

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Baby Bunting Group Limited

ACN/ARSN ACN 128 533 693

1. Details of substantial holder (1)

Name Baby Bunting Group Limited ACN 128 533 693; Baby Bunting EST Pty Ltd ACN 608 174 376; Baby Bunting Pty Ltd ACN 128 546 154

ACN/ARSN (if applicable) As above.

The holder became a substantial holder on 14 October 2015

2. Details of voting power

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

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	46,205,351	46,205,351	36.8%

3. Details of relevant interests

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

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Baby Bunting Group Limited	Baby Bunting Group Limited has power over the disposal of fully paid ordinary shares that are escrowed under the escrow deeds entered into with the persons listed in Annexure A, and attached as Annexure B, which gives rise to a relevant interest under section 608(1)(c) of the Corporations Act 2001 (Cth). Baby Bunting Group Limited has no right to control the voting rights of these shares or to acquire these shares.	46,205,351
Baby Bunting EST Pty Ltd	N/A	N/A
Baby Bunting Pty Ltd	N/A	N/A

4. Details of present registered holders

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

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

5. Consideration

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

No consideration was paid by Baby Bunting Group Limited. Baby Bunting Group Limited has no right to acquire the shares subject to the escrow arrangements.

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Baby Bunting Group Limited	N/A	N/A	N/A	N/A

6. Associates

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

Name and ACN/ARSN (if applicable)	Nature of association
Baby Bunting EST Pty Ltd ACN 608 174 376	Wholly-owned subsidiary of Baby Bunting Group Limited.
Baby Bunting Pty Ltd ACN 128 546 154	Wholly-owned subsidiary of Baby Bunting Group Limited.

7. Addresses

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

Name	Address
Baby Bunting Group Limited	955 Taylors Road, Dandenong South Victoria 3175
Escrowed Parties	See Annexure A

Signature

print name	Mark Licciardo	capacity	Company Secretary
sign here		date	14 October 2015

DIRECTIONS

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

- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

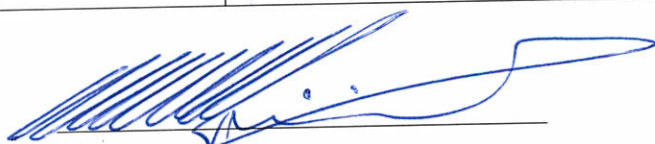
14 October 2015

Annexure A

This is the annexure of one page marked Annexure A mentioned in the Form 603 Notice of initial substantial holder signed by me as company secretary of Baby Bunting Group Limited ACN 128 533 693 (**BBGL**) and dated 14 October 2015. The relevant interests described arise between BBGL and the parties listed below under the escrow deeds described in paragraph 3 of Form 603.

Holder of Relevant Interest	Name of Escrowed Party	Class and Number of Securities Escrowed	Address
Baby Bunting Group Limited	Nadia Pane	400,000 ordinary shares	5 Silky Oak Drive, Bundoora VIC 3083
Baby Bunting Group Limited	Talpe Big Show Pty Ltd	437,000 ordinary shares	7 Edinburgh Street, Richmond VIC 3121
Baby Bunting Group Limited	Fiddian Teal Nominees Pty Limited	1,259,948 ordinary shares	89 Fitzwilliam Street, Kew VIC 3101
Baby Bunting Group Limited	Matthew Gerald Spencer and Katrina Louise Spender	2,472,848 ordinary shares	12 Davis Street, Kew VIC 3101
Baby Bunting Group Limited	Sandy Nikakis	112,914 ordinary shares	21 Ivanhoe Street, Glen Waverley VIC 3150
Baby Bunting Group Limited	C and N Groves Pty Ltd	229,714 ordinary shares	11 Elliott Crescent, Dingley VIC 3172
Baby Bunting Group Limited	Catherine Power	2,856 ordinary shares	38 Harkaway Road, Berwick VIC 3806
Baby Bunting Group Limited	Tamalin Morton	49,193 ordinary shares	26 Moffat Street, Brighton VIC 3186
Baby Bunting Group Limited	Katrina Louise Spender	14,284 ordinary shares	12 Davis Street, Kew VIC 3101
Baby Bunting Group Limited	KISO Holdings Pty Ltd	488,000 ordinary shares	29 Fitzwilliam Road, Vaucluse NSW 2030
Baby Bunting Group Limited	Highmont Heights Pty Ltd	3,227,291 ordinary shares	39 Normanby Street, Brighton VIC 3186
Baby Bunting Group Limited	Coolum Oak Pty Ltd	610,000 ordinary shares	5B Arbutus Street, Mosman NSW 2088
Baby Bunting Group Limited	TDM Asset Management Pty Ltd	36,901,303 ordinary shares	Level 10, 66 Hunter Street, Sydney NSW 2000

Signed:



Mark Licciardo

Print name

COMPANY SECRETARY
Capacity

14 October 2015

Annexure B

This is the annexure of 188 pages marked Annexure B mentioned in the Form 603 Notice of initial substantial holder signed by me as company secretary of Baby Bunting Group Limited ACN 128 533 693 (**BBGL**) and dated 14 October 2015, attaching escrow deeds between BBGL and the escrowed parties.

Signed:



Mark Licciardo
Print name

COMPANY SECRETARY
Capacity



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
- (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,

it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.

- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.


11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Barry Saunders

Name




Signature of director/secretary

Thomas Cowan

Name

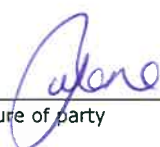
SIGNED, SEALED and DELIVERED by
NADIA PANE in the presence of:



Signature of witness


Rosa M Pane

Name



Signature of party

SIGNED, SEALED and DELIVERED by
MICHAEL PANE in the presence of:



Signature of witness

Darin Hoekman

Name



Signature of party

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Nadia Pane	5 Silky Oak Drive Bundoora VIC 3083	400,000 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Michael Pane	5 Silky Oak Drive Bundoora VIC 3083	400,000 Shares

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

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If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Name

Barry Sanders




Signature of director/secretary

Name

Thomas Cowan

SIGNED, SEALED and DELIVERED by **DARIN HOEKMAN** in the presence of:



Signature of witness


Name

Corey Lewis



Signature of party

EXECUTED by **TALPE BIG SHOW PTY LTD ACN 607 620 904** in its capacity as trustee of the Screaming Eagle Trust.



Signature of director

Name

Dorin Hoekman

Signature of director/secretary

Name

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Talpe Big Show Pty Ltd ACN 607 620 904 in its capacity as trustee of the Screaming Eagle Trust	7 Edinburgh Street, Richmond VIC 3121	437,000 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Darin Hoekman	7 Edinburgh Street, Richmond VIC 3121	Darin Hoekman holds 50% of the issued share capital in Talpe Big Show Pty Ltd ACN 607 620 904

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
 - (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
 - (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 Announcements relating to Disposals

- (a) If the Holder or Controller becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 **Breach of warranties**

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. **HOLDING LOCK**

4.1 **Agreement to Holding Lock**

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**

Signature of director

Barry Saunders

Name

Signature of director/secretary

Thomas Cowan

Name

SIGNED, SEALED and DELIVERED by **SCOTT TEAL** in the presence of:

Signature of witness

Paul Lobman

Name

Signature of party

EXECUTED by **FIDDIAN TEAL NOMINEES PTY LTD ACN 131 071 764** in its capacity as trustee of the Fiddian Teal Family Trust:

Signature of director

Scott Teal

Name

Signature of director/secretary

Scott Teal

Name

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Fiddian Teal Nominees Pty Limited ACN 131 071 764 in its capacity as trustee of the Fiddian Teal Family Trust	89 Fitzwilliam Street, Kew VIC 3101	1,259,948 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Scott Teal	89 Fitzwilliam Street, Kew VIC 3101	Scott Teal holds 50% of the issued share capital in Fiddian Teal Nominees Pty Limited ACN 131 071 764

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

2015

THIS DEED is made on

21 September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**); and
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and

- (b) in relation to any Voluntary Escrow Shares, to:
- (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 2 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 3 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:

- (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
 - (c) **(gender)** A word which suggests one gender includes the other genders.
 - (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) A reference to **dollar** or **\$** is to Australian currency.
 - (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
 - (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 Non Business Days

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 Multiple parties

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 Compliance with ASX Listing Rules

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (e) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (f) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. ESCROW RESTRICTIONS

2.1 Restrictions

Subject to clause 2.2, during the Escrow Period the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares.

2.2 Exceptions

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:
 - (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).

- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may transfer (in one or more transactions) any or all Voluntary Escrow Shares to an Affiliate of the Holder provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 Announcements relating to Disposals

- (a) If the Holder becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares during the Escrow Period,it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.
- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

Warranties of Holder

The Holder warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1.
- (c) The Shares set out in Item 1 of Schedule 1 are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (d) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.
- (e) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (f) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (g) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (h) If the Holder is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (i) If the Holder is a Trustee:
 - (i) the Holder has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (j) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 **Breach of warranties**

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. **HOLDING LOCK**

4.1 **Agreement to Holding Lock**

Subject to clause 4.2, the Holder agrees to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 **Application of Holding Lock**

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 **Removal of Holding Lock**

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. **PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES**

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. **BREACH**

6.1 **Prevention of anticipated breach**

If it appears to the Company that the Holder may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 **Consequences of breach**

- (a) If the Holder breaches this document, subject to the Listing Rules and the ASX Settlement Rules:

- (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;
 - (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder breaches this document, the Holder acknowledges and agrees that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The Holder agrees that damages would be an insufficient remedy for breach of clause 2.1 and that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder is actually indemnified for the liability. The Holder will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), the Company may not sue the Holder in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and

- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

The Holder authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by it:

- (a) the particulars of Voluntary Escrow Shares in Item 3 of Schedule 1; and
- (b) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.

- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Thomas Conlan

Name

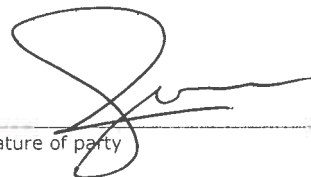


Signature of director/secretary

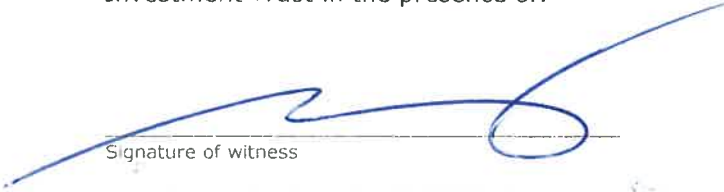
Darren Hoskman

Name

SIGNED, SEALED and **DELIVERED** by **MATTHEW GERALD SPENCER** in its capacity as trustee of the Spencer Family Investment Trust in the presence of:



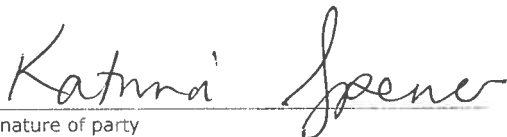
Signature of party



Signature of witness

Nico WETHEY
Senior Constable 38241
Name Boroondara Police Station
34 Harp Road, Kew, VIC 3101

SIGNED, SEALED and **DELIVERED** by **KATRINA LOUISE SPENCER** in its capacity as trustee of the Spencer Family Investment Trust in the presence of:



Signature of party



Signature of witness

Nico WETHEY
Senior Constable 38241
Name Boroondara Police Station
34 Harp Road, Kew, VIC 3101

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Matthew Gerald Spencer and Katrina Louise Spencer as Trustee for Spencer Family Investment Trust	12 Davis Street, Kew VIC 3101	2,472,848 Shares

ITEM 2: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 3: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**); and
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and

- (b) in relation to any Voluntary Escrow Shares, to:
- (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 2 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 3 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:

- (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
 - (c) **(gender)** A word which suggests one gender includes the other genders.
 - (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) A reference to **dollar** or **\$** is to Australian currency.
 - (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
 - (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 Compliance with ASX Listing Rules

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (e) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (f) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. ESCROW RESTRICTIONS

2.1 Restrictions

Subject to clause 2.2, during the Escrow Period the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares.

2.2 Exceptions

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:
 - (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).

- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may transfer (in one or more transactions) any or all Voluntary Escrow Shares to an Affiliate of the Holder provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 Announcements relating to Disposals

- (a) If the Holder becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares during the Escrow Period,

it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.

- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.
- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder

The Holder warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1.
- (c) The Shares set out in Item 1 of Schedule 1 are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (d) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.
- (e) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**)).
- (f) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (g) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (h) If the Holder is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (i) If the Holder is a Trustee:
 - (i) the Holder has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (j) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder agrees to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder breaches this document, subject to the Listing Rules and the ASX Settlement Rules:

- (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;
 - (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder breaches this document, the Holder acknowledges and agrees that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The Holder agrees that damages would be an insufficient remedy for breach of clause 2.1 and that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder is actually indemnified for the liability. The Holder will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), the Company may not sue the Holder in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and

- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

The Holder authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by it:

- (a) the particulars of Voluntary Escrow Shares in Item 3 of Schedule 1; and
- (b) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.

- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**

Signature of director

Name



Signature of director/secretary

Name

Thomas Cowan

SIGNED, SEALED and DELIVERED by
SANDY NIKAKIS in the presence of:

SANORA SNEK

Signature of witness

Name

Corey Lewis



Signature of party

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Sandy Nikakis	21 Ivanhoe Street Glen Waverley VIC 3150	112,914 Shares

ITEM 2: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 3: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
- (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,

it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.

- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.


EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Barry Saunders

Name




Signature of director/secretary

Thomas Cavan

Name

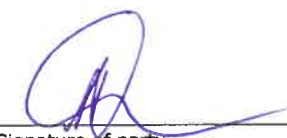
SIGNED, SEALED and DELIVERED by **CAINE GROVES** in the presence of:



Signature of witness


Corey Lewis

Name



Signature of party


EXECUTED by **C AND N GROVES PTY LTD ACN 607 261 343** in its capacity as trustee of The C and N Groves Family Trust:



Signature of director

CAINE GROVES.

Name



Signature of director/secretary

NICOLE GROVES CO

Name

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
C and N Groves Pty Ltd ACN 607 261 343 in its capacity as trustee of The C and N Groves Family Trust	11 Elliott Crescent, Dingley VIC 3172	229,714 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Caine Groves	11 Elliott Crescent, Dingley VIC 3172	Caine Groves holds 50% of the issued share capital in C and N Groves Pty Ltd ACN 607 261 343

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

2015

THIS DEED is made on

21 September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**); and
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and

- (b) in relation to any Voluntary Escrow Shares, to:
- (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 2 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 3 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:

- (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
 - (c) **(gender)** A word which suggests one gender includes the other genders.
 - (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) A reference to **dollar** or **\$** is to Australian currency.
 - (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
 - (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 Non Business Days

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 Multiple parties

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 Compliance with ASX Listing Rules

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (e) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (f) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. ESCROW RESTRICTIONS

2.1 Restrictions

Subject to clause 2.2, during the Escrow Period the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares.

2.2 Exceptions

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:
 - (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).

- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may transfer (in one or more transactions) any or all Voluntary Escrow Shares to an Affiliate of the Holder provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 Announcements relating to Disposals

- (a) If the Holder becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares during the Escrow Period,

it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.

- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.
- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder

The Holder warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1.
- (c) The Shares set out in Item 1 of Schedule 1 are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (d) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.
- (e) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (f) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (g) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (h) If the Holder is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (i) If the Holder is a Trustee:
 - (i) the Holder has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (j) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder agrees to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder breaches this document, subject to the Listing Rules and the ASX Settlement Rules:

- (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;
 - (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder breaches this document, the Holder acknowledges and agrees that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The Holder agrees that damages would be an insufficient remedy for breach of clause 2.1 and that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder is actually indemnified for the liability. The Holder will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), the Company may not sue the Holder in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and

- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. COMPANY TO COMPLETE SCHEDULE 1

The Holder authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by it:

- (a) the particulars of Voluntary Escrow Shares in Item 3 of Schedule 1; and
- (b) any other details necessary to complete Schedule 1.

10. NOTICES

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

11. GENERAL

11.1 Amendment

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 Governing law

- (a) This document is governed by the law in force in Victoria.

- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

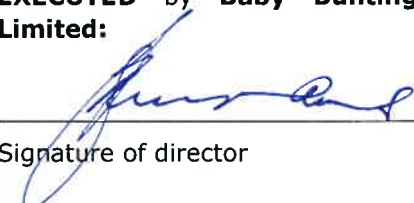
11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Barry Saunders

Name




Signature of director/secretary

Thomas Cowan

Name


SIGNED, SEALED and DELIVERED by **CATHERINE POWER** in the presence of:



Signature of witness

COROL LEWIS

Name



Signature of party

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Catherine Power	38 Harkaway Road Berwick VIC 3806	2856

ITEM 2: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 3: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**); and
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and

- (b) in relation to any Voluntary Escrow Shares, to:
- (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 2 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 3 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:

- (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
 - (c) **(gender)** A word which suggests one gender includes the other genders.
 - (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
 - (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
 - (f) A reference to **dollar** or **\$** is to Australian currency.
 - (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
 - (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 Compliance with ASX Listing Rules

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (e) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (f) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. ESCROW RESTRICTIONS

2.1 Restrictions

Subject to clause 2.2, during the Escrow Period the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares.

2.2 Exceptions

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:
 - (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).

- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder may transfer (in one or more transactions) any or all Voluntary Escrow Shares to an Affiliate of the Holder provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares during the Escrow Period,

it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.
- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. **WARRANTIES**

3.1 **Giving of warranties**

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder

The Holder warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1.
- (c) The Shares set out in Item 1 of Schedule 1 are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (d) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.
- (e) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**)).
- (f) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (g) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (h) If the Holder is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (i) If the Holder is a Trustee:
 - (i) the Holder has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (j) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder agrees to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder breaches this document, subject to the Listing Rules and the ASX Settlement Rules:

- (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;
 - (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder breaches this document, the Holder acknowledges and agrees that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The Holder agrees that damages would be an insufficient remedy for breach of clause 2.1 and that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder's obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder is actually indemnified for the liability. The Holder will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), the Company may not sue the Holder in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and

- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. COMPANY TO COMPLETE SCHEDULE 1

The Holder authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by it:

- (a) the particulars of Voluntary Escrow Shares in Item 3 of Schedule 1; and
- (b) any other details necessary to complete Schedule 1.

10. NOTICES

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

11. GENERAL

11.1 Amendment

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 Governing law

- (a) This document is governed by the law in force in Victoria.

- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Barry Saunders

Name



Signature of director/secretary

Thomas Cowan

Name

SIGNED, SEALED and **DELIVERED** by **Tamalin Morton** in the presence of:



Signature of witness

Corey Lewis

Name

T. Morton.

Signature of party

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Tamalin Morton	26 Moffat St. Brighton, Victoria 3186 TM	49,193 Shares

ITEM 2: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's full year results for the period ending 26 June 2016.

ITEM 3: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21 September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
- (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,
- it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 **Application of Holding Lock**

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 **Removal of Holding Lock**

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. **PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES**

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. **BREACH**

6.1 **Prevention of anticipated breach**

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 **Consequences of breach**

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

THOMAS CWAN

Name

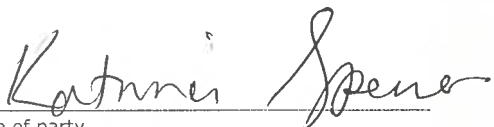


Signature of director/secretary

DORIN HOEKMAN

Name

SIGNED, SEALED and DELIVERED by
KATRINA LOUISE SPENCER in the
presence of:



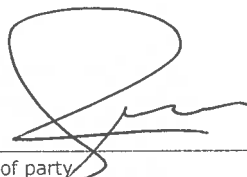
Signature of party



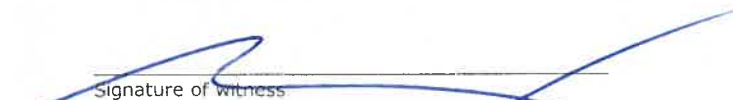
Signature of witness

Nico WETHEY
Senior Constable 38241
Name Boroondara Police Station
34 Harp Road, Kew, VIC 3101

SIGNED, SEALED and DELIVERED by
MATTHEW GERALD SPENCER in the
presence of:



Signature of party



Signature of witness

Nico WETHEY
Senior Constable 38241
Name Boroondara Police Station
34 Harp Road, Kew, VIC 3101

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Katrina Louise Spencer	12 Davis Street, Kew VIC 3101	14,284 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Matthew Gerald Spencer	12 Davis Street, Kew VIC 3101	Associates within the meaning of section 12 of the Corporations Act

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's half year results for the period ending on or about 31 December 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

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- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 Announcements relating to Disposals

- (a) If the Holder or Controller becomes aware:
- (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,
- it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettlement the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darin@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Barry Sanders

Name

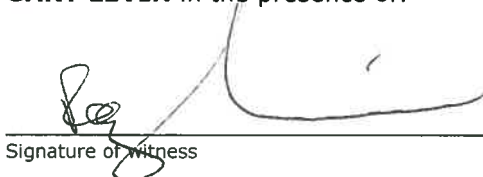


Signature of director/secretary

Darin Hoelmer

Name

SIGNED, SEALED and DELIVERED by **GARY LEVIN** in the presence of:



Signature of witness

ROSSALYN LEVIN

Name



Signature of party

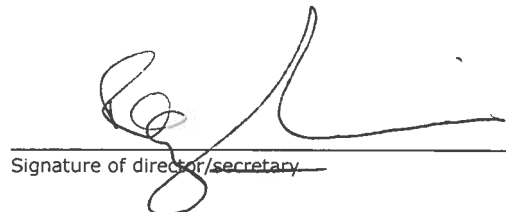
EXECUTED by **KISO HOLDINGS PTY LTD ACN 002 546 456** in its capacity as trustee of the Gary Levin Superannuation Fund:



Signature of director

GARY LEVIN

Name



Signature of director/secretary

ROSSALYN LEVIN

Name

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
KISO Holdings Pty Ltd ACN 002 546 456 in its capacity as trustee of the Gary Levin Superannuation Fund	29 Fitzwilliam Road, Vaucluse NSW 2030	488,000 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Gary Levin	29 Fitzwilliam Road, Vaucluse NSW 2030	Gary Levin holds 50% of the issued share capital in KISO Holdings Pty Ltd ACN 002 546 456

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's full year results for the period ending 26 June 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21 September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
- (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,
- it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 **Breach of warranties**

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. **HOLDING LOCK**

4.1 **Agreement to Holding Lock**

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darinh@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

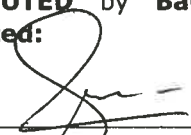
11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Matthew Spence

Name



Signature of director/secretary

Thomas Cwan

Name

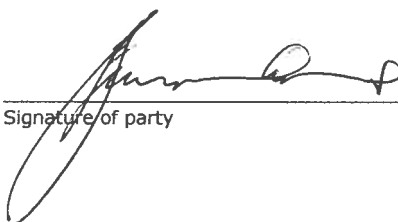
SIGNED, SEALED and DELIVERED by **BARRY SAUNDERS** in the presence of:



Signature of witness

Barry Saunders

Name



Signature of party

EXECUTED by **HIGHMONT HEIGHTS PTY LTD ACN 073 585 752** in its capacity as trustee for The Saunders Superannuation Fund:



Signature of director

Barry Saunders

Name



Signature of director/secretary

Barry Saunders

Name

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Highmont Heights Pty Ltd ACN 073 585 752 in its capacity as trustee for The Saunders Superannuation Fund	39 Normanby Street Brighton VIC 3186	3,227,291 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Barry Saunders	39 Normanby Street Brighton VIC 3186	Barry Saunders holds 50% of the issued share capital in Highmont Heights Pty Ltd ACN 073 585 752

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's full year results for the period ending 26 June 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
 - (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
 - (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
 - (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.
- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (**a Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175
Email Address: darinh@babybunting.com.au
Fax number: (03) 8795 8105
Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**



Signature of director

Matthew Spencer

Name

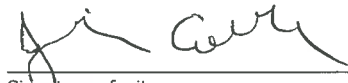


Signature of director/secretary

Darin Hoehner

Name

SIGNED, SEALED and DELIVERED by **IAN CORNELL** in the presence of:



Signature of witness

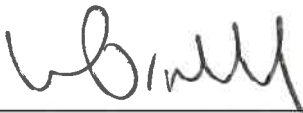
Judith Cornell

Name



Signature of party


EXECUTED by **COOLUM OAK PTY LTD ACN 103 349 015** in its capacity as trustee of the Ian Cornell Superannuation Fund:



Signature of director

IAN CORNELL

Name



Signature of director/secretary

Judith Cornell

Name

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
Coolum Oak Pty Ltd ACN 103 349 015 in its capacity as trustee for the Ian Cornell Superannuation Fund	5B Arbutus Street, Mosman NSW 2088	610,000 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
Ian Cornell	5B Arbutus Street, Mosman NSW 2088	Ian Cornell holds 50% of the issued share capital in Coolum Oak Pty Ltd ACN 103 349 015

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's full year results for the period ending 26 June 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).

Voluntary Escrow Deed – Side Letter

21 September 2015

Darin Hoekman
Company Secretary
Baby Bunting Group Limited
955 Taylors Road
Dandenong South VIC 3175

Dear Darin

I refer to the enclosed Voluntary Escrow Deed entered into by TDM Asset Management Pty Limited, dated on or about the date of this Side Letter (**Voluntary Escrow Deed**). The Voluntary Escrow Deed relates to shares in the capital of Baby Bunting Group Limited.

All capitalised terms used in this letter shall have the meaning given in the Voluntary Escrow Deed.

For the purpose of item 2 of Schedule 1 of the Voluntary Escrow Deed, I confirm the Controller Interests of Hamish Corlett and Madleowill Investments Pty Limited are as set out in the table below:

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of the Voluntary Escrow Deed
Madleowill Investments Pty Limited	Level 10, 66 Hunter Street, Sydney NSW 2000	Madleowill Investments Pty Limited holds 33.3% of the issued share capital in TDM Asset Management Pty Ltd
Hamish Corlett	Unit 13 170 Marine Parade Maroubra NSW 2035	Hamish Corlett holds 100% of the issued share capital in Madleowill Investments Pty Limited

Yours faithfully

EXECUTED by Madleowill Investments Pty Limited ACN 140 947 584:



Signature of director



Name



Signature of director/secretary



Name

SIGNED, SEALED and DELIVERED by
Hamish Corlett in the presence of:



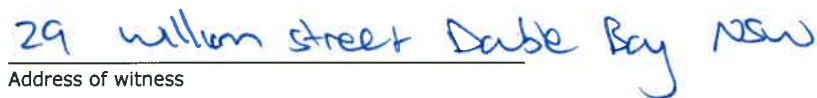
Signature of party



Signature of witness



Name



Address of witness

Voluntary Escrow Deed – Side Letter

21 September 2015

Darin Hoekman
Company Secretary
Baby Bunting Group Limited
955 Taylors Road
Dandenong South VIC 3175

Dear Darin

I refer to the enclosed Voluntary Escrow Deed entered into by TDM Asset Management Pty Limited, dated on or about the date of this Side Letter (**Voluntary Escrow Deed**). The Voluntary Escrow Deed relates to shares in the capital of Baby Bunting Group Limited.

All capitalised terms used in this letter shall have the meaning given in the Voluntary Escrow Deed.

For the purpose of item 2 of Schedule 1 of the Voluntary Escrow Deed, I confirm the Controller Interests of Benjamin Gisz and Zoolander Investments Pty Limited are as set out in the table below:

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of the Voluntary Escrow Deed
Zoolander Investments Pty Limited in its capacity as trustee for The Mandalay Trust	Level 10, 66 Hunter Street Sydney NSW 2000	Zoolander Investments Pty Limited holds 33.3% of the issued share capital in TDM Asset Management Pty Ltd
Benjamin Gisz	307 Glenmore Road, Paddington, NSW 2021	Benjamin Gisz holds 100% of the issued share capital in Zoolander Investments Pty Limited

Yours faithfully


EXECUTED by **Zoolander Investments Pty Limited ACN 112 486 110** in its capacity as trustee for The Mandalay Trust:



Signature of director *Sole director*



Name



Signature of director/secretary

Name

SIGNED, SEALED and DELIVERED by
Benjamin Gisz in the presence of:



Signature of party



Signature of witness



Name



Address of witness

Voluntary Escrow Deed – Side Letter

21 September 2015

Darin Hoekman
Company Secretary
Baby Bunting Group Limited
955 Taylors Road
Dandenong South VIC 3175

Dear Darin

I refer to the enclosed Voluntary Escrow Deed entered into by TDM Asset Management Pty Limited, dated on or about the date of this Side Letter (**Voluntary Escrow Deed**). The Voluntary Escrow Deed relates to shares in the capital of Baby Bunting Group Limited.

All capitalised terms used in this letter shall have the meaning given in the Voluntary Escrow Deed.

For the purpose of item 2 of Schedule 1 of the Voluntary Escrow Deed, I confirm the Controller Interests of Thomas Cowan and TDMAM Pty Limited are as set out in the table below:

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of the Voluntary Escrow Deed
TDMAM Pty Limited	Level 10, 66 Hunter Street Sydney NSW 2000	TDMAM Pty Limited holds 33.3% of the issued share capital in TDM Asset Management Pty Ltd
Thomas Cowan	29 William Street Double Bay NSW 2028	Thomas Donald McKenzie Cowan and his spouse Rebecca Runcie each hold 50% of the issued share capital in TDMAM Pty Limited

Yours faithfully

**EXECUTED by TDMAM Pty Limited ACN
107 851 730:**



Signature of director



Name



Signature of director/secretary



Name

SIGNED, SEALED and DELIVERED by
Thomas Donald McKenzie Cowan in
the presence of:



Signature of party

Signature of witness

Rebecca Rorie

Name

29 Wilton Street Dable Bay NSW

Address of witness



Voluntary Escrow Deed

Baby Bunting Group Limited

ACN 128 533 693

And

The Holder

being the party specified in Item 1 of Schedule 1

The Controller/s

being the party/ies specified in Item 2 of Schedule 1

2015

THIS DEED is made on

21

September 2015

BETWEEN:

- (1) **Baby Bunting Group Limited** (ACN 128 533 693) (the **Company**);
- (2) The party specified in Item 1 of Schedule 1 (the **Holder**); and
- (3) The party/ies specified in Item 2 of Schedule 1 (the **Controller**).

RECITALS

- (A) The Company intends to be admitted to the official list of ASX and proposes to issue Shares pursuant to a proposed IPO.
- (B) The Holder owns, or otherwise controls or will control the Disposal of, the Voluntary Escrow Shares as at the date of admission of the Company to the official list of ASX.
- (C) The Holder is controlled by the Controller.
- (D) The Holder agrees to escrow all of the Voluntary Escrow Shares for the Escrow Period pursuant to, and the Controller agrees to be bound by, the terms of this document, on the basis that the Company will take the steps necessary to be admitted to the official list of ASX.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Affiliate means any other Person which directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, the Holder or Controller (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with") as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies or activities of a Person, whether through ownership of the securities, by contract or agency or otherwise).

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market conducted by it.

ASX Settlement Rules means the operating rules of ASX Settlement Pty Limited (ABN 49 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 503).

Business Day means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Completion means the completion of the issue and allotment of new Shares by the Company to investors under the IPO.

Controller Interest means the Securities, substantial economic interest or other interests in the Voluntary Escrow Shares and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 2 of Schedule 1.

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

Dispose includes:

- (a) the meaning given to that term by the Listing Rules; and
- (b) in relation to any Voluntary Escrow Shares, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Voluntary Escrow Shares;
 - (ii) declare a trust over any interest in the Voluntary Escrow Shares;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Voluntary Escrow Shares;
 - (iv) grant or exercise an option in respect of any Voluntary Escrow Shares;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Voluntary Escrow Shares; or
 - (vi) agree to do any of those things;
- (c) in relation to any Controller Interests, to:
 - (i) sell, assign, transfer, convert, surrender, cancel, convey, make a gift of or otherwise dispose (directly or indirectly) of any interest in the Controller Interests;
 - (ii) declare a trust over any interest in the Controller Interests;
 - (iii) encumber or grant a security interest over or otherwise use as collateral the Controller Interests;
 - (iv) grant or exercise an option in respect of any Controller Interests;
 - (v) do, or omit to do, any act if the act or omission would have the effect of transferring, whether directly or indirectly, effective ownership or control of, or transferring or decreasing an economic interest in, any of the Controller Interests; or
 - (vi) agree to do any of those things.

Escrow Period means the period for which the Voluntary Escrow Shares are escrowed as set out in Item 3 of Schedule 1.

Holding Lock has the meaning given to that term in the Listing Rules.

IPO means the proposed initial public offering of the Company

Listing Rules means the listing rules of ASX.

Person means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organisation, entity or division.

Security means:

- (a) a security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (b) an option over an unissued security within the meaning given to that expression by section 92(1) of the Corporations Act;
- (c) a renounceable or unrenounceable right to subscribe for a security within the meaning given to that expression by section 92(1) of the Corporations Act; and
- (d) a financial product traded under ASX's rules.

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

Voluntary Escrow Shares means the Shares specified in Item 4 of Schedule 1.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) **(legislation)** legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) **(documents/agreements)** a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) **(parties)** a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) **(persons)** a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) **(parts of things)** anything (including a right, obligation or concept) includes each part of it.
- (b) **(number)** A singular word includes the plural, and vice versa.
- (c) **(gender)** A word which suggests one gender includes the other genders.
- (d) **(parts of speech)** If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) **(examples)** If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to **dollar** or **\$** is to Australian currency.
- (g) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (h) The words **subsidiary**, **holding company** and **related body corporate** have the same meanings as in the Corporations Act.

1.3 **Non Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

1.4 **Multiple parties**

If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party:

- (a) an obligation of those persons is joint and several;
- (b) a right of those persons is held by each of them severally; and
- (c) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

1.5 **Compliance with ASX Listing Rules**

During the Escrow Period, and for so long as the Company is listed on the official list of the ASX:

- (d) notwithstanding anything contained in this document, if the Listing Rules prohibit an act being done, that act must not be done;
- (e) nothing contained in this document prevents an act being done that the Listing Rules require to be done;
- (f) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (g) if the Listing Rules require this document to contain a provision and it does not contain such a provision, this document is deemed to contain that provision;
- (h) if the Listing Rules require this document not to contain a provision and it contains such a provision, this document is deemed not to contain that provision; and
- (i) if any provision of this document is or becomes inconsistent with the Listing Rules, this document is deemed not to contain that provision to the extent of the inconsistency.

2. **ESCROW RESTRICTIONS**

2.1 **Restrictions**

Subject to clause 2.2, during the Escrow Period:

- (a) the Holder must not Dispose of, or agree or offer to Dispose of, any of the Voluntary Escrow Shares; and
- (b) the Controller must not Dispose of, or agree or offer to Dispose of, any of the Controller Interests.

2.2 **Exceptions**

- (a) To enable the Holder to accept an offer under a takeover bid made under Chapter 6 of the Corporations Act in relation to the Voluntary Escrow Shares or to enable the Voluntary Escrow Shares to be transferred or cancelled as part of a merger by

scheme of arrangement under Part 5.1 of the Corporations Act, the Company must remove the Holding Lock on the Voluntary Escrow Shares if any of the following conditions are met:

- (i) in the case of a takeover bid, holders of at least half of the Shares that are the subject of the takeover bid and that are not subject to any voluntary escrow deed entered into in connection with the IPO have accepted the takeover bid;
 - (ii) in the case of an off-market bid, if the offer is conditional, the bidder and the Holder agree in writing that the Holding Lock will be applied for each Voluntary Escrow Share that is not bought by the bidder under the off-market bid; or
 - (iii) in the case of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, the Holder agrees in writing that the Holding Lock will be applied if the merger does not take effect.
- (b) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares or Controller Interests (as the case may be) to the extent the Disposal is required by applicable law (including an order of a governmental authority or a court of competent jurisdiction).
- (c) Notwithstanding any condition to the contrary in this deed, during the Escrow Period, the Holder or Controller may transfer (in one or more transactions) any or all Voluntary Escrow Shares or Controller Interests (as the case may be) to an Affiliate of the Holder or Controller (as the case may be) provided that such Affiliate transferee agrees to be bound by the terms and conditions of this document by entering into such further agreements or documents as the Company may reasonably require.
- (d) During the Escrow Period, the Holder or Controller may Dispose of any of its Voluntary Escrow Shares if the Disposal is in connection with an equal access share buyback or an equal capital reduction made in accordance with the Corporations Act.

2.3 **Announcements relating to Disposals**

- (a) If the Holder or Controller becomes aware:
- (i) that a Disposal of any Voluntary Escrow Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
 - (ii) of any matter which is likely to give rise to a Disposal of in any Voluntary Escrow Shares or Controller Interests during the Escrow Period,

it must notify the Company in writing as soon as practicable after becoming aware of the Disposal or the matters giving rise to the Disposal, providing full details.

- (b) Subject to clause 2.3(c), the Company may make a public announcement in respect of a Disposal to the extent that, in the reasonable opinion of the Company's directors, disclosure is required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Company (a **Disclosure Obligation**).
- (c) The Company and Holder must consult with each other and use reasonable endeavours to agree to the content of any announcement the Company may wish to make, but only to the extent reasonably possible without contravening the requirements of the Disclosure Obligation and having regard to the mandatory

and/or punitive sanctions that may or are threatened to be imposed under the Disclosure Obligation.

- (d) The Holder must not issue any comment regarding a Disposal without the prior written consent of the Company other than as may be required by law or by any notice, order or regulation of any regulatory authority (including the Listing Rules) which is binding on the Holder.

3. WARRANTIES

3.1 Giving of warranties

Each of the warranties and representations in this clause 3 is given in favour of the Company, as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

The warranties and representations in this clause 3 are given in respect of any and all Voluntary Escrow Shares owned by the Holder or in respect of which the Holder has the right of Disposal and the Controller has Controller Interests in from time to time during the Escrow Period, including as a result of a permitted dealing in accordance with clause 2.2 of this document.

3.2 Warranties of Holder and Controller

The Holder and the Controller severally with respect to itself only (and with respect only to the Voluntary Escrow Shares or Controller Interests held by it or in respect of which the Holder has a right of Disposal, as applicable) warrants and represents the following:

- (a) Before the Escrow Period begins, it has not done, or omitted to do, any act which would breach clause 2 of this document if it were an act or omission which would take effect during the Escrow Period.
- (b) Either:
 - (i) the Holder has the controller/s (as defined in the Listing Rules) set out in Item 2 of Schedule 1; or
 - (ii) any such controller not set out in Item 2 of Schedule 1, and who is not a party to this deed, comes within an exception set out in rule 9.1.4 of the Listing Rules.
- (c) The Holder owns or has the right to Dispose of the Shares set out in Item 1 of Schedule 1 and the Controller holds the Controller Interests set out in Item 2 of Schedule 1.
- (d) The Shares set out in Item 1 of Schedule 1 and the Controller Interests are (or will from Completion be) free from all encumbrances and other third party interests or rights and will remain so during the Escrow Period.
- (e) The Shares set out in Item 1 of Schedule 1 are, as at the date of this document, all the Securities, substantial economic interests or other interests in the Company (other than rights (if any) provided to the Holder in connection with the Company's long term incentive scheme) that the Holder directly or indirectly owns or in respect of which the Holder has the right of Disposal.

- (f) The Controller interests set out in Item 2 of Schedule 1 are as at the date of this document all the Securities, substantial economic interests or other interests in the Holder or the Voluntary Escrow Shares in which the Controller has a direct or indirect interest.
- (g) It has full power and authority, without the consent of any other person, to enter into and perform its obligations under this document (including, if the Holder or Controller has entered into this document as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**).
- (h) It has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (i) This document constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms.
- (j) If the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (k) If the Holder or Controller is a Trustee:
 - (i) the Holder or Controller has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this document and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder or Controller has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.
- (l) The execution, delivery and performance by it of this document does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;
 - (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
 - (iii) any agreement, undertaking, encumbrance or document which is binding on that party.

3.3 Breach of warranties

A breach of any of the warranties in clause 3 is a breach of the terms of this document.

4. HOLDING LOCK

4.1 Agreement to Holding Lock

Subject to clause 4.2, the Holder and the Controller agree to the application of a Holding Lock to the Voluntary Escrow Shares.

4.2 Application of Holding Lock

The Company will apply a Holding Lock to the Voluntary Escrow Shares as soon as practicable after execution of this document and may only remove the Holding Lock with respect to Voluntary Escrow Shares if required under clause 4.3.

4.3 Removal of Holding Lock

- (a) Upon request by a Holder, the Company must remove the Holding Lock with respect to Voluntary Escrow Shares if the Disposal is permitted under clause 2.2.
- (b) The Company must remove the Holding Lock with respect to Voluntary Escrow Shares on the Business Day after the end of the Escrow Period.
- (c) In respect of (a) and (b) above, the Company will notify ASX that the Voluntary Escrow Shares will be released from the escrow restrictions set out in this document in respect of some or all of the Voluntary Escrow Shares, in accordance with the timing requirements set out in Listing Rule 3.10A.

5. PERMITTED DEALINGS WITH THE VOLUNTARY ESCROW SHARES

Except as expressly provided for in clause 2 or clause 6.2, nothing in this document restricts the Holder or the Controller from dealing with the Voluntary Escrow Shares or exercising rights attaching to, or afforded to the Holder or the Controller in respect of, the Voluntary Escrow Shares, including without limitation by:

- (a) exercising any voting rights attaching to the Voluntary Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Voluntary Escrow Shares; and
- (c) receiving or participating in any right or bonus issue in connection with the Voluntary Escrow Shares.

6. BREACH

6.1 Prevention of anticipated breach

If it appears to the Company that the Holder or the Controller may breach this document, the Company may take any steps considered by the Company (acting reasonably) to be necessary or desirable to prevent the breach or to enforce this document as soon as practicable after becoming aware of the potential breach.

6.2 Consequences of breach

- (a) If the Holder or the Controller breaches this document, subject to the Listing Rules and the ASX Settlement Rules:
 - (i) the Company may take the steps necessary to enforce this document, or to rectify the breach;
 - (ii) the Holder must, upon request by the Company, take any steps considered by the Company to be necessary or desirable to enforce this document, or to rectify the breach, as soon as practicable after becoming aware of the breach;
 - (iii) in addition to any other rights or remedies of the Company, the Company may refuse to acknowledge, deal with, accept or register any Disposal of any of the Voluntary Escrow Shares;

- (iv) the holder of the Voluntary Escrow Shares ceases to be entitled to any dividends, distributions or voting rights while the breach continues;
 - (v) the Holder must indemnify the Company against all losses, liabilities and expenses (including legal expenses on a full indemnity basis) that the Company incurs (directly or indirectly) as a result of that default, including but not limited to costs of enforcement; and
 - (vi) the Holder must pay the amount of those losses, liabilities and expenses on demand to, or as directed by, the Company.
- (b) If the Holder or Controller breach this document, the Holder and Controller each acknowledge and agree that such a breach could cause substantial commercial and financial detriment to the Company and other third parties.
 - (c) The parties agree that damages would be an insufficient remedy for breach of clause 2.1 and each of the Holder and Controller agrees that the Company is entitled to seek and obtain an injunction or specific performance to enforce the Holder and/or Controllers obligation under clause 2.1 without proof of actual damage and without prejudice to any of its other rights or remedies.

7. CONDITIONAL

This document is conditional on the Company being admitted to the official list of ASX by 31 December 2015 and will be of no force or effect if the Company has not been admitted to the official list of ASX by this time.

8. CAPACITY

8.1 Trustee

If the Holder or a Controller has entered into this document as a trustee:

- (a) notwithstanding any other provision of this document including any provision expressed to prevail over this clause 8.1 but subject to clause 8.1(c), the Holder or Controller (as applicable) enters into this document only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this document can be enforced against the Holder or Controller (as applicable) only to the extent which it can be satisfied out of the property of the relevant trust for which the Holder or Controller is actually indemnified for the liability. The Holder or Controller (as applicable) will exercise its rights of indemnification in order to satisfy its obligations under this document;
- (b) subject to clause 8.1(c), a party to this document may not sue the Holder or Controller (as applicable) in any capacity other than as trustee in respect of the relevant trust, including seeking the appointment to the Holder or Controller of a receiver (except in relation to property of the relevant trust), a liquidator, administrator or any similar person; and
- (c) the provisions of this clause 8.1 will not apply to any obligation or liability of the Holder or Controller (as applicable) to the extent that it is not satisfied because under the relevant trust deed or by operation of law, there is a reduction in the extent, or elimination of, the Holder's or Controller's right of indemnification out of the assets of the relevant trust, or the right does not exist at all, as a result of the Holder's fraud, negligence, improper performance of duties or breach of trust.

9. **COMPANY TO COMPLETE SCHEDULE 1**

Each party authorises the Company (or any person delegated such authority in writing by the Company) to insert in Schedule 1, after execution of this document by each party:

- (a) the particulars of Voluntary Escrow Shares in Item 4 of Schedule 1;
- (b) the particulars of the Controller Interests in Item 2 of Schedule 1; and
- (c) any other details necessary to complete Schedule 1.

10. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail, fax or email.
- (b) A notice, consent or other communication that complies with this clause is regarded as given and received:
 - (i) if it is delivered, when it has been left at the addressee's address;
 - (ii) if it is sent by mail, three Business Days after it is posted;
 - (iii) if it is sent by fax, when the addressee actually receives it in full and in legible form; and
- (c) if it is sent in electronic form when the sender receives confirmation on its server that the message has been transmitted.
- (d) A person's addresses and fax number are those set out below, or as the person notifies the sender:

Company

Address: 955 Taylors Road, Dandenong South, VIC 3175

Email Address: darinh@babybunting.com.au

Fax number: (03) 8795 8105

Attention: Company Secretary

Holder – as specified in Item 1 of Schedule 1

Controller – as specified in Item 2 of Schedule 1

11. **GENERAL**

11.1 **Amendment**

Subject to clause 9, this document can only be amended or replaced by another document executed by the parties.

11.2 **Governing law**

- (a) This document is governed by the law in force in Victoria.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

11.3 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

11.4 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

11.5 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.6 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.7 Operation of indemnities

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

11.8 Inconsistency with other documents

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

11.9 Counterparts

This document may be executed in counterparts.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by **Baby Bunting Group Limited:**




Signature of director



Name



Signature of director/secretary



Name

EXECUTED by **TDM Asset Management Pty Ltd ACN 133 246 330:**



Signature of director



Name



Signature of director/secretary



Name

EXECUTED by **TDMAM Pty Limited ACN 107 851 730:**



Signature of director



Name



Signature of director/secretary



Name

**EXECUTED by Madleowill Investments
Pty Limited ACN 140 947 584:**



Signature of director

HAMISH CORLETT

Name

Signature of director/secretary

Name

**EXECUTED by Zoolander Investments
Pty Limited ACN 112 486 110:**



Signature of director

BEN GISZ

Name

Signature of director/secretary

Name

**SIGNED, SEALED and DELIVERED by
Benjamin Gisz in the presence of:**



Signature of party



Signature of witness

Rebecca Runcie

Name

29 willow street Dable Bay NSW

Address of witness

SIGNED, SEALED and DELIVERED by
Hamish James Corlett in the presence
of:



Signature of party



Signature of witness



Name

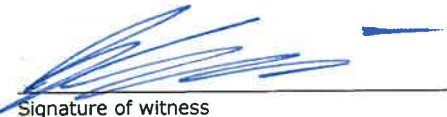


Address of witness

SIGNED, SEALED and DELIVERED by
Thomas Donald McKenzie Cowan in
the presence of:



Signature of party



Signature of witness



Name



Address of witness

SCHEDULE 1

ITEM 1: HOLDER DETAILS

Holder	Notice details of Holder	Holder's interests in Shares as at the date of this document
TDM Asset Management Pty Ltd ACN 133 246 330	Level 10, 66 Hunter St, Sydney NSW 2000	36,901,303 Shares

ITEM 2: CONTROLLER DETAILS

Controller	Notice details of Controller	Particulars of Controller Interests as at the date of this document
TDMAM Pty Limited ACN 107 851 730	Level 10, 66 Hunter St, Sydney NSW 2000	The Controller Interests specified in the side letter from the Controller to the Company dated the date of this deed.
Madleowill Investments Pty Limited ACN 140 947 584	Level 10, 66 Hunter St, Sydney NSW 2000	The Controller Interests specified in the side letter from the Controller to the Company dated the date of this deed.
Zolander Investments Pty Limited ACN 112 486 110	Level 10, 66 Hunter St, Sydney NSW 2000	The Controller Interests specified in the side letter from the Controller to the Company dated the date of this deed.
Benjamin Gisz	100 Lawson St, Paddington, NSW 2021	The Controller Interests specified in the side letter from the Controller to the Company dated the date of this deed.
Hamish James Corlett	Unit 2, 166-172 Arden St, Coogee, NSW 2034	The Controller Interests specified in the side letter from the Controller to the Company dated the date of this deed.
Thomas Donald McKenzie Cowan	94 Fletcher St, Woollahra, NSW 2025	The Controller Interests specified in the side letter from the Controller to the Company dated the date of this deed.

ITEM 3: ESCROW PERIOD

The period commencing on the date the Company is admitted to the official list of ASX until three Business Days after the release to ASX of the Company's full year results for the period ending 26 June 2016.

ITEM 4: VOLUNTARY ESCROW SHARES

All Shares owned by the Holder and all Shares over which the Holder may exercise a right of Disposal as at the date of Listing (other than any Shares, or rights of Disposal in relation to Shares, acquired under the IPO).