



DLA Piper Australia
Level 22
No.1 Martin Place
Sydney NSW 2000
GPO Box 4062
Sydney NSW 2001
Australia
DX 107 Sydney
T +61 2 9286 8000
F +61 2 9286 8007
W www.dlapiper.com

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

22 March 2016

By Fax

Dear Sir/Madam

**NICK SCALI LIMITED (ASX:NCK) - LODGEMENT OF FORM 604 - NOTICE
OF CHANGE OF INTERESTS OF SUBSTANTIAL HOLDER**

On behalf of Scali Consolidated Pty Ltd (ACN 002 410 559), we attach a Form 604 (Notice of Change of Interests of Substantial Holder) in relation to the ordinary shares in Nick Scali Limited (ACN 000 403 896).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Adrian Tan', written over a horizontal line.

ADRIAN TAN
Senior Associate
DLA PIPER AUSTRALIA

Direct +61 2 9286 8633

Adrian.Tan@dlapiper.com

DLA Piper Australia is part of DLA Piper, a global law firm, operating through various separate and distinct legal entities.

A list of offices and regulatory information can be found at www.dlapiper.com

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme NICK SCALI LIMITED

ACN/ARSN 000 403 896

1. Details of substantial holder (1)

Name Scali Consolidated Pty Ltd ACN 002 410 559 for itself and on behalf of each other entity listed in Annexure A ("Scali Family Entities")

ACN/ARSN (if applicable) See Annexure A

There was a change in the interests of the substantial holder on 22/03/2016

The previous notice was given to the company on 11/06/2008

The previous notice was dated 11/06/2008

2. Previous and present 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 when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Ordinary Shares | 40,500,000 | 50% | 22,078,947 | 27.26% |
| | | | | |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|----------------------------------------|----------------------|-----------------------------------------------|-----------------------------------------|-------------------------|
| See Annexure B | | | | | |
| | | | | | |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|---------------------------------|------------------------------------------------|---------------------------------|--------------------------------|----------------|
| See Annexure C | | | | | |
| | | | | | |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A | N/A |
| | |

6. Addresses

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

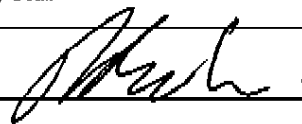
| Name | Address |
|----------------|---------|
| See Annexure D | |
| | |

Signature

print name Anthony Scali

capacity Director

sign here



date 22/03/2016

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 6 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 person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. 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.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on 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.
- (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) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A
NICK SCALI LIMITED
ACN 000 403 896

This is annexure Form A of 1 page in Form 604 Notice of Change of Interests of Substantial Holder

The "Scali Family Entities" comprise each of the following:

- Scali Family Investments Pty Limited ACN 118 243 793
- Rekhu Pty Ltd ACN 117 574 615 (in its capacity as trustee of the SEN Family Trust)
- Rekhu Investments Pty Ltd ACN 611 380 459
- Donna Louise Scali
- Anthony John Scali
- Chiara (NSW) Pty Ltd ACN 118 912 253 (in its capacity as trustee of the Yvonne Scali Family Trust)
- Yvonne Scali
- Cyprian Investments Pty Ltd ACN 118 920 782 (in its capacity as trustee of the Cyprian Trust)
- Nicodemo Domenico Scali Junior



Anthony Scali


22 March 2016

Date

Annexure B
NICK SCALI LIMITED
 ACN 000 403 896

This is annexure Form B of 1 page in Form 604 Notice of Change of Interests of Substantial Holder

| Date of Change | Person whose relevant Interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|-------------------------|
| 22/03/2016 | Scali Consolidated Pty Ltd ACN 002 410 559 (Scali Consolidated) | Sell down by Scali Consolidated by way of block trade pursuant to a block trade agreement entered into between Scali Consolidated and Macquarie Capital (Australia) Limited dated 21 March 2016, a copy of which is attached to this notice at Annexure E. Refer also to the Company's market release dated 22 March 2016. | \$70,000,001 | 18,421,053 | 22.74% |
| 22/03/2016 | Scali Family Investments Pty Limited ACN 119 243 793 | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Rekhu Pty Ltd ACN 117 574 815 (in its capacity as trustee of the SEN Family Trust) | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Rekhu Investments Pty Ltd ACN 611 380 459 | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Donna Louise Scali | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Anthony John Scali | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Chiara (NSW) Pty Ltd ACN 118 912 253 (in its capacity as trustee of the Yvonne Scali Family Trust) | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Yvonne Scali | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Cyprian Investments Pty Ltd ACN 118 920 782 (in its capacity as trustee of the Cyprian Trust) | As above | N/A | 18,421,053 | 22.74% |
| 22/03/2016 | Nicodemo Domenico Scali Junior | As above | N/A | 18,421,053 | 22.74% |



 Anthony Scali

22 March 2016

 Date

Annexure C
NICK SCALI LIMITED
 ACN 000 403 896

This is annexure Form C of 1 page in Form 604 Notice of Change of Interests of Substantial Holder

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|
| Scali Consolidated Pty Ltd ACN 002 410 559 (Scali Consolidated) | Scali Consolidated | Scali Consolidated | Pursuant to section 608(1)(a) of the Corporations Act 2001 (Clh) (Corporations Act) by being the holder of the securities | 22,078,947 Ordinary Shares | 27.26% |
| Scali Family Investments Pty Limited ACN 119 243 793 (Scali Investments) | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(b) of the Corporations Act by being the sole shareholder of Scali Consolidated | 22,078,947 Ordinary Shares | 27.26% |
| Rekhu Pty Ltd ACN 117 574 616 (in its capacity as trustee of the SEN Family Trust) (Rekhu) | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(a) of the Corporations Act by having voting power above 20% in Scali Investments | 22,078,947 Ordinary Shares | 27.28% |
| Rekhu Investments Pty Ltd ACN 611 380 459 | Scali Consolidated | Scali Consolidated | Pursuant to section 608(2)(b)(iii) of the Corporations Act by having power or control over the right to vote in respect of Chiara's and Cyprian's (as those terms are defined below in this annexure) shares in Scali Investments as a result of having entered into a deed of agreement relating to Scali Investments dated 21 March 2016, a copy of which is attached to this notice at Annexure F | 22,078,947 Ordinary Shares | 27.26% |
| Donna Louise Scali | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(b) of the Corporations Act by being the sole shareholder of Rekhu | 22,078,947 Ordinary Shares | 27.26% |
| Anthony John Scali | Scali Consolidated | Scali Consolidated | Pursuant to sections 608(2)(b)(iii) and 608(3)(b) of the Corporations Act by having power or control over the right to vote and the power to dispose of Rekhu's shares in Scali Investments | 22,078,947 Ordinary Shares | 27.26% |
| Chiara (NSW) Pty Ltd ACN 118 912 253 (in its capacity as trustee of the Yvonne Scali Family Trust) (Chiara) | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(a) of the Corporations Act by having voting power above 20% in Scali Investments | 22,078,947 Ordinary Shares | 27.26% |
| Yvonne Scali | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(b) of the Corporations Act by being the sole shareholder of Chiara | 22,078,947 Ordinary Shares | 27.26% |
| Cyprian Investments Pty Ltd ACN 118 920 782 (in its capacity as trustee of the Cyprian Trust) (Cyprian) | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(a) of the Corporations Act by having voting power above 20% in Scali Investments | 22,078,947 Ordinary Shares | 27.26% |
| Nicodemo Domenico Scali Junior | Scali Consolidated | Scali Consolidated | Pursuant to section 608(3)(b) of the Corporations Act by being the sole shareholder of Cyprian | 22,078,947 Ordinary Shares | 27.26% |



 Anthony Scali

22 March 2016

 Date

Annexure D
NICK SCALI LIMITED
 ACN 000 403 896

This is annexure Form D of 1 page in Form 604 Notice of Change of Interests of Substantial Holder

| Name | Address |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Scali Consolidated Pty Ltd ACN 002 410 559 | C/- KPMG, Level 10, 10 Shelley Street, Sydney, New South Wales 2000 |
| Scali Family Investments Pty Limited ACN 119 243 793 | C/- KPMG, Level 10, 10 Shelley Street, Sydney, New South Wales 2000 |
| Rekhu Pty Ltd ACN 117 574 615 (in its capacity as trustee of the SEN Family Trust) | 37 Wunulla Road, Point Piper, New South Wales 2027 |
| Rekhu Investments Pty Ltd ACN 611 380 459 | C/- KPMG, Level 10, 10 Shelley Street, Sydney, New South Wales 2000 |
| Donna Louise Scali | 37 Wunulla Road, Point Piper, New South Wales 2027 |
| Anthony John Scali | 37 Wunulla Road, Point Piper, New South Wales 2027 |
| Chlara (NSW) Pty Ltd ACN 118 912 253 (in its capacity as trustee of the Yvonne Scali Family Trust) | 15A GinahGulla Road, Bellevue Hill, New South Wales 2023 |
| Yvonne Scali | 15A GinahGulla Road, Bellevue Hill, New South Wales 2023 |
| Cyprian Investments Pty Ltd ACN 118 920 782 (in its capacity as trustee of the Cyprian Trust) | 7 Cyprian Street, Mosman, New South Wales 2088 |
| Nicodemo Domenico Scali Junior | 7 Cyprian Street, Mosman, New South Wales 2088 |



Anthony Scali

22 March 2016

Date

Annexure E
NICK SCALI LIMITED
ACN 000 403 896

This is annexure Form E of 17 pages in Form 604 Notice of Change of Interests of Substantial Holder

The attached copy is a true copy of the original agreement.



Anthony Scall

22 March 2016

Date

COMMERCIAL-IN CONFIDENCE

21 March 2016

Scali Consolidated Pty Limited (ABN 63 002 410 559)
3 Birnie Avenue
Lidcombe NSW 2141

(the Vendor)

Dear Sirs

Sale of Shares in Nick Scali Limited (ABN 82 000 403 896)**1. Introduction**

This agreement sets out the terms and conditions upon which the Vendor engages Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (Lead Manager) to dispose of **18,421,053** existing fully paid ordinary shares in Nick Scali Limited (ABN 82 000 403 896) (Company) held by the Vendor (Sale Shares) (Sale) and the Lead Manager agrees to procure the disposal of the Sale Shares and to provide underwriting thereof, subject to clause 2, in accordance with the terms of this agreement.

2. Sale of shares**2.1 Sale**

The Vendor agrees to sell the Sale Shares and the Lead Manager agrees to:

- (a) manage the sale of the Sale Shares by procuring purchasers for the Sale Shares at the price of A\$3.80 per Sale Share (Sale Price); and
- (b) subject to clause 2.7, to underwrite and guarantee the sale of the Sale Shares by purchasing at the Sale Price per Sale Share the Sale Shares which have not been purchased by third party purchasers (or the Lead Manager's Affiliates) in accordance with clause 2.1(a) as at 9.45am on the Trade Date (as defined in the Timetable in Schedule 1) (or such time as the parties agree in writing) (Shortfall Shares),

in accordance with the terms of this agreement. The Lead Manager acknowledges and agrees that the identity of purchasers, and the offers to them, will comply with the requirements of this clause 2 and, subject to the foregoing, may include the Lead Manager's respective Affiliates (as defined in clause 11.5).

2.2 Sale and Settlement Date

The Lead Manager will procure that the sale of the Sale Shares under clause 2.1 shall be effected:

- (a) subject to clause 2.2(b), on the Trade Date, by way of one or more special crossings (in accordance with the Operating Rules of ASX) at the Sale Price, with settlement to follow on a T+2 basis in accordance with the ASX Settlement Operating Rules (Settlement Date); and
- (b) in respect of any Restricted Shares (as defined in clause 2.7), in accordance with clause 2.8.

2.3 Sale Shares

Subject to clause 8, by 3:00pm on the Settlement Date, the Lead Manager shall arrange for the payment to the Vendor, or to a designee as the Vendor directs, of an amount equal to:

- (a) the Sale Price multiplied by the number of Sale Shares being sold by the Vendor (excluding the number of Restricted Shares retained by the Vendor in accordance with clause 2.7, if any); less
- (b) the fees payable under clause 3 (together with any GST payable on those fees); less
- (c) any withholding amounts required to be withheld under clause 10,

by transfer to the Vendor's account for value (in cleared funds) against delivery of the Sale Shares (excluding the Restricted Shares, if any) being sold by the Vendor.

2.4 Timetable

The Lead Manager must conduct the Sale in accordance with the timetable set out in Schedule 1 (Timetable) (unless the Vendor consents in writing to a variation).

2.5 Account Opening

On or before the Trade Date, the Lead Manager or its nominated Affiliate will (where relevant) open an account in the name of the Vendor in accordance with its usual practice, and do all such things necessary to enable it to act as Lead Manager to sell the Sale Shares in accordance with this agreement.

2.6 Manner of Sale

- (a) **Exempt investors and permitted jurisdictions.** The Lead Manager will conduct the Sale by way of an offer only to persons:
 - (i) if in Australia, who do not need disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act);
 - (ii) if outside Australia, to institutional and professional investors in the Permitted Jurisdictions (as defined below) but not elsewhere (other than the United States in accordance with this agreement) to whom offers for sale of securities may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other disclosure document or any other lodgement, registration or filing with, or approval by, a government agency (other than any such requirement with which the Vendor, in its sole and absolute discretion, is willing to comply), as determined by agreement between the Vendor and the Lead Manager; and
 - (iii) in accordance with the foreign offer restrictions provided to the Lead Manager before the execution of this agreement.
- (b) **Investor agreements.** The Lead Manager will ensure that any Investor that purchases the Sale Shares (other than any Restricted Shares sold in regular brokered transactions on the ASX in accordance with clause 2.8(d) will be required to confirm, including through deemed representations and warranties, among other things:
 - (i) its status as an investor meeting the requirements of this clause 2.8 and clause 2.8(f) or (g); and

- (ii) its compliance with all relevant laws and regulations (including the takeover and insider trading provisions of the Corporations Act and the *Foreign Acquisitions and Takeovers Act 1974* (Cth)).

Permitted Jurisdictions means Belgium, Denmark, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, United Arab Emirates (excluding Dubai International Financial Centre) and United Kingdom.

- (c) **Legal and regulatory issues:** The Lead Manager will have no obligations under this Agreement unless and until by the relevant time:
 - (i) Vendor has, and has procured that the Issuer has completed a due diligence questionnaire to the satisfaction of the Lead Manager prior to execution of this Agreement;
 - (ii) Vendor procures that at the time specified in the Timetable, the Issuer announces the Sale (including the Vendor's name and the number of Sale Securities to be sold under the Sale) and any Investor Presentation and any Inside Information and any Material Information (each as defined in the Corporations Act) through the Issuer's ASX Announcement Platform (in substantially the form agreed between the parties); and
 - (iii) Vendor procures the Issuer to obtain a trading halt in the Issuer's securities.
- (d) **Allocations.** Proposed allocations of the Sale Shares to purchasers will be made by the Lead Manager in its sole discretion.

2.7 Principal Shares

Notwithstanding anything else in this Agreement the number of Sale Shares which must be purchased by the Lead Manager under the terms of this Agreement (**Principal Shares**) will be the lesser of:

- (a) the Shortfall Shares; and
- (b) the maximum number of the Sale Shares that can be sold to the Lead Manager without breach by the Lead Manager or any of its associates of section 606 of the Corporations Act.

The Lead Manager warrants that the information it provides to the Vendor to enable it to calculate the number of Principal Shares in accordance with this clause 2.7 will, at the time it is given, be accurate. If the number of Principal Shares is less than the number of Shortfall Shares, such difference to be referred to in this Agreement as the **Restricted Shares**, the Vendor agrees to retain any Restricted Shares, subject to the terms of this Agreement.

2.8 Restricted Shares

- (a) **Advance Amount.** By 3:00pm on the Settlement Date, the Lead Manager must advance to the Vendor an amount equal to the number of Restricted Shares (if any) multiplied by the Sale Price (**Advance Amount**). No interest will be payable on the Advance Amount. The Vendor must repay the Advance Amount from and to the extent that the Vendor receives the proceeds of sale of the Restricted Shares. The outstanding Advance Amount will not be repayable in any circumstances in respect of Restricted Shares not sold by the End Date (as defined in clause 2.8(c) below) and the agency provided for in clause 2.8(c) will terminate at that time or at such earlier time when all Restricted Shares have been sold. If the Vendor receives a dividend or other distribution on a Restricted Share prior to the End Date, where that dividend or distribution was announced on or after the Trade Date, then the

Vendor must pay the after-tax amount of the receipt to the Lead Manager in reduction of the Advance Amount applicable to that Restricted Share.

- (b) **Repayment.** The Lead Manager will automatically apply any proceeds of sale of the Restricted Shares as agent against repayment of the Advance Amount by the Vendor, immediately upon receipt of those proceeds.
- (c) **Restricted Shares.** If there are Restricted Shares, then the Lead Manager will sell, as agent for the Vendor, in the ordinary course of the Lead Manager's business, the Restricted Shares by the date that is 90 Business Days after the date of this Agreement (**End Date**). The Vendor must comply with directions of the Lead Manager to transfer Restricted Shares in order to settle any such sale, provided that all sales must be effected by 7.00 pm on the End Date.
- (d) **Execution of sale of Restricted Shares.** The Lead Manager agrees that the sale of the Restricted Shares will be effected by way of one or more special crossings in accordance with the Operating Rules of the ASX and the ASX Settlement Operating Rules, and/or by way of one or more regular brokered transactions on the ASX on the condition that neither it, nor any person acting on its behalf, knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States. Settlement of Restricted Shares sold in this manner will occur on a T + 2 basis, (where T represents the date on which the relevant share was sold).
- (e) **Interest In Restricted Shares.** The parties acknowledge that the Lead Manager does not acquire any interest in the Restricted Shares (if any) or any rights in them (by way of security or otherwise) in respect of them except as agent for the sale of those shares.

U.S. Securities Act The Sale Shares shall only be offered and sold:

- (f) to persons that are not in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act of 1933 (**U.S. Securities Act**)) in reliance on Regulation S under the U.S. Securities Act (**Regulation S**); or
- (g) to dealers or other professional fiduciaries organised, incorporated or (if an individual) resident in the United States that are acting for an account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k)(2)(i) of Regulation S) for which they have, and are exercising, investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S (**Eligible U.S. Fund Managers**) in relation to Regulation S, and each party and its Affiliates and any person acting on behalf of that party have complied with, and will comply with the offering restriction requirements in Regulation S.

3. Fees and costs

- (a) In consideration of performing its obligations under this agreement the Lead Manager shall be entitled to such fees as the parties agree.
- (b) The parties will each bear their own legal costs (if any) and all their other out-of-pocket expenses (if any) in connection with this agreement and the transactions contemplated by it.

4. Representations and Warranties

4.1 Representations and warranties by Vendor

As at the date of this agreement and on each day until and including the Settlement Date (or in the case where clause 2.7 applies in respect of the Lead Manager, 3 Business Days after the

End Date), the Vendor represents and warrants to the Lead Manager that each of the following statements is true, accurate and not misleading:

- (a) **(body corporate)** it is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) **(capacity)** it has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) **(authority)** it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates;
- (d) **(agreement effective)** this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) **(ownership, encumbrances)** it is the registered holder and sole legal owner of the Sale Shares and will transfer the full legal and beneficial ownership of those Sale Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights, subject to registration of the transferee(s) in the register of shareholders of the Company;
- (f) **(Sale Shares)** following sale by it, the Sale Shares will rank equally in all respects with all other outstanding ordinary shares of the Company, including their entitlement to dividends;
- (g) **(Cleansing statement)** the cleansing notices will include all "excluded information", as defined in the Corporations Act and will not be misleading or deceptive, including by omission and following the issue of cleansing notices, as contemplated by this agreement, the Sale Shares may be offered for sale on the financial market operated by ASX without disclosure to investors under Part 6D.2 of the Corporations Act;
- (h) **(power to sell)** it has the corporate authority and power to sell the Sale Shares under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares;
- (i) **(no insider trading offence)** at the time of execution of this Agreement by the Vendor, the sale of the Sale Shares will not constitute a violation by it of Division 3 of Part 7.10 of the Corporations Act;
- (j) **(breach of law)** it will perform its obligations under this Agreement so as to comply with all applicable laws in Australia, including in particular the Corporations Act and the FATA, the United States of America and the jurisdictions specified in clause 2.6(a)(ii);
- (k) **(Escrow)** Vendor represents and warrants that it will not from the date of this Agreement until the day following the announcement of the Issuer's financial results for the financial year ending 30 June 2016 to ASX (the "Escrow Period"), Deal in all or any of the fully paid ordinary shares held by it in the Issuer ("**Remaining Securities**") after the sale of the Sale Securities pursuant to this Agreement, excluding:
 - (i) a repurchase (whether by buy-back, reduction of capital or other means) of Remaining Securities by the Issuer;
 - (ii) any acceptance by the Vendor of a takeover offer for the Issuer in accordance with Chapter 6 of the Corporations Act or transfer pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act; and

- (iii) a sale, transfer, or disposal to a third party where it is a condition of the sale that the third party announce an intention to acquire, or propose a transaction to acquire, greater than 50% of all Remaining Securities.

Each party to this Agreement acknowledges that the representation and warranty in clause 4.1(k):

- (i) is not intended to and does not give the Lead Manager any power to dispose of, or control the disposal of, the Remaining Securities the subject of the representation and warranty and a breach of the representation and warranty in those circumstances will only give rise to a right to damages and the parties acknowledge that, in such circumstances, damages are an adequate remedy for a breach of the representation and warranty; and
- (ii) has been provided to only address the financial consequences of the Vendor disposing of, or dealing with, any Remaining Securities held by it and each party to this Agreement acknowledges that the Lead Manager is not entitled to a remedy of specific performance for a breach of the representation and warranty in clause 4.1(k) and has no right to prevent or restrict any Dealing that may give rise to a breach of the representation and warranty in clause 4.1(k).

For the purposes of clause 4.1(k), "Deal", in respect of the "Remaining Securities", means:

- (i) sell, assign, transfer or otherwise dispose of;
- (ii) agree or offer to sell, assign, transfer or otherwise dispose of;
- (iii) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Vendor to sell, assign, transfer or otherwise dispose of; or
- (iv) decrease or agree to decrease an economic interest in,
- (v) the Remaining Securities.

(Vendor U.S representations)

- (l) none of it, any of its Affiliates or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has offered or sold, or will offer or sell, any of the Sale Shares in the United States, using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (m) with respect to those Sale Shares sold in reliance on Regulation S, none of it, any of its Affiliates, or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (n) to the best of its knowledge, the Company is a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act and there is no "substantial U.S. market interest" (as defined in Rule 902(j) under the U.S. Securities Act) in the Sale Shares or any security of the same class or series as the Sale Shares;
- (o) neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;

- (p) none of it, any of its Affiliates or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation or warranty), has solicited any offer to buy, offered to sell or sold, and none of them will solicit any offer to buy, offer to sell or sell in the United States or to, or for the account or benefit of, any person in the United States any security which could be integrated with the sale of the Sale Shares in a manner that would require the offer and sale of the Sale Shares to be registered under the U.S. Securities Act; and
- (q) subject to compliance by the Lead Manager with its obligation under clauses 4.2(e) to 4.2(i) of this Agreement, it is not necessary to register the offer and sale of the Sale Shares, and the initial resale of the Sale Shares by the Lead Manager, in the manner contemplated by this Agreement under the U.S. Securities Act, it being understood that it makes no representation or warranty about any subsequent resale of the Sale Shares.

4.2 Representations and warranties of Lead Manager

As at the date of this Agreement and on each day until and including the Settlement Date (or in the case where clause 2.7 applies in respect of the Lead Manager, 3 Business Days after the End Date), the Lead Manager represents to the Vendor that each of the following statements is correct:

- (a) **(body corporate)** It is a body corporate validly existing and duly established and duly incorporated under the laws of its place of incorporation;
- (b) **(capacity)** It has full legal capacity and power to enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) **(authority)** it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out of the transactions that this Agreement contemplates; and
- (d) **(agreement effective)** this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

(Lead Manager U.S. representations)

- (e) it acknowledges that the offer and sale of the Sale Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (f) none of it, its Affiliates nor any person acting on behalf of any of them has solicited offers for or offered to sell, and none of them will solicit offers for, or offer or sell, the Sale Shares in the United States, using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (g) it, its Affiliates and any person acting on behalf of any of them has offered and sold the Sale Shares, and will offer and sell the Sale Shares:
 - (i) to persons that are not in the United States and are not acting for the account or benefit of, persons in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in accordance with Regulation S;
- (h) with respect to those Sale Shares sold in reliance on Regulation S, none of it, its Affiliates nor any person acting on behalf of any of them has engaged or will

engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act); and

- (i) neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law.

4.3 **Reliance**

Each party giving a representation and warranty acknowledges that the other parties have relied on the above representations and warranties in entering into this agreement and will continue to rely on these representations and warranties in performing their obligations under this agreement. The above representations and warranties continue in full force and effect notwithstanding completion of this agreement.

4.4 **Notification**

Each party agrees that it will tell the other parties immediately upon becoming aware of any of the following occurring prior to the completion of the sale of the Sale Shares:

- (a) any change affecting any of the foregoing representations and warranties; or
- (b) any of the foregoing representations or warranties becoming materially untrue or incorrect.

5. **Undertakings**

5.1 **Restricted Activities**

The Vendor undertakes to the Lead Manager to:

- (a) not, prior to settlement on the Settlement Date commit, be involved in or acquiesce in any activity which breaches:
 - (i) the Corporations Act and any other applicable laws;
 - (ii) its constitution;
 - (iii) the ASX Listing Rules;
 - (iv) any legally binding requirement of ASIC or the ASX, as they apply to the Vendor; and
- (b) immediately notify the Lead Manager of any breach of any warranty or undertaking given by it under this Agreement;

each of these undertakings being material terms of this Agreement.

5.2 **U.S. opinion**

Not applicable.

5.3 **Cleansing Notices**

The Vendor must, and must procure that the Company does, give to ASX cleansing statements pursuant to section 708A(5)(e)(ii) of the Corporations Act (as amended by ASIC Class Order 08/25):

- (a) in respect of the sale of the Sale Shares, by 9.00am on the Business Day after the Trade Date; and
- (b) in respect of the sale of any Restricted Securities within the 5 Business Day period referred to in sections 708A(6)(a)(ii) of the Corporations Act (as amended by ASIC Class Order 08/25 as aforesaid) provided that this sub-clause (b) shall only apply if and to the extent that the Vendor remains a controller of the Company for the purposes of sections 707(5) of the Corporations Act at the time of sale of any Restricted Securities.

6. Indemnity

6.1 The Vendor agrees with the Lead Manager that it will keep the Lead Manager and its Affiliates and their respective directors, officers and employees (**Indemnified Parties**) indemnified against any direct or indirect losses, damages, liabilities, costs, claims, actions and demands (including any expenses arising in connection therewith on a dollar for dollar basis) (**Losses**) to the extent that such Losses are incurred in connection with this Agreement or as a result of a breach of this Agreement by the Vendor, including any breach of any of the above representations, warranties or undertakings given by the Vendor, and will reimburse the Lead Manager for all out of pocket costs, charges and expenses on a dollar for dollar basis which it may reasonably pay or incur in connection with investigating, disputing or defending any such action, demand or claim for which it is indemnified under this Agreement.

6.2 The indemnity in clause 6.1 does not extend to and is not to be taken as an indemnity against any Losses of an Indemnified Party to the extent any Losses are finally judicially determined to have resulted from:

- (a) any fraud, recklessness, wilful misconduct or gross negligence of the Indemnified Party
- (b) any penalty or fine which the Indemnified Party is required to pay for any contravention of any law; or
- (c) any amount in respect of which the indemnity would be illegal, void or unenforceable under any applicable law;

save to the extent such Losses are caused, induced or contributed to by an act or omission of a third party or of the Vendor or a person acting on behalf of the Vendor. In all cases, Losses do not include losses, damages or costs of subscription suffered solely as a result of the Lead Manager performing its obligations under clause 2.1(b).

6.3 The Vendor also agrees that no Indemnified Party will have any liability to the Vendor, any of its Affiliates or any of their respective directors, officers, employees, advisers, representatives or agents of any of them or any of the Vendor's security holders or creditors for any Loss suffered by any of them in relation to any event to which indemnity applies. This release does not apply to the extent that any Losses are finally judicially determined to have resulted from any fraud, recklessness, wilful misconduct or gross negligence of the Indemnified Party save to the extent such Losses are caused, induced or contributed to by an act or omission on the part of any unrelated third party or of the Vendor or a person acting on behalf of the Vendor.

6.4 The Vendor and each Indemnified Party must not settle any action, demand or claim to which the indemnity in clause 6.1 relates without the prior written consent of the Vendor or the Lead Manager, as applicable, such consent not to be unreasonably withheld.

6.5 The indemnity in clause 6.1 and the release in clause 6.3 are continuing obligations, separate and independent from the other obligations of the parties under this Agreement and survive termination or completion of this Agreement. It is not necessary for the Lead Manager to incur expense or make payment before enforcing the indemnity.

6.6 The indemnity in clause 6.1 is granted to the Lead Manager both for itself and on trust for each of the Indemnified Parties.

- 6.7 Subject to clause 6.8, the parties agree that if for any reason the Indemnity in clause 6.1, is unavailable or insufficient to hold harmless any Indemnified Party against any Losses against which the Indemnified Party is stated to be indemnified (other than expressly excluded), the respective proportional contributions of the Vendor and the Indemnified Party or the Indemnified Parties in relation to the relevant Losses will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of the Vendor and the Indemnified Party or the Indemnified Parties in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statement or omission.
- 6.8 The Vendor agrees with each of the Indemnified Parties that in no event will the Lead Manager and its associated Indemnified Parties be required to contribute under clause 6.7 to any Losses in an aggregate amount that exceeds the aggregate of the fees paid to the Lead Manager under this Agreement.
- 6.9 If an Indemnified Party pays an amount in relation to Losses where it is entitled to contribution from the Vendor under clause 6.7 the Vendor agrees promptly to reimburse the Indemnified Party for that amount.
- 6.10 If the Vendor pays an amount to the Indemnified Parties in relation to Losses where it is entitled to contribution from the Indemnified Parties under clause 6.7 the Indemnified Parties must promptly reimburse the Vendor for that amount.

7. Announcements

- 7.1 Prior to announcement of the Sale, the Vendor and the Lead Manager will consult each other in respect of any material public releases by any of them concerning the sale of the Sale Shares except:
- (a) where disclosure is required or requested by applicable law, a legal or regulatory authority or the ASX Listing Rules;
 - (b) where disclosure is made to an adviser or to a person who must know for the purposes of this Agreement, on the basis that the adviser or person keeps the information confidential; and
 - (c) to a person to the extent reasonably necessary in connection with any actual or potential claim or judicial or administrative process involving that party in relation to the Sale.
- 7.2 The Lead Manager may, after completion of its other obligations under this Agreement, place advertisements in financial and other newspapers and journals at its own expense describing their service to the Vendor provided such advertisements are in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction and are consistent with other publicly available information in relation to the subject matter of the announcement.

8. Event of termination

8.1 Right of termination.

If, at any time during the Risk Period (as defined in clause 8.4) any of the matters in this clause 8.1 occur, then the Lead Manager may terminate this Agreement without cost or liability to itself at any time before the expiry of the Risk Period by giving written notice to the Vendor.

- (a) **(*) Breach:** the Vendor is in default of any of the terms and conditions of this Agreement or breaches any representation, warranty or undertaking given or made by it under this Agreement;
- (b) **ASX actions:** ASX does any of the following:

- (i) announces that the Issuer will be removed from the official list of ASX or ordinary shares in the Issuer will be suspended from quotation (other than with the approval (not to be unreasonably withheld or delayed), or at the request, of the Lead Manager;
 - (ii) removes the Issuer from the official list; or
 - (iii) suspends the trading of ordinary shares in the Issuer for any period of time (excluding any trading halt put in place in connection with, or to facilitate, the Sale).
- (c) **ASIC inquiry:** ASIC issues or threatens to issue proceedings in relation to the Sale or commences, or threatens to commence any inquiry or investigation in relation to the Sale.
- (d) **(*) Adverse Change:** An event or series of events (including, without limitation, a change in Australian or international financial, economic or political conditions) which, in the reasonable opinion of the Lead Manager, has, or once disclosed will have, an adverse effect on:
- (i) the Issuer;
 - (ii) the Vendor;
 - (iii) the Lead Manager;
 - (iv) the Sale; or
 - (v) the ability of the Lead Manager to procure purchasers for the Sale Securities at the Sale Price.
- (e) **Market fall:** if the ASX all ordinaries index falls at any time by 10% between the date of this Agreement and completion of the Sale.
- (f) **(*) Banking moratorium.** A general moratorium on commercial banking activities in Australia, New Zealand, the United States, Hong Kong, Singapore or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.
- (g) **(*) Change in law:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia, a new law, or the Government of the Commonwealth of Australia, the Reserve Bank of Australia or any Minister or other governmental authority of the Commonwealth of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Agreement).

8.2 Materiality

No event listed in clause 8.1 that includes an asterisk (*) entitles the Lead Manager to exercise its termination rights unless, in the bona fide opinion of the Lead Manager, it:

- (a) has, or would reasonably be expected to have, a material adverse effect on:
 - (i) the willingness of persons to purchase the Sale Shares; or
 - (ii) the price at which ordinary shares in the Company are sold on the ASX; or
- (b) would reasonably be expected to give rise to a liability of the Lead Manager under the Corporations Act or any other applicable law.

8.3 Effect of termination

Where, in accordance with this clause 8, the Lead Manager terminates its obligations under this Agreement:

- (a) the obligations of the Lead Manager under this Agreement immediately end; and
- (b) any entitlements of the Lead Manager accrued under this Agreement, including the right to be indemnified, up to the date of termination survive.

8.4 Risk Period

For the purposes of this clause, the "Risk Period" means the period commencing on the execution of this Agreement and ending at 10.00am on the Settlement Date.

9. GST

9.1 Input Tax Credit

Any fees which the parties agree to be payable to the Lead Manager and any other amounts payable to the Lead Manager under this Agreement are to be agreed and calculated to be exclusive of GST. However, if any amounts payable to the Lead Manager under this Agreement are calculated by reference to a cost or expense incurred by the Lead Manager, the amount payable to the Lead Manager under any other provision of this Agreement must be reduced by the amount of any input tax credit to which the Lead Manager reasonably determines it (or the representative member of the same GST group of which the Lead Manager is a member) is entitled for an acquisition (in connection with that cost or expense).

9.2 Tax invoice

If any supply made under this Agreement is a taxable supply, the entity making the taxable supply (**Supplier**) must issue a valid tax invoice to the party providing the consideration for that taxable supply (**Recipient**). The tax invoice issued by the Supplier must comply with GST law and it should set out in detail (but not be limited to) the nature of the taxable supply, the consideration attributable to the taxable supply, the amount of GST payable by the Supplier in connection with the taxable supply and any other details reasonably requested by the Recipient. The GST amount means, in relation to a taxable supply, the amount of GST for which the Supplier is liable in respect of the taxable supply (**GST Amount**).

9.3 Timing of Payment

Subject to receipt of a valid tax invoice, the Recipient must pay the GST Amount in connection with a taxable supply made by the Supplier to the Recipient at the same time that the Recipient must provide the consideration for that taxable supply (under the other provisions of this Agreement), or if later, within 5 business days of the Recipient receiving a tax invoice for that taxable supply.

9.4 Payment Differences

If the GST payable by the Supplier in connection with the taxable supply differs from the GST Amount paid by the Recipient under this clause, the Supplier must repay any excess to the Recipient or the Recipient must pay any deficiency to the Supplier, as appropriate within 5 business days of the Supplier providing the Recipient with a written notification regarding the difference in the GST payable. Where the difference in the GST payable results from an adjustment event, the written document as provided by the Supplier under this clause must include an adjustment note or tax invoice as required by the GST law.

9.5 Defined Terms

The references to "GST" and other terms used in this Agreement (except Recipient and GST Amount) have the meaning given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time). However, any part of a supply that is

treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 9.

9.6 **References**

A reference to something done (including a supply made) by a party includes a reference to something done by any entity through which that party acts.

10. **Withholding Tax**

If any amounts payable by the Lead Manager to the Vendor under this Agreement become subject to any regulatory withholding notices, the amount payable by the Lead Manager to the Vendor under this Agreement will be reduced by the withholding amount set out under any such notice.

11. **Miscellaneous**

11.1 **Entire agreement**

This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter.

11.2 **Governing law**

This agreement is governed by the laws of New South Wales, Australia. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, and waives any right to claim that those courts are an inconvenient forum.

11.3 **No assignment**

No party may assign its rights or obligations under this agreement without the prior written consent of the other parties.

11.4 **Notices**

Any notice, approval, consent, agreement, waiver or other communication in connection with this agreement must be in writing.

11.5 **Affiliates**

In this agreement the term "Affiliates" means any person that directly, or indirectly through one or more Intermediaries, controls, or is controlled by, or is under common control with, a person; "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of securities by contract or agency or otherwise and the term "person" is deemed to include a partnership.

11.6 **Business Day**

In this agreement "Business Day" means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Sydney, Australia.

11.7 **Interpretation**

In this agreement:

- (a) headings and sub-headings are for convenience only and do not affect interpretation;
- (b) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (c) a reference to "dollars" and "\$" is to Australian currency;
- (d) a reference to a right or obligation of any 2 or more persons confers that right, or imposes that obligation, severally and not jointly and severally; and
- (e) all references to time are to Sydney, New South Wales, Australia time.

11.8 Severability

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

11.9 Waiver and variation

A provision of or right vested under this Agreement may not be:

- (a) waived except in writing signed by the party granting the waiver, or
- (b) varied except in writing signed by the parties.

11.10 No merger

The rights and obligations of the parties will not merge on the termination or expiration of this Agreement. Any provision of this Agreement remaining to be performed or observed by a party, or having effect after the termination of this Agreement for whatever reason remains in full force and effect and is binding on that party.

11.11 Counterparts

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

11.12 Acknowledgement

The Vendor acknowledges that:

- (a) the Lead Manager is not obliged to disclose to a Vendor or utilise for the benefit of the Vendor, any non-public information which the Lead Manager obtains in the normal course of its business where such disclosure or use would result in a breach of any obligation of confidentiality and any internal Chinese wall policies of the Lead Manager;
- (b) without prejudice to any claim the Vendor may have against the Lead Manager, no proceedings may be taken against any director, officer, employee or agent of the Lead Manager in respect of any claim that the Vendor may have against the Lead Manager;
- (c) it is contracting with the Lead Manager on an arm's length basis to provide the services described in this agreement and the Lead Manager has not and is not assuming any duties or obligations (fiduciary or otherwise) in respect of it other than those expressly set out in this Agreement;

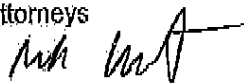
- (d) in performing this Agreement, the Lead Manager will rely on the information provided to it by or on behalf of the Vendors and information in the public domain without having independently verified the same, and the Lead Manager does not assume any responsibility for the accuracy or completeness of such information for which, in the case of information provided to the Lead Manager by or on behalf of the Vendor, the Vendor will be solely responsible;
- (e) the Lead Manager may perform the services contemplated by this Agreement in conjunction with its respective Affiliates, and any Affiliates performing these services are entitled to the benefits of and are subject to the terms of this Agreement; and
- (f) the Lead Manager is a full service securities and corporate advisory firm and, along with its respective Affiliates, the Lead Manager is engaged in various activities, including writing research, securities trading, investment management, financing and brokerage activities and financial planning and benefits counselling for both companies and individuals. In the ordinary course of these activities, the Lead Manager, its Affiliates, employees and officers may be providing, or may be in the future providing, financial or other services to other parties with conflicting interests to the Vendor and may receive fees for those services and may actively trade the debt and equity securities (or related derivative securities) for the Lead Manager's own account and for the account of their customers and may at any time hold long and short positions in such securities.

Yours sincerely,

Signed for

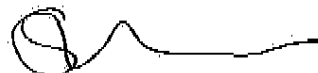
Macquarie Capital (Australia) Limited

by its attorneys



Attorney

MARK WARBURTON

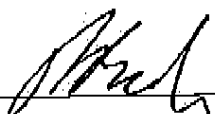


Attorney

SARAH HOLMES

Accepted and agreed to as of the date of this agreement:

**Executed by Scali Consolidated Pty Limited
(ABN 63 002 410 559) under section 127 of the
Corporations Act 2001 (Cth):**



Signature of sole director/secretary

Anthony Scali

Full name of director

Schedule 1**Timetable**

| Key events | Date |
|-----------------------------------------|---------------|
| Bookbuild | 21 March 2016 |
| Trade Date (T). (Special crossing/s by) | 22 March 2016 |
| Settlement Date (T + 2) | 24 March 2016 |
| End Date | 21 June 2016 |

Annexure F
NICK SCALI LIMITED
ACN 000 403 896

This is annexure Form F of 7 pages in Form 604 Notice of Change of Interests of Substantial Holder

The attached copy is a true copy of the original agreement.



Anthony Scall

22 March 2016

Date

DEED OF AGREEMENT RELATING TO SCALI FAMILY INVESTMENTS PTY LIMITED

**CYPRIAN INVESTMENTS PTY LTD ACN 118 920 782
(in its capacity as trustee of the Cyprian Trust)**

-and-

**CHIARA (NSW) PTY LTD ACN 118 912 253
(In its capacity as trustee of the Yvonne Scali Family Trust)**

-and-

REKHU INVESTMENTS PTY LTD ACN 611 380 459



KPMG Law

10 Shelley Street
Sydney NSW 2000

ABN 78 399 289 481 | DX1056 Sydney

Liability limited by a scheme approved under Professional Standards Legislation

THIS DEED is made on 21 March 2016

BETWEEN

- (1) **Cyprian Investments Pty Ltd** ACN 118 920 782 (in its capacity as trustee of the Cyprian Trust) of 7 Cyprian Street, Mosman, New South Wales 2088 (**Cyprian Trust**)
- (2) **Chiara (NSW) Pty Ltd** ACN 118 912 253 (in its capacity as trustee of the Yvonne Scali Family Trust) of 15A Ginahgulla Road, Bellevue Hill, New South Wales 2023 (**YS Trust**)
- (3) **Rekhu Investments Pty Ltd** ACN 611 380 459 of 37 Wunulla Road, Point Piper, New South Wales 2027 (**Rekhu Investments**)

BACKGROUND

- A. Cyprian Trust, YS Trust and Rekhu Pty Ltd ACN 117 574 615 (in its capacity as trustee of the SEN Family Trust) (**Rekhu**) collectively own the entire issued share capital of Scali Family Investments Pty Limited ACN 119 243 793 (**Company**).
- B. Rekhu owns all of the issued shares in the capital of Rekhu Investments.
- C. The purpose of this deed is to set out the agreement between the parties in respect of certain matters relating to the Company.

IT IS AGREED

1 ARRANGEMENTS RELATING TO THE COMPANY

Appointment of Rekhu Investments as proxy

- 1.1 The parties acknowledge that they may enter into an arrangement to effect the transfer by the Cyprian Trust and YS Trust of the 30 ordinary shares held by Cyprian Trust in the Company and the 30 ordinary shares held by YS Trust in the Company (collectively, **Proxy Shares**) to Rekhu Investments.
- 1.2 With effect from the date of this deed until such time as their respective Proxy Shares are registered in the name of Rekhu Investments in the register of members of the Company, each of Cyprian Trust and YS Trust:
 - 1.2.1 subject only to clause 1.3, irrevocably appoints Rekhu Investments as their sole proxy in respect of their respective Proxy Shares to attend all meetings of members of the Company and exercise the votes attached to the relevant Proxy Shares held by them by delivering a standing proxy in the form set out in Schedule 1 (as applicable) to the Company on the execution of this deed; and
 - 1.2.2 must not itself attend or vote at those meetings of members of the Company.
- 1.3 Each standing proxy delivered by the Cyprian Trust and YS Trust in accordance with clause 1.2.1 will only be revocable as agreed between the parties from time to time.

2 GENERAL

Governing law and jurisdiction

- 2.1 This deed is governed by the laws of New South Wales.
- 2.2 Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.

Variation

- 2.3 No variation of this deed will be of any force or effect unless it is in writing and signed by each party to this deed.

Assignment

- 2.4 Except as expressly permitted by the terms of this deed, no party may assign its rights or obligations under this deed without the prior written consent of the other parties.

Further acts

- 2.5 Each party must do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it and procure relevant third parties to do the same.

Counterparts

- 2.6 This deed may be executed in any number of counterparts which together will constitute one instrument.

**SCHEDULE 1
STANDING PROXY**

**SCALI FAMILY INVESTMENTS PTY LTD ACN 119 243 793
STANDING PROXY**

We, **CYPRIAN INVESTMENTS PTY LTD ACN 118 920 782** (in its capacity as trustee of the Cyprian Trust) of 7 Cyprian Street, Mosman, New South Wales 2088 being a member of the Company, hereby appoint **REKHU INVESTMENTS PTY LTD ACN 611 380 459** of 37 Wunulla Road, Point Piper, New South Wales 2027 (**Proxy**) in respect of all the shares in the Company held by us as our proxy to attend and vote on our behalf at all shareholder meetings of the Company held on or after the date of this document until such time as the Proxy is the holder of all the shares in the Company held by us at the date of this document.

The Proxy may vote on any resolution as he considers fit.

This is a standing proxy and is irrevocable, except as otherwise agreed.

Dated: March 2016

Signed by:

**CYPRIAN INVESTMENTS PTY LTD ACN
118 920 782** (in its capacity as trustee of the Cyprian Trust) by its duly authorised officer in the presence of:

Signature of Witness

Signature of duly authorised officer

Full name of Witness

Full name of duly authorised officer

IMPORTANT INFORMATION

A member is entitled to and has a right to appoint a proxy. A proxy has the same rights as the member to speak at the meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll. The proxy need not be a member of the Company.

If a member is entitled to cast 2 or more votes that member may appoint up to 2 proxies and may specify the number or proportion of votes each proxy is appointed to exercise. If the appointment does not specify the number or proportion of the member's votes that each proxy may exercise, each proxy may exercise half the votes.

This proxy and any power of attorney or other authority (or certified copy of such documents) under which the proxy was signed must be received by the Company (which includes receipt by legible facsimile transmission) not less than 48 hours before the relevant meeting, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the following address:

The Company Secretary
Scali Family Investments Pty Limited
C/- KPMG
Level 10, 10 Shelley Street
Sydney, New South Wales 2000

SCALI FAMILY INVESTMENTS PTY LTD ACN 119 243 793
STANDING PROXY

We, **CHIARA (NSW) PTY LTD ACN 118 912 253** (in its capacity as trustee of the Yvonne Scali Family Trust) of 15A Ginahgulla Road, Bellevue Hill, New South Wales 2023 being a member of the Company, hereby appoint **REKHU INVESTMENTS PTY LTD ACN 611 380 459** of 37 Wunulla Road, Point Piper, New South Wales 2027 (**Proxy**) in respect of all the shares in the Company held by us as our proxy to attend and vote on our behalf at all shareholder meetings of the Company held on or after the date of this document until such time as the Proxy is the holder of all the shares in the Company held by us at the date of this document.

The Proxy may vote on any resolution as he considers fit.

This is a standing proxy and is irrevocable, except as otherwise agreed.

Dated: March 2016

Signed by:

CHIARA (NSW) PTY LTD ACN 118 912 253
(in its capacity as trustee of the Yvonne Scali Family Trust) by its duly authorised officer in the presence of:

Signature of Witness

Signature of duly authorised officer

Full name of Witness

Full name of duly authorised officer

IMPORTANT INFORMATION

A Member is entitled to and has a right to appoint a proxy. A proxy has the same rights as the member to speak at the meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll. The proxy need not be a member of the Company.

If a member is entitled to cast 2 or more votes that member may appoint up to 2 proxies and may specify the number or proportion of votes each proxy is appointed to exercise. If the appointment does not specify the number or proportion of the member's votes that each proxy may exercise, each proxy may exercise half the votes.

This proxy and any power of attorney or other authority (or certified copy of such documents) under which the proxy was signed must be received by the Company (which includes receipt by legible facsimile transmission) not less than 48 hours before the relevant meeting, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the following address:


The Company Secretary
Scali Family Investments Pty Limited
C/- KPMG
Level 10, 10 Shelley Street
Sydney, New South Wales 2000

EXECUTION

Executed as a deed.

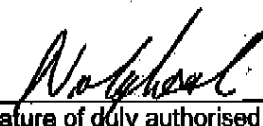
Date:

Executed as a deed by CYPRIAN INVESTMENTS PTY LTD ACN 118 920 782 (in its capacity as trustee of the Cyprian Trust) by its duly authorised officer in the presence of:



Signature of Witness
Shal Rusiti


Full name of Witness



Signature of duly authorised officer
Nicodemo Domenico Scali


Full name of duly authorised officer

Executed as a deed by CHIARA (NSW) PTY LTD ACN 118 912 253 (in its capacity as trustee of the Yvonne Scali Family Trust) by its duly authorised officer in the presence of:



Signature of Witness
Shal Rusiti

Full name of Witness



Signature of duly authorised officer
Yvonne Scali

Full name of duly authorised officer

SIGNED, SEALED and DELIVERED as a deed by ANTHONY JOHN SCALI in the presence of:

~~_____
Signature of witness

Full name of witness~~ Anthony John Scali

**Executed as a deed by REKHU
INVESTMENTS PTY LTD ACN 611 380
459 in accordance with section 127 of
the *Corporations Act 2001* (Cth):**



Signature of Sole Director and Secretary



Full name of Sole Director and Secretary