed to QTG shareholders around mid August 2012 containing full details of the Scheme. The scheme booklet will include, among other things, the reasons for the QTG Board's unanimous recommendation that shareholders vote in favour of the Scheme (in the absence of a superior proposal, and provided that the independent expert concludes that the Scheme is in the best interests of QTG shareholders), and a copy of the independent expert's report. The Scheme is expected to be implemented in early October 2012.

An indicative transaction timetable is outlined below:

Event	Anticipated Timing
Lodgement of draft Scheme Booklet with ASIC	12 July 2012
First Court Date	3 August 2012
Mailing of Scheme Booklet	13 August 2012
Scheme Meeting	12 September 2012
Second Court Date	14 September 2012
Effective Date	17 September 2012
Record Date	24 September 2012
Implementation Date	2 October 2012

Note: All dates shown are indicative and subject to change.

Other Items

QTG shareholders should consult their stockbroker, accountant, tax, financial or other professional adviser if they are uncertain about the impact of the Scheme on their particular investment objectives. QTG will inform the market of any material developments at the appropriate time.

An investor presentation has been prepared for the transaction. The presentation has been placed on both QTG's and GWA's websites. QTG's website address is www.qtechnologygroup.com.au and GWA's website address is www.gwagroup.com.au

For further information please contact:

Investors

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Media

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Appendix 1 - Scheme Implementation Agreement