



4 September 2014

The Manager
Companies Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

CLEARVIEW WEALTH LIMITED (CVW) - BIDDER'S STATEMENT FOR MATRIX HOLDINGS LIMITED

As disclosed on 29 August 2014, the Company has entered into a merger implementation deed (Merger Implementation Deed) with Matrix Holdings Limited (Matrix) under which the Company agreed to make an offer for all of the issued shares in Matrix. In accordance with the Merger Implementation Deed, the Company's Bidder's Statement and Matrix's Target's Statement have now been issued in accordance with the Corporations Act 2001 (Cth) and are now being despatched to Matrix shareholders.

Copies of each document are attached to this announcement."

Yours sincerely

A handwritten signature in black ink that reads 'Chris Robson'.

Chris Robson
General Counsel and Company Secretary



This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your financial, tax or other professional adviser immediately.

Bidder's Statement

Accept the Offer

by

ClearView Wealth Ltd (ACN 106 248 248)

to purchase all of your ordinary shares in

Matrix Holdings Ltd (ACN 168 564 378)

The Matrix Holdings Directors have unanimously recommended that you **ACCEPT** the Offer, in the absence of a superior proposal

The Offer closes at 7.00pm (Sydney time) on 4 October 2014, unless extended or withdrawn. If you have any questions about how to accept the Offer, please contact the Offer Information Line on (+61) 1800 063 366.

Important notices

Nature of this document

This Bidder's Statement is issued by ClearView Wealth Ltd (ACN 106 248 248) (ClearView) under Part 6.5 of the Corporations Act 2001 (Cth) (Corporations Act).

A copy of this Bidder's Statement was lodged with ASIC on 3 September 2014. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

Investment advice

In preparing this Bidder's Statement, ClearView has not taken into account the individual objectives, financial situation or needs of individual Matrix Holdings Shareholders. Accordingly, before deciding whether or not to accept the Offer, you may wish to consult your financial, tax or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Matrix Holdings operates, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. Neither ClearView nor any director, officer or employee of ClearView makes any representation or warranty, express or implied, as to the accuracy or likelihood of fulfilment of any forward looking statement or as to any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement and should note that forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to information relating to Matrix Holdings

The information on Matrix Holdings contained in this Bidder's Statement has been prepared by ClearView using publicly available information and other information made available by Matrix Holdings. It has not been independently verified by ClearView and neither ClearView nor any director, officer or employee of ClearView, makes any representation or warranty, express or implied, as to the accuracy or completeness of any such information.

Further information relating to Matrix Holdings and its business may be included in the Target's Statement, which was provided to you together with this Bidder's Statement.

Foreign jurisdictions

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

This Bidder's Statement does not constitute an offer (whether to sell or buy Shares) in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify ClearView or to otherwise permit a public offering of ClearView Shares outside Australia. ClearView Shares have not been, and will not be, registered under the United States Shares Act of 1933 (Shares Act) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Shares Act), except in a transaction exempt from the registration requirements of the Shares Act and applicable United States state Shares laws.

None of the US Shares Exchange Commission, any United States Shares commission or any other United States regulatory authority has passed comment upon or endorsed the merits of the Offer or the accuracy, adequacy or completeness of this Bidder's Statement.

Privacy

ClearView has collected your information from the register of Matrix Holdings Shareholders for the purpose of making the Offer and, if accepted, administering acceptances of the Offer in respect of your holding of Matrix Holdings Shares. The registered address of ClearView is Level 12, 20 Bond Street, Sydney, NSW, 2000.

By completing an Acceptance Form, you are providing personal information to ClearView through ClearView's service provider, Link Market Services Limited ABN 54 083 214 537 (**Link**), which is contracted by ClearView to manage acceptances of the Offer. ClearView, and Link on its behalf, may collect, hold and use that personal information to process your Acceptance Form, service your needs as a holder of Consideration Shares, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the Acceptance Form, ClearView and Link may not be able to process or accept your acceptance of the Offer.

Once you become a holder of Consideration Shares (which is subject to the Performance Conditions described in section 9), the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Consideration Shares you hold) to be included on the ClearView Share register. In accordance with the requirements of the Corporations Act, information on the ClearView Share register will be accessible by members of the public. The information must continue to be included on the ClearView Share register if you cease to be a holder of Consideration Shares.

ClearView and Link may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- Link for ongoing administration of the ClearView Share register;
- ClearView and Link in order to assess your acceptance of the Offer;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the ClearView Shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Consideration Shares and for associated actions.

ClearView's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of ClearView. You may be required to pay a reasonable charge to Link in order to access your personal information. You can request access to your personal information or obtain further information about ClearView's privacy practices by contacting Link as follows:

Telephone: (+61) 1800 502 355

Website: www.linkmarketservices.com.au

ClearView aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the ClearView or Link if any of the details you have provided change.

Defined terms

A number of defined terms are used in this Bidder's Statement. The definitions of these terms are set out in Section 10.

Key dates	
Date of this Bidder's Statement	3 September 2014
Date of Offer	3 September 2014
Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on 4 October 2014

Letter to Matrix Holdings Shareholders

3 September 2014

Dear Matrix Holdings Shareholder,

Offer for Your Matrix Holdings Shares

We are pleased to present you with this offer by ClearView Wealth Ltd (**ClearView**) to acquire all of your ordinary shares in Matrix Holdings Ltd (**Matrix Holdings**) (**Offer**).

The Offer

ClearView is offering you the following consideration for each of Your Matrix Holdings Shares:

- \$4.407 cash (**Cash Consideration**); plus
- 8.776 ClearView Shares to be held on trust by the Trustee and which are subject to the Performance Conditions described in Section 9.5 (**Consideration Shares**),

(collectively, the **Offer Consideration**).

The Consideration Shares are to be used as a form of deferred consideration. Each Consideration Share will be held on trust by the Trustee and will vest on the third anniversary of the date the Offer closes provided the performance conditions (**Performance Conditions**) are met. These conditions are described in Section 8.5.

Compelling value proposition

The Offer Consideration implies a valuation of \$11.52 per Matrix Holdings Share (assuming an implied issue price of \$0.81 per Consideration Share and assuming the Performance Conditions are met in full), which ClearView believes is a full and fair price for Your Matrix Holdings Shares.

Recommendation of the Offer

The Matrix Holdings Board has unanimously recommended that Matrix Holdings Shareholders accept the Offer, in the absence of a superior proposal and each Matrix Holdings Director has indicated to Matrix Holdings that they intend to accept the Offer in respect of their Matrix Holdings Shares in the absence of a superior proposal.

Shareholder support

As a further sign of support of the Offer, certain major shareholders holding a Relevant Interest in 17.5% of Matrix Holdings have agreed with ClearView to accept the Offer in respect of all of their Matrix Holdings Shares.

This document

This Bidder's Statement contains important information about the Offer, including the terms and conditions of the Offer and the risks associated with acceptance. It also contains information on ClearView and its intentions for Matrix Holdings if the Offer is successful.

It is recommended you carefully read this Bidder's Statement as well as the Target's Statement and seek professional advice if you are in any doubt about what to do.

*** *** ***

We strongly encourage you to accept the Offer as soon as possible by following the instructions set out in this Bidder's Statement and the enclosed Acceptance Form. The Offer is scheduled to close at 7.00pm (Sydney time) on 4 October 2014, unless extended or withdrawn.

If you have any questions about how to accept the Offer, please contact the Offer Information Line on (+61) 1800 063 366.

We look forward to your acceptance of the Offer.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gary Weiss', with a long horizontal line extending to the right.

Gary Weiss
Chairman
ClearView Wealth Ltd

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Why you should accept the Offer

- 1. You have the opportunity to realise certain cash value for Your Matrix Holdings Shares**
 - 2. You will be entitled to become a shareholder in ClearView and obtain exposure to any future upside in ClearView, if the Performance Conditions are met**
 - 3. The Offer has the support of the Matrix Holdings Board and certain major shareholders**
-

1. You have the opportunity to realise certain cash value for Your Matrix Holdings Shares

Matrix Holdings Shareholders who accept the Offer will (assuming the Offer becomes unconditional) receive the Cash Consideration of \$4.407 per Matrix Holdings Share for all of their Matrix Holdings Shares.

2. You have the opportunity to become a shareholder in ClearView and, subject to satisfaction of the Performance Conditions, obtain exposure to any future upside in ClearView Group

The Consideration Shares form part of the Offer Consideration and have been structured to provide conditional deferred consideration to the extent the Performance Conditions are met.

Matrix Holdings Shareholders who accept the Offer will receive 8.776 Consideration Shares per Matrix Holdings Share. This provides an opportunity, subject to the satisfaction of the Performance Conditions, for Matrix Holdings Shareholders to obtain an equity interest in ClearView and to have exposure to any future upside in ClearView.

If the Offer is declared or becomes unconditional, Matrix Holdings Shareholders will ultimately, if the Performance Conditions are met, be exposed to a variety of risks and uncertainties implicit in the holding of ClearView Shares. Some of these risks and uncertainties are set out in Section 7.3.

3. The Offer has the support of the Matrix Holdings Board and certain major shareholders

As a strong endorsement of the Offer, the Matrix Holdings Directors have unanimously recommended that you accept the Offer, in the absence of a superior proposal. The reasons for this recommendation are set out in the Target's Statement, which was sent to you together with this Bidder's Statement.

In addition, Matrix Holdings Directors have confirmed to Matrix Holdings their intention to accept the Offer in respect of all of their Matrix Holdings Shares, in the absence of a superior proposal.

Shareholders, holding 17.5 % of Matrix Holdings Shares, have also agreed with ClearView to accept the Offer in respect of those Matrix Holdings Shares. This agreement is not qualified by the absence of a superior proposal.

1 Overview of the Offer

<p>What is the Offer?</p>	<p>ClearView is offering to buy all the Matrix Holdings Shares on the terms and conditions set out in Section 9.</p> <p>Due to the number of Matrix Holdings Shareholders, the Offer has been made as a formal takeover offer under Chapter 6 of the Corporations Act.</p>
<p>Who is making the Offer?</p>	<p>The Offer is being made by ClearView, an ASX listed company.</p> <p>For more information on ClearView, refer to Section 2.</p>
<p>What is the Offer Consideration?</p>	<p>If you accept the Offer and the Offer is declared or becomes unconditional, you will receive the following consideration for each Matrix Holding Share you hold:</p> <ul style="list-style-type: none"> • \$4.407 cash; plus • 8.776 Consideration Shares (issued subject to the Performance Conditions).
<p>What are the Performance Conditions?</p>	<p>The Consideration Shares will be held on trust by Pacific Custodians Pty Limited (Trustee) and will not vest unless, or the number of Consideration Shares vesting may be reduced, if the Performance Conditions are not met or deemed to be met. The Performance Conditions are that:</p> <ul style="list-style-type: none"> (a) at least 75% of Matrix Representatives remain Matrix Representatives for 3 years after completion of the Transaction; (b) at least 90% of Matrix Representatives implement Common Processes (as set out in Section 8.7); and (c) the GAR Targets (as set out in Section 8.7) are achieved in respect of the Matrix Representatives. <p>If the performance conditions at (a) and (b) above are not met or deemed to be met, none of the Consideration Shares will vest. If the GAR Targets are not met or deemed to be met, the number of Consideration Shares vesting will be reduced as set out in Section 8.7.</p> <p>The Performance Conditions will be deemed to be satisfied in certain circumstances, as set out in Section 8.7. ClearView may also waive the Performance Conditions at any time at its absolute discretion.</p> <p>Legal title to the Consideration Shares will be held by the Trustee on trust for Matrix Holdings Shareholders who accept the Offer. Legal title to the Consideration Shares will be transferred from the Trustee to the relevant Matrix Holdings Shareholders who accepted the Offer upon satisfaction, or deemed satisfaction, of the Performance Conditions. The Trustee will deal with the Consideration Shares as directed by ClearView if the Performance Conditions are not met, or deemed to be met, and the</p>

	<p>entitlement of Matrix Holdings Shareholders who accept the Offer to those Considerations Shares is forfeited.</p> <p>These are explained in detail in Section 8.7.</p>
<p>If I accept the Offer, when will I receive the consideration?</p>	<p>If you accept the Offer in accordance with the instructions in this Bidder's Statement and the Acceptance Form, you will be provided with the Offer Consideration due to you under the Offer by the earlier of:</p> <p>(a) one month after this Offer is accepted or, if the Offer is subject to a condition when it is accepted, within one month after the Offer becomes unconditional, (whichever is the later); and</p> <p>(b) 21 days after the end of the Offer Period.</p> <p>You will not receive the Offer Consideration if the Offer does not become unconditional.</p> <p>Full details of when you will be paid are set out in Section 9.7.</p>
<p>Can I accept the Offer for part of my holding?</p>	<p>No, you may only accept the Offer in respect of all of Your Matrix Holdings Shares.</p>
<p>When does the Offer close?</p>	<p>The Offer closes at 7.00pm (Sydney time) on 4 October 2014, unless it is extended or withdrawn in accordance with the Corporations Act.</p>
<p>What are the conditions of the Offer?</p>	<p>The Offer is subject to certain conditions, including:</p> <ul style="list-style-type: none"> • (minimum acceptance) before the end of the Offer Period, ClearView has a relevant interest in at least 90% (by number) of the Matrix Holdings Shares on a fully diluted basis; • (no regulatory action) certain regulatory action which would adversely affect the Offer is not taken; • (no Matrix Holdings Prescribed Occurrences) there is no Matrix Holdings Prescribed Occurrence; • (no Matrix Holdings Material Adverse Change) during the Offer Period there is no Matrix Holdings Material Adverse Change; • (no breach of Merger Implementation Deed) during the Offer Period, Matrix Holdings does not materially breach the conduct of business provisions in the Merger Implementation Deed (as described in Section 8.2(d)); • (no distributions) during the Offer Period, Matrix Holdings does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) which has the effect of reducing NTA to below \$250,000;

	<ul style="list-style-type: none"> • (NTA) Matrix Holdings has NTA of at least \$250,000 as at 31 August 2014; • (Constitution) Matrix Holdings Shareholders resolve to amend the Matrix Holdings Constitution such that ClearView would not be prevented from acquiring any of the Matrix Holdings Shares; • (Execution of Warranty Deed: Warranties) O&B and a Matrix Holdings Shareholder duly authorised to sign on behalf of all Matrix Holdings Shareholders executes the Warranty Deed and the warranties in the Warranty Deed become fully effective (including by O&B paying or procuring payment of its proportionate share of the Warranty and Indemnity Insurance premium); • (Execution of Warranty Deed: Indemnities) O&B and a Matrix Holdings Shareholder duly authorised to sign on behalf of all Matrix Holdings Shareholders executes the Warranty Deed and the indemnities granted under the Warranty Deed become fully effective; • (Target Representatives agreeing to remain Authorised Representatives for 3 years) 90% of Target Representatives entering onto the Variation of Principals Agreements; • (O&B entering into Subscription Deed) O&B enters into the Subscription Deed; and • (O&B entering into the Put Option Deed) O&B enters into the Put Option Deed. <p>The above is a summary only of the conditions. The full terms are set out in Section 9.8.</p> <p>The Offer is also subject to a statutory condition required by section 625(3) of the Corporations Act (see Section 9.12).</p>
<p>What happens if the conditions of the Offer are not satisfied?</p>	<p>If the Offer closes with conditions remaining unsatisfied or not waived, the Offer will lapse and acceptances will be void. This means that Your Matrix Holdings Shares will not be transferred to ClearView and you will not receive the Offer Consideration.</p>
<p>How do I accept the Offer?</p>	<p>You may accept the Offer by completing and signing the enclosed Acceptance Form in accordance with the instructions and returning it, together with any other documents required by those instructions (including any share certificates in respect of Your Matrix Holdings Shares), in the reply paid envelope.</p> <p>Full details on how to accept the Offer are set out in Section 9.4.</p>
<p>Can I withdraw my acceptance?</p>	<p>You can only withdraw your acceptance of the Offer if the Offer Period is extended for more than one month at a time when the Offer remains subject to conditions.</p>
<p>Can the Offer Period be</p>	<p>The Offer Period may be extended at the election of ClearView (subject to certain restrictions imposed by the Corporations Act).</p>

extended?	It may also be automatically extended in other circumstances, as referred to in Section 9.3(c). You will be notified if the Offer Period is extended.
What are the tax implications of accepting the Offer?	Matrix Holdings Shareholders should consult their tax adviser for personalised advice before deciding whether or not to accept the Offer.
Will I incur any brokerage charges or stamp duty if I accept the Offer?	No, there is no brokerage or stamp duty payable in connection with the acceptance of the Offer.
Important notice	<p>The information in this Section 2 is a summary only of certain aspects of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.</p> <p>Before deciding whether to accept the Offer, you should carefully read this Bidder's Statement and the Target's Statement.</p>

2 Information on ClearView

ClearView is a public company listed on the ASX (ASX:CVW).

ClearView is an Australian financial services company with businesses that specialise in life insurance, wealth management and financial advice solutions. ClearView has established a multi-channel distribution footprint through its own adviser network and the independent financial adviser industry.

ClearView generates its revenue through the provision and distribution of life insurance, superannuation and investment products, and through the provisions of financial advice and support services to financial advisers. The markets in which ClearView competes are highly regulated. ClearView holds, via its operating subsidiaries, an APRA life insurance licence, an APRA registrable superannuation entity licence, an ASIC funds manager licence and an ASIC financial adviser licence. In addition, ClearView is regulated by APRA as a Non-Operating Holding Company (NOHC) under the Life Insurance Act 1995.

The ClearView Group operates three business segments under the ClearView brand: Life Insurance, Wealth Management and Financial Advice.

ClearView is listed on the Australian Stock exchange (ASX) and is a disclosing entity under the Corporations Act. As a disclosing entity, ClearView is subject to regular reporting and disclosure obligations and copies of documents lodged with ASIC in relation to ClearView may be obtained from, or inspected at, an ASIC office and all documents lodged on the ASX may be found on the ASX website under the code CVW.

Copies of documents lodged with ASIC in relation to ClearView may be obtained from, or inspected at, an ASIC office.

In addition, ClearView will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer Period:

- the annual financial report of ClearView for the year ending 30 June 2014; and
- any continuous disclosure notices given to ASX after 30 June 2014 by ClearView.

To obtain a copy of any of the above documents during the Offer Period, interested persons may telephone the ClearView Offer Information Line on (+61) 1800 063 366. Copies of all documents lodged with ASIC in relation to ClearView can also be inspected at the registered office of ClearView during normal office hours. ClearView also has a website, www.clearview.com.au which includes a wide range of information on ClearView.

3 Information on Matrix Holdings

3.1 Disclaimer

The information in this Section 3 has been prepared by ClearView using publicly available information and other information made available by Matrix Holdings. It should not be considered comprehensive. The information has not been independently verified by ClearView and ClearView makes no representation or warranty, express or implied, as to the accuracy or completeness of the information.

Further information relating to Matrix Holdings may be included in the Target's Statement.

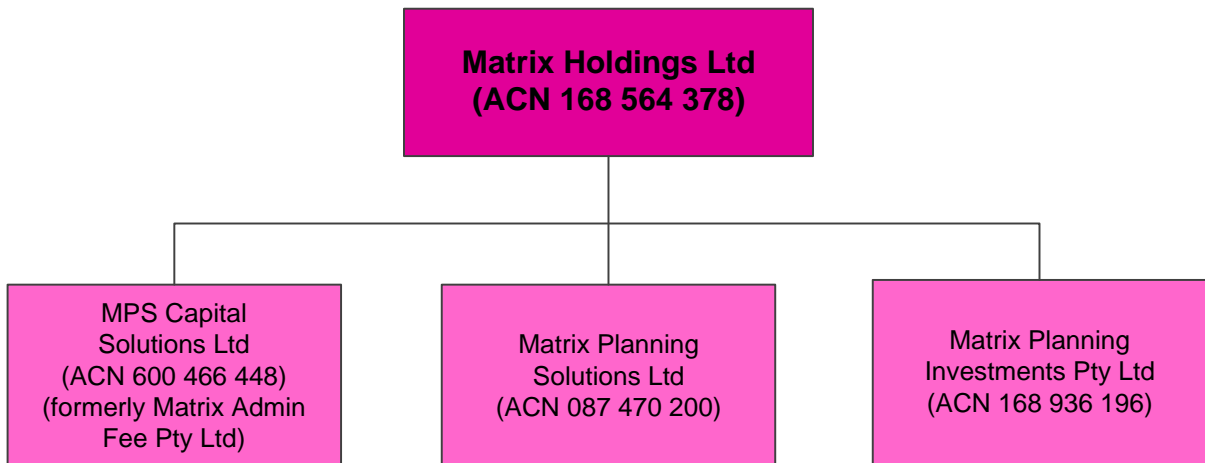
3.2 Overview of Matrix Holdings

Matrix Holdings holds an AFSL and ACL and operates a comprehensive financial planning dealer group offering advisers and clients a wide range of services.

Matrix Planning Solutions Limited is an independent adviser network with 41 practices and around 90 Authorised Representatives throughout Australia and provides strategic financial advice to clients on a range of issues.

3.3 Matrix Company Group structure

The following diagram illustrates the legal structure of the Matrix Company Group.



3.4 Directors

The directors of Matrix Holdings are:

- (a) Pieter Franzen (Chairman);
- (b) Barry John Vandenberg;
- (c) Brendan Gerard Minehan;
- (d) Jeffrey Maxwell Shakespeare;
- (e) Peter Geoffrey Buzza;
- (f) Robert Melville Pedersen; and
- (g) Troy Alexander Collins.

John Frederick Morris is the Company Secretary.

3.5 Issued Shares

As at the date of this Bidder's Statement, Matrix Holdings has a total of 1,758,501 ordinary shares on issue. ClearView would be required to issue a total of approximately 15,432,604 ClearView Shares in order for ClearView to acquire 100% of Matrix Holdings, equivalent to approximately 2.7% of ClearView's total issued share capital. There are no options or rights over Matrix Holdings shares on issue.

4 Profile of ClearView following completion of the Offer

4.1 Unaudited pro forma financial statements

Introduction

The Combined Group's unaudited aggregated pro forma financial information (on the assumption that completion of the Offer occurs) is set out in this Section 4 and includes an unaudited pro forma combined historical statement of financial position for ClearView and Matrix Holdings as at 30 June 2014.

The unaudited pro forma financial information in this Section is based on ClearView's and Matrix Holdings' respective audited financial information for the year ended 30 June 2014. Matrix Holding's audited consolidated statement of financial position is set out in Appendix A. This has been provided by Matrix Holdings, and ClearView has not verified this document, nor is it in a position to do so, and as such is provided for information purposes only. The unaudited pro forma combined historical statement of financial position contained in this Section 4.1:

- is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act;
- is pro forma financial information, which by its nature is only illustrative of the types of impacts which a particular set of assumed transactions can have on underlying financial information. Other than as expressly stated in this Section 4.1, the pro forma financial information presented in this Section does not take account of any events related to Matrix Holdings after 30 June 2014;
- has not been independently reviewed or audited in accordance with Australian Auditing Standards (AASB); and
- should be read in conjunction with the risk factors set out in Section 7.

The assumptions that have been used in preparing the pro forma financial information are described below in the Sections entitled "Basis of preparation and presentation" and "Notes regarding adjustments to the Pro forma unaudited statement of financial position".

Basis of preparation and presentation

The pro forma unaudited consolidated statement of financial position of the Combined Group as at completion of the Offer (**Pro forma unaudited consolidated statement of financial position**) has been prepared in accordance with ClearView's accounting policies as set out in ClearView's annual financial statements for the year ended 30 June 2014 and AASBs with the exception of some recognition requirements of AASB 3 Business Combinations, including that the difference between the purchase price consideration and assumed net assets that will be acquired has been allocated to goodwill only. There has been no fair value accounting of the assets to be acquired and the liabilities to be assumed. ClearView is not yet in a position to determine the fair value of Matrix Holdings' assets to be acquired. This will be undertaken by ClearView following completion of the acquisition of Matrix Holdings. Acquisition accounting may result in a lower or higher level of goodwill and a lower or higher level of accounting profits recognised in the event that intangible assets are recognised which may require amortisation and/or fair value adjustments in respect of the valuation of acquired assets.

ClearView has prepared the Pro forma unaudited consolidated statement of financial position using the audited consolidated statement of financial position of Clearview and the audited consolidated statement of financial position of Matrix Holdings and on the basis of certain assumptions and expectations regarding ClearView and the Offer which are described in this Section 4.1. It should be noted that while ClearView considers that it has a reasonable basis for making such assumptions and having such expectations, no assurance can be given that they will prove to be correct.

The unaudited pro forma summary financial information of the Combined Group has been compiled according to the following assumptions:

- completion of the Offer as described in section 9 for a purchase price of \$20,250,000 (excluding Offer and restructure costs);
- estimated Offer and restructure costs of \$2,500,000 (pre-tax) are incurred (reflected against retained earnings in the unaudited pro forma statement of financial position);
- of the total estimated \$22,750,000 to fund the completion of the Offer (including Offer and restructure costs), \$10,250,000 is to be sourced from existing internal resources and the remainder of \$12,500,000 funded through the issue of Consideration Shares (15,432,604) at \$0.81 per share (subject to the Performance Conditions). The \$10,250,000 therefore will not be available to generate investment income in future periods;
- subscription for \$250,000 ClearView shares in accordance with the Subscription Deed;
- no adjustments, aside for the adjustments to deferred tax asset and deferred tax liabilities, have been made to the reported value of Matrix Holdings' assets and liabilities to reflect the impact of acquisition accounting as, for the purposes of the unaudited pro forma financial information, the book value as reported in Matrix Holdings' audited consolidated financial statements as at 30 June 2014 is assumed to approximate their fair value at the date of acquisition. All consideration in excess of Matrix Holdings' existing net assets at book value has been allocated to goodwill. It is likely that separately identifiable intangible assets will subsequently be identified and this will have the effect of reducing goodwill. If any separately identifiable intangible assets are considered to have finite lives, net profit after tax of the Combined Group will decrease as a result of the requirement to amortise these intangibles over their estimated useful life.
- adjustments have been made to the audited consolidated Matrix Holdings financial information presented in the Pro forma unaudited consolidated statement of financial position as at 30 June 2014 to reflect the following:
 - impact of the Restructuring, related to the return of surplus capital to Matrix Holdings Shareholders (to the extent these exceed net tangible assets of \$250,000) in the amount of \$5,402,531;
 - estimated Offer and restructure costs of \$217,233 (pre-tax) payable by Matrix Holdings Shareholders and funded out of the surplus capital position of the group prior to the return of capital as outlined above; and
 - the fair value of the deferred tax asset and deferred tax liability has been adjusted to reflect 50% of the carrying value to take account of the exit of Matrix Holdings from its tax consolidated group.

Where appropriate, adjustments made in preparing the unaudited pro forma financial information has been tax effected based on an assumed tax rate of 30%.

Details of other adjustments made in preparing the unaudited pro forma financial information have been included in the notes accompanying the unaudited pro forma statement of financial position.

Pro forma unaudited statement of financial position

The table below sets out the Pro forma unaudited consolidated statement of financial position of the Combined Group as at 30 June 2014. It is calculated by aggregating the summary statement of financial position of ClearView and Matrix Holdings as at 30 June 2014 and the pro forma adjustments, which has been adjusted to reflect, among other things, the following matters:

- the completion of the Offer, as if it had occurred on 30 June 2014;

- certain significant known events related to the Offer as if they had occurred as at 30 June 2014, including payment of estimated transaction costs incurred in connection with the Offer; and
- purchase elimination accounting entries relating to the acquisition of Matrix Holdings.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014	ClearView Wealth Limited	Matrix Holding Limited	ClearView	Matrix	Matrix		ClearView Wealth Limited	
	CONSOLIDATED	CONSOLIDATED	Acquisition of Matrix Holdings Limited 1	Transaction Costs & DTA/ DTL Adjustment	Return of Capital/ Dividend	Subscription for Shares	Pro Forma consolidation Adjustment	
	30-Jun-14	30-Jun-14					30-Jun-14	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	PROFORMA	
Assets								
Cash and cash equivalents	183,299	5,292	(10,250)	-	(5,403)	250	-	173,189
Investments	1,336,769		20,250	-	-	-	(20,250)	1,336,769
Receivables	11,876	2,413	-	(217)	-	-	-	14,072
Fixed interest deposits	88,759	110	-	-	-	-	-	88,869
Reinsurers' share of life insurance policy liabilities	(3,872)	-	-	-	-	-	-	(3,872)
Deferred tax asset	10,194	187	750	(93)	-	-	-	11,037
Property, plant and equipment	1,347	69	-	-	-	-	-	1,416
Convertible note/ Loans	301	-	-	-	-	-	-	301
Goodwill	4,858	-	-	-	-	-	20,000	24,858
Intangible assets	36,899	-	-	-	-	-	-	36,899
Total assets	1,670,430	8,071	10,750	(311)	(5,403)	250	(250)	1,683,538
Liabilities								
Payables	25,069	1,348	-	-	-	-	-	26,417
Current tax liabilities	4,622	263	-	-	-	-	-	4,885
Provisions	3,588	477	-	-	-	-	-	4,065
Life insurance policy liabilities	(127,278)	-	-	-	-	-	-	(127,278)
Life investment policy liabilities	1,122,364	-	-	-	-	-	-	1,122,364
Liability to non-controlling interest in controlled unit trusts	330,607	-	-	-	-	-	-	330,607
Deferred tax liabilities	1,225	21	-	-	-	-	-	1,246
Total liabilities	1,360,197	2,108	-	-	-	-	-	1,362,305
Net assets	310,233	5,963	10,750	(311)	(5,403)	250	(250)	321,233
Equity								
Issued capital	330,172	5,459	12,500	-	(5,209)	250	(250)	342,922
Retained losses	(25,254)	504	(1,750)	(311)	(194)	-	-	(27,004)
Executive Share Plan Reserve	5,315	-	-	-	-	-	-	5,315
Total equity	310,233	5,963	10,750	(311)	(5,403)	250	(250)	321,233

Notes regarding adjustments to the Pro forma unaudited statement of financial position

- 1 Offer and restructure costs of \$2,500,000 (pre-tax) are expected, which include transaction costs and restructure costs associated with the transaction;
- 2 on the 9 July 2014, ClearView issued 4,560,759 Executive Share Plan (ESP) shares at an issue price of \$0.79 cents per share. These shares have been taken into account in calculating the pro forma number of shares on issue post completion of the Offer.

The pro forma NAV per share shown in the table below is on a fully diluted basis as the ESP shares have been issued to employees as at 30 June 2014 (in accordance with the ESP Rules). The shares on issue under the ESP (53,942,425 shares as at 31 July 2014) have a corresponding non-recourse loan from the Company (\$32,347,723) to facilitate the purchase of the shares by the participant. The shares and the loan are not reflected in the statutory accounts as they are accounted for as an option in accordance with the accounting standards. If the loan is not repaid, the shares are cancelled.

	(000's)	Total pro forma NAV (\$'000)	NAV per Share
Number of shares on issue - 30 June 2014	495,045	310,233	
Shares on issue - Executive Share Plan - 30 June 2014	49,382	28,745	
Sub Total	544,427	338,978	62.3
ESP Shares issued - 9 July 2014	4,561	3,603	
Shares issued - Offer consideration (net of costs)	15,433	10,750	
Subscription for shares	309	250	
	564,729	353,581	62.6

Acquisition accounting and impact of amortisation

The following potential intangible assets may be recognised in the consolidated balance sheet of the Combined Group following completion of the Offer:

- market related assets such as brands; and
- contract based assets such as funds under advice and premiums under advice.

The purchase price allocation exercise has not been completed and accordingly, the extent and value of finite life intangible assets and resulting amortisation charge cannot be reliably measured. Consequently, no amortisation has been recognised in the 30 June 2014 pro forma result in respect of acquisition accounting of the fair value of acquired intangible assets.

Disclaimer

The financial information presented in this Section 4.1 in relation to Matrix Holdings has not been independently verified by ClearView.

Accordingly, ClearView does not, subject to the Corporations Act, make any representation, express or implied, as to the accuracy or completeness of this information. It is expected that Matrix Holdings will release financial information in its Target's Statement which accompanies this Bidder's Statement. The financial information regarding ClearView and Matrix Holdings in this Bidder's Statement should not be regarded as comprehensive.

4.2 Equity structure and ownership

(a) ClearView Shares

There will be approximately 564,728,593 ClearView Shares on issue following completion of the Offer and the Subscription Deed.

A summary of the rights and liabilities that will attach to ClearView Shares is set out in Section 8.4.

4.3 No forecast information

ClearView has given careful consideration as to whether forecast financial information should be included in this Bidder's Statement. In particular, ClearView has considered whether there is a reasonable basis for the preparation and disclosure in this Bidder's Statement of reliable and useful forecast financial information.

ClearView has concluded that, having regard to the nature and extent of the financial information and other information in relation to Matrix Holdings which it has reviewed, forecast financial information cannot be provided as ClearView does not have a reasonable basis for such forecasts as required by applicable law, regulatory guidance and practice. As such, ClearView considers that any forecasts would not be meaningful or material to Matrix Holdings Shareholders.

5 Sources of consideration

5.1 Total consideration

The maximum amount of cash that ClearView would be required to pay under the Offer is approximately \$7,750,000.

The number of Consideration Shares that would be issued under the Offer (assuming all Matrix Holdings shares are acquired) is approximately 15,432,604.

5.2 Sources of Cash Consideration

ClearView has the cash required for the purposes of the Cash Consideration on its balance sheet. There are no restrictions on the use of this cash in respect of payment of the Cash Consideration.

ClearView therefore has access to sufficient funds to meet its obligations under the Offer with respect to the payment of Cash Consideration.

5.3 Consideration Shares

ClearView will issue all Consideration Shares necessary to satisfy its obligations under the Offer with respect to the provision of the Offer Consideration. ClearView has the capacity to issue the maximum number of Consideration Shares which may be required to be issued under the Offer without shareholder approval as and when required under the Offer.

6 ClearView's intentions in relation to Matrix Holdings

6.1 Introduction

This Section 6 sets out the current intentions of ClearView in relation to the following:

- the continuation of the business of Matrix Holdings;
- any major changes to the business of Matrix Holdings and any redeployment of the fixed assets of Matrix Holdings;
- the compulsory acquisition of Matrix Holdings Shares; and
- the future employment of the present employees of Matrix Holdings.

The intentions in this Section 6 and elsewhere in this Bidder's Statement have been formed on the basis of facts and information concerning Matrix Holdings, its business and the general business environment known to ClearView at the date of this Bidder's Statement. ClearView does not have knowledge of all of the material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of these intentions.

Accordingly, the statements of intention in this Section 6 and elsewhere in this Bidder's Statement are statements of current intention only and may vary as new information becomes available to ClearView or as circumstances change.

6.2 Corporate matters

ClearView intends as follows:

- if ClearView and its associates acquire a relevant interest in 90% or more of the Matrix Holdings Shares, proceed with compulsory acquisition of any outstanding Matrix Holdings Shares in accordance with Part 6A.1 of the Corporations Act; and
- procure that the Matrix Holdings Board comprises nominees of ClearView.

ClearView respects the expertise and experience of the current Matrix Holdings Board and management and ClearView intends to invite the Chairman of Matrix Holdings Board to be the chairman of the ClearView Dealer Group (ClearView Financial Advice Pty Ltd ABN 89 133 593 012) after completion of the Offer. ClearView's intention is to ensure Matrix Holdings' strong culture and focus on quality is maintained and that the integration of the Matrix Holdings and ClearView dealer groups is managed appropriately.

O&B has granted ClearView a put option under which ClearView can put Matrix Holdings other than MPS Capital Solutions to O&B following the Offer Completion Date. Following the Offer Completion Date and subject to certain internal transfers being effected (i.e. after transferring all operating Matrix Company Group entities to another ClearView Group Company other than MPS Capital Solutions), ClearView intends to exercise that put option. This will not impact the operation of the Matrix Company Group. Further details in relation to the Put Option Deed are set out in Section 8.5.

6.3 Operational matters

ClearView intends to work collaboratively with Matrix Holdings, with input from both ClearView and Matrix Holdings staff, to ensure that all ClearView Principals and Matrix Principals transition to common platforms and common processes. The desire for this transition is reflected in the Performance Conditions.

ClearView also intends to conduct a review of Matrix Holdings' operations and product range on both a strategic, compliance and financial level to evaluate Matrix Holdings' performance, profitability and prospects in each of its businesses.

Subject to the foregoing, ClearView intends to maintain the current business model of Matrix Holdings and supports the company's existing management team and operational structure. ClearView believes that there will be benefits for the Matrix Principals joining the ClearView dealer group.

ClearView intends to maintain the Matrix Holdings brand and for Matrix Principals to continue to operate under the Matrix brand going forward.

Over time, there will be integration of the Matrix Holdings dealer group with the ClearView dealer group. The structure of the combined dealer group and processes and practices of both groups (for example, Matrix Holdings currently operates through a primarily outsourced model) will be evaluated with regard to how to manage the interests of advisers and their clients' best interests appropriately.

6.4 Employees

Subject to the foregoing, ClearView does not intend to make any significant changes to the structure or composition of Matrix Holdings' existing workforce.

6.5 Limitations in giving effect to intentions

The ability of ClearView to implement the intentions set out in this Section 6 and elsewhere in this Bidder's Statement will be subject to the legal obligations of ClearView and the ClearView Board.

6.6 Other intentions

As at the date of this Bidder's Statement, subject to the matters described above in this Section 6 and elsewhere in this Bidder's Statement, it is the intention of ClearView that, on the basis of the facts and information concerning Matrix Holdings, its business and the general business environment that are known to ClearView at the date of this Bidder's Statement:

- the business of Matrix Holdings will be conducted in substantially the same manner as it is conducted at the date of this Bidder's Statement;
- no other major changes will be made to the business of Matrix Holdings;
- there will be no redeployment of the fixed assets of Matrix Holdings; and
- the present employees of Matrix Holdings will continue to be employed by Matrix Holdings.

7 Risk factors

7.1 Introduction

If the Offer is declared or becomes unconditional, Matrix Holdings Shareholders who accept the Offer will become shareholders in ClearView. While the ability of Matrix Holdings Shareholders to realise any value for those Consideration Shares held on trust by the Trustee is subject to the satisfaction of the Performance Conditions, the value of the Offer Consideration to these Matrix Holdings Shareholders will also be linked to the value of ClearView Shares.

It is therefore important for Matrix Holdings Shareholders to be aware of risks and uncertainties which may affect the future operating and financial performance of ClearView and the value of ClearView Shares. Some of these risks and uncertainties may be the same as, or similar to, those already faced by Matrix Holdings. Some of them will be new.

All Matrix Holdings Shareholders should consider:

- (a) risks associated with the Offer (see Section 7.2);
- (b) risks associated with an investment in ClearView (see Section 7.3); and
- (c) general risks (see Section 7.4).

The risks outlined in this Bidder's Statement are not necessarily exhaustive. Risks to which Matrix Holdings Shareholders are already exposed through their equity interest in Matrix Holdings may not have been emphasised or mentioned at all if, in ClearView's opinion, Matrix Holdings Shareholders' exposure to these risks will not materially increase if they become shareholders in ClearView. Further, there may be other risks that prove to be material which are not disclosed in this Bidder's Statement because they are not known to ClearView or were not considered to be material at the date of this Bidder's Statement. The potential for these risks to affect the value of Consideration Shares is particularly significant given that the Consideration Shares will be held on trust by the Trustee and subject to the Performance Conditions and can therefore not be sold for 3 years.

7.2 Risks associated with the Offer

- (a) Performance Conditions

The Consideration Shares are to be held on trust by the Trustee and subject to the Performance Conditions. This means that Matrix Holdings Shareholders may never become entitled to have title to the Consideration Shares transferred to them or otherwise obtain any value for those Consideration Shares, other than to receive dividends declared on them before testing of the Performance Conditions. The Performance Conditions mean that, during the intervening 3 year period, Matrix Holdings Shareholders will not be able to transfer the Consideration Shares or otherwise obtain any value for those Consideration Shares.

- (b) Due diligence and reliance on information

Before executing the Merger Implementation Deed, ClearView undertook due diligence on information about Matrix Holdings and its businesses for the purpose of considering an acquisition of Matrix Holdings. Whilst ClearView is satisfied that it has sufficient information to proceed with the Offer, the due diligence was carried out in a limited timeframe and there is a risk that not all material information was provided, or that inaccurate, incomplete or outdated information was provided by Matrix Holdings as part of that process. If this were to be the case, there may be other risks associated with Matrix Holdings which are presently unknown to ClearView.

(c) Change of control provisions

If the 90% minimum acceptance condition is satisfied and the Offer is declared or becomes unconditional, a change of control in Matrix Holdings will occur. It is possible that this will trigger termination provisions of material contracts to which Matrix Holdings (or a subsidiary) is a party or material licences which have been granted to Matrix Holdings (or a subsidiary) (each a **Material Contract**). While ClearView is not aware of any counterparty that may wish to terminate a Material Contract, should any such contract be terminated, Matrix Holdings would lose the benefit of the contract. This may have a material adverse effect on the company's operational and financial performance unless a replacement contract on equivalent terms could be entered into without delay.

7.3 Risks associated with an investment in ClearView

(a) Dilution

ClearView may need to raise additional capital in the future in order to meet operating and/or financing requirements. If Matrix Holdings Shareholders who become ClearView Shareholders do not participate in such raisings, their shareholding will be diluted.

(b) Asset related risks

The primary asset related risks borne by ClearView relate to the financial assets of ClearView and its operating subsidiaries excluding those in the non-guaranteed investment linked funds (referred to as ClearView assets). The primary financial risks related to the financial assets in the non-guaranteed investment linked funds are borne by policyholders. The financial assets of ClearView may be affected by changes in interest rates, foreign exchange rates, market conditions and equity prices. The key ClearView asset related risks are as follows:

(i) Credit risks on counterparties

Credit risk arises from ClearView's investment activities and the potential for loss arising from the failure of counterparties to meet their contractual obligations, and any change in value as a result of changes in counterparties' credit ratings. ClearView holds provisions to cover expected write downs of investment assets. The amount of these provisions is determined by assessing, based on current information, the extent of credit risk within the current investment portfolio. However, if the information upon which the assessment of risk is based proves to be inaccurate, the provisions made for investment losses may be insufficient, which could have a material effect on the results and operations of ClearView.

(ii) Asset and investment liquidity risk

Liquidity risk can affect ClearView's ability to operate and pay claims, as well as affect the financial products provided by ClearView. A failure to be able to realise investments may result in ClearView failing to meet obligations under financial products offered, may result in compliance breaches and could damage the reputation of ClearView. More broadly, liquidity risk may affect the cash flow position of ClearView, making it difficult for ClearView to meet its liabilities as and when they fall due.

(iii) Asset concentration risk

ClearView has significant current exposures to the major Australian banks via term and cash deposits with those banks.

(iv) Investment performance risk (client funds)

The fees charged by ClearView vary with the level of policyholder and client funds under management and administration. Underperformance of financial assets in ClearView's funds

may result in loss of such fees, as well as related reputational exposure.

(v) Asset liability mismatch risk

The assets held by ClearView to back its liabilities (especially its policy liabilities and guaranteed investment contract liabilities) may not closely match the nature and term of those liabilities. To the extent that there is a significant duration mismatch between the term of the assets and the liabilities, changes in market interest rates may impact ClearView's financial performance and position in the short term and potentially longer term. The movement in other asset prices (e.g. equities) that affect the value of the assets but not the liabilities may have similar short and long term impacts.

(c) Product insurance and liability risk

A number of risks arise in respect of the pricing and performance of ClearView's products:

(i) Insurance claims risk

Adverse insurance claims experience relative to product pricing could arise from a number of sources including random (statistical) claims variations, community trends (e.g. obesity), pandemic or similar events, a catastrophe affecting a number of ClearView insured lives, poor underwriting or acceptance terms, poor claims management practice or ability or defective policy benefit terms.

(ii) Reinsurance risk

ClearView has entered into reinsurance arrangements which reduce the insurance risks. However, a lack of appropriate reinsurance cover or historical errors leading to current reinsurance arrangements becoming ineffective may have a material adverse effect on ClearView. The availability, amount and cost of reinsurance can be affected by prevailing market conditions, in terms of price and available capacity. There are also risks associated with the financial security of its reinsurers and that reinsurers may dispute, or default on their obligation to pay, valid claims.

(iii) Customer discontinuance and lapse

The loss of customers at rates higher than anticipated leads to a loss of future revenues and the write off of the asset components within the policy liability (resulting in losses).

(iv) Expenses and costs of business

The failure of ClearView to maintain or improve the relationship between its operational cost base and the expense margins available in the market may affect prices it charges for its products and volume of business it generates and maintains. This may result in the underperformance of ClearView relative to investor expectations. Factors impacting this risk include internal business efficiency and technology use, and external factors such as regulatory change demands.

(d) Strategic position and capability

ClearView is exposed to risks in its competitive environment, the volume of business it can write and fees it can generate, and its ability to manage and react to these challenges.

(i) Reliance on senior management and key personnel

The operating and financial performance of ClearView is dependent on its ability to retain senior management and key personnel to manage the business and respond to its changing environment.

(ii) Reliance on financial advisers and distribution

Failure to retain and motivate ClearView Financial Advice financial advisers would be likely to have a material adverse effect on future earnings and the value of ClearView's business. Failure to retain ClearView products on approved product lists would be likely to have a material adverse effect on future earnings and the value of ClearView's business. Production of non-advice (direct) life insurance sales depends on maintaining sound business relationships with existing strategic and other distribution partners and establishing new strategic partners in the future.

(iii) Demand for financial products and services

Demand for ClearView's financial products and services are impacted by changes in external investment markets and economic conditions. For example, weak equity markets can discourage customers from investing as well as increase fund outflows from existing products. Demand for ClearView's investment products and services are also impacted by ClearView's investment performance relative to the investment performance of its competitors. Insurance product demand can be impacted by cost pressures.

(e) Operational and legal risk

(i) General operational risks

ClearView is exposed to operational risks arising from process error, fraud, system failure and failure of security and physical protection systems.

(ii) Reliance on technology, systems and outsourcing

A significant or sustained failure in ClearView's information technology infrastructure or systems or by an outsource provider could have a material adverse effect on ClearView. ClearView could be adversely affected by changes in the business or financial condition of one or more of a significant supplier, a joint venture partner or a significant customer.

(iii) Risk of litigation and dispute

ClearView is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. This risk could include risks of disputes and litigation concerning poor financial advice by ClearView Financial Advice and insurance claims disputes and litigation. The failure of ClearView's professional indemnity insurers or life reinsurers to support ClearView's position on material matters would exacerbate this risk.

(f) Regulatory compliance and reliance on licences

A number of ClearView group companies hold licences and are required to comply with regulations. If any of them fails to comply with the licence or the regulations, this could result in the suspension or cancellation of the licence or authorisation which enables it to operate its business. Such a breach or loss would have a material adverse effect on ClearView's business, financial performance and reputation.

(i) Capital management and reserving

Any failure to comply with the capital requirements which apply to the ClearView Group companies could have a material adverse impact on ClearView's regulatory status and reputation, and as a consequence its business and financial performance.

(g) Changes in government policy and legislation, financial reporting

(i) Financial advice regulation

It is possible that future regulatory changes may restrict the advice fee model for financial advisers, which may adversely impact the financial advice business of ClearView. Further, a greater degree of regulatory uncertainty around the financial advice industry in general may change valuation metrics for financial advice businesses, which in turn could adversely affect the value of an investment in ClearView.

(ii) Financial reporting & financial regulation

The reported financial performance of ClearView is reflected under the current financial reporting standards that apply (A-IFRS). While changes in these standards may not change the underlying economics of ClearView, they have the potential to impact the market's perception of ClearView and the ability of ClearView to explain its economics, impact its tax liabilities, dividend payment and franking, and secondary impacts on regulatory position. Material changes to the current insurance accounting standard are proposed for implementation in the future.

Changes to the regulatory capital requirements of ClearView's licensed entities, or other similar changes such as liquidity or asset profile standards, could impact the business economics of ClearView.

It is noted that both these items would have impacts on the broader industry as well.

7.4 General risks

(a) The future price of ClearView Shares is subject to the uncertainty of equity market conditions

There are general risks associated with an investment in the share market. Such risks may affect the value of ClearView Shares. The value of ClearView Shares may rise above or fall depending on the financial position, operating performance and dividends of ClearView. Further, broader market factors affecting the price of shares are unpredictable and may be unrelated or disproportionate to the financial performance of ClearView. Such factors may include the rate of inflation, changes in interest rates, the economic conditions in Australia and overseas, investor sentiment in the local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other government policies, changes in laws, global political and economic stability, interest and inflation rates and foreign exchange rates.

(b) Forward looking statements

Forward looking statements, opinions, estimates and projections are dependent on various factors, many of which are outside of the control of ClearView. There is a risk that assumptions and contingencies upon which forward statements, opinions, estimates and projections are based may differ from what may actually result. This could impact upon the value of ClearView Shares.

(c) Reputation and brand name

ClearView's success is reliant on its reputation and branding. Unforeseen issues or events which place ClearView's reputation at risk, and any factors that diminish ClearView's reputation or that of any of its personnel, could restrict its ability to compete successfully and, therefore, have a material adverse effect on ClearView's business and financial position and performance.

(d) Economic environment

Economic conditions in Australia and globally will affect the business and financial condition of ClearView. Any protracted slowdown in, or adverse changes to, economic conditions, such as the level of inflation, interest rates, exchange rates, consumer confidence, government policy (including fiscal, monetary and regulatory policies) and employment rates, among others, are outside the control of ClearView and may result in materially adverse impacts on ClearView.

(e) Acts of terrorism and breakout of international hostilities

Acts of terrorism or an outbreak of international hostilities may adversely affect sentiment with global asset markets. This could have a negative impact on the value of an investment in ClearView.

(f) Tax risks

Future changes in taxation law in Australia, including changes in interpretation or application of the law by courts and taxation authorities in Australia, may affect tax treatment of an investment in ClearView Shares, or holding or disposal of those ClearView Shares. Further changes in taxation law, or the way in which ClearView operates, may impact significantly on ClearView's future tax liabilities.

8 Additional information

8.1 Date for determining holders of Matrix Holdings Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

8.2 Merger Implementation Deed

On 29 August 2014, ClearView entered into the Merger Implementation Deed with Matrix Holdings under which ClearView agreed to make the Offer on the terms and conditions set out in Section 9.

Some of the key terms of the Merger Implementation Deed are summarised below.

(a) Exclusivity arrangements

Matrix Holdings has agreed to be bound by the following exclusivity arrangements until the earlier of (i) termination of the Merger Implementation Deed, (ii) the end of the Offer Period, (iii) the date on which the Offer is withdrawn by ClearView in accordance with section 652B of the Corporations Act, and (iv) 31 December 2014 (**Exclusivity Period**):

- **(no-shop restriction)** Matrix Holdings may not directly or indirectly solicit any competing proposal (which is defined in the Merger Implementation Deed to include, among other things, any proposal to acquire more than 10% of the Matrix Holdings Shares);
- **(no-talk restriction)** Matrix Holdings may not enter into discussions or negotiations, grant due diligence access or enter into any agreement, arrangement or understanding of any kind in respect of any competing proposal (unless the Fiduciary Exception applies); and
- **(notification obligation and matching right)** Matrix Holdings must immediately notify ClearView if:
 - it is approached about a competing proposal;
 - any Matrix Holdings Director proposes to change his or her recommendation of the Offer so that he or she can recommend a competing proposal; or
 - it breaches the exclusivity arrangements in any way,

(in each case unless the Fiduciary Exception applies).

In the latter scenario, ClearView will have 2 clear Business Days following receipt of the notice to amend the Offer so that it is at least as favourable to Matrix Holdings Shareholders as the competing proposal. During the “matching right period”, no Matrix Holdings Director can change his or her recommendation and Matrix Holdings cannot enter into any agreement, arrangement or understanding in respect of the competing proposal.

The “**Fiduciary Exception**”, as referred to above, will apply where there is a bona fide written competing proposal which would, if entered into, result in someone other than the Bidder acquiring an interest of more than 10% in, acquiring control of, or otherwise merging with, Matrix Holdings and each Matrix Holdings Director believes that:

- the competing proposal would be more favourable, or could reasonably be expected to lead to a transaction which is more favourable, to Matrix Holdings Shareholders than the Offer; and
- failing to take or taking the action that would otherwise be prohibited by the above exclusivity arrangements would involve, or would be likely to involve, a breach of their fiduciary or statutory obligations.

(b) Break fee

Matrix Holdings has agreed to pay a break fee of \$400,000 to ClearView if any of the following circumstances occurs prior to completion of the Offer:

- during the Exclusivity Period, a person other than ClearView or a subsidiary of ClearView makes a competing proposal and that proposal is completed within 12 months;
- any Matrix Holdings Director recommends, endorses or supports a competing proposal to acquire Matrix Holdings Shares or the whole or a substantial part of Matrix's assets, business or property, to acquire control of Matrix Holdings or to otherwise merge with Matrix Holdings;
- any Matrix Holdings Director publicly withdraws or changes in any way or makes any public statement inconsistent with his or her recommendation of the Offer;

(c) Termination rights

Each of ClearView and Matrix Holdings has a right to terminate the Merger Implementation Deed if the other party commits a material breach of the deed which is not remedied within five Business Days after notice is given by the non-breaching party (or, in the case of a breach of the exclusivity arrangements detailed in Section 8.2(a), one Business Day).

In addition, ClearView may terminate the Merger Implementation Deed in each of the following circumstances:

- during the Exclusivity Period, a person other than ClearView or a subsidiary of ClearView publicly proposes a competing proposal which is recommended, endorsed or otherwise supported by any Matrix Holdings Director;
- a person other than ClearView or a subsidiary of ClearView obtains voting power in Matrix Holdings of 10% or more;
- any person holding Voting Power in Matrix Holdings of 10% or more increases their voting power in Matrix Holdings by more than 1%; and
- any Matrix Holdings Director publicly withdraws or changes in any way his or her recommendation of the Offer or makes any public statement which is inconsistent with that recommendation, including in circumstances in which the Fiduciary Exception applies.

The Merger Implementation Deed will terminate automatically when the Exclusivity Period ends.

(d) Conduct of business

Matrix Holdings has agreed to a conduct of business regime that will apply until the end of the Exclusivity Period. Under that regime, Matrix Holdings must procure that the business of Matrix Holdings is conducted in the usual and ordinary course and that no member of Matrix Holdings takes certain prescribed action, including paying any dividends or making any other distributions of profits to the extent that this would cause the NTA of the Matrix Company Group to be reduced below \$250,000.

8.3 Warranty Deed

Entry into the Warranty Deed between ClearView, O&B and each of the Matrix Holdings Shareholders (by their attorney Pieter Franzen) is a Condition to the Bid. The Warranty Deed contains a number of representations and warranties (each a **Warranty**) given by the Matrix Holdings Shareholders relating to various matters in respect of Matrix Holdings, including the business, assets and interests of Matrix Holdings, the financial position of Matrix Holdings and other matters relevant to ClearView's assessment of Matrix Holdings (including the accuracy of the due diligence information made available by Matrix Holdings).

Under the terms of the Warranty Deed, on or before the Offer Completion Date ClearView must effect and maintain a warranty insurance policy with a reputable insurer of good standing (**Warranty Insurance**). If ClearView fails to effect or maintain the Warranty Insurance, the Warranties will be absolutely null and void. The Warranty Insurance must include certain terms, including that the insurer waives its rights of subrogation and contribution against the Matrix Holdings Shareholders, and that any assignment of rights by ClearView to the insurer includes a provision that the insurer is not entitled to exercise the assigned rights against the Matrix Holdings Shareholders.

The Warranty Deed includes customary limitations on ClearView's ability to make claims for breach of Warranty, as well as specified minimum and maximum liability thresholds in respect of such claims.

The Warranty Deed also contains certain indemnities (**Indemnities**) from O&B in favour of ClearView against any liabilities ClearView may suffer in relation to the previous conduct of the Matrix business. The Indemnities are not subject to obtaining Warranty Insurance and will not be covered by the Warranty Insurance.

The maximum aggregate liability that ClearView may recover from O&B in respect of the Indemnities is the consideration actually received by Matrix Holdings Shareholders under the Offer.

O&B is not part of the Matrix Company Group but is owned by Matrix Holdings Shareholders.

8.4 Pre-bid Acceptance Deed

The Pre-bid Acceptance Deeds were entered into between ClearView and certain Matrix Holdings Shareholders on 29 August 2014 holding in aggregate 17.5% of the Matrix Holdings Shares (the **Pre-bid Acceptance Shareholders**) whereby each Pre-bid Acceptance Shareholder agreed, on receipt of written notice from ClearView, to accept (or procure the acceptance of) offers under the Offer for all their Matrix Holdings Shares. Under the terms of the Pre-bid Acceptance Deed, ClearView may require each Pre-bid Acceptance Shareholder to accept its takeover bid:

- (a) if the Offer is made within one month of the date of the Pre-bid Acceptance Deed;
- (b) once and in respect of all of the Pre-bid Acceptance Shareholder's Matrix Holdings Shares; and
- (c) only if the Pre-bid Acceptance Shareholder has not already accepted the Offer in respect of their Matrix Holdings Shares.

In addition, each Pre-bid Acceptance Shareholder agreed, so long as the Pre-bid Acceptance Deed is in force, not to dispose of, agree or offer to dispose of or encumber their Matrix Holdings Shares (or any interest in them), except pursuant to the Offer.

8.5 Put Option Deed

The Put Option Deed was entered into between ClearView and O&B whereby ClearView may require O&B to purchase Matrix Holdings (to be done after ClearView has transferred all operating Matrix Company Group entities other than MPS Capital Solutions to another ClearView Group Company) from ClearView on, or during the 6 months after, the Offer Completion Date. If the option is exercised, ClearView is contractually obliged to sell and O&B is contractually obliged to buy, Matrix Holdings. If the put option is not exercised on or during the 6 months after the Offer Completion Date, the option lapses.

Under the Put Option Deed, ClearView agrees to indemnify O&B for any tax liabilities incurred by Matrix Holdings in relation to the period in which Matrix Holdings is owned by ClearView, to the extent that such liabilities arise as a result of actions taken or omissions made by ClearView or Matrix Holdings during such period.

8.6 Subscription Deed

Entry into the Subscription Deed between ClearView and O&B is also a Condition to the Offer. Under the Subscription Deed, O&B must subscribe for 308,642 ordinary shares in ClearView at a price of \$0.81 per share, to an aggregate value of \$250,000 (**Subscription Shares**), subject to the terms of the Subscription Deed. The Subscription Shares must be issued as fully paid and will rank equally in all respects with the other ordinary shares on issue as at completion of the issue of the Subscription Shares. O&B must pay for the Subscription Shares in immediately available funds.

Under the terms of the Subscription Deed, the Subscription Shares must be held on trust by O&B for certain Matrix Principals who are not Matrix Holdings Shareholders (**Non-Shareholder Advisers**) and must be dealt with strictly in accordance with the Performance Conditions (further details in relation to which are set out in Section 8.7). On satisfaction, or deemed satisfaction, of the Performance Conditions, the Subscription Shares will vest to the Non-Shareholder Advisers. The consequences of the Performance Conditions failing to be satisfied, or deemed satisfied, are set out in Section 8.7.

The obligations of the parties under the Subscription Deed are conditional on, and do not become binding until, completion occurs in relation to the Offer.

8.7 Performance Conditions

The Consideration Shares will be held on trust by the Trustee and will not vest unless, or the number of Consideration Shares vesting may be reduced, if the Performance Conditions are not met. The Performance Conditions are that:

- (a) at least 75% of Matrix Representatives at the date of this Offer remain Matrix Representatives for 3 years after completion of the Transaction;
- (b) at least 90% of Matrix Representatives adopt Common Processes (as set out in Section 8.8); and
- (c) the GAR Targets (as set out in Section 8.8) are achieved in respect of the Matrix Representatives.

Legal title to the Consideration Shares will be held by the Trustee on trust for Matrix Holdings Shareholders who accept the Offer and are issued Consideration Shares. Legal title to the Consideration Shares will be transferred from the Trustee to the Matrix Holdings Shareholders upon satisfaction or deemed satisfaction of the Performance Conditions. The Trustee will deal with the Consideration Shares as directed by ClearView to the extent the Performance Conditions are not met or deemed to be met and the entitlement of Matrix Holdings Shareholders who accept the Offer is forfeited or reduced.

If the performance conditions at (a) and (b) above are not met or deemed not to be met, none of the Consideration Shares will vest. If the GAR Targets are not met or deemed not to be met, the number of Consideration Shares vesting will be reduced as set out in Section 8.8.

The Performance Conditions will be deemed to be satisfied if:

- (a) a Specified Change of Control takes place; and
- (b) GAR for the 12 month period immediately prior to the date of the Specified Change of Control is:
 - in respect of any Specified Change of Control that occurs before 1 September 2015 - more than \$3,300,000; or
 - in respect of any Specified Change of Control that occurs on or after 1 September 2015 - more than \$4,000,000.

ClearView may also waive any of the Performance Conditions at any time at its absolute discretion.

8.8 Common Processes

The Common Processes are:

- (a) utilisation of the Bidder Dealergroup Platform; and
- (b) adoption of common advice processes, as detailed in Appendix B, including but not limited to the dealer group approved Statement of Advice (SOA) templates and rules .

If the adoption of the Common Processes is not sufficient, none of the Consideration Shares will vest and all of the Consideration Shares will be forfeited. Adoption will be deemed insufficient if:

- (a) less than 90% of Matrix Principals are on the ClearView Dealergroup Platform by 31 December 2015; and
- (b) less than 90% of Matrix Principals are using Common Processes by 31 December 2015.

8.9 GAR Targets

The GAR Targets are:

- \$3,300,000 for the 12 months ending on the first anniversary of completion of the Transaction (the **Year One GAR Target**); and
- \$5,000,000 for the 12 months ending on the third anniversary of completion of the Transaction (the **Year Three GAR Target**),

such amounts to be indexed in accordance with AWOTE.

If the Year One GAR Target is not met, 33% of the Consideration Shares will be forfeited. If the Year Three GAR Target is not met, the balance of the Consideration Shares (i.e. the initial Consideration Shares less any Consideration Shares forfeited if the Year One GAR Target is not met) will be reduced as follows:

- if the GAR is \$4,000,000 or less, 100% of the balance of the Consideration Shares will be forfeited;
- if the GAR is \$5,000,000 or more, all of the balance of the Consideration Shares will vest; and
- if GAR is between \$4,000,000 and \$5,000,000, a pro-rata amount on the balance of the Consideration Shares will vest. For example, if the GAR is \$4,500,000, 50% of the balance of the Consideration Shares will vest,

where the above threshold amounts are subject to indexation at AWOTE to the applicable test date.

- (a) Inclusions and exclusions

Subject to paragraphs (b) and (c) below, GAR means revenue of Matrix Planning Solutions Limited including the revenues arising from:

- the net service fees charged to the Matrix Representatives (i.e. “adviser split” revenues, as described in paragraph (d) below);
- existing insurance and FUM rebates and volume allowances received in respect of the Matrix Representatives. If any rebate rates increase for the ClearView Group overall as a result of the merger of ClearView and Matrix Holdings, the new rebate rates will be applied for the purpose of calculating the GAR; and

- any new insurance rebate or FUM Dealer Service Fee arrangements implemented in respect of the Matrix Representatives.

GAR excludes any other revenue, including:

- Oasis and BT platform fees generated from the existing administration (product) fees, the rights to which at the date of this Bidder Statement, are held by MPS Capital Solutions Pty Limited;
- any revenues or net gains in respect of arrangements with Matrix Investments Pty Limited;
- any administration fees or expense recharges to any other members of the Matrix Company Group;
- interest income; and
- sponsorship fees, gifts, professional indemnity insurance recharges, XPlan or any similar cost recoveries.

(b) Sources

GAR will include revenue derived only from:

- Matrix Representatives as at completion of the Transaction; and
- such additional potential Matrix Representatives nominated by Matrix Holdings at completion of the Transaction who are expected to be appointed Matrix Representatives in the 12 months after completion of the Transaction (**New Matrix Representatives**), provided that the proportion of GAR attributable to New Matrix Representatives is capped at 10% of the GAR Targets.

(c) ClearView commitment

To assist Matrix Holdings in meeting the GAR Targets, ClearView will:

- provide a 5% of revenue premium insurance rebate to Matrix Holdings in respect of commissionable life insurance business placed with ClearView by the Matrix Representatives. This rebate arrangement is:
 - payable to Matrix Planning Solutions Limited only (there is to be no pass through to Matrix Representatives and/or Matrix Advisers); and
 - subject to normal rebate conditions, including sound lapse rates; and
- provide a 0.1% per annum dealer service fee on ClearView's FUM (i.e. on funds under administration on ClearView Platforms), in respect of Matrix Representative client accounts. Such service fee shall be payable to Matrix Planning Solutions Limited only (i.e. there shall be no pass through to Matrix Representatives and/or Matrix Advisers).

If for any reason during the three years following completion of the Transaction, ClearView is unable to, or does not, provide some or all of the above rebates or dealer service fees and such non-payment results in the actual GAR at the relevant time being less than it would otherwise have been, the GAR Targets and threshold amounts will be reduced accordingly so that the same number of Consideration Shares are earned as if such rebates or dealers service fees had been paid.

(d) Matrix Representative Remuneration split arrangements

The current Matrix Representative fee split arrangements must remain in place for three years following completion of the Transaction unless GAR exceeds \$5,500,000 (indexed in accordance with AWOTE) in the first three years after completion of the Transaction or as otherwise agreed by

ClearView. It is acknowledged that the total annual remuneration split per Matrix Representative is limited to \$110,000 plus \$10,000 for each Matrix Adviser appointed through that Target Representative (i.e. \$110,000 plus \$10,000 for each Matrix Adviser).

(e) Miscellaneous

ClearView agrees that the APL will remain open for insurance and asset managers. Professional indemnity, Xplan and software costs to be charged to Matrix Representatives will be based on the basis that it applies to other similar ClearView Authorised Representatives from time to time, but will not in any event exceed current aggregate costs for these items incurred by Matrix Representatives plus indexation at AWOTE.

8.10 Rights and liabilities attaching to ClearView Shares

(a) Introduction

ClearView Shares are quoted on ASX. The rights and liabilities that will attach to ClearView Shares are set out in the ClearView Constitution, the Corporations Act and ASX Listing Rules. The main rights and liabilities are summarised below. It does not purport to be exhaustive or to constitute definitive statement of the rights and liabilities of ClearView Shareholders and holders of Consideration Shares.

(b) Voting rights

Subject to the ClearView Constitution and to any rights or restrictions attached to any ClearView Shares or class of ClearView Shares, at a general meeting, every ClearView Shareholder present has:

- on a show of hands, one vote; and
- on a poll, one vote for each ClearView Share which they hold and in respect of which they are entitled to vote.

A poll may be demanded by a ClearView Shareholder or the chair of the general meeting, provided that it must be demanded before a vote by show of hands is taken or before or immediately after the declaration of the result of the show of hands.

Note however that until the Performance Conditions have been met, the Consideration Shares will not confer voting rights to the holders of Consideration Shares. Until the Performance Conditions are satisfied and legal title is transferred, votes attaching to Consideration Shares will be cast by the Trustee in accordance with instructions provided by ClearView.

(c) General meetings and notices

Subject to the ClearView Constitution and to any rights or restrictions attached to any ClearView Shares or class of ClearView Shares, each ClearView Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of ClearView and to receive all notices and other documents required to be sent to ClearView Shares under the ClearView Constitution or the Corporations Act.

Note however that until the Performance Conditions have been met, holders of Consideration Shares will not be entitled to receive notice of, and to attend and vote at, general meetings of ClearView and will not be entitled to receive notices and other documents required to be sent to ClearView Shares under the ClearView Constitution or the Corporations Act.

(d) Dividends

Subject to any preferential, special, deferred or other rights with which any ClearView Shares may be issued or may from time to time be held, and the ClearView Constitution, the ClearView Board may from time to time declare such dividends to be paid to ClearView Shareholders, as appear to the ClearView Board to be justified by the financial position of ClearView. Distributions are

proportionate to holdings of ClearView Shares. Holders of Consideration Shares will be entitled to participate in such dividends.

(e) Dividend Reinvestment Plan

ClearView's constitution authorises the ClearView Board to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by ClearView be reinvested by way of subscription for shares in ClearView).

(f) Participation in new issues

Subject to the ClearView Constitution and to any rights or restrictions attached to any Consideration Shares, ClearView Shares or class of ClearView Shares, the ClearView Board may from time to time offer to ClearView Shareholders and holders of Consideration Shares, a rights issue, for a subscription of ClearView Shares proportionate to holdings of ClearView Shares and Consideration Shares. Holders of Consideration Shares will be entitled to participate in such rights issues.

(g) Rights on winding-up

On a winding-up of ClearView, all holders of ClearView Shares are entitled to participate in the distribution of net proceeds of the realisation of property, in the proportion to the ClearView Shares held by them.

Note however that until the Performance Conditions have been met, on the winding-up of ClearView, holders of Consideration Shares will not be entitled to participate in the distribution of net proceeds of the realisation of property.

(h) Transfers of ClearView Shares

ClearView Shares are transferable, subject to the ClearView Constitution, the Corporations Act and the ASX Listing Rules. Note however that until the Performance Conditions have been met, legal title to the Consideration Shares will be held on trust by the Trustee and may not be transferred.

8.11 Consents

Each of the parties in the table below:

- has consented to being named in this Bidder's Statement in the form and context in which they are named;
- does not make, or purport to make, any statement in this Bidder's Statement; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Bidder's Statement.

Consenting party	Role
Gilbert + Tobin	Legal adviser to ClearView
Link	Share registrar for the Offer
Pacific Custodians	Trustee

8.12 Disclosure of interests of certain persons

Other than as set out elsewhere in this Bidder's Statement, no:

- director or proposed director of ClearView;

- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- promoter of ClearView,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement, or held at any time during the last two years, any interest in:

- the formation or promotion of ClearView;
- property acquired or proposed to be acquired by ClearView in connection with its formation or promotion, or the offer of Options under the Offer; or
- the offer of Options under the Offer.

8.13 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a director or proposed director of ClearView to induce them to become, or to qualify as, a director of ClearView;
- for services provided by an Interested Person in connection with the formation or promotion of ClearView or the offer of ClearView Shares and Options under the Offer.

The Directors of ClearView are paid directors fees as described in the ClearView annual report.

Gilbert + Tobin has acted as Australian legal adviser to ClearView in connection with the Offer. Gilbert + Tobin will be paid approximately \$300,000 (excluding disbursements and GST) for these services up until the date of this Bidder's Statement. Further amounts may be paid to Gilbert + Tobin in accordance with its normal time-based charges.

Link Market Services Limited (**Link**) is ClearView's share registry and has been engaged by ClearView to assist with certain aspects of the Offer, including facilitating the despatch of this Bidder's Statement. Link is entitled to receive fees for these services as well as fees for its services as ClearView's share registry.

Pacific Custodians Pty Limited (**Pacific Custodians**) has been engaged by ClearView as Trustee of the Consideration Shares. Pacific Custodians is entitled to receive fees for these services.

8.14 Interests in ClearView Shares

As at the date of this Bidder's Statement, no director of ClearView has a relevant interest in ClearView Shares, except as listed below:

- Dr Gary Hilton Weiss - 24,829,888 ordinary shares;
- David Maxwell Brown - none;
- Gary Zalman Burg - 9,700,741 ordinary shares;
- Bruce Alan Edwards - 511,367 ordinary shares;
- Simon Douglas Swanson - 13,108,334 ordinary shares, including 10,000,000 executive share plan shares;
- Jennifer Newmarch - 60,924,764 ordinary shares, representative of the interests of Macquarie Investment Management Limited;

- (g) Nathaniel Jonothan Thomson - 302,514,010 ordinary shares, representative of the interests of CCP Bidco Pty Limited and its associates;
- (h) Michael Thomas Alscher - 302,514,010 ordinary shares, representative of the interests of CCP Bidco Pty Limited and its associates;
- (i) Andrew John Sneddon - 108,333 ordinary shares; and
- (j) Michael John Lukin (alternate director to Ms Newmarch) - 60,924,764 ordinary shares, representative of the interests of Macquarie Investment Management Limited.

8.15 Interests in Matrix Holdings Shares

As at the date of this Bidder's Statement, no director of ClearView has a relevant interest in Matrix Holdings Shares.

8.16 Interests in Matrix Holdings Shares

As at the date of this Bidder's Statement and the date of the Offer:

- ClearView's voting power in Matrix Holdings is 17.5%; and
- ClearView has a relevant interest in 307,788 Matrix Holdings Shares.

8.17 Dealings in Matrix Holdings Shares

Neither ClearView nor any associate of ClearView has provided, or agreed to provide, consideration for Matrix Holdings Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

8.18 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, and the period from the date of this Bidder's Statement to the date before the date of the Offer, neither ClearView nor any associate of ClearView gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Matrix Holdings Shares,

and which is not offered to all holders of Matrix Holdings Shares under the Offer.

8.19 No escalation agreements

Neither ClearView nor any associate of ClearView has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8.20 Expiry date

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

8.21 Other material information

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

- material to the making of a decision by a Matrix Holdings Shareholder whether or not to accept the Offer; and

- known to ClearView,
which has not previously been disclosed to Matrix Holdings Shareholders.

9 The terms and conditions of the Offer

9.1 Offer

- (a) ClearView offers to acquire all of Your Matrix Holdings Shares, together with all Rights attaching to them, on and subject to the terms and conditions set out in this Section 9.
- (b) This Offer relates to Matrix Holdings Shares that exist or will exist at the Register Date.
- (c) By accepting this Offer, you undertake to transfer to ClearView not only the Matrix Holdings Shares to which this Offer relates, but also all Rights attached to those Matrix Holdings Shares (see Sections 9.6(c)(iv) and 9.7(c) of this Bidder's Statement).
- (d) If, at the time this Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Matrix Holdings Shares, then:
 - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Matrix Holdings Shares;
 - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other of Your Matrix Holdings Shares; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (e) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Matrix Holdings Shares as trustee or nominee for, or otherwise on account of, another person, you may accept this Offer as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept this Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Share Registry on (+61) 1800 063 366.
- (f) If Your Matrix Holdings Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting this Offer.
- (g) This Offer is dated 3 September 2014.

9.2 Offer Consideration

- (a) The Offer Consideration for each of Your Matrix Holdings Shares is:
 - (i) \$4.407 in cash; plus
 - (ii) 8.776 Consideration Shares (to be held by the Trustee on trust and subject to the Performance Conditions)

9.3 Offer Period

- (a) Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:
 - (i) 4 October 2014; and
 - (ii) any date to which the Offer Period is extended.

- (b) ClearView reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, either of the following events occurs:
 - (i) this Offer is varied to improve the consideration offered; or
 - (ii) ClearView's voting power in Matrix Holdings increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

9.4 How to accept this Offer and the Acceptance Form

- (a) Subject to Sections 9.1(d) and 9.1(e), you may only accept this Offer for all of Your Matrix Holdings Shares.
- (b) You may accept this Offer at any time during the Offer Period, subject to the terms and conditions of this Offer.
- (c) To accept this Offer you must complete and sign the accompanying Acceptance Form in accordance with the instructions on it and return it, together with any other documents required by those instructions (such as share certificates for Your Matrix Holdings Shares), to the address set out below (as applicable) so that it is received by ClearView before the end of the Offer Period:

Mailing Address:

Link Market Services Limited
Matrix Holdings Ltd Takeover
Locked Bag A14
SYDNEY NSW 1235

Hand Delivery:

Link Market Services Limited
Matrix Holdings Ltd Takeover
1A Homebush Bay Drive
RHODES NSW 2138

A reply paid envelope is enclosed for your convenience (not able to be used by overseas Matrix Holdings Shareholders).

- (d) Subject to this Section 9, acceptance of this Offer will be deemed to have been effected when the duly completed Acceptance Form is received at the applicable address set out in Section 9.4(c).
- (e) The Acceptance Form forms part of this Offer.
- (f) You may only return the Acceptance Form by facsimile with the prior written approval of ClearView.
- (g) The postage and transmission of the Acceptance Form and other documents is at your own risk.

9.5 Validity of acceptances

- (a) Subject to this Section 9.5, your acceptance of this Offer will not be valid unless it is made in accordance with the procedures set out in Section 9.4.
- (b) ClearView will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept this Offer and time of receipt of an acceptance of this Offer. ClearView is not required to communicate with you prior to or after making this determination. The determination of ClearView will be final and binding on all parties.
- (c) Notwithstanding Section 9.4, ClearView may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Matrix Holdings Shares, even if a requirement for acceptance

has not been complied with but the provision of the Offer Consideration may be delayed until any irregularity has been resolved or waived and any other documents required have been received by ClearView.

- (d) ClearView will provide the Offer Consideration to you in accordance with Section 9.7 in respect of any part of an acceptance determined by ClearView to be valid.

9.6 Effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Matrix Holdings Shares from this Offer or otherwise dispose of Your Matrix Holdings Shares, except as follows:
 - (i) if, by the relevant times specified in Section 9.6(b), the conditions in Section 9.8 have not all been fulfilled or (if applicable) freed, this Offer will automatically terminate and you will be free to deal with Your Matrix Holdings Shares; or
 - (ii) if the Offer Period is varied in a way that postpones for more than one month the time when ClearView has to meet its obligations under this Offer and, at the time, this Offer is subject to one or more of the conditions in Section 9.8, you may withdraw your acceptance and Your Matrix Holdings Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of Section 9.6(a)(i) are:
 - (i) in relation to the condition in Section 9.8(c), the end of the third business day after the end of the Offer Period; and
 - (ii) in relation to all other conditions in Section 9.8, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to Section 9.4, you will be deemed to have:
 - (i) accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions in Section 9.8 being fulfilled or (if applicable) freed, agreed to transfer to ClearView, all of Your Matrix Holdings Shares (even if the number of Matrix Holdings Shares specified on the Acceptance Form differs from the number of Your Matrix Holdings Shares), subject to Sections 9.1(d) and 9.1(e);
 - (ii) represented and warranted to ClearView, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Matrix Holdings Shares (including any Rights) to ClearView is registered, that:
 - (A) all of Your Matrix Holdings Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise);
 - (B) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Matrix Holdings Shares (including any Rights) to ClearView; and
 - (C) you have paid to Matrix Holdings all amounts which at the time of acceptance have fallen due for payment to Matrix Holdings in respect of Your Matrix Holdings Shares;

- (iii) irrevocably authorised ClearView (and any director, secretary, nominee or agent of ClearView) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Matrix Holdings Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by ClearView to make it an effective acceptance of this Offer or to enable registration of Your Matrix Holdings Shares in the name of ClearView;
- (iv) irrevocably authorised and directed Matrix Holdings to pay to ClearView, or to account to ClearView for, all Rights in respect of Your Matrix Holdings Shares, subject, if this Offer is withdrawn, to ClearView accounting to you for any such Rights received by ClearView;
- (v) irrevocably authorised ClearView to notify Matrix Holdings on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Matrix Holdings Shares is the address specified by ClearView in the notification;
- (vi) with effect from the time and date on which all the conditions in Section 9.8 have been fulfilled or (if applicable) freed:
 - (A) irrevocably appointed ClearView (and any director, secretary, nominee or agent of ClearView) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Matrix Holdings Shares, including powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative at all general meetings and all court-convened meetings of Matrix Holdings and to request Matrix Holdings to register, in the name of ClearView or its nominee, Your Matrix Holdings Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable); and
 - (B) agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Matrix Holdings or to exercise or purport to exercise any of the powers and rights conferred on ClearView (and its directors, secretaries, nominees and agents) in Section 9.6(c)(vi)(A);
- (vii) agreed that in exercising the powers and rights conferred by Section 9.6(c)(vi)(A), the attorney will be entitled to act in the interests of ClearView as the beneficial owner and intended registered holder of Your Matrix Holdings Shares;
- (viii) agreed to do all such acts, matters and things that ClearView may require to give effect to the matters the subject of this Section 9.6(c) (including the execution of a written form of proxy to the same effect as this Section 9.6(c) which complies in all respects with the requirements of the constitution of Matrix Holdings) if requested by ClearView;
- (ix) represented and warranted to ClearView that:
 - (A) unless you have notified it in accordance with Section 9.1(e), Your Matrix Holdings Shares do not consist of separate parcels of Matrix Holdings Shares; and
 - (B) if any share certificate in respect of any of Your Matrix Holdings Shares is not returned with the Acceptance Form in accordance with the instructions on the Acceptance Form, such share certificate has been lost or destroyed;
- (x) agreed, subject to the conditions in Section 9.8 being fulfilled or (if applicable) freed, to execute all such documents, transfers and assurances, and to do all such acts, matters and things that ClearView may consider necessary or desirable, to convey the Matrix Holdings Shares registered in your name and Rights to ClearView;

- (xi) agreed to accept any Consideration Shares and to which you have become entitled by acceptance of this Offer subject to the ClearView Constitution and have authorised ClearView to procure that your name is placed on the register of shareholders in respect of those Consideration Shares;
- (d) The undertakings and authorities referred to in Section 9.6(c) will remain in force after you receive the Offer Consideration for Your Matrix Holdings Shares and after ClearView becomes registered as the holder of Your Matrix Holdings Shares.

9.7 Provision of Offer Consideration

- (a) Subject to this Section 9 and the Corporations Act, ClearView will provide the Offer Consideration due to you for Your Matrix Holdings Shares on before the earlier of:
 - (i) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (i) if that document is given with your Acceptance Form, ClearView will provide the consideration in accordance with Section 9.7(a);
 - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, ClearView will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, ClearView will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; and
 - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, ClearView will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, ClearView will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer, ClearView is entitled to all Rights in respect of Your Matrix Holdings Shares (whether received by you or any previous holder of those Matrix Holdings Shares). This includes any Rights which you or a previous holder of Your Matrix Holdings Shares:
 - (i) are entitled to receive; or
 - (ii) would have been entitled to receive had those Matrix Holdings Shares been on issue at the record date in respect of the Rights.
- (d) ClearView may require you to provide all documents necessary to vest title to Rights in ClearView, or otherwise to give ClearView the benefit or value of Rights. If:
 - (i) you do not give those documents to ClearView;
 - (ii) you have (or any previous holder of Your Matrix Holdings Shares has) received the benefit of those Rights; or

- (iii) the benefit of those Rights will not be received because the relevant Matrix Holdings Shares did not exist at the record date in respect of such Rights,

ClearView may deduct from the Offer Consideration otherwise due to you the amount (or value, as reasonably assessed by ClearView) of those Rights, together with the value (as reasonably assessed by ClearView) of the franking credits, if any, attached to the Rights (**Deductible Amount**).

- (e) If at the time you accept this Offer any of the following:
 - (i) Banking (Foreign) Exchange Regulations 1959 (Cth);
 - (ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
 - (iii) Charter of the United Nations (Sanctions - Afghanistan) Regulations 2008 (Cth);
 - (iv) Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth); or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Matrix Holdings Shares, or would make it unlawful for ClearView to provide any consideration to you for Your Matrix Holdings Shares, you will not be entitled to receive any consideration for Your Matrix Holdings Shares until all requisite authorities, clearances or approvals have been received by ClearView.

9.8 Conditions of this Offer

Subject to this Section 9.8, the completion of this Offer and any contract that results from an acceptance of this Offer is subject to the fulfilment of the conditions set out below:

- (a) **(Minimum acceptance)** Before the end of the Offer Period, ClearView has a relevant interest in at least 90% (by number) of all of the Matrix Holdings Shares on a fully diluted basis.
- (b) **(No regulatory action):** between the date of the Merger Implementation Deed and the end of the Offer Period (each inclusive):
 - (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
 - (ii) no inquiry, action or investigation is instituted or threatened by any Government Agency,

in consequence of, or in connection with, this Offer (other than an application to, or a decision or order of, ASIC of the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes or materially adversely impacts upon, or is likely to restrain, prohibit or impede, or materially adversely impacts upon, the making of this Offer or the acquisition of the Matrix Holdings Shares under this Offer.

- (c) **(No Matrix Holdings Prescribed Occurrences)** none of the following events happen during the Offer Period where ClearView does not consent in writing to the occurrence of that event and such occurrence is not the result of Matrix Holdings taking or procuring any action required to be taken or procured by it under this the Merger Implementation Deed and has not been fairly disclosed to ClearView or its representatives prior to the date of the Merger Implementation Deed:
 - (i) Matrix Holdings converts all or any of its shares into a larger or smaller number of shares;

- (ii) any member of Matrix Company Group resolves to reduce its share capital in any way;
 - (iii) any member of Matrix Company Group:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) any member of Matrix Company Group issues securities or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) any member of Matrix Company Group issues securities under (including as a result of any exercise or conversion), varies or waives a term or condition of:
 - (A) any employee share option plan: or
 - (B) any options over its shares, including by permitting the transfer of any such options;
 - (vi) any member of Matrix Company Group issues, or agrees to issue, or issues securities as a result of the conversion of, convertible notes or varies, or waives a term or condition of, any convertible notes;
 - (vii) any member of Matrix Company Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (viii) any member of Matrix Company Group charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (ix) any member of Matrix Company Group resolves to be wound up;
 - (x) a liquidator or provisional liquidator of any member of any member of Matrix Company Group is appointed;
 - (xi) a court makes an order for the winding up of any member of Matrix Company Group;
 - (xii) an administrator of any member of Matrix Company Group is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xiii) any member of Matrix Holdings executes a deed of company arrangement; or
 - (xiv) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of Matrix Company Group.
- (d) **(No Matrix Holdings Material Adverse Change)** during the Offer Period:
- (i) no event, change, condition, matter or thing occurs, is disclosed or announced or becomes known to Matrix Holdings which has had, will have or is reasonably likely to have (whether individually or when aggregated with one or more other events, matters or things) a material adverse effect on the assets, liabilities, financial or trading position, performance, profitability or prospects of the Matrix Company Group (taken as a whole). Such an effect may be caused by a material compliance issue being discovered or notified in respect of Matrix Planning Solutions Limited, any material change in the business plan of the Target Company Group, including change in planned platforms Matrix Planning Solutions Limited will use, or a reduction in net assets of the Matrix Company Group of greater than 10%;

- (e) **(No breach of Merger Implementation Deed)** during the Offer Period, Matrix Holdings does not materially breach the conduct of business provisions in the Merger Implementation Deed, further detail in relation to which is set out in Section 8.2(d);
- (f) **(No distributions)** during the Offer Period, Matrix Holdings does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) which has the effect of reducing NTA to below \$250,000;
- (g) **(NTA)** Matrix Holdings has NTA of at least \$250,000 as at 31 August 2014;
- (h) **(Constitution)** Matrix Holdings Shareholders resolve to amend the Matrix Holdings Constitution such that ClearView would not be prevented from acquiring any amount of Matrix Holdings Shares;
- (i) **(Execution of Warranty Deed: Warranties)** O&B and Pieter Franzen (being a Matrix Holdings Shareholder duly authorised to sign on behalf of all Matrix Holdings Shareholders) executes the Warranty Deed (details of which are set out in Section 8.3) and the warranties in the Warranty Deed become fully effective in all other respects (including by O&B paying its proportionate share of the Warranty and Indemnity Insurance);
- (j) **(Execution of Warranty Deed: Indemnities)** O&B and Pieter Franzen (being a Matrix Holdings Shareholder duly authorised to sign on behalf of all Matrix Holdings Shareholders) executes the Warranty Deed (details of which are set out in Section 8.3) and the indemnities granted under the Warranty Deed become fully effective;
- (k) **(90% of Target Representatives entering onto the Variation of Principals Agreement Deed)** 90% of Target Representatives entering onto a deed of variation to the principals agreement between Matrix Planning Solutions Limited and each Target Representative whereby the principals agreements are varied such that the Target Representatives cannot terminate such agreements for a period of three years from the Offer Completion Date except in certain limited circumstances (**Variation of Principals Agreement Deed**);
- (l) **(O&B entering into Subscription Deed)** O&B entering into the Subscription Deed, details in relation to which are set out in Section 8.6; and
- (m) **(O&B entering into the Put Option Deed)** O&B entering into the Put Option Deed, details of which are set out in Section 8.5.

9.9 Nature and benefit of conditions

- (a) The conditions in Section 9.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in Section 9.8(c), until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Matrix Holdings Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in Section 9.10(b).
- (b) Subject to the Corporations Act, ClearView alone is entitled to:
 - (i) the benefit of the conditions in Section 9.8; and
 - (ii) rely on any non-fulfilment of any of them.
- (c) Each condition in Section 9.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

9.10 Freeing this Offer of conditions

- (a) ClearView may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 9.8, either generally or by reference to a particular fact, matter,

event, occurrence or circumstance (or class thereof), by giving a notice to Matrix Holdings declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:

- (i) in the case of the condition in Section 9.8(c), not later than 3 business days after the end of the Offer Period; and
 - (ii) in the case of all the other conditions in Section 9.8, not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the conditions in Section 9.8(c), at the end of the third business day after the end of the Offer Period), any of the conditions in Section 9.8 have not been fulfilled and ClearView has not declared this Offer (or it has not become) free from those conditions (if applicable), any contract resulting from the acceptance of this Offer will be automatically void.

9.11 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 7 days before the end of the Offer Period, as detailed in Section 9.3 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

9.12 Official Quotation of ClearView Shares

This Offer and the contract that results from acceptance of this Offer are subject to the further condition that:

- (a) an application is made for admission to quotation by ASX of the Consideration Shares to be issued under this Offer within seven days after the start of the Bid Period; and
- (b) permission for admission to official quotation by ASX of the Consideration Shares to be issued under this Offer is granted no later than seven days after the end of the Bid Period.

This condition is not a defeating condition for the purposes of the Corporations Act, and is not the same as the conditions set out in Section 9.8. The Offer cannot be freed of this condition, and consequently no statement made by ClearView can be taken to be a waiver of this condition. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be void.

9.13 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, ClearView will give notice of the withdrawal to Matrix Holdings and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, all the conditions in Section 9.8 have been fulfilled or (if applicable) freed, all contracts arising from acceptance of this Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, it remains subject to one or more of the conditions in Section 9.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to this Section 9.12 will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied or waived.

9.14 Variation of this Offer

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

9.15 No stamp duty or brokerage

- (a) ClearView will pay any stamp duty on the transfer of Your Matrix Holdings Shares to it pursuant to this Offer.
- (b) As long as Your Matrix Holdings Shares are registered in your name and you deliver them directly to ClearView, you will not incur any brokerage in connection with your acceptance of this Offer.

9.16 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

10 Definitions and interpretation

10.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
A\$, AUD or Australian dollars	Australian dollars, the currency of the Commonwealth of Australia.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
ASIC	the Australian Shares and Investments Commission.
APL	means the approved product list adopted by ClearView from time to time, and which will also apply to Matrix Planning Solutions Limited and Matrix Representatives post completion of the Transaction.
Authorised Representative	has the meaning given to that term in the Corporations Act.
AWOTE	means the Average Weekly Ordinary Time Earnings Index.
Bid Period	the period that starts when the Bidder's Statement was given to Matrix Holdings and ends at the end of the Offer Period.
Bidder Platforms	means the WealthSolutions and WealthFoundations products, and any other similar adviser-based investment products or platforms provided to the market by ClearView in the future.
Bidder's Statement	this document, being the statement of Bidder ClearView under Part 6.5 of the Corporations Act relating to the Offer.
BT	means BT Wrap which is operated by BT Portfolio Services Limited.
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
CFA	means ClearView Financial Advice Pty Limited (ABN 89 133 593 012).
CGT	capital gains tax.
ClearView Dealer Group or ClearView Financial Advice	ClearView Financial Advice Pty Ltd (ABN 89 133 593 012).
ClearView Dealergroup Platform	means ClearView's enhanced version of Xplan and CommPay, currently branded as ClearView CornerStone Web Technology (CWT).

ClearView Board	the board of directors of ClearView.
ClearView Constitution	the constitution of ClearView, as summarised in Section 8.4.
ClearView Group	ClearView and its Subsidiaries.
ClearView or Bidder	ClearView Wealth Ltd (ACN 106 248 248).
ClearView Platforms	means WealthSolutions and WealthFoundations products, and any other similar adviser based investment products or platforms provided to the market by ClearView in the future.
ClearView Principal	means an Authorised Representative of ClearView.
ClearView Security	has the meaning given in Section 8.4.
ClearView Shareholder	means a holder of one or more ClearView Shares.
ClearView Shares	a fully paid ordinary share in the capital of ClearView Wealth Ltd.
Combined Group	the unaudited profile of ClearView assuming completion of the Offer occurs, based on ClearView's and Matrix Holdings' audited financial information for the year ended 30 June 2014.
CommPay	means ClearView's system for administrating, collecting and paying commissions and adviser fees, and advisers' shares of those amounts, that is supplied by IRESS Limited.
Common Processes	means the common processes described in Section 8.8.
Control	has the meaning given to that term in the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Dispose	has the meaning given in Section 8.4.
Exclusivity Period	has the meaning given in Section 8.2(a)
Fiduciary Exception	has the meaning given in Section 8.2(a).
FUM	means funds under management.
FUM Dealer Service Fee	means a fee, authorised by a client, payable by a platform and/or asset manager that goes to an Australian Financial Services Licensee and is not passed through to its Authorised Representatives.
GAR	means gross annual revenue of Matrix Holdings, as described in Section 9.6.
GAR Targets	means the GAR targets in relation to the Performance Conditions, as set out in Section 8.8.

Government Agency	means any Australian or foreign government or governmental, semi-governmental fiscal, regulatory or judicial body, department, commission, entity or authority. It includes, without limitation, a self-regulatory organisation established under statute or a stock exchange, ASIC, APRA, ASX and the ATO.
Indemnities	has the meaning given in Section 8.3.
Interested Person	has the meaning given in Section 8.12 of this Bidder's Statement.
Listing Rules	means the official listing rules from time to time of ASX.
Oasis	means Oasis Wrap which is operated by Oasis Asset Management Limited.
Material Contract	has the meaning given in Section 7.2(c).
Matrix Adviser	means a natural person who is an Authorised Representative of Matrix Planning Solutions Limited.
Matrix Company Group	Matrix Holdings and its subsidiaries.
Matrix Holdings Board	the board of directors of Matrix Holdings.
Matrix Holdings Director	a director of Matrix Holdings.
Matrix Holdings Material Adverse Change	an event, change, condition, matter or thing which would breach the condition in Section 9.8(d).
Matrix Holdings or Target	Matrix Holdings Limited (ACN 168 564 378).
Matrix Holdings Prescribed Occurrence	an occurrence which would breach the condition in Section 9.8(c).
Matrix Holdings Share	a fully paid ordinary shares in the capital of Matrix Holdings.
Matrix Holdings Shareholder	a holder of Matrix Holdings Shares as at the Register Date.
Matrix Planning Investments Pty Ltd	Matrix Planning Investments Pty Ltd (ACN 168 936 196)
Matrix Planning Solutions Limited	Matrix Planning Solutions Limited (ACN 087 470 200), the Related Body Corporate of Matrix Holdings that holds an Australian Financial Service Licence.
Matrix Representative	means an Authorised Representative of Matrix Planning Solutions Limited which is the Principal under a Principals Agreement with Matrix Planning Solutions Limited.
Merger Implementation Deed	the agreement of that name between ClearView and Matrix Holdings dated 29 August 2014, further details in relation to which are set out in Section 8.2.

MPS Capital Solutions	MPS Capital Solutions Pty Ltd (ACN 600 466 448).
NTA	means net tangible assets, calculated on the basis described in the Implementation Deed.
O&B	O & B Ltd (ACN 600 649 045).
Oasis	means Oasis Wrap which is operated by Oasis Asset Management Limited.
Offer	the offer for Matrix Holdings Shares under the terms and conditions contained in Section 9 of this Bidder's Statement.
Offer Consideration	the consideration described in Section 9.2(a).
Offer Period	the period during which the Offer will remain open for acceptance in accordance with Section 9.3 of this Bidder's Statement.
Pacific Custodians	means Pacific Custodians Pty Limited (ABN 66 009 682 866).
Performance Conditions	means the conditions set out in Section 8.7.
Pre-bid Acceptance Deed	a deed between ClearView and each Pre-Bid Acceptance Shareholder.
Put Option Deed	a deed to be entered into between ClearView and O&B, as condition to the Bid, substantially in the form scheduled to the Merger Implementation Deed. Further details in relation to which are set out in Section 8.5.
Pre-bid Acceptance Shareholder	has the meaning given in Section 8.4.
Register Date	the date set by ClearView under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on 3 September 2014 .
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Restructuring	means the restructuring steps implemented by the Matrix Company Group during May-August 2014.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Matrix Holdings Shares directly or indirectly at or after the date of the Merger Implementation Deed (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other Shares declared, paid or issued by Matrix Holdings or any of its subsidiaries.
Section	a section of this Bidder's Statement.

Specified Change of Control	means a change of Control in relation to ClearView whereby: <ul style="list-style-type: none"> (a) Control of ClearView is acquired by ANZ, Commonwealth Bank of Australia, Westpac Banking Corporation, National Australia Bank or AMP or any of their controlled entities or any dealer group or analogous grouping controlled by them (but excluding any passive fund management businesses of those entities); (b) a third party acquires Control of ClearView and after that change of Control the chief executive officer and the chief financial officer of ClearView is replaced by the new controller; or (c) following the change of Control, ClearView is delisted from the ASX.
Statement of Advice	means a statement setting out an adviser's financial advice, as provided to the client, for which a fee is payable by the client or a fee or commission is earned by the adviser or their employer.
Subscription Deed	A deed to be entered into between ClearView and O&B, as a condition to the Bid, substantially in the form scheduled to the Implementation Deed. Further details in relation to which are set out in Section 8.6.
Target's Statement	the statement of Matrix Holdings under Part 6.5 of the Corporations Act in relation to the Offer.
Transaction	means the acquisition by ClearView of all the Matrix Holdings Shares under this Offer.
Trustee	means Pacific Custodians Pty Limited (ABN 66 009 682 866).
Variation of Principals Agreement	Has the meaning given in Section 9.8(k) and substantially in the form scheduled to the Merger Implementation Deed.
Warranty	has the meaning given in Section 8.3.
Warranty Deed	a deed of that name to be entered into by ClearView, O&B and each of the Matrix Holdings Shareholders (by their attorney Pieter Franzen) as a condition to the Bid, substantially in the form scheduled to the merger Implementation Deed, further details in relation to which are set out in Section 8.3.
Warranty Insurance	has the meaning given in Section 8.3.
WealthSolutions	means ClearView's wrap platform.
XPlan	means the system used by ClearView for practice management which is supplied by IRESS Limited.
Year One GAR Target	has the meaning given in Section 8.8.

Year Three GAR Target	has the meaning given in Section 8.8.
Your Matrix Holdings Shares	<p>subject to Sections 9.1(d) and 9.1(e), the Matrix Holdings Shares:</p> <ul style="list-style-type: none"> (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Matrix Holdings at the Register Date; (b) in respect of which you are registered, or entitled to be registered, as holder during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, Matrix Holdings Options; or (c) to which you are able to give good title at the time you accept the Offer during the Offer Period.

10.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (f) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (g) a reference to time is a reference to Sydney time; and
- (h) a reference to writing includes facsimile transmissions.

11 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the directors of ClearView Wealth Ltd.

date 3 September 2014

Signed for and on behalf of ClearView Wealth Limited

sign here ▶



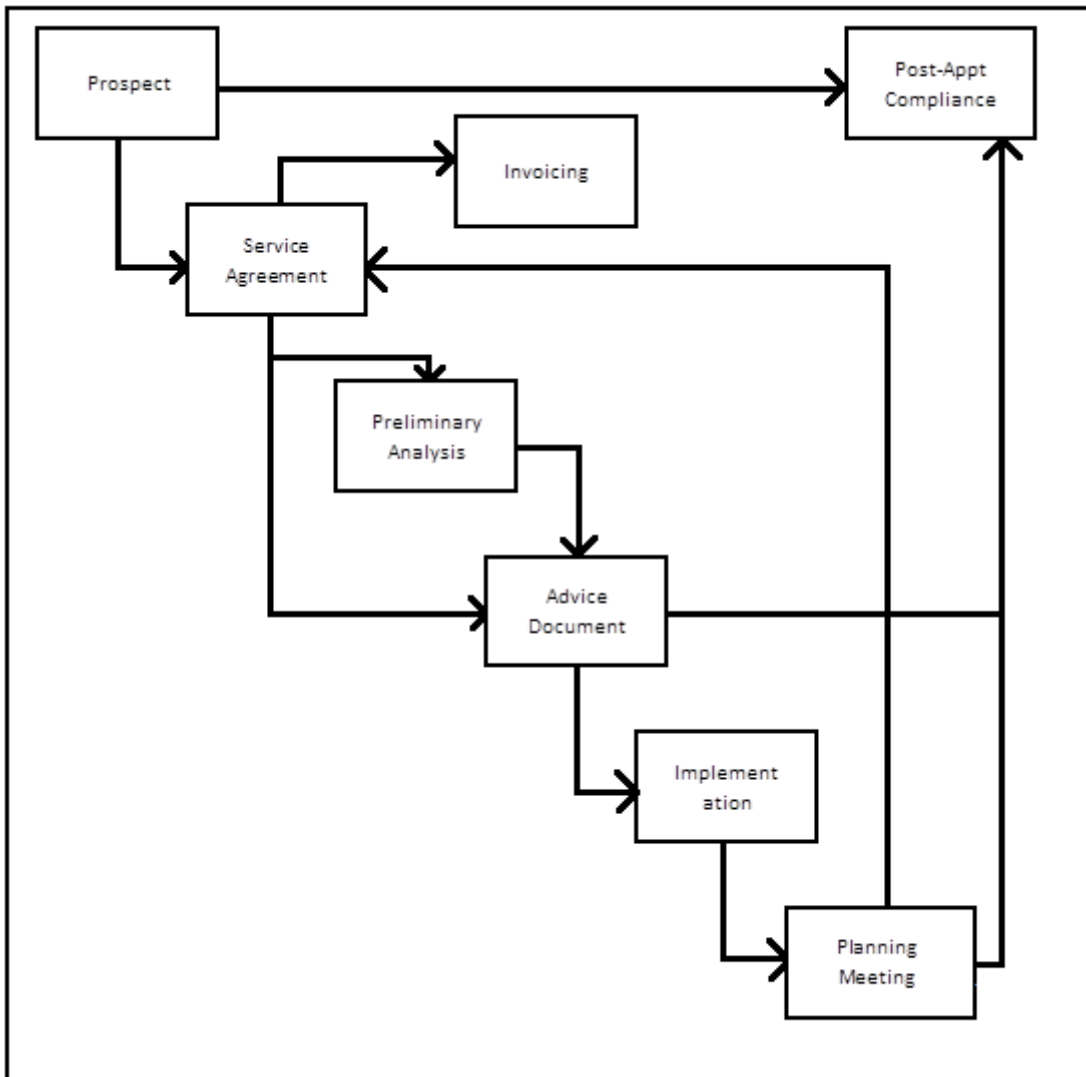
Director

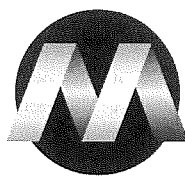
print name Gary Weiss

Appendix A - Matrix Holdings Consolidated Financial Statements

Appendix B - Common Processes

Common Advice Processes (Financial Planning Process):





MATRIX

TARGET'S STATEMENT

Made by

Matrix Holdings Limited
(ABN 65 168 564 378)

in response to the offer for all its shares by

ClearView Wealth Limited
(ABN 83 106 248 248)

ASX Code: CVW

Matrix Holdings Limited's Directors unanimously recommend that, in the absence of a superior proposal, you ACCEPT the Offer by ClearView Wealth Limited to acquire all of your shares

This is an important document and requires your immediate attention.

If you are in doubt as to how to act, you should consult
your financial or legal adviser immediately.

Important Notices:

Key Dates

Date of ClearView Offer	3 September 2014
Date of ClearView's Bidder's Statement	3 September 2014
Date of this Target's Statement	3 September 2014
Close of Offer Period – 7.00pm (Sydney time) on 4 October 2014 (unless extended)	4 October 2014

Target's Statement

This is a Target's Statement made by Matrix Holdings Limited ABN 65 168 564 378 (**Matrix Holdings**) under Part 6.5 of Chapter 6 of the Corporations Act in response to the Bidder's Statement given by **ClearView Wealth Limited** (ABN 83 106 248 248) (**ClearView**) dated 3 September 2014 and which was served on Matrix Holdings on 3 September 2014. The Bidder's Statement and Target's Statement have been sent to Matrix Holdings Shareholders jointly.

Capitalised terms used in this Target's Statement are explained in the glossary at the end of this document, along with certain rules of interpretation which apply to this Target's Statement. A copy of this Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for the contents of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account your individual investment objectives, financial situation or particular needs. It does not contain personal financial or taxation advice. You may wish to seek your own independent legal, financial, taxation or other professional advice before making a decision as to whether or not to accept the Offer for your Matrix Holdings Shares.

Forward looking statements

The Target's Statement contains forward looking statements. All statements other than statements of historical fact are forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are beyond the control of Matrix Holdings.

Actual events or results may differ materially from the events or results expected or implied in any forward looking statement. None of Matrix Holdings, any of its officers, any person named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statements.

Disclaimer as to information relating to ClearView

The information on ClearView contained in this Target's Statement has been prepared by Matrix Holdings using publicly available information and other information made available by ClearView. It has not been independently verified by Matrix Holdings and neither Matrix Holdings nor any director, officer or employee of Matrix Holdings, makes any representation or warranty, express or implied, as to the accuracy or completeness of any such information. Further information relating to ClearView and its business is included in the Bidder's Statement, which was provided to you together with this Target's Statement.

Foreign jurisdictions

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

This Target's Statement does not constitute an offer (whether to sell or buy Shares) in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify ClearView or to otherwise permit a public offering of ClearView Shares outside Australia. ClearView Shares have not been, and will not be, registered under the United States Shares Act of 1933 (**Shares Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Shares Act), except in a transaction exempt from the registration requirements of the Shares Act and applicable United States state Shares laws.

None of the US Shares Exchange Commission, any United States Shares commission or any other United States regulatory authority has passed comment upon or endorsed the merits of the Offer or the accuracy, adequacy or completeness of this Target's Statement.

Target Shareholder Information Line

If you have any queries in relation to the Offer, please call Pieter Franzen or Atit Rungta on 02 8022 3500.

Letter from Chairman to Matrix Holdings Shareholders

3 September 2014

Dear Matrix Holdings Shareholder

Matrix Holdings was founded in 1999 by a foundation group of financial advisers, who are still the major shareholders today. They had a vision that adherence to “The Benefits of Sound Advice” would grow their individual business revenue, by providing higher quality advice and assistance to their clients. In so doing, they would also generate value for all shareholders.

This vision has been largely fulfilled, as can be seen in the individual and collective success of Matrix Holdings Shareholders over the last 15 years.

The Board has considered a number of approaches from external parties over the years, which proved to be not consistent with our vision and principles. They were therefore rejected.

Nevertheless, the Board and I recognise that Matrix Holdings Shares were increasingly illiquid and that shareholders were finding it difficult to sell their shares at an appropriate price and to extract value for their individual businesses. Naturally these two issues are linked, as we have all discussed on a number of occasions.

We therefore commenced our demerging and outsourcing strategies, both of which were well advanced when ClearView Wealth Ltd ABN 83 106 248 248 (**ClearView**) approached us with their initial offer. After months of negotiations, you are now considering ClearView’s final offer, which the Matrix Board has unanimously recommended.

ClearView is offering \$4.407 cash plus 8.776 Clearview Shares (to be held by a Trustee subject to satisfaction of the Performance Conditions) for every 1 Matrix Holdings Share held as at the Register Date. The ClearView Offer is subject to a number of conditions as set out in the Bidder's Statement including that before the end of the Offer Period, ClearView have a Relevant Interest in more than 90% (by number) of Matrix Holdings Shares.

The Board is of the view that there is an excellent cultural fit between ClearView and Matrix Holdings, and that the acquisition of 100% of Matrix Holdings by ClearView (**Transaction**) will significantly enhance the position of the Merged Group. If the Transaction is successful, ClearView has advised the Matrix Holdings Board that it intends to maintain the current Matrix brand and key people, in order to grow the combined business.

As a result of the Transaction, the Board understands that the Merged Group will have funds under management and advice of \$6.9 billion, \$148 million of premiums under advice, and over 200 high quality financial advisers in the merged dealer group.

The Board believes the Transaction is a fantastic opportunity for both companies:

- For ClearView, it will provide further momentum in achieving their goal of building Australia’s best financial advice and financial services businesses, through significant expanded distribution. The combined entity will be a significant player in the financial services industry.
- If the Offer is accepted, Matrix Holdings Shareholders will acquire ClearView Shares (to be held by a Trustee subject to satisfaction of the Performance Conditions) in one of Australia’s fastest growing and innovative financial services companies, which is committed to providing high quality advice to its customers. The Matrix Holdings Board believes the revenue performance targets (included in the Performance Conditions) which need to be achieved for the ClearView Shares to vest are reasonable, achievable and consistent with

clients' best interest. The Board believes that this Offer is about revenue growth and not about achieving expense synergies through expense reductions.

The Board and I believe that the total value extracted for Matrix Holdings Shareholders, by the demerger strategy (inclusive of the ClearView Offer) is an adequate and fair reflection of Matrix Holdings' value, recognising the Matrix Holdings Shares last traded at \$14 per share.

As I have already said, the Board believes the Performance Conditions are achievable and sees them to be a reflection of our continued collegiate culture, jointly with ClearView. If the Offer and Transaction succeed, services provided to individual Matrix Holdings businesses will in the view of the Board increase significantly, which will ensure that revenue grows for individual businesses, thereby underwriting the ultimate full vesting of ClearView Shares.

As you know, I have agreed to become Chairman of the integrated Matrix/ClearView dealer advice group. I am excited about the future and looking forward to ensuring the needs of all stakeholders are met. I recommend the offer to you.

This Target's Statement details the reasons for the Directors' unanimous recommendations to **ACCEPT the Offer** in the absence of a superior proposal and I urge you to read it in full together with the Bidder's Statement.

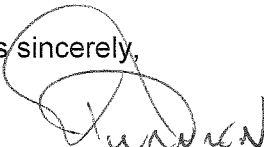
Each Director of Matrix Holdings has indicated his intention to accept the Offer in the absence of a superior proposal in respect of all of the shares he controls no later than 5 Business Days after the Offer Date.

In addition, certain non-director major shareholders holding a Relevant Interest in 17.5 % of Matrix Holdings (together, **Major Shareholders**) have agreed with ClearView to accept the Offer in respect of all of their Matrix Holdings Shares.

To ACCEPT the Offer you will need to follow the instructions set out in section 9.4 of the Bidder's Statement.

We will update Matrix Holdings Shareholders with any material developments in relation to the ClearView Offer via notices to Shareholders. If you have any queries regarding the Takeover Offer please contact Pieter Franzen or Atit Rungta on 02 8022 3500.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Pieter Franzen', written over the closing 'Yours sincerely,'.

Pieter Franzen

Chairman

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Appendix B – Matrix Holdings' Audited Consolidated Financial Statements

1. Information regarding Bidder

1.1. Information on ClearView

ClearView is a public company listed on the ASX (ASX:CVW).

ClearView is an Australian financial services company with businesses that specialises in life insurance, wealth management and financial advice solutions. ClearView has established a multi-channel distribution footprint through its own adviser network and the independent financial adviser industry.

Further details about ClearView are set out in Section 2 of the Bidder's Statement.

ClearView will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer Period:

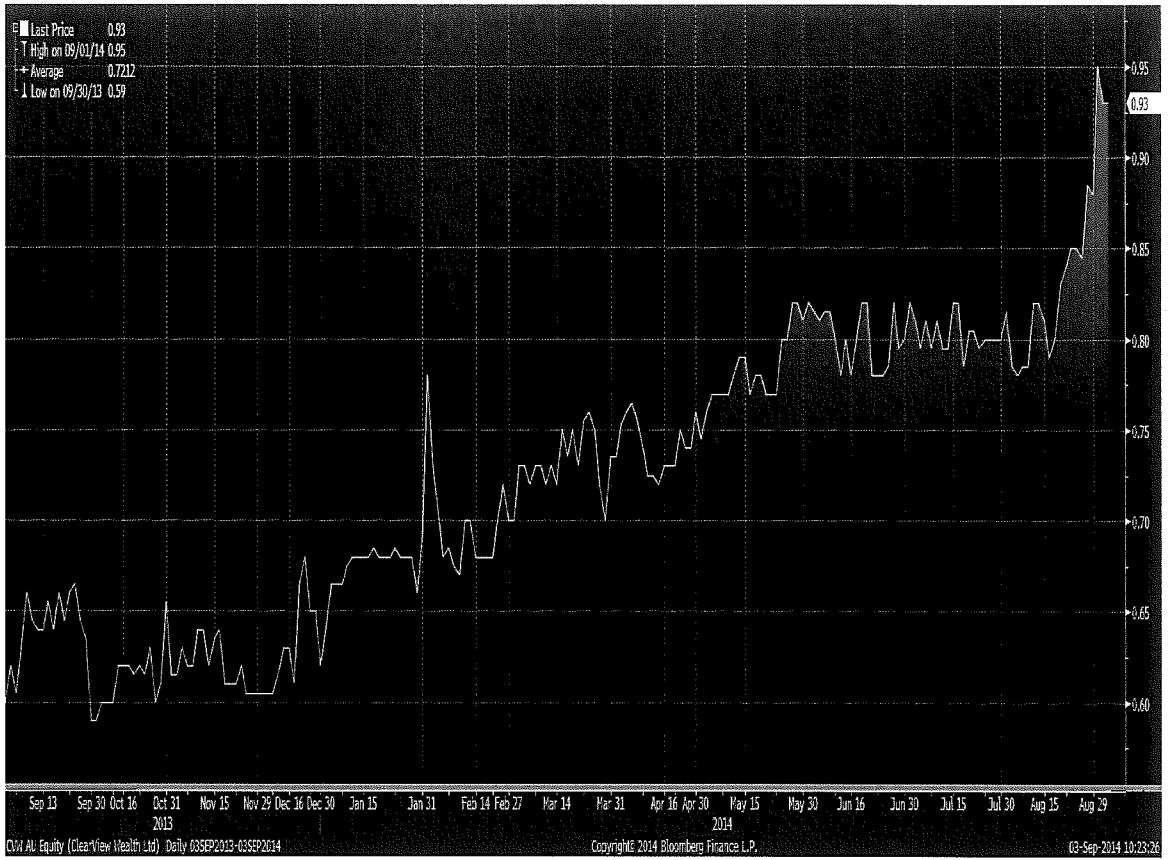
- (a) the annual financial report of ClearView for the year ending 30 June 2014; and
- (b) any continuous disclosure notices given to ASX after 30 June 2014 by ClearView.

To obtain a copy of any of the above documents during the Offer Period, interested persons may telephone the ClearView Offer Information Line on (+61) 1800 063 366. Copies of all documents lodged with ASIC in relation to ClearView can also be inspected at the registered office of ClearView during normal office hours. ClearView also has a website, www.clearview.com.au which includes a wide range of information on ClearView.

Matrix Holdings Shareholders should also to the document titled, 'Investor Presentation – Matrix Merger' lodged by ClearView on ASX on 29 August 2014, which is attached as **Appendix A** to this Target's Statement.

1.2. Share Trading History for ClearView for last 12months

A graph showing the trading price of ClearView Shares for the 12 month period prior to the date of this Target's Statement is shown below:



2. Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Matrix Holdings Shareholders. This section should be read together with all other parts of this Target's Statement and the Bidder's Statement.

What is the Bidder's Statement?	The Bidder's Statement is the document setting out the terms of the Offer by ClearView and the law requires that ClearView send it to you. The Bidder's Statement and Target's Statement have been jointly sent to you. The Bidder's Statement has been prepared by ClearView.
What is the Target's Statement?	This Target's Statement has been prepared by Matrix Holdings' Directors and provides Matrix Holdings' response to the Offer, including the recommendations of your Directors.
Who is the Offer made to?	The Offer is made to all persons who hold Matrix Holdings Shares as at 3 September 2014.
What is the Offer Consideration for my Matrix Holdings Shares?	ClearView has made an offer of \$4.407 cash and 8.776 ClearView Shares, to be held by the Trustee subject to satisfaction of the Performance Conditions (the Consideration Shares), for every 1 Matrix Holdings Share held.
What choices do I have as a Matrix Holdings Shareholder?	<p>As a Matrix Holdings Shareholder, you can:</p> <ul style="list-style-type: none"> • accept the Offer; or • do nothing. <p>When deciding what to do, you should carefully consider the Directors' recommendation and other important considerations set out in this Target's Statement and the Bidder's Statement.</p>
Should I accept the Offer?	<p>The Directors unanimously recommend that in the absence of a superior proposal, you ACCEPT the Offer.</p> <p>If there is a change in this recommendation or any material developments in relation to the Offer, Matrix Holdings will lodge a supplementary Target's Statement.</p>

2. Frequently Asked Questions (continued)

Why are the Directors recommending I accept the Offer?

The Directors unanimously recommend that, in the absence of a superior proposal, you accept the Offer for the following reasons:

- liquidity in the shares of Matrix Holdings is very low and the ClearView Offer presents Matrix Holdings Shareholders with an attractive exit opportunity;
 - a component of the Offer Consideration will be paid in cash, providing certainty of an upfront payment (on satisfaction or waiver of all conditions to the Offer) to Matrix Holdings Shareholders who accept the Offer;
 - subject to satisfaction of the Performance Conditions, Matrix Holdings Shareholders who accept the Offer will become shareholders in ClearView. The Consideration Shares are a form of deferred consideration. Each Consideration Share will be held on trust by the Trustee and will vest on the third anniversary of the date the Offer closes provided the Performance Conditions are met;
 - Matrix Directors believe that the offer creates an opportunity for Matrix Shareholders to own shares in one of Australia's fastest growing and most innovative financial service companies which is committed to providing high quality advice to its customers;
 - it is ClearView's intention to maintain the Matrix brand and key people so as to continue to grow the combined ClearView/Matrix business;
 - Matrix has a very strong brand in the independent advice market and the intention for ClearView advisers to adopt the Matrix brand should lead to improved recognition of adviser independence. In turn this should lead to an increased ability to attract and recruit financial advisers by leveraging off non-bank aligned model and brand;
 - the Matrix Directors believe there is a cultural alignment with ClearView financial advisers' high quality independently minded advisers. This should ensure that the Matrix business is able to continue to operate in the way it has done to date;
 - there is currently no higher offer and it is unlikely that a superior offer will emerge;
 - the Offer represents the best solution to Matrix Holdings' funding issues as subject to and once Matrix Holdings becomes a wholly owned subsidiary of ClearView, ClearView as a listed entity will have greater access to debt and equity finance which can be raised to grow the merged business;
-

2. Frequently Asked Questions (continued)

<p>Why are the Directors recommending I accept the Offer? (continued)</p>	<ul style="list-style-type: none"> • the merger will also provide an opportunity for Matrix Holdings Shareholders to participate in the benefits expected from a broader platform for growth that will enable the pursuit of business development opportunities not currently available to Matrix Holdings alone; • all Directors have indicated that they will accept the Offer no later than 5 Business Days after the Offer Date in respect all of their Matrix Holdings Shares, in the absence of a superior proposal; and • Major Shareholders who together have a Relevant Interest of 17.5% have agreed with ClearView to accept the Offer in respect of all of their Matrix Holdings Shares.
<p>Who are the Directors of Matrix Holdings?</p>	<ul style="list-style-type: none"> (a) Pieter Franzen (Chairman); (b) Barry John Vandenberg; (c) Brendan Gerard Minehan; (d) Jeffrey Maxwell Shakespeare; (e) Peter Geoffrey Buzza; (f) Robert Melville Pedersen; and (g) Troy Alexander Collins.
<p>Was there a requirement for an independent expert's report?</p>	<p>No. There was no statutory requirement for an independent expert's report to be commissioned by Matrix Holdings.</p>
<p>How do I accept the Offer?</p>	<p>Details of how to accept the Offer are set out in section 9.4 of the Bidder's Statement.</p> <p>You may wish to seek independent financial and taxation advice from your professional adviser in relation to the action that you should take in relation to the Offer.</p>
<p>How do I reject the Offer?</p>	<p>To reject the Offer, you do not need to do anything. Simply continue to hold your Matrix Holdings Shares.</p>
<p>What do the Directors intend to do with their Matrix Holdings Shares?</p>	<p>All Directors who hold Matrix Holdings Shares have indicated their intention to ACCEPT the Offer no later than 5 Business days after the Offer date, in the absence of a superior proposal. Please see section 3.7 for more details.</p>

2. Frequently Asked Questions (continued)

If I accept the Offer, can I later withdraw my acceptance?	You only have limited rights to withdraw your acceptance of the Offer. You may only withdraw your acceptance of the Offer if ClearView varies the Offer in a way that postpones for more than 1 month the time by which ClearView must satisfy its obligations under the Offer. This will occur if ClearView extends the Offer period by more than 1 month and the Offer is still subject to conditions.
What happens if the Offer Consideration is increased?	If the Offer Consideration is subsequently increased by ClearView after you have accepted the Offer, you will be entitled to the improved Offer Consideration.
What happens if a superior offer is made by a third party?	<p>If you accept the Offer for your Matrix Holdings Shares, you are only able to withdraw your acceptance in limited circumstances (see the answer to the question "If I accept the Offer, can I later withdraw my acceptance?" set out above).</p> <p>Accordingly, if you accept the Offer, you may be unable to accept a superior offer if one arises after that time. At this time, the Directors are not aware of any possibility that an alternative superior offer will be made in the foreseeable future, although the opportunity is available for an alternative offer to be made.</p> <p>If a superior offer is made by a third party, the alternative offer is not matched by ClearView and a transaction is completed with another party where that other party acquires more than 50% of the Matrix Holdings Shares, Matrix Holdings is required to pay to ClearView a break fee of \$400,000 plus GST under the Merger Implementation Deed. In such circumstances, the Transaction with ClearView would not proceed and Matrix Holdings Shareholders would not receive the Offer Consideration from ClearView (however they would receive consideration from another bidder to the extent they accepted that offer for their shares).</p>
Is a break fee payable by Matrix Holdings?	A break fee of \$400,000 plus GST is payable if a competing superior proposal is made and that proposal is completed within 12 months, a competing proposal is supported by a Matrix Holdings Director or a Matrix Holdings Director withdraws his recommendation that Shareholders accept the ClearView Offer.

2. Frequently Asked Questions (continued)

Can I be forced to sell my Matrix Holdings Shares?	<p>You cannot be forced to sell your Matrix Holdings Shares unless ClearView and its Associates acquire Relevant Interests in 90% or more of all Matrix Holdings Shares by the end of the Offer Period, and ClearView proceeds to compulsory acquisition of your Matrix Holdings Shares.</p> <p>ClearView has stated that if it holds a Relevant Interest in 90% or more of the Matrix Holdings Shares during or at the end of the Offer Period and is entitled to acquire Matrix Holdings Shares compulsorily under the Corporations Act, it intends to exercise those rights and acquire the remaining Matrix Holdings Shares, to achieve 100% ownership of Matrix Holdings.</p> <p>If that happens, you will receive the Offer Consideration later than those Matrix Holdings Shareholders who do accept the Offer.</p>
When do I have to decide?	<p>If you wish to accept the Offer, you need to do so before its scheduled closing date at 7.00pm (Sydney time) on Saturday, 4 October 2014.</p> <p>It is possible that ClearView may choose to extend the Offer Period in accordance with the Corporations Act. However, ClearView cannot close the Offer earlier than this date except in accordance with the Corporations Act.</p> <p>If you wish to reject the Offer, you do not need to do anything.</p>
If I accept the Offer, when will I be paid?	<p>If you accept the Offer, you will have to wait for the Offer to be unconditional before you will receive your cash component of the Offer Consideration from ClearView. ClearView Shares that form part of the Offer Consideration will be held by the Trustee and will not vest unless and until the Performance Conditions are satisfied or deemed to be satisfied.</p> <p>(See section 9.7 of the Bidder's Statement for further details on when you will be sent your Offer Consideration and section 8.7 of the Bidder's Statement for the Performance Conditions.)</p>
How will I know when the Offer is unconditional?	<p>ClearView is required to advise Matrix Holdings and its shareholders if the conditions to the Offer become satisfied or waived.</p> <p>Notices from ClearView will be available on the ASX website at www.asx.com.au. (ASX Code: CVW) (See sections 9.10 and 9.11 of the Bidder's Statement for further information).</p>
Can ClearView withdraw the Offer?	<p>ClearView can only withdraw its Offer with the consent in writing of ASIC, which consent may be subject to conditions.</p>

2. Frequently Asked Questions (continued)

What are the conditions to the Offer?	<p>The conditions to the Offer include:</p> <ul style="list-style-type: none"> • before the end of the Offer Period, ClearView has a Relevant Interest in more than 90% (by number) of Matrix Holdings Shares; • there are no Matrix Holdings Prescribed Occurrences during the Offer Period; • there is no Material Adverse Change to Matrix Holdings, including no change in planned platforms the dealer group will use or a reduction in net assets of the Matrix Holdings Group greater than 10%; • Matrix Holdings Shareholders resolve to amend the Constitution such that ClearView would not be prevented from acquiring any amount of Matrix Holdings Shares; • 90% of Matrix Representatives enter into the Variation of Principals Agreement Deed; • Matrix Holdings has Net Tangible Assets of at least \$250,000 as at 31 August 2014; • Shareholders who accept the Offer execute the Warranty Deed; <p>(See section 9.8 of the Bidder's Statement for further details).</p>
What happens if the conditions to the Offer are not satisfied or waived?	<p>If the conditions are not satisfied or waived before the Offer closes (e.g. the 90% minimum acceptance condition is not achieved because of insufficient acceptances), the Offer will lapse. You would then be free to deal with your Matrix Holdings Shares even if you had accepted the Offer.</p> <p>In that circumstance, Matrix Holdings will continue to operate as a stand-alone business with Matrix Planning Solutions as its subsidiary continuing to operate under its Australian Financial Services Licence focussed on its current strategies. The rights of Matrix Holdings Shareholders will remain unchanged.</p>
What are the tax implications of accepting the Offer?	<p>Refer to section 3.9 of the Target Statement for a general outline of the Australian tax implications of accepting the Offer made to you. However, section 3.9 contains a general outline only and Matrix Holdings Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.</p>
Is there a phone number I can ring if I have any queries?	<p>If you have any queries in relation to ClearView's Offer, please call Pieter Franzen or Atit Rungta on 02 8022 3500.</p>

3. Statutory Information

3.1. Summary of the Offer

On 3 September 2014 ClearView lodged its Bidder's Statement with ASIC for its off-market takeover bid for all the issued share capital of Matrix Holdings. ClearView is offering \$4.407 cash and 8.776 ClearView Shares (to be held by the Trustee subject to satisfaction of the Performance Conditions) for every 1 Matrix Holdings Share held. The key terms of the Offer are summarised in the table below:

The Offer	ClearView offers to acquire all your Matrix Holdings Shares, subject to the terms and conditions set out in the Bidder's Statement. The Offer is dated 3 September 2014.
Offer Consideration	The consideration offered by ClearView comprises \$4.407 cash and 8.776 ClearView Shares (to be held by the Trustee subject to satisfaction of the Performance Conditions) for every 1 Matrix Holdings Share.
Conditions of the Offer	<p>The Offer is subject to a number of conditions. Those conditions are set out in full in section 9.8 of the Bidder's Statement. Some of the more important conditions are:</p> <ul style="list-style-type: none"> • ClearView and its Associates acquiring, during or by the end of the Offer Period, Relevant Interests in at least 90% of Matrix Holdings Shares; • that between 29 August 2014 and the end of the Offer Period no action is taken by any government authority which restrains, prohibits or otherwise materially adversely impacts on the Offer or the completion of the acquisition of all the shares in Matrix Holdings; • that during the Offer Period, no event, change, condition, matter or thing (Event) occurs, is disclosed or announced or becomes known to ClearView which has had, will have or is reasonably likely to have (whether individually or when aggregated with one or more other Events) a material adverse effect on the assets, liabilities, financial or trading position, performance, profitability or prospects of Matrix Company Group (taken as a whole). Such a material adverse effect may be caused by a material compliance issue in respect of Matrix Planning Solutions being discovered or notified, any material change in business plan in respect of the Matrix Company Group, including change in planned platforms Matrix Planning Solutions will use, or, with the exception of any event occurring in accordance with the Restructuring, a reduction in net assets of the Matrix Company Group greater than 10%; • that during the Offer Period, certain prescribed events have not occurred, including Matrix Holdings or its

3. Statutory Information

subsidiaries restructuring, granting options, or becoming insolvent;

- that during the Offer Period, Matrix Holdings does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) which has the effect of reducing Net Tangible Assets to below \$250,000;
- that Matrix Holdings Shareholders resolve to amend the Constitution such that ClearView would not be prevented from acquiring any amount of Matrix Holdings Shares;
- 90% of Matrix Representatives enter into the Variation of Principals Agreement Deed;
- Matrix Holdings has Net Tangible Assets of at least \$250,000 as at 31 August 2014;
- Shareholders who accept the Offer execute the Warranty Deed and the warranties and indemnities in the Warranty Deed become fully effective;
- O&B enters into the Subscription Deed; and
- O&B enters into the Put Option Deed.

Offer Period

The Offer will remain open for acceptance during the period commencing on 3 September 2014 and ending at 7.00pm (Sydney time) on Saturday, 4 October 2014 (unless it is extended or withdrawn in accordance with the Corporations Act).

Effect of acceptance

The effect of acceptance is set out in section 9.6 of the Bidder's Statement. You should read these provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Matrix Holdings Shares.

In signing the acceptance form you agree to appoint Pieter Franzen as your attorney to execute the Warranty Deed on your behalf as a Shareholder selling your Matrix Holdings Shares to ClearView. See Section 9.6 of the Bidder's Statement and section 5.3 of this Target's Statement for a summary of the terms of the Warranty Deed.

3. Statutory Information

**Performance
Conditions**

The Consideration Shares will be held on trust by Pacific Custodians Pty Limited ACN 009 682 866 (**Trustee**) and will not vest unless, or the number of Consideration Shares vesting may be reduced, if the Performance Conditions are not met or deemed to be met. The Performance Conditions are that:

- (a) at least 75% of Matrix Holdings Representatives remain Matrix Holdings Representatives for 3 years after completion of the Transaction;
- (b) at least 90% of Matrix Holdings Representatives adopt Common Processes (as set out in Section 8.8 of the Bidder's Statement); and
- (c) the GAR Targets (as set out in Section 5.9 of the Target's Statement) are achieved in respect of the Matrix Holdings Representatives.

If the performance conditions at (a) and (b) above are not met or deemed to be met, none of the Consideration Shares will vest. If the GAR Targets are not met or deemed to be met, the number of Consideration Shares vesting will be reduced as set out in Section 8.9 of the Bidder's Statement and Section 5.7 of the Target's Statement.

The Performance Conditions will be deemed to be satisfied in certain circumstances, as set out in Section 5.7 of the Target's Statement. ClearView may also waive the Performance Conditions at any time at its absolute discretion.

Legal title to the Consideration Shares will be held by the Trustee on trust for Matrix Holdings Shareholders who accept the Offer. Legal title to the Consideration Shares will be transferred from the Trustee to the Matrix Holdings Shareholders upon satisfaction, or deemed satisfaction, of the Performance Conditions. The Trustee will deal with the Consideration Shares as directed by ClearView if the Performance Conditions are not met, or deemed to be met, and the entitlement of Matrix Holdings Shareholders who accept the Offer to those Considerations Shares is forfeited.

These are explained in detail in Section 8.9 of the Bidder's Statement.

3. Statutory Information

Warranties provided by an accepting Shareholder	<p>It is a condition of the Offer that a Shareholder who accepts the Offer executes the Warranty Deed. By signing the Acceptance Form you as a Shareholder agree to appoint Pieter Franzen as your attorney to execute the Warranty Deed. Under the Warranty Deed a Shareholder provides various warranties about information provided to ClearView during due diligence, the Matrix Holdings Shares, Matrix Holdings and its subsidiaries, its financial affairs and business. If ClearView claims a breach of warranty there will be no recourse to a Matrix Holdings Shareholder as it is a condition of the Warranty Deed that warranty insurance is taken out by ClearView and that the third party insurer will not make any claim of contribution against a Matrix Holdings Shareholder.</p>
Compulsory acquisition	<p>ClearView has indicated in its Bidder's Statement that if it becomes entitled to proceed to compulsory acquisition of Matrix Holdings Shares following the Offer, then it intends to do so.</p> <p>Under Part 6A.1 of the Corporations Act, ClearView will be entitled to compulsorily acquire any outstanding Matrix Holdings Shares if, during or at the end of the Offer Period, ClearView and its Associates have Relevant Interests in at least 90% of all Matrix Holdings Shares. If your Matrix Holdings Shares are compulsorily acquired then you will be paid the cash component of the Offer Consideration and receive the ClearView Shares that comprise the scrip component of the Offer Consideration later than Matrix Holdings shareholders who do accept the Offer.</p>
Notice on status of conditions	<p>The date for giving the notice on the status of the conditions referred to in section 9.11 of the Bidder's Statement is 7 days before the end of the Offer Period (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).</p>
Withdrawal of Offer	<p>ClearView can only withdraw its Offer with the consent in writing of ASIC, which consent may be subject to conditions.</p> <p>However, if the Offer closes and some or all of the conditions referred to above are not satisfied (and have not been waived by ClearView), then the Offer will fail and no acceptances will be processed.</p>

3.2. Offerees under the Offer

Section 9.1 of the Bidder's Statement sets out the persons to whom the Offer is made. The Offer is made to all persons who hold Matrix Holdings Shares as at 3 September 2014.

3.3. Directors of Matrix Holdings

As at the date of this Target's Statement, the Directors of Matrix Holdings are:

- Pieter Franzen (Director and Chairman).
- Peter Geoffrey Buzza (Director);
- Troy Alexander Collins (Director);
- Brendan Gerard Minehan (Director);
- Robert Melville Pedersen (Director);
- Jeffrey Shakespeare (Director);
- Barry John Vandenberg (Director).

John Frederick Morris is the Company Secretary.

3.4. Directors' recommendation

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of your Directors recommends that, in the absence of a superior proposal, you **ACCEPT** the Offer.

In considering whether to accept the Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- obtain financial advice from your broker or financial adviser on the Offer and obtain taxation advice on the tax implications of accepting the Offer.

3.5. Directors' reasons for their recommendation

The Directors have carefully considered the Offer and unanimously recommend that, in the absence of a superior proposal, you accept the Offer for the following reasons:

- liquidity in the shares of Matrix Holdings is very low and the ClearView Offer presents Matrix Holdings Shareholders with an attractive exit opportunity;
- a component of the Offer Consideration will be paid in cash, providing certainty of an upfront payment (on satisfaction or waiver of all conditions to the Offer) to Matrix Holdings Shareholders who accept the Offer;
- subject to satisfaction of the Performance Conditions, Matrix Holdings Shareholders who accept the Offer will become shareholders in ClearView. The Consideration

Shares are a form of deferred consideration. Each Consideration Share will be held on trust by the Trustee and will vest on the third anniversary of the date the Offer closes provided the Performance Conditions are met;

- Matrix Holdings Directors believe that the offer creates an opportunity for Matrix Shareholders to own shares in one of Australia's fastest growing and innovative financial service companies which is committed to providing high quality advice to its customers;
- it is ClearView's intention to maintain the Matrix brand and key people so as to continue to grow the combined ClearView/Matrix business;
- Matrix Holdings has a very strong brand in the independent advice market and the intention for ClearView advisers to adopt the Matrix brand should lead to improved recognition of adviser independence. In turn this should lead to an increased ability to attract and recruit financial advisers by leveraging off non bank aligned model and brand;
- the Matrix Holdings Directors believe there is a cultural alignment with ClearView financial advisers' high quality independently minded advisers. This should ensure that the Matrix business is able to continue to operate in the way it has done to date;
- there is currently no higher offer and it is unlikely that a superior offer will emerge;
- the Offer represents the best solution to Matrix Holdings' funding issues as subject to and once Matrix Holdings becomes a wholly owned subsidiary of ClearView, ClearView as a listed entity will have greater access to debt and equity finance which can be raised to grow the merged business;
- the merger will also provide an opportunity for Matrix Holdings Shareholders to participate in the benefits expected from a broader platform for growth that will enable the pursuit of business development opportunities not currently available to Matrix Holdings alone;
- all Directors have indicated that they will accept the Offer no later than 5 Business Days after the Offer Date in respect all of their Matrix Holdings Shares, in the absence of a superior proposal; and
- Major Shareholders holding a Relevant Interest in 17.5% of Matrix Holdings have agreed with ClearView to accept the Offer in respect of all of their Matrix Holdings Shares.

Each of your Directors recommends that, in the absence of a superior proposal, you accept the Offer. The Directors' recommendation to accept the Offer is made only in their capacity as Matrix Holdings Directors and not as authorised representatives of an Australian Financial Services Licensee.

3.6. Choices available to you

As a Matrix Holdings Shareholder, you have the following choices in respect of the Offer:

- (a) **you may accept the Offer**, in which case you should follow the instructions set out in section 9.4 of the Bidder's Statement.
- (b) **you may choose not to accept the Offer**, in which case you do not need to take any action.

When deciding what to do, you should carefully consider the Directors' recommendation and other important considerations set out below. If you are in doubt as to how to act, you should consult your financial or legal adviser immediately.

3.7. Directors' intentions to accept or reject the Offer

The Directors who hold, directly and indirectly, 33.05% Matrix Holdings Shares have indicated that they will accept the Offer in relation to those Shares held by them, no later than 5 Business Days after the Offer Date, in the absence of a superior proposal.

Details of the Relevant Interests of each Matrix Holdings Director in Matrix Holdings Shares are set out in section 4.6 of this Target's Statement.

3.8. Other important considerations

(a) Significant Other Shareholders' intention

Major Shareholders who collectively hold approximately 17.5% of Relevant Interests have agreed with ClearView to accept the Offer in respect of all of their Matrix Holdings Shares.

(b) Changes to the Board

Matrix Holdings must procure that as soon as practical upon both ClearView having acquired a Relevant Interest in more than 50% of Matrix Holding's Shares and the Offers becoming unconditional (**Relevant Condition**) each Director of Matrix Holdings will resign as a director of Matrix Holdings (and all other Matrix Company Group companies).

Upon satisfaction of the Relevant Condition, the Matrix Holdings Directors are required to do everything reasonably within their power to give effect to the reconstitution of the Matrix Holdings Board (and the boards of any Matrix Company Group companies) in accordance with ClearView's wishes and applicable laws and subject to such persons signing consents to act as a director of the relevant entity and providing those consents to Matrix Holdings.

Pieter Franzen, the chairman of the Matrix Holdings Board will be invited by ClearView to be the chairman of ClearView Financial Advice Pty Limited (ABN 89 133 593 012) effective from the Offer Close Date.

(c) Minority ownership consequences

ClearView's Offer is subject to a 90% minimum acceptance condition which, if fulfilled (and all the other conditions are satisfied or waived), will entitle it to compulsorily acquire all outstanding Matrix Holdings Shares.

ClearView does, however, reserve the right to declare the Offer free from the 90% minimum acceptance condition.

If ClearView frees the Offer from the 90% minimum acceptance condition and acquires more than 50% but less than 90% of Matrix Holdings Shares then, assuming all other conditions to the Offer are satisfied or waived, ClearView will acquire a majority shareholding in Matrix Holdings and pursuant to the Merger Implementation Deed has the right to require all existing directors of Matrix Holdings to resign and to appoint nominees of ClearView to control the Board of Matrix Holdings and its financial and operating policies.

Accordingly, Shareholders who do not accept the Offer will in such circumstances become minority shareholders in Matrix Holdings. This has a number of possible implications, including:

- ClearView will be in a position to cast the majority of votes at a general meeting of Matrix Holdings. ClearView will control the composition of Matrix Holdings' Board and senior management, Matrix Holdings' dividend policy and control the strategic direction of the businesses of Matrix Holdings;
- liquidity of Matrix Holdings Shares may be lower than at present;
- if ClearView acquires 75% or more of the Matrix Holdings Shares, it will have sufficient voting power to pass a special resolution at a meeting of Matrix Holdings Shareholders. This will enable ClearView to, among other things, change Matrix Holdings' constitution.

(d) Intentions of ClearView

The intentions of ClearView (as at the date of the Bidder's Statement) in relation to Matrix Holdings, its business, assets and employees are set out in section 6 of the Bidder's Statement. The statements set out in section 6 of the Bidder's Statement are statements of ClearView's intentions current at the date of the Bidder's Statement only, which may vary as new information becomes available or as circumstances change.

(e) Alternatives to accepting the Offer

If Matrix Holdings Shareholders do not accept the Offer then Matrix Holdings will continue to operate as an independent stand-alone financial services entity but will have limited ability to grow the business due to funding limitations.

(f) Taxation

A general outline of the tax implications of accepting the Offer is set out in section 3.9 below. All Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.

3.9. Taxation implications of accepting the Offer

The tax comments set out below are necessarily general in nature and are based on a number of assumptions and do not take into account the specific circumstances of any particular Matrix Holdings Shareholder. In particular, the tax comments do not consider the tax implications arising in respect of a Matrix Holdings Shareholder who:

- hold their Matrix Holdings Shares for the purposes of speculation or a business of dealing in securities or otherwise hold the Matrix Holdings Shares on revenue account or as trading stock;
- is a superannuation fund or a tax exempt entity;
- has made any elections pursuant to the Taxation of Financial Arrangement rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains or losses on their shares;
- acquired their shares in respect of their employment with Matrix Holdings or an associated company; or
- is a non-resident of Australia.

The following tax comments are based upon Australian law and administrative practice in effect at the date of this Target's Statement. These laws and practices are subject to change regularly.

- (a) Matrix Holdings Shareholders who accept the Offer will dispose of their Matrix Holdings Shares by way of transfer to the Bidder. This disposal of the Matrix Holdings Shares will give rise to a capital gains tax (**CGT**) event for the Matrix Shareholder. The date of disposal for CGT purposes for the Matrix Holdings Shareholders accepting the offer will be the date the contract to dispose of the Shares is entered into (being the later of the date the Offer becomes unconditional or the date a Matrix Holdings Shareholder accepts the Offer).
- (b) Australian resident Matrix Holdings Shareholders will make a capital gain or a loss on the disposal of their Matrix Holdings Shares under the Offer, to the extent that the capital proceeds from the disposal of the Matrix Holdings Shares are more or less than the cost base of the Matrix Holdings Shares.
- (c) The CGT cost base of the shares held by each Matrix Holdings Shareholder will generally include the consideration paid to acquire the Matrix Holdings Shares together with any incidental costs of acquisition such as brokerage and stamp duty. You should confirm the cost base of your Matrix Holdings Shares with your tax adviser. Any reduced cost base of your Matrix Holdings Shares will be calculated in a similar, but not identical, manner and this should also be confirmed.
- (d) The capital proceeds for the disposal of the Matrix Holdings Shares is the sum of the money, and the market value of any property, which is received or is entitled to be received for the relevant asset worked out at the time of the CGT event. An entitlement to receive an amount (whether in cash or in kind) means that an enforceable right must exist for that amount, even though the time for payment of the amount might not have occurred.
- (e) The Offer to the Matrix Holdings Shareholders contains \$4.407 in cash and 8.776 ClearView Shares per Matrix Holdings Share. The entitlement to have the ClearView Shares transferred to the Matrix Holdings Shareholders is subject to a number of Performance Conditions which must be satisfied over a three year period.

When and if the Performance Conditions are satisfied the Matrix Holdings Shares will be transferred to the Matrix Holdings Shareholders.

- (f) The ClearView Shares which the Matrix Holdings Shareholders may receive, subject to the Performance Conditions being met, will be treated as the receipt of "other property" for the purposes of the CGT capital proceeds rules. Under current law when the ClearView Shares vest, their value would be treated as forming part of the capital proceeds for the sale of the Matrix Holdings Shares in the tax year in which the CGT event occurred. Adjustments may be required to the tax return for that year to recalculate the capital proceeds arising from the sale of the Matrix Holdings Shares.
- (g) The Government has announced that it will make changes to the tax law in respect of certain earn-out rights. The contingent entitlement to the ClearView Shares is likely to fall within these new rules. The proposed treatment is that the earn-out right will not be a separate CGT asset, and that payments received by a vendor under an earn-out will be treated as further proceeds for the sale of the original asset (in this case the Matrix Holdings Shares). While these changes have not been legislated to date, the Australian Taxation Office has announced that it will accept tax returns based on the proposed amendments (with the proviso that tax return will be required to be amended if the proposed changes are not legislated). If this administrative practice was applied, it would mean that the market value of the ClearView Shares can be brought into account for tax purposes in the income year in which the Performance Conditions are satisfied and the ClearView Shares are transferred to the Matrix Holdings Shareholders.
- (h) On the basis that the Matrix Holdings Shareholders have held the shares in Matrix Holdings for more than 12 months, a Matrix Holdings Shareholder who is eligible for the 50% CGT discount should be entitled to the CGT discount of 50% in calculating the capital gain made on the sale of the Matrix Holdings Shares. The CGT discount will result in your capital gain being reduced by 50% if you are an individual or a trust, excluding a complying superannuation entity. No CGT discount is available for companies.

Stamp duty and goods and services tax (GST)

- (a) ClearView will pay the stamp duty, if any, on the sale of the Matrix Holdings Shares.
- (b) Matrix Holdings Shareholders should not be liable to GST in respect of the disposal of the Matrix Holdings Shares as the supply of shares is an input taxed supply in Australia.
- (c) Matrix Holdings Shareholders may be charged GST on costs that relate to their participation in the Offer, such as advisers fees, an input tax credit or reduced input tax credit may be available for such costs, but Matrix Holdings Shareholders should seek their own advice in relation to their individual circumstances.

3.10. Risks associated with accepting the Offer

(a) Performance Conditions

A Matrix Holdings Shareholder's entitlement to the Consideration Shares is wholly contingent upon the Performance Conditions being met or being deemed to be met. Consideration Shares will not vest unless and until the Performance Conditions are satisfied, waived or are deemed to be satisfied. This means that Matrix Holdings Shareholders may never become entitled to transfer Consideration Shares acquired or otherwise obtain any value for those Consideration Shares. The Performance

Conditions will also not vest for 3 years, meaning that even if the Performance Conditions are satisfied, in the intervening period Matrix Holdings Shareholders will not be able to transfer the Consideration Shares or otherwise obtain any value for those Consideration Shares.

The vesting of the Consideration Shares being subject to Performance Conditions means that the Corporations Act laws dealing with conflicted remuneration must be considered. If the shares are conflicted remuneration, they cannot vest. On the basis of existing laws as they are currently interpreted, it is considered unlikely that the shares will be regarded as conflicted remuneration, but the laws are complex and may be reviewed, or subject to different interpretation, before the shares vest.

Until the ClearView Shares vest, a Shareholder will not have any legal or beneficial title in the shares, will not have any right to exercise votes in respect of the ClearView Shares and will not have any right to receive the economic benefit (such as a dividend, bonus share or right to participate in a rights issue) attaching to the Consideration Shares.

Whilst it is a condition of the Offer that 90% of Matrix Representatives agree to vary their Principals Agreement with Matrix Planning Solutions Limited and agree not to terminate it for convenience before 30 September 2017, there may be other circumstances (such as default or insolvency of the Principal) that result in a termination of a Principals Agreement that may lead to Matrix Holdings not being able to satisfy one of the Performance Conditions that at least 75% of Matrix Representatives at the Offer Date remain Matrix Representatives for 3 years after completion of the Transaction.

(b) Change of control provisions

If the 90% minimum acceptance condition is satisfied and the Offer is declared or becomes unconditional, a change of control in Matrix Holdings will occur. It is possible that this will trigger termination provisions of material contracts to which Matrix Holdings (or a subsidiary) is a party or material licences which have been granted to Matrix Holdings (or a subsidiary) (each a **Material Contract**). While the Board of Matrix Holdings is not aware of any counterparty that may wish to terminate a Material Contract, should any such contract be terminated, Matrix Holdings would lose the benefit of the contract. This may have a material adverse effect on the company's operational and financial performance unless a replacement contract on equivalent terms could be entered into without delay.

(c) Risks if a Claim under the Warranty Deed

Following completion of the Transaction, ClearView may make a warranty claim for breach of the warranties under the Warranty Deed. Such a claim should be covered entirely by the warranty and indemnity insurance. However, if a claim is made for breach of one of the specific indemnities given (relating to NTA, redundancy costs and litigation), then O&B's liability is limited to the amount actually received by Matrix Holding Shareholders.

(d) Industry Risks

There are existing risks relating to ClearView's business which are common to both ClearView's and Matrix Holdings' businesses and will continue to be relevant to those businesses after the successful completion of the Offer.

(e) Risks of holding ClearView Shares

If the Offer is declared or becomes unconditional and the Performance Conditions are met, Matrix Holdings Shareholders who accept the Offer will become shareholders in ClearView. While the ability of Matrix Holdings Shareholders to realise any value for those Consideration Shares held on trust by the Trustee is subject to the satisfaction of the Performance Conditions, the value of the Offer Consideration to these Matrix Holdings Shareholders will also be linked to the value of ClearView Shares.

It is therefore important for Matrix Holdings Shareholders to be aware of risks and uncertainties which may affect the future operating and financial performance of the ClearView and the value of ClearView Shares. Some of these risks and uncertainties may be the same as, or similar to, those already faced by Matrix Holdings. Some of them will be new.

Shareholders who receive Consideration Shares will be exposed to the following risks:

- (i) exposure to ClearView Shares will come with different risks compared with Matrix Holdings Shares including acquisition, integration and development risks;
- (ii) exposure to future movements in the value of ClearView Shares and this value may fluctuate over time.

Section 7.3 of the Bidder's Statement outlines some of the risks associated with an investment in ClearView and operational risks which affect ClearView.

(a) No forecast information

The ClearView board has not included any forecast information regarding earnings per ClearView Shares in the Merged Company. Nor has the ClearView board included any forecast financial information with respect to the Merged Company.

The performance of the Merged Company will be influenced by a number of factors, some of which are outside the control of the Merged Company. The future performance of the Merged Company cannot be predicted with a high level of confidence at the date of this Statement.

3.11. Risks associated with an investment in ClearView

The business of ClearView is diversified across a range of asset and industry groups which will expose Matrix Holdings Shareholders who receive Clearview Shares as part of the Offer Consideration to a wider range of risks than the current Matrix Company Group is exposed to.

Shareholders should refer to Sections 7.3 of the Bidder's Statement for further details.

3.12. General risks

Shareholders should refer to Section 7.4 of the Bidder's Statement for further details.

4. About Matrix Holdings

4.1. Disclosing entity

Matrix Holdings is an unlisted public company that is a "disclosing entity" under the Corporations Act and as such has continuous disclosure obligations under that Act.

The most recent financial information regarding Matrix Holdings is Matrix Holdings' consolidated audited yearly report for the period ended 30 June 2014. A copy of this document is attached as **Appendix B** to this Target's Statement and should be read by Matrix Holdings Shareholders.

4.2. Variation of Principals Agreement Deed

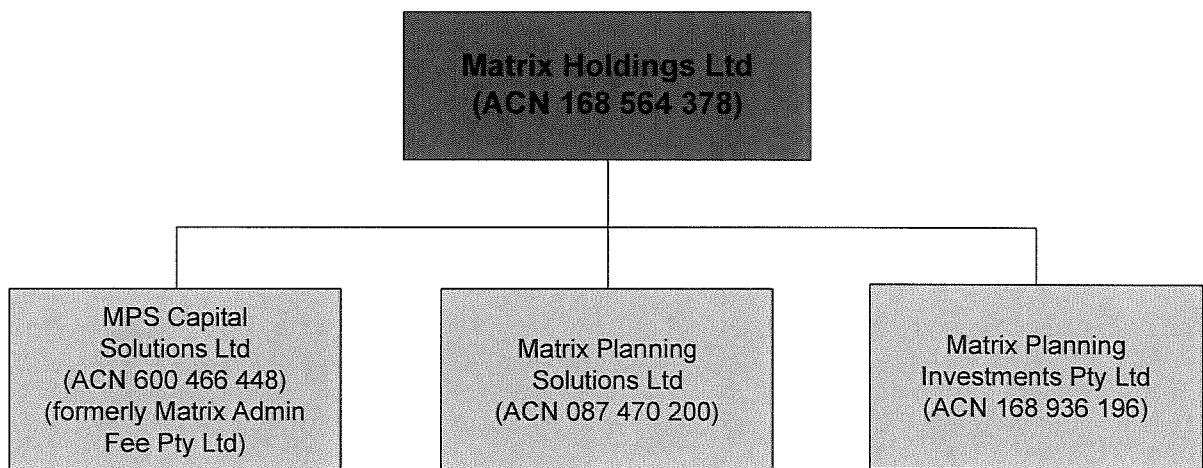
Matrix Planning Solutions Limited, a subsidiary of Matrix Holdings is the holder of an Australian Financial Services Licence.

The Variation of Principals Agreement Deed requires that each Matrix Representative and Matrix Planning Solutions agree to vary the Principals Agreements such that the Matrix Representative cannot terminate such agreement before 30 September 2017 except in certain limited circumstances.

4.3. Matrix Holdings Group

Matrix Holdings is the parent entity of MPS Capital Solutions Ltd ACN 600 466 448 (formerly Matrix Admin Fee Pty Ltd), Matrix Planning Investments Pty Ltd ACN 168 936 196 and Matrix Planning Solutions Limited ACN 087 470 200.

After completion of the Restructuring the entities comprised in the Matrix Company Group and as at the date of this Target's Statement are as set out in the diagram below:



4.4. Share Capital

At the date of this Target's Statement, Matrix Holdings has on issue 1,758,501 fully paid ordinary shares. There are no other securities or convertible securities on issue in Matrix Holdings.

4.5. Substantial shareholders of Matrix Holdings

As at 3 September 2014, Matrix Holdings had 1,758,501 fully paid ordinary shares on issue and there were approximately 77 holders of Matrix Holdings Shares.

The substantial shareholders of Matrix Holdings as at 3 September 2014 were as follows:

Substantial Shareholder	Number of Shares	% Shares
Reginald Sherlock	146,866	8.35%
Brendan Minehan	135,675	7.72%
Jeff Shakespeare	124,966	7.11%
Pieter Franzen	111,747	5.97%
Robert Pedersen	97,793	5.56%
Gerry Power	93,910	5.34%
Graham Poole	83,691	4.76%
Allison Dummett	67,012	3.81%
Total	861,660	48.62%

4.6. Directors' Relevant Interests in Matrix Holdings Shares

Director (Note)	Shares	% of issued Capital
Pieter Franzen (Chairman)	111,747	5.97%
Barry Vandenberg	46,321	2.63%
Brendan Minehan	135,675	7.72%
Jeff Shakespeare	124,966	7.11%
Peter Buzza	34,356	1.95%
Robert Pedersen	97,793	5.56%
Troy Collins	37,057	2.11%
Total	587,915	33.05%

Note: Directors hold shares in a wide variety of entities.

4.7. Trading by Directors in Matrix Holdings Shares in the last four months

No Director has acquired or disposed of Matrix Holdings Shares in the last four months, ending on the date immediately before the date of this Target Statement.

4.8. Directors' interests in ClearView

(a) Shares and other securities in ClearView

No Director held any shares or other securities in ClearView or a Related Body Corporate of ClearView in the last 4 months prior to 29 August 2014. No Director disposed of ClearView Shares in the last four months prior to the date of this Target's Statement.

No Director holds any shares or other securities in ClearView or a Related Body Corporate of ClearView, other than:

Director	Number of securities and nature of interest
Brendan Minehan	75,000 ClearView Shares acquired on 1 September 2014

(b) Agreements with ClearView

No Directors are party to any agreements with ClearView or a Related Body Corporate of ClearView or has an interest in any contract entered into by ClearView or a Related Body Corporate of ClearView, other than as disclosed below.

All Directors hold shares in O&B. It is a condition of the Offer that O&B enter into the Subscription Deed, Put Option Deed and Warranty Deed. For details of these agreements refer to Section 8.3, 8.5 and 8.6 of the Bidder's Statement and Section 5.3, 5.4 and 5.5 of this Statement.

As disclosed in this Statement, Pieter Franzen will, upon satisfaction of the Relevant Condition, be invited to become chairman of ClearView Financial Advice Pty Limited (ABN 89 133 593 012) effective from the Offer Close Date.

(c) Directorships

As at the date of this Target Statement, no Director of Matrix Holdings is a director of ClearView.

(d) Other material information

Except as set out in this section 4.8, section 5.3 to 5.5 or the Bidder's Statement, no Director has any interest, whether as a director, shareholder or creditor of Matrix Holdings or otherwise, which is material to the Offer.

5. Additional Information

5.1. Material Litigation

Matrix Planning Solutions Limited (**MPS**), which conducts a financial services business as an Australian Financial Services licensee, is a wholly owned subsidiary of Matrix Holdings. MPS is listed as the second defendant in a commercial claim lodged in the District Court of NSW on 18 October 2013, involving Moylan Retirement Solutions Pty Limited and Hunter Financial Planning Pty Ltd (**HFP**), as 1st and 3rd dependants respectively. The claim against MPS and HFP is for \$150,000 plus interest at 15% pa since October 2009 and costs. It is alleged that Matrix is responsible, with HFP, for inappropriate advice allegedly provided by HFP representatives while HFP was an authorised representative of MPS. Matrix denies responsibility for the advice allegedly provided and is defending the claim.

Directors are not aware of any other material litigation of disputes.

5.2. Summary of Merger Implementation Deed

On 29 August 2014, Matrix Holdings entered into the Merger Implementation Deed with ClearView under which ClearView agreed to make the Offer on the terms and conditions set out in Section 9 of the Bidder's Statement.

ClearView lodged a full copy of the Merger Implementation Deed on ASX on 29 August 2014. Matrix Holdings Shareholders should review the complete copy of the Merger Implementation Deed and should not solely rely upon a summary of the terms.

Some of the key terms of the Merger Implementation Deed are summarised below.

(a) Exclusivity arrangements

Matrix Holdings has agreed to be bound by the following exclusivity arrangements until the earlier of (i) termination of the Merger Implementation Deed, (ii) the end of the Offer Period, (iii) the date on which the Offer is withdrawn by ClearView in accordance with section 652B of the Corporations Act, and (iv) 31 December 2014 (**Exclusivity Period**):

- **(no-shop restriction)** Matrix Holdings may not directly or indirectly solicit any competing proposal (which is defined in the Merger Implementation Deed to include, among other things, any proposal to acquire more than 10% of the Matrix Holdings Shares);
- **(no-talk restriction)** Matrix Holdings may not enter into discussions or negotiations, grant due diligence access or enter into any agreement, arrangement or understanding of any kind in respect of any competing proposal (unless the Fiduciary Exception applies); and
- **(notification obligation and matching right)** Matrix Holdings must immediately notify ClearView if:
 - it is approached about a competing proposal;
 - any Matrix Holdings Director proposes to change his or her recommendation of the Offer so that he or she can recommend a competing proposal; or
 - it breaches the exclusivity arrangements in any way,

(in each case unless the Fiduciary Exception applies).

In the latter scenario, ClearView will have 2 clear Business Days following receipt of the notice to amend the Offer so that it is at least as favourable to Matrix Holdings Shareholders as the competing proposal. During the “matching right period”, no Matrix Holdings Director can change his or her recommendation and Matrix Holdings cannot enter into any agreement, arrangement or understanding in respect of the competing proposal.

The “**Fiduciary Exception**”, as referred to above, will apply where there is a bona fide written competing proposal which would, if entered into, result in someone other than the Bidder acquiring an interest of more than 10% in, acquiring control of, or otherwise merging with, Matrix Holdings and each Matrix Holdings Director believes that:

- the competing proposal would be more favourable, or could reasonably be expected to lead to a transaction which is more favourable, to Matrix Holdings Shareholders than the Offer; and
- failing to take or taking the action that would otherwise be prohibited by the above exclusivity arrangements would involve, or would be likely to involve, a breach of their fiduciary or statutory obligations.

(b) Break fee

Matrix Holdings has agreed to pay a break fee of \$400,000 to ClearView if any of the following circumstances occur prior to completion of the Offer:

- during the Exclusivity Period, a person other than ClearView or a subsidiary of ClearView makes a competing proposal and that proposal is completed within 12 months;
- any Matrix Holdings Director recommends, endorses or supports a competing proposal to acquire Matrix Holdings Shares or the whole or a substantial part of Matrix’s assets, business or property, to acquire control of Matrix Holdings or to otherwise merge with Matrix Holdings;
- any Matrix Holdings Director publicly withdraws or changes in any way or makes any public statement inconsistent with his or her recommendation of the Offer;

(c) Termination rights

Each of ClearView and Matrix Holdings has a right to terminate the Merger Implementation Deed if

- the other party commits a material breach of the deed which is not remedied within five Business Days after notice is given by the non-breaching party (or, in the case of a breach of the exclusivity arrangements detailed in Section 5.2(a) above, one Business Day).

In addition, ClearView may terminate the Merger Implementation Deed in each of the following circumstances:

- during the Exclusivity Period, a person other than ClearView or a subsidiary of ClearView publicly proposes a competing proposal which is recommended, endorsed or otherwise supported by any Matrix Holdings Director;
- a person other than ClearView or a subsidiary of ClearView obtains voting power in Matrix Holdings of 10% or more;

- any person holding Voting Power in Matrix Holdings of 10% or more increases their voting power in Matrix Holdings by more than 1%; and
- any Matrix Holdings Director publicly withdraws or changes in any way his or her recommendation of the Offer or makes any public statement which is inconsistent with that recommendation, including in circumstances in which the Fiduciary Exception applies.

The Merger Implementation Deed will terminate automatically when the Exclusivity Period ends.

(d) Conduct of business

Matrix Holdings has agreed to a conduct of business regime that will apply until the end of the Exclusivity Period. Under that regime, Matrix Holdings must procure that the business of Matrix Holdings is conducted in the usual and ordinary course and that no member of Matrix Holdings takes certain prescribed action, including paying any dividends or making any other distributions of profits to the extent that this would cause the NTA of the Matrix Company Group to be reduced below \$250,000.

5.3. Warranty Deed

Entry into the Warranty Deed between ClearView, O&B and each of the Matrix Holdings Shareholders (by their attorney Pieter Franzen) is a condition of ClearView's Offer. The Warranty Deed contains a number of representations and warranties (**each a Warranty**) given by the Matrix Holdings Shareholders relating to various matters in respect of Matrix Holdings, including the information provided during ClearView's due diligence, the business, assets and interests of Matrix Holdings, the financial position of Matrix Holdings and other matters relevant to ClearView's assessment of Matrix Holdings (including the accuracy of the due diligence information made available by Matrix Holdings).

Under the terms of the Warranty Deed, on or before the Settlement Date ClearView must effect and maintain a warranty and indemnity insurance policy with a reputable insurer of good standing (**Warranty Insurance**). If ClearView fails to effect or maintain the Warranty Insurance, the Warranties will be absolutely null and void. The Warranty Insurance must include certain terms, including that the insurer waives its rights of subrogation and contribution against the Matrix Holdings Shareholders, and that any assignment of rights by ClearView to the insurer includes a provision that the insurer is not entitled to exercise the assigned rights against the Matrix Holdings Shareholders.

The Warranty Deed includes customary limitations on ClearView's ability to make claims for breach of Warranty, as well as specified minimum and maximum liability thresholds in respect of such claims.

The Warranty Deed also contains certain indemnities (**Indemnities**) from O&B in favour of ClearView against any liabilities ClearView may suffer in relation to the previous conduct of the Matrix business.

O&B indemnifies ClearView from and against any liabilities it may suffer or incur, howsoever and whenever arising, as a result of any matter relating to, or in any way connected with:

- (a) Matrix Holdings not having Net Tangible Assets of at least \$0.25 million at the Settlement Date;
- (b) the planned integration strategy for Matrix Holdings and ClearView (as disclosed to Matrix Holdings before the date of the Warranty Deed) resulting in redundancy costs in respect of Matrix Holdings employees exceeding \$500,000 during the

period commencing on the date of this deed and ending on the first anniversary of the Settlement Date; or

- (c) any claim against any Matrix Holdings Group Company relating to the conduct of Hunter Financial Planning Pty Ltd (ACN 106 395 751), Chris Moylan or any authorised representatives associated with Hunter Financial Planning Pty Ltd.

ClearView may only make any claim, demand, legal proceeding or cause of action that may lead to liability on the part of O&B under a claim in relation to the value of Net Tangible Assets pursuant to the indemnity under the Warranty Deed if:

- (a) ClearView gives O&B full details including details of the fact, circumstance or matter which could result in the claim and ClearView's calculation of the loss suffered and any further related information of which ClearView becomes aware within 90 days of the Settlement Date; and
- (b) ClearView has not made a claim against Matrix Holdings in respect of the calculation or value of Net Tangible Assets under the Merger Implementation Deed.

The maximum aggregate liability that ClearView may recover from O&B in respect of the Indemnities is the consideration actually received by Matrix Holdings Shareholders under the Merger Implementation Deed.

O&B is not part of the Matrix Company Group but is owned by the same shareholders as Matrix Holdings.

5.4. Put Option Deed

Entry into the Put Option Deed between ClearView and O&B is also condition of the Offer. Pursuant to the Put Option Deed ClearView may require O&B to purchase for \$1.00 exercise price all of the Shares in Matrix Holdings that were acquired as a result of acceptances of the Offer from ClearView on, or during the 6 months after, the Settlement Date. If the option is exercised, ClearView is contractually obliged to sell and O&B is contractually obliged to buy, all of the Shares in Matrix Holdings. If the Put Option is not exercised on or during the 6 months after the Settlement Date, the option lapses.

Under the Put Option Deed, ClearView agrees to indemnify O&B for any tax liabilities incurred by Matrix Holdings during the period in which Matrix Holdings is owned by ClearView, to the extent that such liabilities arise as a result of actions taken or omissions made by ClearView or Matrix Holdings during such period.

The Put Option has been granted to ClearView to allow ClearView to return the corporate shell of Matrix Holdings whilst retaining the operating business of the Matrix Company Group.

5.5. Subscription Deed

Entry into the Subscription Deed between ClearView and O&B is also a condition to the Offer. Under the Subscription Deed, O&B must subscribe for 308,642 ordinary shares in ClearView at a price of \$0.81 per share, to an aggregate value of \$250,000 (Subscription Shares), subject to the terms of the Subscription Deed. The Subscription Shares must be issued as fully paid and will rank equally in all respects with the other ordinary shares on issue as at completion of the issue of the Subscription Shares. O&B must pay for the Subscription Shares in immediately available funds.

Under the terms of the Subscription Deed, the Subscription Shares must be held on trust by O&B for certain Matrix Representatives who are not Matrix Holdings Shareholders) (**Non-**

Shareholder Advisers) and must be dealt with strictly in accordance with the Performance Conditions (further details in relation to which are set out in Section 5.7). On satisfaction, or deemed satisfaction, of the Performance Conditions, the Subscription Shares will vest to the Non-Shareholder Advisers. The consequences of the Performance Conditions failing to be satisfied, or deemed satisfied, are set out in Section 5.7.

The obligations of the parties under the Subscription Deed are conditional on, and do not become binding until, completion occurs in relation to the Offer.

5.6. Pre-Bid Acceptance Deed

The Pre-bid Acceptance Deeds were entered into between ClearView and certain Matrix Holdings Shareholders on 29 August 2014 holding in aggregate approximately 17.5% Shares (the **Pre-bid Acceptance Shareholders**) whereby each Pre-bid Acceptance Shareholder agreed, on receipt of written notice from ClearView, to accept (or procure the acceptance of) offers under the Offer for all their Matrix Holdings Shares. Under the terms of the Pre-bid Acceptance Deed, ClearView may require each Pre-bid Acceptance Shareholder to accept its takeover bid:

- (a) if the Offer is made within one month of the date of the Pre-bid Acceptance Deed;
- (b) once and in respect of all of the Pre-bid Acceptance Shareholder's Matrix Holdings Shares; and
- (c) only if the Pre-bid Acceptance Shareholder has not already accepted ClearView's takeover bid in respect of their Matrix Holdings Shares.

In addition, each Pre-bid Acceptance Shareholder agreed, so long as the Pre-bid Acceptance Deed is in force, not to dispose of, agree or offer to dispose of or encumber their Matrix Holdings Shares (or any interest in them), except pursuant to the Offer.

5.7. Summary of Performance Conditions

The Consideration Shares will be held on trust by the Trustee will not vest unless, or the number of Consideration Shares vesting may be reduced, if the Performance Conditions are not met. The Performance Conditions are that:

- (a) at least 75% of Matrix Representatives at the date of this Offer remain Matrix Representatives for 3 years after completion of the Transaction;
- (b) at least 90% of Matrix Representatives adopt Common Processes (as set out in Section 8.8 of the Bidder's Statement); and
- (c) the GAR Targets (as set out in Section 5.9) are achieved in respect of the Matrix Representatives.

Legal title to the Consideration Shares will be held by the Trustee on trust for Matrix Holdings Shareholders who accept the Offer and are issued Consideration Shares. Legal title to the Consideration Shares will be transferred from the Trustee to the Matrix Holdings Shareholders upon satisfaction or deemed satisfaction of the Performance Conditions. The Trustee will deal with the Consideration Shares as directed by ClearView if the Performance Conditions are not met or deemed to be met and the entitlement of Matrix Holdings Shareholders who accept the Offer is forfeited or reduced.

If the performance conditions at (a) and (b) above are not met or deemed to be met, none of the Consideration Shares will vest. If the GAR Targets are not met or deemed to be met, the number of Consideration Shares vesting will be reduced as set out in Section 5.9.

The Performance Conditions will be deemed to be satisfied if:

- (i) a Specified Change of Control takes place; or
- (ii) GAR for the 12 month period immediately prior to the date of the Specified Change of Control is:
 - (A) in respect of any Specified Change of Control that occurs before 1 September 2015 – more than \$3,300,000; or
 - (B) in respect of any Specified Change of Control that occurs on or after 1 September 2015 - more than \$4,000,000.

ClearView may also waive any of the Performance Conditions at any time at its absolute discretion.

If the ClearView Shares held by the Trustee on behalf of Target Shareholders who accept the Offer are compulsorily acquired by a third party bidder for ClearView, the proceeds of that acquisition will be provided to those Matrix Holdings Shareholders.

5.8. Common Processes

The Common Processes are:

- (a) utilisation of the Bidder Dealergroup Platform (XPlan and CommPay, currently branded as Clearview CornerStone Web Technology); and
- (b) common advice processes, as detailed in Appendix B of the Bidder's Statement, including but not limited to the dealer group approved Statement of Advice (SOA) templates and rules.

If the adoption of the Common Processes is not sufficient, none of the Consideration Shares will vest and all of the Consideration Shares will be forfeited. Adoption will be deemed insufficient if:

- (a) less than 90% of Matrix Representatives are on the Bidder Dealergroup Platform by 31 December 2015; and
- (b) less than 90% of Matrix Representatives are using Common Processes by 31 December 2015.

5.9. GAR Targets

The GAR Targets are:

- \$3,300,000 for the 12 months ending on the first anniversary of completion of the Transaction (the **Year One GAR Target**); and
- \$5,000,000 for the 12 months ending on the third anniversary of completion of the Transaction (the **Year Three GAR Target**),

such amounts to be indexed in accordance with AWOTE.

If the Year One GAR Target is not met, 33% of the Consideration Shares will be forfeited. If the Year Three GAR Target is not met, the balance of the Consideration Shares (i.e. the initial Consideration Shares less any Consideration Shares forfeited if the Year One GAR Target is not met) will be reduced as follows:

- if the GAR is \$4,000,000 or less, 100% of the balance of the Consideration Shares will be forfeited;
- if the GAR is \$5,000,000 or more, all of the Consideration Shares will vest; and

- if GAR is between \$4,000,000 and \$5,000,000, a pro-rata amount on the balance of the Consideration Shares will vest. For example, if the GAR is \$4,500,000, 50% of the balance of the Consideration Shares will vest,

where the above threshold amounts are subject to indexation at AWOTE to the applicable test date.

(a) Inclusions and exclusions

Subject to paragraphs (b) and (c) below, GAR means revenue of the Matrix Planning Solutions Limited net of the remuneration split paid to

Matrix Representatives including the revenues arising from;

- existing insurance and FUM rebates and volume allowances received in respect of the Matrix Representatives. It is acknowledged that if any rebate rates increase for the ClearView Group overall as a result of the merger of ClearView and Matrix Holdings, the new rebate rates will be applied for the purpose of calculating the GAR; and
- any new insurance rebate or FUM Dealer Service Fee arrangements implemented in respect of the Matrix Representatives.

GAR excludes any other revenue, including:

- Oasis and BT platform fees generated from the existing administration (product) fees, the rights to which at the date of this Bidder Statement, are held by MPS Capital Solutions Pty Limited;
- any revenues or net gains in respect of arrangements with Matrix Investments Pty Limited;
- any administration fees or expense recharges to any other members of the Matrix Company Group;
- interest income; and
- sponsorship fees, gifts, professional indemnity insurance recharges, XPlan or any similar cost recoveries.

(b) Sources

GAR will include revenue derived only from:

- Matrix Representatives as at completion of the Transaction; and
- such additional potential Matrix Representatives nominated by Matrix Holdings at completion of the Transaction who are expected to be appointed Matrix Representatives in the 12 months after completion of the Transaction (**New Matrix Representatives**), provided that the proportion of GAR attributable to New Matrix Representatives is capped at 10% of the GAR Targets.

(c) ClearView commitment

In order to assist Matrix Holdings in meeting the GAR Targets, ClearView will:

- provide a 5% of revenue premium insurance rebate to Matrix Holdings in respect of commissionable life insurance business placed with ClearView by the Matrix Representatives. This rebate arrangement is:

- payable to Matrix Planning Solutions Limited only (there is to be no pass through to Matrix Representatives and/or Matrix Advisers); and
- subject to normal rebate conditions, including sound lapse rates; and
- provide a 0.1% per annum dealer service fee on ClearView's FUM (i.e. on funds under administration on ClearView Platforms), in respect of Matrix Representative client accounts. Such service fee shall be payable to Matrix Planning Solutions Limited only (i.e. there shall be no pass through to Matrix Representatives and/or Matrix Advisers).

If for any reason during the three years following completion of the Transaction, ClearView is unable to, or does not, provide some or all of the above rebates or dealer service fees and such non-payment results in the actual GAR at the relevant time being less than it would otherwise have been, the GAR Targets and threshold amounts will be reduced accordingly so that the same number of Consideration Shares are earned as if such rebates or dealers service fees had been paid.

(d) Matrix Representative Remuneration split arrangements

The current Matrix Representative fee split arrangements must remain in place for three years following completion of the Transaction unless GAR exceeds \$5,500,000 (indexed in accordance with AWOTE) in the first three years after completion of the Transaction or as otherwise agreed by ClearView. It is acknowledged that the total annual remuneration split per Matrix Representative is limited to \$110,000 plus \$10,000 for each Matrix Adviser (i.e. \$110,000 plus \$10,000 for each Matrix Adviser).

(e) Miscellaneous

ClearView agrees that the APL will remain open for insurance and asset managers. Professional indemnity, XPlan and software costs to be charged to Matrix Representatives will be based on ClearView's basis it applies to similar ClearView corporate Authorised Representatives from time to time, but will not in any event exceed current aggregate costs for these items incurred by Matrix Representatives plus indexation at AWOTE.

5.10. Rights and Liabilities attaching to ClearView Shares

The Consideration Shares will be held by the Trustee subject to satisfaction of the Performance Conditions.

Refer to Section 8.10 of the Bidders Statement for a summary of the rights attaching to ClearView Shares.

Shareholders should note that unless and until the Performance Conditions are satisfied, holders of the Consideration Shares will not have legal title to the ClearView Shares and will not be able to exercise any voting rights.

5.11. Other material information

This Target Statement is required to include all the information that Matrix Holdings Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any Director of Matrix Holdings.

The Directors of Matrix Holdings are of the opinion that the information that Matrix Holdings Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept ClearView's Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) the information contained in documents lodged by Matrix Holdings with ASIC, before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

The Matrix Holdings Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidders' Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors of Matrix Holdings do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors of Matrix Holdings have had regard to:

- (a) the nature of the Matrix Holdings Shares;
- (b) the matters that shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers; and
- (d) the time available to Matrix Holdings to prepare this Target's Statement.

5.12. Consents

K&L Gates has given and has not withdrawn its consent to be named in this Target's Statement as legal advisers to Matrix Holdings for preparing this Target's Statement. K&L Gates does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by K&L Gates. To the maximum extent permitted by law, K&L Gates expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.

Mackenzie Thomas Lawyers has given and has not withdrawn its consent to be named in this Target's Statement as legal advisers to Matrix Holdings for preparing this Target's Statement. Mackenzie Thomas Lawyers does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by Mackenzie Thomas Lawyers. To the maximum extent permitted by law, Mackenzie Thomas Lawyers expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.

Pacific Custodians Pty Limited ABN 66 009 682 866 (**Trustee**) has given and has not withdrawn its consent to be named in this Statement as the Trustee. The Trustee does not make, nor purport to make, any statement included in this Target's Statement. No statement in this Target's Statement is based on any statement by the Trustee. To the maximum extent permitted by law, the Trustee expressly disclaims and takes no responsibility for any part of this Target's Statement other than the references to its name.

6. Glossary

6.1. Defined Terms

A\$, AUD or Australian dollars means Australian dollars, the currency of the Commonwealth of Australia.

Acceptance Form means the acceptance form enclosed with the Bidder's Statement and which includes that as a condition of acceptance a Matrix Holdings Shareholder appoints Pieter Franzen as its attorney to execute the Warranty Deed on behalf of the shareholder.

ASIC means the Australian Securities & Investments Commission.

Associates has the same meaning as in the Corporations Act.

ASX means ASX Limited or the financial market which it operates as the context requires.

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

Authorised Representative has the meaning given to that term in the Corporations Act.

AWOTE means the Average Weekly Ordinary Time Earnings Index.

Bid Period the period that starts when the Bidder's Statement was given to Matrix Holdings and ends at the end of the Offer Period.

Bidder's Statement means the Bidder's Statement dated 3 September 2014 lodged with ASIC by ClearView on that date.

Board means the board of Directors of Matrix Holdings.

Business Day means a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.

CGT means capital gains tax.

ClearView or Bidder means ClearView Wealth Ltd ABN 83 106 248 248.

ClearView Board means the board of directors of ClearView.

ClearView Constitution means the constitution of ClearView, as summarised in Section 8.10 of the Bidder's Statement.

ClearView Dealer Group or ClearView Financial Advice means ClearView Financial Advice Pty Ltd ABN 89 133 593 012.

ClearView Group means ClearView and its subsidiaries.

ClearView Shareholder means a holder of one or more ClearView Shares.

ClearView Shares means fully paid ordinary shares in ClearView.

Common Processes means the common processes described in Section 8.8 of the Bidder's Statement.

Consideration Shares means ClearView Shares (held by the Trustee and subject to satisfaction of the Performance Conditions) included in the Offer Consideration.

Control has the meaning given to that term in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of Matrix Holdings and **Director** means one of them.

Fiduciary Exception has the meaning given in Section 5.2 of the Target's Statement.

FUM means funds under management.

GAR means gross annual revenue as described in Section 5.9 of the Target's Statement.

GAR Targets means the GAR targets in relation to the Performance Conditions, as set out in Section 5.9 of the Target's Statement.

Government Agency means any Australian or foreign government or governmental, semi-governmental fiscal, regulatory or judicial body, department, commission, entity or authority. It includes without limitation, a self-regulatory organisation established under the statute or a stock exchange, ASIC, APRA, ASX and the ATO.

Matrix Adviser means a natural person who is an Authorised Representative of Matrix Planning Solutions.

Matrix Company Group means Matrix Holdings and its subsidiaries.

Matrix Holdings means Matrix Holdings Limited ABN 65 168 564 378.

Matrix Holdings Board means the board of directors of Matrix Holdings.

Matrix Holdings Material Adverse Change an event, change, condition, matter or thing which would breach the condition in Section 9.8(d) of the Bidder's Statement.

Matrix Holdings Prescribed Occurrence an occurrence which would breach the condition in Section 9.8(c) of the Bidder's Statement.

Matrix Representative means an Authorised Representative of Matrix Planning Solutions which is the Principal under a Principals Agreement with Matrix Planning Solutions.

Matrix Holdings Shareholder means a holder of Matrix Holdings Shares as at the Register Date.

Matrix Holdings Shares means fully paid ordinary shares in Matrix Holdings.

Matrix Planning Investments Pty Ltd means Matrix Planning Investments Pty Ltd ACN 168 936 196

Matrix Planning Solutions or MPS means Matrix Planning Solutions Limited ACN 087 470 200, the Related Body Corporate of Matrix Holdings that holds an Australian Financial Services Licence.

Merged Company means ClearView after successful completion of the Offer and the acquisition by ClearView of all, or a majority of the shares in Matrix Holdings.

Merged Group means ClearView and its subsidiaries, after successful completion of the Offer and compulsory acquisition of 100% of the shares in Matrix Holdings.

Merger Implementation Deed means the agreement of that name between ClearView and Matrix Holdings dated 29 August 2014 (a copy of which was attached to the ClearView ASX announcement on 29 August 2014).

MPS Capital Solutions means MPS Capital Solutions Pty Ltd ACN 600 466 448.

NTA or Net Tangible Assets means net tangible assets of Matrix Holdings calculated in accordance with the terms of the Merger Implementation Deed.

O&B means O & B Ltd ACN 600 649 045.

Offer means the takeover bid contained in the Bidder's Statement and made by ClearView for all Matrix Holdings Shares.

Offer Close Date means 4 October 2014 (as maybe extended).

Offer Period means the period during which the Offer will remain open for acceptance in accordance with Section 9.3 of the Bidder's Statement.

Offer Consideration means \$4.407 cash and 8.776 ClearView Shares (held by the Trustee subject to satisfaction of the Performance Conditions) for every 1 Matrix Holdings Holdings Share held.

Performance Conditions means the performance conditions attaching to the ClearView Shares forming part of the Offer Consideration, as described in Section 5.7 of this Target's Statement and Section 8.7 of the Bidder's Statement.

Pre-Bid Acceptance Deed a deed between ClearView and a Major Shareholder described in Section 5.6.

Principals Agreement means an agreement between Matrix Planning Solutions Limited and Matrix Holdings Representative.

Put Option Deed means a deed to be entered into between O&B and ClearView, as described in Section 5.4 of the Target's Statement.

Register Date means the date set by Bidder ClearView under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on 3 September 2014.

Related Body Corporate has the same meaning as given by section 50 of the Corporations Act.

Relevant Condition has the meaning given in Section 3.8(b) of this Target's Statement.

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

Restructuring means the restructuring steps implemented by the Matrix Holdings Group during May-August 2014.

Rights means all accreditations, rights or benefits of whatever kind attaching or arising from Matrix Holdings Shares directly or indirectly at or after the date of the Merger Implementation Deed (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other Shares declared, paid or issued by Matrix Holdings or any of its subsidiaries.

Settlement Date means the earliest date on which ClearView pays the consideration in respect of a Takeover Contract resulting from the Takeover Bid.

Shareholder means a holder of Matrix Holdings Shares.

Specified Change of Control means a change of control in relation to Matrix Holdings whereby:

- (a) Control of ClearView is acquired by ANZ, Commonwealth Bank of Australia, Westpac Banking Corporation, National Australia Bank or AMP or any of their controlled entities or any dealer group or analogous grouping controlled by them (but excluding any passive fund management businesses of those entities);
- (b) a third party acquires Control of ClearView and after that change of Control the chief executive officer and the chief financial officer of ClearView is replaced by the new controller; or
- (c) following the change of Control, ClearView is delisted from the ASX.

Subscription Deed means a deed to be entered into between O&B and ClearView, as described in Section 5.5 of the Target's Statement.

Takeover Bid means ClearView's offer to acquire all of the issued capital of Matrix Holdings made under chapter 6 of the Corporations Act and on the terms and conditions of the Offer set out in the Bidder's Statement.

Takeover Contract has the meaning given in the Corporations Act and relates to the Takeover Bid between ClearView and the Matrix Holdings' Shareholders.

Target's Statement means this target's statement lodged by Matrix Holdings.

Transaction means the acquisition by ClearView of all the Matrix Holdings Shares under this Offer.

Trustee means Pacific Custodians Pty Limited ABN 66 009 682 866.

Variation of Principals Agreement Deed has the meaning given in Section 9.8(k) of the Bidder's Statement.

Warranty has the meaning given in Section 8.3 of the Bidder's Statement.

Warranty Deed means a deed to be entered into between ClearView, the Matrix Holdings Shareholders who accept the Offer (by their attorney Pieter Franzen) and O&B, as described in Section 5.3 of the Target's Statement.

Year One GAR Target has the meaning given in Section 8.8 of the Bidder's Statement.

Year Three GAR Target has the meaning given in Section 8.8 of the Bidder's Statement.

Your Matrix Holdings Shares means subject to Sections 9.1(d) and 9.1(e) of the Bidder's Statement, the Matrix Holdings Shares:

- (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Matrix Holdings at the Register Date; or
- (b) to which you are able to give good title at the time you accept the Offer during the Offer Period.

6.2. Interpretation

- (a) Unless specified otherwise, or otherwise required by the context, all words and phrases in this Target's Statement shall have the meanings given to them in the Corporations Act.
- (b) Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise:
 - (i) the singular includes the plural and conversely;
 - (i) a gender includes all genders;
 - (ii) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
 - (iii) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely; and
 - (iv) a reference to legislation or to a provision of legislation includes a modification or re-engagement of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

DATE AND APPROVAL OF THIS STATEMENT

This Target's Statement is dated 3 September 2014, which is the date it was lodged with ASIC. This Target's Statement was approved by a unanimous resolution of the Directors of Matrix Holdings.

Signed for and on behalf of Matrix Holdings

A handwritten signature in black ink, appearing to read 'Pieter Franzen', written over a circular stamp or mark.

Pieter Franzen
Chairman

3 September 2014

Appendix A – ClearView's Analyst Presentation lodged with ASX on 29 August 2014



only

**ClearView Wealth Limited
Proposed Merger with Matrix Holdings Limited**

29 August 2014

**Simon Swanson – Managing Director
Athol Chiert – Chief Financial Officer**

Disclaimer



IMPORTANT NOTICE AND DISCLAIMER

Summary information

This investor presentation (**Presentation**) contains summary information about ClearView Wealth Limited (ACN 106 248 248) and its subsidiaries (**ClearView**) and its activities as at the date of this Presentation.

Offer

This presentation contains information about the Offer and the potential impact of the Offer's success. The Offer is inherently uncertain and may or may not be successful. No representations, warranty or assurance (express or implied) is given that the Offer will be successfully implemented or that, given that uncertainty, any of the assumed effects upon ClearView based around any assumed success of the Offer will actually occur.

Future performance

This presentation contains certain forward looking statements. The forward looking statements contained in this presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of ClearView, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Except as required by law, ClearView assumes no obligation to update or revise such information to reflect any change in expectations, beliefs, hopes, intentions or strategies. No representations, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this presentation will actually occur.

Not investment advice

The information contained in this Presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used as the basis for making an investment decision.

Disclaimer

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The information in this presentation is subject to change without notice.

CVW and Matrix Enter into a Merger Implementation Deed



- ClearView and Matrix have entered into a Merger Implementation Deed (MID) under which ClearView has agreed to offer to acquire all of the shares in Matrix's planning business subject to certain conditions.
- Matrix shareholders will be offered \$4.407 in cash and 8.776 ClearView shares (subject to performance conditions) per Matrix share. This equates to a total offer amount of \$7.75 million in cash plus 15.4 million ClearView shares (subject to performance conditions) valued at 81 cents per share (based on ClearView's 90 day VWAP to 27 August 2014).
- The proposed merger is an excellent cultural fit and complementary transaction which significantly enhances the position of the combined group.
- The combined group will have Funds Under Management and Advice of \$6.9 billion, \$148 million of premiums under advice and over 200 high quality financial planners.
- Matrix's Board unanimously recommends that its shareholders accept the offer (in the absence of a superior proposal) and Matrix's Directors intend to accept the offer in respect of their own shares.
- If the offer is successful, ClearView intends to maintain the current Matrix brand.
- Full details of the terms of the offer will be set out in the Bidder's Statement and Target's Statement expected to be sent to Matrix shareholders on 3 September.

A

Background and Details of Transaction

B

Post Transaction and Market Positioning

C

Strategic Rationale

D

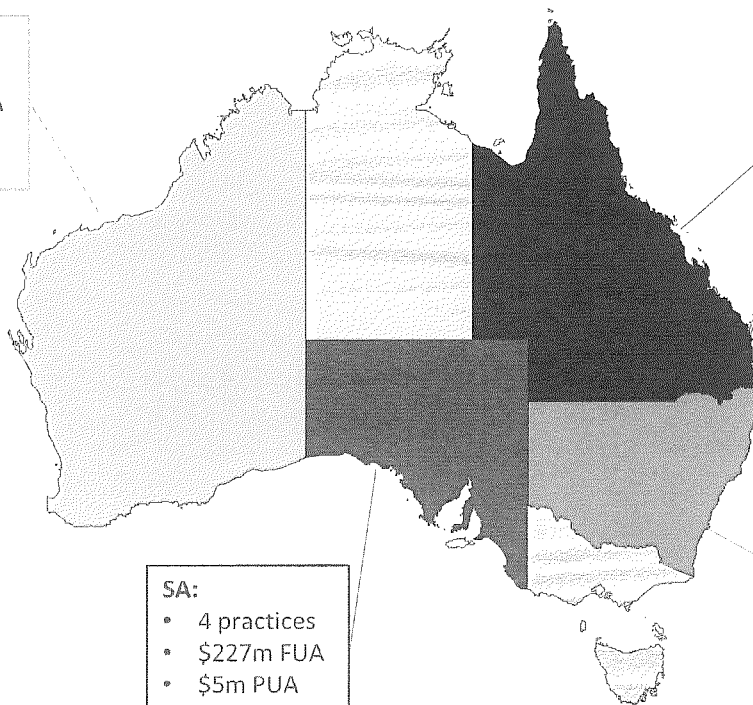
Timetable

Matrix is a leading network of independent financial advisers



WA:

- 6 practices
- \$390m FUA
- \$7m PUA



QLD:

- 7 practices
- \$294m FUA
- \$5m PUA

NSW:

- 24 practices
- \$1.72b FUA
- \$35m PUA

ACT:

- 2 practices
- \$139m FUA
- \$2m PUA

SA:

- 4 practices
- \$227m FUA
- \$5m PUA

Overview

- Matrix is a leading network of independent financial advisers primarily located on the East Coast. Matrix was formed in 1999 with 20 ARs.
- Today, Matrix consists of 43 practices with 85 advisers; materially expands the distribution footprint of ClearView.
- Matrix has a strong independent brand in advice market.
- Matrix advisers have circa \$32m of FUA per adviser/ \$64m per practice, and \$0.6m of PUA per adviser / \$1.3m per practice.
- Sound compliance practices and focus on “quality over quantity” of advisers.
- FY14, the relevant entities that will be acquired generated revenues of circa \$3m and breakeven at a NPAT level.
- Net assets of \$0.25m on completion; no debt in Matrix.
- 16 staff are employed by Matrix in its head office.

Details of the transaction



Transaction	<ul style="list-style-type: none"> Entered into the Merger Implementation Deed with Matrix Holdings under which ClearView agrees to make the Offer Offer period will remain open until 4 October 2014, subject to Offer conditions outlined below
Consideration	<ul style="list-style-type: none"> \$7.75m initial cash payment to Matrix shareholders on completion of the Offer (\$4.41 per Matrix share); and \$12.5m in ClearView shares issued at 90 day VWAP 2 days prior to the date of the announcement of the Offer. The scrip component is equivalent to 8.776 ClearView shares per Matrix share (circa \$0.81 per ClearView share) and is subject to performance conditions over a 3 year period, outlined below
Target Board Recommendation	<ul style="list-style-type: none"> Matrix Board unanimously recommends that its shareholders accept the Offer subject only to the qualification that there is no superior proposal ClearView has a matching right to amend its offer if Matrix receives a competing proposal
Performance Conditions attaching to the scrip consideration	<ul style="list-style-type: none"> At least 75% of Matrix practices remain with ClearView for 3 years after completion of the Offer At least 90% of Matrix advisers contractually agree to adopt common processes across the Matrix and ClearView dealer groups (best practice approach) by year 3 after completion of the Offer Revenue of \$5m in Matrix dealer group by year 3 after completion of the Offer (revenue target is inflation adjusted) subject to Year 1 Revenue target not being less than \$3.3m Subject to satisfying the other performance conditions, scaled vesting of the scrip component of the Offer consideration if revenue of between \$4m and \$5m is achieved by Year 3 after completion
Offer Conditions	<ul style="list-style-type: none"> Minimum acceptance condition of 90% No material adverse change of the business of Matrix during the Offer period Matrix has minimum net tangible assets of \$0.25m as at the Offer date No prescribed occurrences or regulatory actions (customary for a transaction of this nature) No other breach of Merger Implementation Deed
Other terms	<ul style="list-style-type: none"> Break fee payable in circumstances considered standard in a transaction of this nature "No talk" (subject to customary fiduciary outs) and "No Shop" provisions Several Matrix shareholders that are not Directors have entered into pre-bid acceptance deeds with ClearView committing to accept the Offer in respect of 17.5% of the issued share capital of Matrix

Agenda



A Background and Details of Transaction

B **Post Transaction and Market Positioning**

C Strategic Rationale

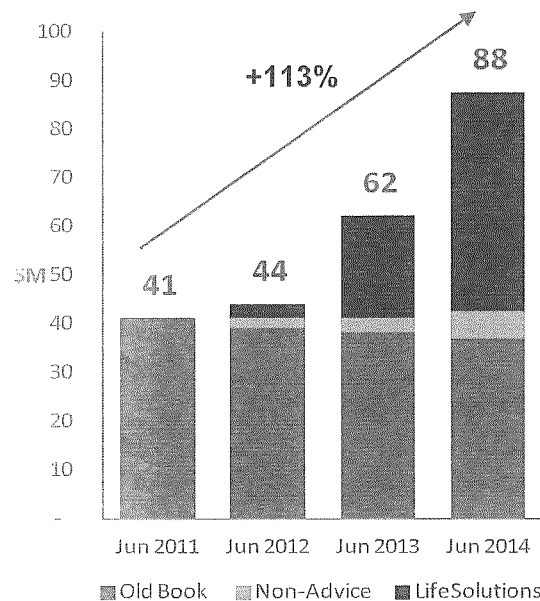
D Timetable

Key Performance Metrics: ClearView Organic Growth FY14



Life Insurance

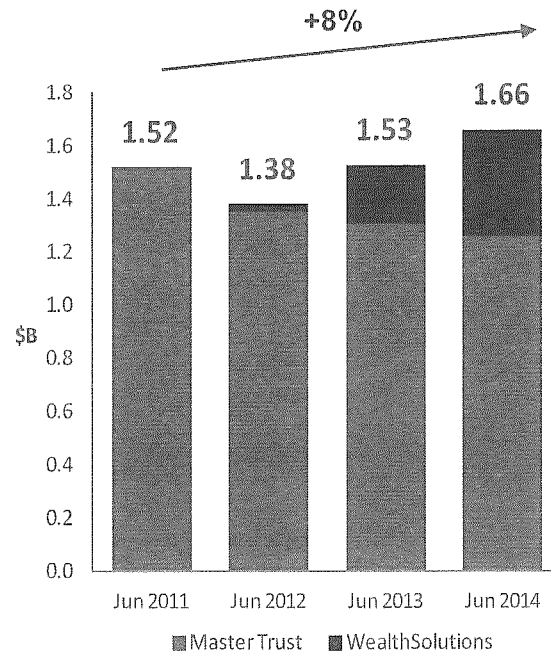
In-force Premium



- ClearView has reflected strong growth in life insurance premium (+113%).

Wealth Management

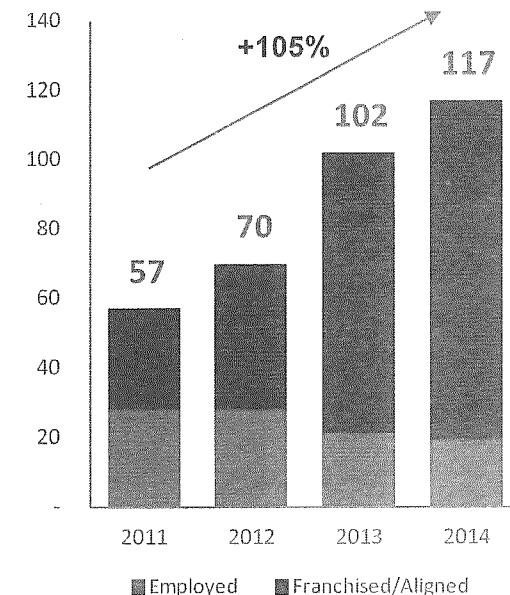
Funds Under Management



- FUM has increased by 8% driven by the performance of investment markets and the launch of WealthSolutions.
- New wealth mid-market super product to be launched in 1H FY15

Financial Advice

Financial Advisers



- Number of financial advisers increased to 117 (+15%)
- Focus on further recruitment of aligned advisers
- The merger with Matrix will materially expand the dealer group distribution footprint

Accelerates growth opportunity

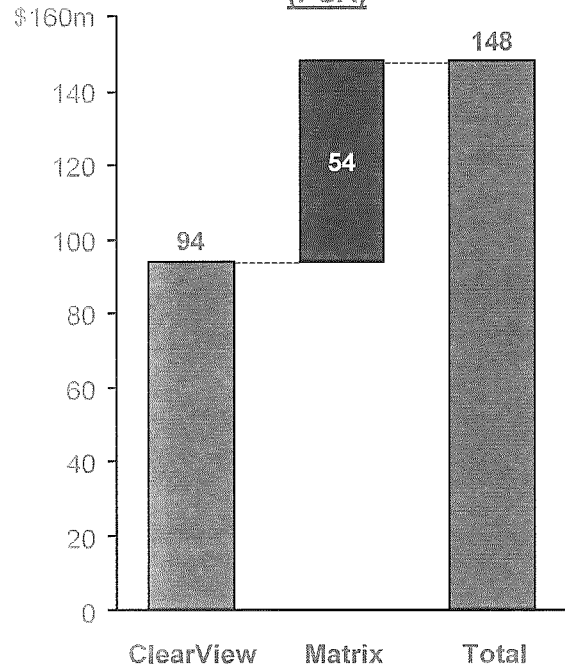


Life Insurance

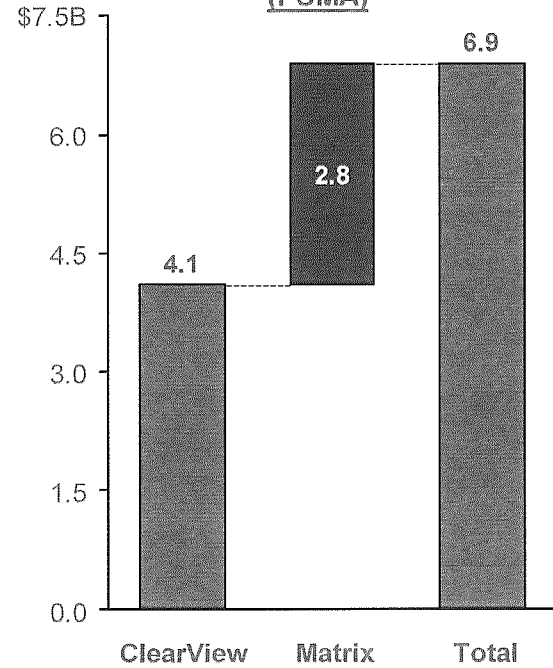
Wealth Management

Financial Advice

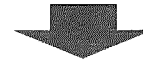
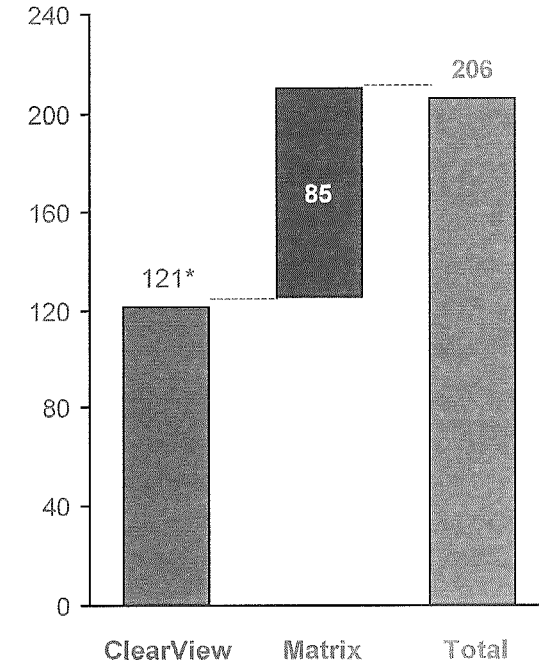
Premiums Under Advice (PUA)



Funds Under Management and Advice (FUMA)

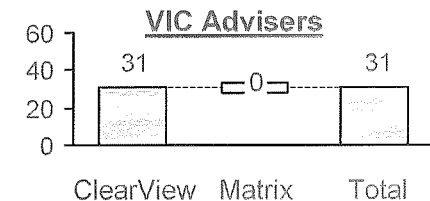
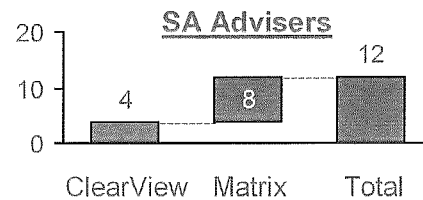
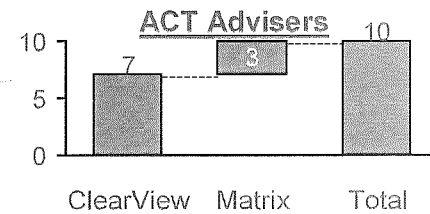
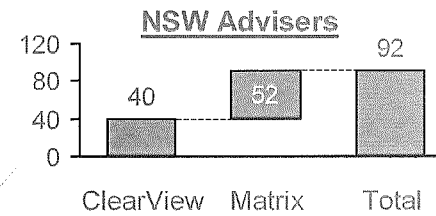
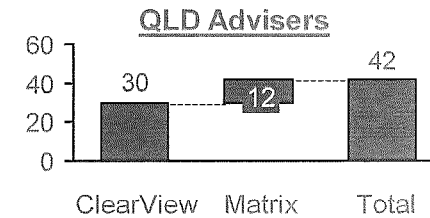
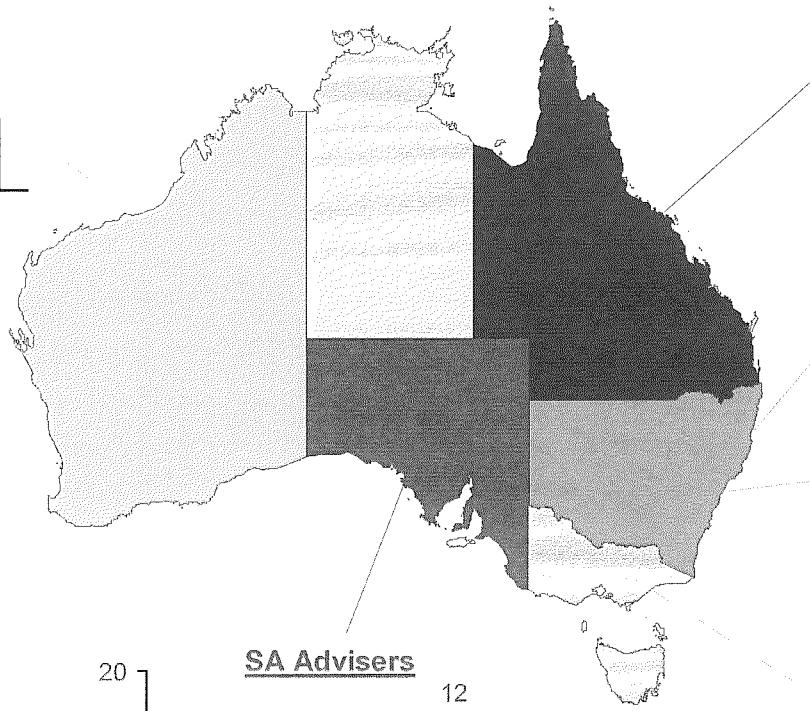
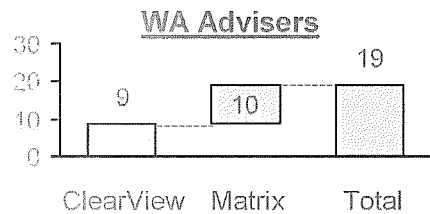


Financial Advisers



- The merger with Matrix materially expands the distribution footprint of ClearView and thereby is likely to accelerate the growth opportunity;
- Increases the number of financial advisers by 70%, funds under advice by 68% and premiums under advice by 57%; and
- Potential to accelerate the speed with which ClearView achieves scale, thereby eliminating the expense overruns faster.

Geographic impact of acquisition



- ClearView operates predominantly an aligned adviser model with the number of advisers increasing to 121 at 31 July 2014; driven off the back of the organic growth recruitment strategy; focus on quality not quantity.
- The merger with Matrix materially expands ClearView's distribution footprint; strong presence on the Eastern seaboard, whilst increasing our presence in Western and South Australia.

Agenda



- A** Overview and Strategy
- B** Post Transaction and Market Positioning
- C** Strategic Rationale
- D** Timetable

Strategic Rationale: Key investment themes



<p>1</p> <p>Strong Brand</p>	<p>✓</p> <ul style="list-style-type: none"> • Matrix has a very strong brand in the independent advice market • ClearView advisers to adopt Matrix brand leading to improved recognition of adviser independence • Ability to attract and recruit financial advisers by leveraging off non bank aligned model and brand
<p>2</p> <p>Cultural Alignment</p>	<p>✓</p> <ul style="list-style-type: none"> • Cultural alignment with ClearView financial advisers; high quality independently minded advisers • Advisers of Matrix are well known to ClearView and are culturally aligned with the values and processes • Not “all things to all people”; focus is on quality over quantity
<p>3</p> <p>Enhanced Distribution scale</p>	<p>✓</p> <ul style="list-style-type: none"> • Key performance metrics showing significant scale increases: 57% growth in in-force Premium Under Advice 68% growth in Funds Under Advice & Management and an adviser base that increases by 70%
<p>4</p> <p>Skin in the game</p>	<p>✓</p> <ul style="list-style-type: none"> • Matrix is 78% owned by advisers; post transaction performance based shares means significant component of purchase price aligned to ClearView outcomes
<p>5</p> <p>Financially Attractive</p>	<p>✓</p> <ul style="list-style-type: none"> • UNPAT sub \$1m adverse impact in FY15 driven by investment to further service expanded distribution footprint; \$2.5m integration/deal costs in FY15 to be reported below the line as a cost considered unusual • Limited cost synergies through integration • UNPAT accretive by FY16 with further improvements in profitability as revenue target is progressively achieved; expanded distribution footprint also has ability to deliver significant revenue synergies given ClearView’s market proven products • \$25.5m surplus capital at 30 June to fund cash component of acquisition; reduces to \$15.5m (after costs) with \$62m now available to fund future growth
<p>6</p> <p>Assist in achieving operating leverage</p>	<p>✓</p> <ul style="list-style-type: none"> • Implementing a high growth strategy has required investment in a cost structure prior to the realisation of revenue benefits • Cost overruns should decrease as the business grows, providing it with material operating leverage and thereby increase the underlying profit margins through the in-force portfolios • Acquisition anticipated to accelerate achieving scale

Agenda



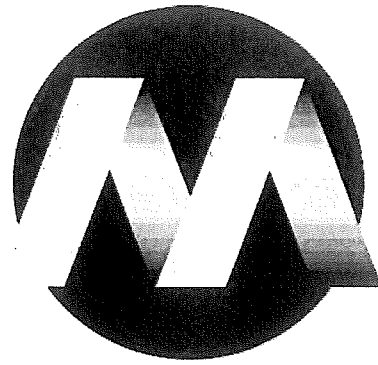
- A** Overview and Strategy
- B** Post Transaction and Market Positioning
- C** Strategic Rationale
- D** Timetable

Timetable



Date	Event
29 August 2014	<ul style="list-style-type: none">• Execution of Merger Implementation Deed and announcement of transaction
3 September 2014	<ul style="list-style-type: none">• Target's Statement and Bidder's Statement lodged with ASIC and sent to Matrix shareholders
4 October 2014	<ul style="list-style-type: none">• Offer Close Date

Appendix B – Matrix Holdings' Audited Consolidated Financial Statements for the year ended 30 June 2014



MATRIX

Matrix Holdings Ltd. and controlled entities
ABN 65 168 564 378

Consolidated Financial Statements

For the Year Ended 30 June 2014



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For the Year Ended 30 June 2014

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Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

Your directors present their report on the Company and its controlled entities (the Group) for the financial year ended 30 June 2014.

1. General information

a Directors

The names of the directors in office at any time during, or since the end of the year are:

Names

Pieter Franzen	Appointed 17 March 2014
Troy Collins	Appointed 17 March 2014
Brendan Minehan	Appointed 17 March 2014
Robert Pedersen	Appointed 17 March 2014
Jeff Shakespeare	Appointed 17 March 2014
Barry Vandenberg	Appointed 17 March 2014
Peter Buzza	Appointed 17 March 2014

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

b Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr John Morris - holds a Diploma of Financial Planning (Deakin), is a Senior Associate of the Australian Insurance Institute and Affiliate Member of the Financial Planning Association. John has worked with Matrix Planning Solutions for the last 11 years, performing risk management, group compliance and company secretarial roles. He was appointed company secretary on 17 March 2014.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

1. General information continued

c Principal Activities

The principal activities of the Group during the financial year were:

- Australian Financial Services Licensee (Lic #: 238256)
- Australian Credit Licensee (Lic#: 238256)
- Life Insurance Broker
- Distributor of Co-branded Products
 - The Matrix Superannuation Master Trust
 - The Matrix Portfolio Service
 - The Matrix Employer Superannuation Fund
 - The Matrix Personal Superannuation Plan
 - MX SuperWrap
 - MX Investment Wrap
 - MX HUB24 (IDPS)
 - MX HUB24 Super
 - Investment consultant for:
 - MX Passport Model Portfolios
 - Partnership Managed Funds
- Owner of Adviser IT Ltd (formerly Prospera Pty Limited) to 27 June 2014 - Supplier of software to financial planners
- Financier for practice development

There have been no significant changes in the nature of the Group's principal activities during the financial year.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

2. Business review

a Dividends Paid or Recommended

Dividends paid or declared for payment by Matrix Planning Solutions Limited are as follows:

Final ordinary dividend of 15 cents per share paid on 18 September 2013	\$ 263,775
Interim ordinary dividend of 25 cents per share paid on 17 February 2014	\$ 439,625
Demerger dividend of \$1.162 per share paid on 27 June 2014	\$ 2,043,724

b Operating Results

The consolidated profit of the Group, after providing for income tax is \$ 843,666 (2013: \$363,360).

c Review of operations

A review of the operations of the Group during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

3. Director Information

a Information on Directors

Pieter Franzen	Chairman
Qualifications and Memberships	Bachelor of Economics, Sydney University, 1970 Fellow of the Securities Institute of Australia, 1982 Associate of the Insurance Institute of Australia, 1979 Member of the Institute of Company Directors
Experience	Pieter has worked in the financial services industry since 1970. He held a number of senior funds management positions at Prudential Assurance before becoming Director - Investment Management at Schroders Australia. In 1988, Pieter returned to Prudential to become Executive Director of Operations. In 1993 he became the Managing Director and CEO of MMI Australia, which subsequently became Allianz Australia. Pieter has also been NSW President of the Securities Institute of Australia and National Chairman of the Institute Education Board.
Special Responsibilities	Pieter Franzen provides leadership in the areas of corporate governance and business strategy.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

3. Director Information continued

Troy Collins	Director
Qualifications and Memberships	Associate Diploma of Business Management Advanced Diploma of Financial Services (Financial Planning) Kaplan SMSF accredited Member of the Financial Planning Association of Australia Life and Qualifying Top of the Table Member of the Million Dollar Round Table (MDRT) Member of AFA
Experience	Troy was appointed as a Director of Matrix Planning Solutions Limited in 2006 after serving as an alternate director over the previous year. Troy has over 20 years experience as a Financial Planner. After joining his father Brian in 1994, Troy is now a second generation principal of the Collins Financial Group.
Brendan Minehan	Director
Qualifications and Memberships	Advanced Diploma of Financial Services (Financial Planning) Diploma of Financial Services (Finance/Mortgage Broking Management) Member of the Financial Planning Association of Australia Association of Financial Advisers LUATC I & II Association of Financial Advisers Disability Insurance Qualifying Member of the Million Dollar Round Table Top of the Table Member of the MFAA
Experience	Brendan is a founding Director and shareholder in Matrix. As the Principal of National Financial Services Pty Limited, Brendan has over 28 years experience in the financial services industry and operates an established business in Canberra.
Robert Pedersen	Director
Qualifications and Memberships	Certified Financial Planner Diploma of Financial Planning Diploma of Australian Insurance Institute Australian Lifewriters Association LUATC I & II Australian Lifewriters Disability Insurance Member of the Financial Planning Association of Australia Life and Qualifying Member of the Million Dollar Round Table Top of the Table
Experience	Rob has over 33 years experience in the financial services industry and is Principal of Matrix Norwest Financial Planners. Rob is a founding member of Matrix Planning Solutions Limited.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

3. Director Information continued

Jeff Shakespeare	Director
Qualifications and Memberships	Advanced Diploma of Financial Services (Financial Planning) Member of Financial Planning Association Justice of the Peace Member of the Association of Financial Advisers Australian Lifewriters Association LUATC I & II Life and Qualifying Member of the Million Dollar Round Table Top of the Table Affiliate of the Institute of Chartered Accountants Australia
Experience	Jeff is a founding member of Matrix Planning Solutions Limited with over 38 years experience in the financial services industry. Jeff's company, the JSA Group, offers a broad range of financial services and specialist planning including Mortgages and Finance and Accountancy Divisions. JSA's clients are serviced through their Newcastle and Charlestown offices.
Barry Vandenberg	Director
Qualifications and Memberships	Certified Financial Planner Diploma of Australian Insurance Institute Association of Financial Advisers LUATC I & II Fellow of the Association of Financial Advisers Member of the Financial Planning Association of Australia Life Member of the USA-based Million Dollar Round Table Life Member of the Million Dollar Round Table Top of the Table
Experience	Barry commenced his Financial Planning career on July 1, 1970 and is now the principal of Concept Financial Services Pty Ltd. Barry is very well known within the industry, and is widely acknowledged for his energy and independent thinking. At present Barry is also a Director and Chairman of Illawarra Turf Club (Kembla Grange Racecourse).
Peter Buzza	Director
Qualifications and Memberships	Diploma of Financial Services (Financial Planning), 2003 Advanced Diploma of Financial Services (Financial Planning), 2004
Experience	Peter was appointed as a Matrix Director in 2007. As a founding member, Peter has also served in the role of Alternate Director before being elected to the Matrix Planning Solutions Limited Board. He has been in the financial services industry for over 29 years, commencing as a principal agent for Prudential and operating his own business based in rural WA. He currently has offices in Narrogin and Albany.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

3. Director Information continued

b Meetings of Directors

During the financial year, one meeting of directors (including committees of directors) of Matrix Holdings Ltd. was held. Attendances by each director during the year were as follows:

Pieter Franzen
Troy Collins
Brendan Minehan
Robert Pedersen
Jeff Shakespeare
Barry Vandenberg
Peter Buzza

Directors' Meetings	
Number eligible to attend	Number attended
1	1
1	1
1	1
1	1
1	1
1	1
1	1

During the financial year, six meetings of directors (including committees of directors) by Matrix Planning Solutions Limited were held. Attendances by each director during the year were as follows:

Pieter Franzen
Rick Di Cristoforo
Troy Collins
Brendan Minehan
Robert Pedersen
Jeff Shakespeare
Barry Vandenberg
Peter Buzza

Directors' Meetings	
Number eligible to attend	Number attended
6	6
3	3
6	6
6	6
6	6
6	6
6	6
6	6

4. Options

a Unissued shares under option

At the date of this report, there were no unissued ordinary shares of Matrix Holdings Ltd. under option.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

4. Options continued

b Options exercised during the year

The granting of options in Matrix Planning Solutions Limited ceased with the last grant made in July 2012 and the final outstanding options were forfeited by July 2013.

5. Indemnifying Officers or Auditors

a Insurance premiums paid for directors

During or since the end of the financial year the Matrix Group has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Matrix Group, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$ 1,662 for each director in office during the year.

Pieter Franzen
Rick Di Cristoforo
Troy Collins
Brendan Minehan
Robert Pedersen
Jeff Shakespeare
Barry Vandenberg
Peter Buzza

6. Other items

a Significant Changes in State of Affairs

The Matrix Group undertook a restructure of the business in June and July 2014.

The restructure involved the following principal changes:

- Matrix Holdings Ltd was incorporated on 17 March 2014 and interposed as the new group parent entity and owner of Matrix Planning Solutions Limited.
- Shares in Matrix Planning Solutions Limited were acquired by Matrix Holdings Ltd in return for shares issued to existing Matrix Planning Solutions Limited shareholders on a one for one basis.
- Matrix Holdings Ltd declared a dividend and satisfied the dividend by transferring shares in Adviser IT Ltd to the shareholders of Matrix Holdings Ltd (formerly they held shares in Matrix Planning Solutions Limited).
- Matrix Holdings Ltd became the Head Company of the Taxation Consolidated Group as a result of the restructure. The Taxation Consolidated Group is treated as a Single Taxed Entity for taxation purposes.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Reporting by Directors

For the Year Ended 30 June 2014

6. Other items continued

b After balance day events

Subsequent to the end of the financial year in July 2014, the right to receive Matrix Planning Solutions Limited's share of administration fee income has been acquired by a newly incorporated subsidiary company of Matrix Holdings Ltd, MPS Capital Solutions Pty Ltd (as part of the aforementioned restructure).

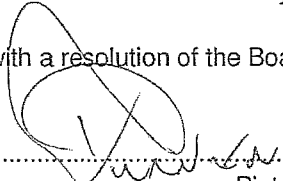
c Auditors Independence Declaration


The auditors independence declaration for the year ended 30 June 2014 has been received and can be found on page 10 of the financial report.

d Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Pieter Franzen

Director: 
Robert Pedersen

Dated this 29th day of August 2014

Matrix Holdings Ltd. and controlled entities

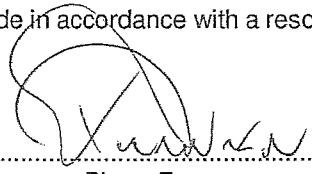
ABN 65 168 564 378

Statement by Directors

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 46, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company and the consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Pieter Franzen

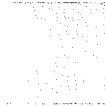
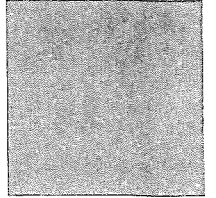
Director

Robert Pedersen

Dated this
29th day of August, 2014



Accountants & Advisers



Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CIB Accountants & Advisers
Chartered Accountants

George Isaac
Partner

29 August 2014

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Parramatta NSW 2150

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association of independent firms
and business advisers.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

	Note	Consolidated		Parent	
		2014	2013	2014	2013
		\$	\$	\$	\$
Revenue	2(a)	\$ 6,223,571	\$ 6,452,668	\$ 2,043,724	\$ -
Interest revenue	2(b)	273,404	319,387	-	-
Other income	2(c)	54,370	108,739	-	-
Cost of sales		(6,493)	(85)	-	-
Employee benefits expense		(2,916,368)	(3,738,031)	-	-
Depreciation, amortisation and impairments		(199,889)	(290,177)	(2,043,724)	-
Professional development		(398,245)	(460,061)	-	-
Computer expenses		(184,122)	(304,173)	-	-
Consulting and professional fees		(386,058)	(195,498)	-	-
Insurance		(299,557)	(313,786)	-	-
Legal fees and compensation payments		(147,653)	(251,487)	-	-
Rent	3(a)	(260,181)	(251,465)	-	-
Research and development costs		(53,474)	(126,358)	-	-
Travel costs		(47,079)	(68,675)	-	-
Other expenses		(416,964)	(430,911)	-	-
Profit before income tax		1,235,262	450,087	-	-
Taxation	4	(391,596)	(86,727)	-	-
Profit from continuing operations		843,666	363,360	-	-
Profit for the year		843,666	363,360	-	-
Other comprehensive income:					
Capital demerger		(98,805)	-	-	-
Other comprehensive income for the year, net of tax		(98,805)	-	-	-
Total comprehensive income for the year		744,861	363,360	-	-
Profit attributable to:					
Members of the parent entity		843,666	363,360	-	-
		843,666	363,360	-	-
Total comprehensive income attributable to:					
Members of the parent entity		744,861	363,360	-	-
		\$ 744,861	\$ 363,360	\$ -	\$ -

The accompanying notes form part of the financial statements

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Consolidated Statement of Financial Position

As At 30 June 2014

	Note	Consolidated		Parent	
		2014	2013	2014	2013
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	9	\$ 5,292,400	\$ 5,322,736	\$ -	\$ -
Trade and other receivables	10	1,043,762	159,328	-	-
Inventories	11	-	6,493	-	-
Other current assets	12	147,601	191,738	-	-
Total current assets		6,483,763	5,680,295	-	-
Non-current assets					
Trade and other receivables	10	1,332,119	1,334,782	-	-
Investments in subsidiaries - at directors valuation	13(a)	-	-	5,458,738	-
Financial assets	13	-	756,225	-	-
Property, plant and equipment	14	60,609	89,992	-	-
Deferred tax assets	18(a)	186,746	205,833	-	-
Intangible assets	15	8,153	1,920,133	-	-
Total non-current assets		1,587,627	4,306,965	5,458,738	-
TOTAL ASSETS		8,071,390	9,987,260	5,458,738	-
LIABILITIES					
Current liabilities					
Trade and other payables	16	1,304,914	1,195,709	-	-
Borrowings	17	7,506	3,304	-	-
Current tax liabilities	18(b)	262,855	16,170	-	-
Short-term provisions	19	328,312	354,706	-	-
Other current liabilities	20	16,815	120,772	-	-
Total current liabilities		1,920,402	1,690,661	-	-
Non-current liabilities					
Deferred tax liabilities	18(b)	20,634	69,378	-	-
Other long-term provisions	19	148,884	233,488	-	-
Other non-current liabilities	20	18,333	28,333	-	-
Total non-current liabilities		187,851	331,199	-	-
TOTAL LIABILITIES		2,108,253	2,021,860	-	-
NET ASSETS		\$ 5,963,137	\$ 7,965,400	\$ 5,458,738	\$ -
EQUITY					
Issued capital	21	\$ 5,458,738	\$ 7,502,462	\$ 5,458,738	\$ -
Retained earnings		504,399	462,938	-	-
Parent interest		5,963,137	7,965,400	5,458,738	-
TOTAL EQUITY		\$ 5,963,137	\$ 7,965,400	\$ 5,458,738	\$ -

The accompanying notes form part of the financial statements

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2014

2014	Note	Parent			Total
		Ordinary Shares	Retained Earnings	Option Reserve	
		\$	\$	\$	\$
Balance at 1 July 2013		\$ -	\$ -	\$ -	\$ -
Shares issued during the year		7,502,462	-	-	7,502,462
Sub-total		7,502,462	-	-	7,502,462
Demerger dividend	8	(2,043,724)	-	-	(2,043,724)
Balance at 30 June 2014		\$ 5,458,738	\$ -	\$ -	\$ 5,458,738

2013		Parent			Total
		Ordinary Shares	Retained Earnings	Option Reserve	
		\$	\$	\$	\$
Balance at 1 July 2012		\$ -	\$ -	\$ -	\$ -
Balance at 30 June 2013		\$ -	\$ -	\$ -	\$ -

The accompanying notes form part of the financial statements

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2014

2014	Note	Consolidated			Total
		Ordinary Shares	Retained Earnings	Option Reserve	
		\$	\$	\$	\$
Balance at 1 July 2013		\$ 7,502,462	\$ 462,938	\$ -	\$ 7,965,400
Profit attributable to members of parent entity		-	744,861	-	744,861
Sub-total		-	744,861	-	744,861
Dividends paid or provided for	8	-	(703,400)	-	(703,400)
Demerger dividend	8	(2,043,724)	-	-	(2,043,724)
Balance at 30 June 2014		\$ 5,458,738	\$ 504,399	\$ -	\$ 5,963,137

2013	Note	Consolidated			Total
		Ordinary Shares	Retained Earnings	Option Reserve	
		\$	\$	\$	\$
Balance at 1 July 2012		\$ 7,405,000	\$ 809,147	\$ 32,229	\$ 8,246,376
Shares issued during the year		97,462	-	-	97,462
Profit attributable to members of the parent entity		-	378,102	-	378,102
Issue of shares - option reserve		-	-	(32,229)	(32,229)
Sub-total		7,502,462	1,187,249	-	8,689,711
Dividends paid or provided for	8	-	(724,311)	-	(724,311)
Balance at 30 June 2013		\$ 7,502,462	\$ 462,938	\$ -	\$ 7,965,400

The accompanying notes form part of the financial statements

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Consolidated Cash Flow Statement

For the Year Ended 30 June 2014

	Note	Consolidated		Parent	
		2014	2013	2014	2013
		\$	\$	\$	\$
CASH FROM OPERATING ACTIVITIES:					
Receipts from customers		\$ 6,323,351	\$ 6,531,227	\$ -	\$ -
Payments to suppliers and employees		(5,305,355)	(6,244,645)	-	-
Income tax paid		(174,567)	(204,622)	-	-
Interest received		273,404	319,387	-	-
Net cash provided by (used in) operating activities	25	1,116,833	401,347	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of property, plant and equipment		(98,378)	(43,330)	-	-
Acquisition of other investments		-	(20,000)	-	-
Loans to related parties - payments made		(351,866)	(660,000)	-	-
Loans to related parties - proceeds from repayments		2,273	127,273	-	-
Net cash used by investing activities		(447,971)	(596,057)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of shares		-	76,700	-	-
Repayment of borrowings		4,202	(4,328)	-	-
Payment of transaction costs - shareholders		-	181,096	-	-
Dividends paid by parent entity		(703,400)	(724,311)	-	-
Net cash used by financing activities		(699,198)	(470,843)	-	-
Net cash increase (decreases) in cash and cash equivalents		(30,336)	(665,553)	-	-
Cash and cash equivalents at beginning of year		5,322,736	5,988,289	-	-
Cash and cash equivalents at end of financial year	9	\$ 5,292,400	\$ 5,322,736	\$ -	\$ -

The accompanying notes form part of the financial statements

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies

(a) General information

This financial report includes the consolidated financial statements and notes of Matrix Holdings Ltd. and controlled entities (the Group), and the separate financial statements and notes of Matrix Holdings Ltd. as an individual parent entity (Parent).

Matrix Holdings Ltd. is a company limited by shares and incorporated in Australia.

The Matrix Group underwent a restructure in June and July 2014.

Matrix Holdings Ltd was interposed as the new group parent entity on 18 June 2014 pursuant to a Corporate Consolidation and Rollover transaction. Shares in Matrix Planning Solutions Limited were acquired by Matrix Holdings Ltd in return for shares issued to existing Matrix Planning Solutions Limited shareholders on a one for one basis. As part of the restructure, wholly owned subsidiary, Adviser IT Ltd, formerly Prospera Pty Limited, was demerged from the Group. Matrix Holdings Ltd declared a dividend and satisfied the dividend by transferring shares in Adviser IT Ltd to the shareholders of Matrix Holdings Ltd (formerly they held shares in Matrix Planning Solutions Limited).

These accounts have been prepared with Matrix Holdings Ltd as the parent entity and covers the period from its incorporation on 17 March 2014 to 30 June 2014. The consolidated comparative figures presented in these financial statements are those of the Matrix Planning Solutions Limited Group, as it existed as at 30 June 2013.

(b) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Matrix Holdings Ltd. at the end of the reporting period. A controlled entity is any entity over which Matrix Holdings Ltd. has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered. A list of controlled entities is contained in Note 7 to the financial statements.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(c) Principles of Consolidation continued

In preparing the consolidated financial statements, all intergroup balances and transactions between entities in the the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Business Combinations

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill (refer Note 1(ii)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the consolidated statement of profit and loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of profit and loss and other comprehensive income.

(d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(d) Income Tax continued

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets, also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Matrix Holdings Ltd. and its wholly-owned subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. As part of the group restructure, Matrix Holdings Ltd. is now the head entity of the tax consolidated group.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(e) Property, Plant and Equipment continued

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	13%
Office Equipment	1-40%
Computer Software	40%
Leasehold improvements	6.6-20%
Low Value Asset Pool	18.75-37.5%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership itself, are transferred to Matrix Holdings Ltd. are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(g) Financial Instruments continued

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, furthermore it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months at the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(g) Financial Instruments continued

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the consolidated statement of profit and loss and other comprehensive income.

(h) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit and loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(i) Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of the:

- i the consideration transferred;
- ii any non-controlling interest; and
- iii the acquisition date fair value of any previously held equity interest,

over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

(j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(k) Equity-settled Compensation

The Group operated a share option arrangement that ceased in July 2013. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options was recognised as an expense in the consolidated statement of profit and loss and other comprehensive income. The total amount expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(l) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(n) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Statement of Significant Accounting Policies continued

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The consolidated comparative figures for 2013 are those of the Matrix Planning Solutions Limited Group.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

(i) *Impairment*

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(ii) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Revenue

(a) Operating activities

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Operating activities				
- sale of goods	-	213	-	-
- services revenue	6,223,403	6,451,257	-	-
- dividend received	-	-	2,043,724	-
- miscellaneous income	168	1,198	-	-
Total revenue	6,223,571	6,452,668	2,043,724	-

(b) Interest revenue

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Interest revenue from:				
- other related parties	104,661	108,006	-	-
- other financial assets	28,324	23,994	-	-
- bank	140,347	187,387	-	-
- other interest	72	-	-	-
Total interest revenue	273,404	319,387	-	-

(c) Other income

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Other income				
- net gains on financial assets at fair value through profit and loss	-	76,796	-	-
- realised capital gains on disposal of investments	54,370	31,943	-	-
Total other income	54,370	108,739	-	-

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

3 Profit from Ordinary Activities

(a) Expenses

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Impairment of non-current investments to recoverable amount	-	-	-	-
- impairment charge	-	-	2,043,724	-
	-	-	2,043,724	-
Rental expense on operating leases				
- minimum lease payments	260,181	251,465	-	-
	260,181	251,465	-	-

The impairment charge of \$2,043,724 was the result of the revaluation of the investment in Matrix Planning Solutions Limited following the receipt of a demerger dividend.

4 Income Tax Expense

(a) The components of tax expense comprise:

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Current tax	403,399	149,134	-	-
Deferred tax	(29,656)	(285)	-	-
Under/(over) provision in respect of prior years	17,853	(62,122)	-	-
	391,596	86,727	-	-

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Income Tax Expense continued

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)				
- entity	370,535	139,448	-	-
Add:				
Tax effect of:				
- non-deductible items	8,205	19,579	-	-
- estimated income	9,000	8,100	-	-
	387,740	167,127	-	-
Less:				
Tax effect of:				
- rebateable fully franked dividends	5,000	6,000	-	-
- share options credited during the year	-	3,440	-	-
- other deductible items	8,497	8,838	-	-
- over/(under) provision for income tax in prior year	(17,353)	62,122	-	-
Income tax attributable to entity	391,596	86,727	-	-

5 Key Management Personnel Compensation

	Short-term benefits	Post employment benefit	Total
	\$	\$	\$
2014			
Total compensation	1,885,948	135,700	2,021,648
2013			
Total compensation	2,457,813	161,934	2,619,747

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

6 Auditors' Remuneration

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Audit services	34,566	33,218	-	-
- Other services	37,685	36,708	-	-
	72,251	69,926	-	-

7 Controlled Entities

Name	Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2014	2013
Parent Entity:			
Matrix Holdings Ltd.	Australia		
Subsidiaries of parent entity:			
Matrix Planning Solutions Limited	Australia	100	-
Adviser IT Ltd (formerly Prospera Pty Ltd) ^	Australia	-	100
Matrix Planning Investments Pty Ltd	Australia	100	-

* Percentage of voting power is in proportion to ownership

^ Adviser IT Ltd was part of the consolidated Group until 27 June 2014. It was demerged from the Group on that date.

8 Dividends

Dividends and distributions paid

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Interim fully franked ordinary dividend of 25 cents (2013: 11.3 cents) per share franked at the tax rate of 30% (2013: franked at the tax rate of 30%)	439,625	198,711	-	-
2013 Final fully franked ordinary dividend of 15 cents (2012: 30 cents) per share franked at the tax rate of 30% (2012: franked at the tax rate of 30%)	263,775	525,600	-	-
Demerger dividend of \$1.162 per share, unfranked (tax exempt)	2,043,724	-	2,043,724	-
Total	2,747,124	724,311	2,043,724	-

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

9 Cash and Cash Equivalents

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash on hand	91	292	-	-
Cash at bank	4,792,309	2,072,444	-	-
Short-term bank deposits	500,000	3,250,000	-	-
	5,292,400	5,322,736	-	-

Reconciliation of Cash

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	5,292,400	5,322,736	-	-
	5,292,400	5,322,736	-	-

10 Trade and Other Receivables

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Trade and other receivables	59,546	159,328	-	-
Other receivables	832,350	-	-	-
Amounts receivable from:				
- shareholders	27(b) 151,866	-	-	-
	1,043,762	159,328	-	-
NON-CURRENT				
Deposit bonds paid	110,000	110,000	-	-
Amounts receivable from:				
- loans to advisers	27(b) 1,222,119	1,224,782	-	-
	1,332,119	1,334,782	-	-

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

11 Inventories

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Finished goods at cost	-	6,493	-	-
	-	6,493	-	-

12 Other Assets

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Prepayments	147,601	191,738	-	-
	147,601	191,738	-	-

13 Financial Assets

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Fair value through profit and loss	-	756,225	-	-
	-	756,225	-	-

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Listed investments, at fair value				
- shares in listed corporations	-	756,225	-	-
	-	756,225	-	-

All financial assets are carried at fair value. The fair value of financial assets designated at fair value through profit and loss is determined by reference to their quoted bid price at the reporting date.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

13 Financial Assets continued

(a) Shares in Other Related Parties

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Unlisted				
- Investments in subsidiaries - at directors valuation	-	-	5,458,738	-
	-	-	5,458,738	-

14 Property Plant and Equipment

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Plant and equipment				
At cost	2,755	2,755	-	-
Less accumulated depreciation	(2,755)	(2,755)	-	-
Total plant and equipment	-	-	-	-
Office equipment				
At cost:	75,759	75,759	-	-
Less accumulated depreciation	(59,174)	(48,781)	-	-
Total office equipment	16,585	26,978	-	-
Leasehold improvements				
At cost	73,728	73,728	-	-
Less accumulated depreciation	(31,949)	(17,203)	-	-
Total leasehold improvements	41,779	56,525	-	-
Low value asset pool				
At cost	34,938	37,657	-	-
Less accumulated depreciation	(32,693)	(31,168)	-	-
Total low value asset pool	2,245	6,489	-	-
Total property, plant and equipment	60,609	89,992	-	-

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Property Plant and Equipment continued

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

Consolidated

	Office Equipment	Improvements	Low Value Asset Pool	Total
	\$	\$	\$	\$
Current Year				
Balance at the beginning of year	26,978	56,525	6,489	89,992
Additions	-	-	885	885
Disposals through business divestiture	-	-	(212)	(212)
Depreciation expense	(10,393)	(14,746)	(4,917)	(30,056)
Carrying amount at the end of year	16,585	41,779	2,245	60,609
Prior Year				
Balance at the beginning of year	40,926	71,270	9,587	121,783
Additions	3,360	-	1,118	4,478
Disposals	(382)	-	-	(382)
Depreciation expense	(16,926)	(14,745)	(4,216)	(35,887)
Carrying amount at the end of year	26,978	56,525	6,489	89,992

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Notes to the Financial Statements

For the Year Ended 30 June 2014

15 Intangible Assets

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Goodwill				
Cost	-	1,241,260	-	-
Net carrying value	-	1,241,260	-	-
Patents, trademarks and other rights				
At cost	-	4,620	-	-
Accumulated amortisation and impairment	-	(2,913)	-	-
Net carrying value	-	1,707	-	-
Formation costs				
At cost	17,247	17,247	-	-
Accumulated amortisation and impairment	(17,247)	(17,247)	-	-
Net carrying value	-	-	-	-
Computer software, internally generated				
Cost	-	1,508,276	-	-
Accumulated amortisation and impairment	-	(846,863)	-	-
Net carrying value	-	661,413	-	-
Computer software, other				
Cost	118,944	122,389	-	-
Accumulated amortisation and impairment	(110,791)	(106,636)	-	-
Net carrying value	8,153	15,753	-	-
Total Intangibles	8,153	1,920,133	-	-

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Notes to the Financial Statements

For the Year Ended 30 June 2014

(a) Reconciliation Detailed Table

	Goodwill	Patents, trademarks and other rights	Consolidated Computer software, internally generated	Computer software, other	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2013					
Opening balance	1,241,260	1,884	859,542	32,886	2,135,572
Additions	-	-	38,852	-	38,852
Amortisation	-	(177)	(236,981)	(17,133)	(254,291)
Balance at 30 June 2013	1,241,260	1,707	661,413	15,753	1,920,133
Year ended 30 June 2014					
Opening balance	1,241,260	1,707	661,413	15,753	1,920,133
Additions	-	-	97,493	-	97,493
Disposal through business divestiture	(1,241,260)	(1,574)	(596,381)	(425)	(1,839,640)
Amortisation	-	(133)	(162,525)	(7,175)	(169,833)
Balance at 30 June 2014	-	-	-	8,153	8,153

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

16 Trade and Other Payables

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	191,444	36,322	-	-
GST Payable	90,221	89,287	-	-
Employee benefits	168,399	158,267	-	-
Commission payable to advisers	854,850	911,833	-	-
	<u>1,304,914</u>	<u>1,195,709</u>	<u>-</u>	<u>-</u>

17 Financial Liabilities

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
- Credit card accounts	7,506	3,304	-	-
	<u>7,506</u>	<u>3,304</u>	<u>-</u>	<u>-</u>

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

18 Tax

(a) Assets

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
NON-CURRENT				
Deferred tax assets comprise:				
Provisions	186,746	205,833	-	-
	<u>186,746</u>	<u>205,833</u>	<u>-</u>	<u>-</u>

(b) Liabilities

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Income tax	262,855	16,170	-	-
	<u>262,855</u>	<u>16,170</u>	<u>-</u>	<u>-</u>
NON-CURRENT				
Deferred tax liability comprises:				
Fair value gain adjustments	-	57,671	-	-
Other deferred tax	20,634	11,707	-	-
	<u>20,634</u>	<u>69,378</u>	<u>-</u>	<u>-</u>

(i) Deferred Tax Assets

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
The movement in deferred tax assets for each temporary difference during the year is as follows:				
Provisions				
Opening balance	205,833	240,517	-	-
Employee entitlements	32,188	13,979	-	-
Lease incentive	(3,000)	(3,000)	-	-
Other provisions	3,600	5,400	-	-
Closing balance	<u>186,746</u>	<u>205,833</u>	<u>-</u>	<u>-</u>

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

19 Provisions

Consolidated

	Client complaint and compensation	Employee entitlements	Total
	\$	\$	\$
Opening balance at 1 July 2013	188,778	399,416	588,194
Additional provisions	177,984	68,504	246,488
Amounts used	(219,556)	(109,131)	(328,687)
Unused amounts reversed	-	(28,799)	(28,799)
Balance at 30 June 2014	147,206	329,990	477,196

Analysis of Total Provisions

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Current	328,312	354,706	-	-
Non-current	148,884	233,488	-	-
	477,196	588,194	-	-

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

20 Other Liabilities

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
CURRENT				
Unearned income	6,815	110,772	-	-
Lease incentive	10,000	10,000	-	-
	16,815	120,772	-	-
NON-CURRENT				
Lease incentive	18,333	28,333	-	-
	18,333	28,333	-	-

The lease of the Market Street premises was renewed during the 2012 financial year.

At the commencement of the new lease, a cash lease incentive of \$50,000 was received. The lease incentive is amortised over the term of the lease. The balance of this unearned income at 30 June 2014 was reduced to \$28,333 (2013: \$38,333).

21 Issued Capital

Summary Table

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
1,758,501 (2013: 1,758,501)				
Ordinary class shares fully paid	5,458,738	7,502,462	5,458,738	7,502,462
Total	5,458,738	7,502,462	5,458,738	7,502,462

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

22 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Payable - minimum lease payments				
- not later than 12 months	201,495	178,932	-	-
- between 12 months and 5 years	392,834	594,329	-	-
	594,329	773,261	-	-

The lease details for the Head Office, Level 3, 31 Market Street Sydney are as follows: -

A new contract was entered into on 1 May 2012.

The property lease is a non-cancellable lease with a five-year term ending 30 April 2017, with rent payable monthly in advance. Contingent rental provisions within the lease agreement required the minimum lease payments to be increased by 4%. There is no renewal option in the lease agreement.

Minimum lease commitments have been reduced by non-cash incentives of \$200,000 over the term of the lease.

The minimum lease payment includes consideration for a "make good" element of the lease agreement.

23 Contingent Liabilities and Contingent Assets

There has been no change in contingent liabilities since the last annual reporting date.

24 Segment Reporting

(a) Operations in one segment only

The Group operates predominantly in one business and geographical segment being the provision of financial planning and investment services in Australia.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

25 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Net income for the period	843,666	378,102	-	-
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit:				
- amortisation	169,833	254,291	-	-
- depreciation	30,056	35,887	-	-
- net gain/(loss) on disposal of property, plant and equipment	-	(382)	-	-
- net gain/(loss) on disposal of investments	54,370	(31,942)	-	-
- unrealised (gains)/losses on investments	-	(76,796)	-	-
- share options expensed	-	(11,467)	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
- (increase)/decrease in trade and other receivables	99,780	78,559	-	-
- (increase)/decrease in prepayments	44,137	(65,437)	-	-
- (increase)/decrease in inventories	6,493	85	-	-
- (increase)/decrease in other assets	(53,979)	-	-	-
- increase/(decrease) in trade and other payables	(183,554)	(78,906)	-	-
- increase/(decrease) in income taxes payable	217,029	(117,610)	-	-
- increase/(decrease) in deferred taxes payable	-	(285)	-	-
- increase/(decrease) in provisions	(41,572)	86,970	-	-
- increase/(decrease) in employee benefits	(69,426)	(49,722)	-	-
Cashflow from operations	1,116,833	401,347	-	-

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

25 Cash Flow Information continued

(b) Non-cash financing and investing activities

The Matrix Group undertook a restructure of the business in June and July 2014. Shares in Matrix Planning Solutions Limited were acquired by Matrix Holdings Ltd in return for shares issued to existing Matrix Planning Solutions Limited shareholders on a one for one basis.

Matrix Holdings Ltd declared a dividend and satisfied the dividend by transferring shares in Adviser IT Ltd to the shareholders of Matrix Holdings Ltd (formerly they held shares in Matrix Planning Solutions Limited).

The value of the shares transferred of \$2,043,724 was based on the value of Matrix Planning Solutions Limited's interests in Adviser IT Ltd.

26 Share-based Payments

The granting of options by Matrix Planning Solutions Limited ceased with the last grant made in July 2012 and final outstanding options were forfeited by July 2013.

27 Related party transactions

(a) Director-related entities

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

All directors of Matrix Holdings Ltd. and Matrix Planning Solutions Limited with the exception of Mr Pieter Franzen and Mr Rick Di Cristoforo, are proprietors of financial planning practices which are corporate authorised representatives of Matrix Planning Solutions Limited.

Remuneration is received by Matrix Planning Solutions Limited from activities of each of these director related entities, on the same basis as all other authorised representatives operating under Matrix Planning Solutions Limited's Australian Financial Services Licence and Australian Credit Licence.

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

27 Related party transactions continued

(b) Other related parties

	Consolidated		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Shareholder related party: Loan to Strategic Planners Pty Ltd; interest only; term 3 years to 20 September 2014; interest paid at a rate greater than ATO Div 7A benchmark rate; guarantor Sandra Ann Hopps.	(280,000)	(280,000)	-	-
Shareholder related party: Loan to Strategem Wealth Advisers Pty Ltd; interest only; term 3 years to 1 August 2014; interest paid at a rate greater than ATO Div 7A benchmark rate; guarantor William Gregory Woods; secured over future commission income streams.	(287,055)	(287,055)	-	-
Shareholder related party: Loan to Frances Magill Financial Statégists Pty Ltd; interest only; term 3 years to 16 August 2015; interest paid at a rate greater than ATO Div 7A benchmark rate; guarantor Frances Magill & Brian Magill; secured over future remuneration income streams.	(300,000)	(300,000)	-	-
Adviser related party: Loan to Macquarie Partners Financial Advisory Pty Ltd; interest only; term 3 years to 21 August 2015; interest paid at a rate greater than ATO Div 7A benchmark rate; guarantor Sunhee Hres; secured over future remuneration income streams.	(95,064)	(97,727)	-	-
Adviser related party: Loan to Twenty 20 Capital Finance Pty Limited ATF The Davies Family Trust; interest only; term 3 years to 12 December 2015; interest paid at a rate greater than ATO Div 7A benchmark rate; guarantor Anthony Ronald Joseph Davies & Kylie Anne Davies; secured by a second ranking charge over future income streams and personal residential property.	(260,000)	(260,000)	-	-
Loan to all shareholders: Costs incurred by company on behalf of shareholders; unsecured; to be paid by way of non-cash dividend.	(151,866)	-	-	-
	(1,373,985)	(1,224,782)	-	-

(c) Beneficial Holdings

The direct, indirect and beneficial holding of directors and their director-related entities in the share and share options of the company as at 30 June 2014 was:

Shares: 620,335 (2013: 679,152) ordinary class shares fully paid

Matrix Holdings Ltd. and controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2014

28 Financial Instruments

Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

(a) Financial Risk Management

The Group's financial instruments consist mainly of: deposits with banks; local money market instruments; short-term investments; accounts receivable and payable; loans to and from subsidiaries and leases.

The Group does not have any derivative financial instruments at 30 June 2014.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that an appropriate level of working capital is maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements.

The consolidated Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated Group.

Price risk

The Group is not exposed to any material commodity price risk.

Interest rate risk

Interest rate risk is managed by monitoring the costs of finance and market movements compared to investment returns.

controlled entities

and maturity analysis

risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective rates of financial assets and financial liabilities, is as follows:

Floating Interest Rate		Maturing within 1 Year		Maturing 1 to 5 Years		Non-interest Bearing		Total	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4,792,309	2,072,444	500,000	3,250,000	-	-	91	292	5,292,400	5,322,736
-	-	-	-	-	-	891,896	159,327	891,896	159,327
-	-	567,055	-	655,064	1,224,783	151,866	-	1,373,985	1,224,783
4,792,309	2,072,444	1,067,055	3,250,000	655,064	1,224,783	1,043,853	159,619	7,558,281	6,706,846
-	-	-	-	-	-	1,046,294	948,155	1,046,294	948,155
-	-	-	-	-	-	1,046,294	948,155	1,046,294	948,155

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Notes to the Financial Statements

For the Year Ended 30 June 2014

29 Company Details

(a) Registered office

The registered office and principal place of business of the company is:

Matrix Holdings Ltd.
Level 3
31 Market Street
SYDNEY NSW 2000

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Independent Audit Report to the members of Matrix Holdings Ltd.

Report on the Financial Report

We have audited the accompanying financial report of Matrix Holdings Ltd., which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by directors of the Company and the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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under Professional Standards Legislation.



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association of independent firms
and business advisers.

Matrix Holdings Ltd. and controlled entities

ABN 65 168 564 378

Independent Audit Report to the members of Matrix Holdings Ltd.

Independence

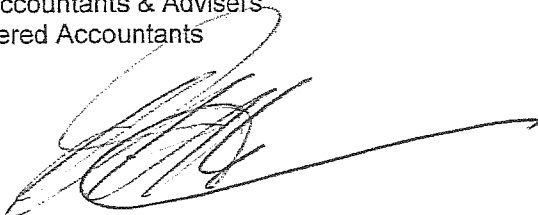
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Matrix Holdings Ltd., would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Matrix Holdings Ltd. is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

CIB Accountants & Advisers
Chartered Accountants



George Isaac
Partner

Suite 6, Blaxland House
5-7 Ross Street
NORTH PARRAMATTA NSW 2150

29 August 2014

CORPORATE DIRECTORY

Registered Office: Level 3, 31 Market Street, Sydney NSW 2000

Directors: Pieter Franzen (Chairman)
Peter Geoffrey Buzza
Troy Alexander Collins
Brendan Gerard Minehan
Robert Melville Pedersen
Jeffrey Maxwell Shakespeare
Barry John Vandenberg

Secretary: John Frederick Morris

Legal Advisers: K&L Gates
Level 31, 1 O'Connell Street, Sydney NSW 2000

Mackenzie Thomas Lawyers
Level 5, 44 Pitt Street, Sydney NSW 2000