

ASX Announcement

24 February 2023

Partnership Proposed between Slater & Gordon and Allegro Slater & Gordon Board Unanimously Recommends Allegro's Offer

- **Allegro's proposed investment in Slater & Gordon will bring together a hands-on investor focused on a growth-oriented partnership with one of Australia's leading consumer law firms built on social justice values**
- **Allegro to make a 55 cents a shareⁱ cash off-market takeover offer for 100% of the ordinary shares in Slater & Gordon**
- **Slater & Gordon's Board unanimously recommends that shareholders accept Allegro's offer, subject to the independent expert concluding that Allegro's offer is either fair and reasonable or not fair but reasonable, and in the absence of a superior proposal**
- **The Board believes that Allegro should provide Slater & Gordon with a stable capital base and a supportive operating environment, enabling the Slater & Gordon team to continue to focus on delivering outstanding outcomes for their clients and stakeholders**

Slater & Gordon Ltd ("Slater & Gordon" or "the Company") (ASX: SGH) is pleased to announce that it has entered into a Bid Implementation Agreement (**BIA**) with Allegro Funds Pty Ltd (**Allegro**) for a recommended off-market takeover offer at \$0.55 cash per shareⁱ (**Offer**) by funds managed by Allegro to acquire all of the issued fully paid ordinary shares in Slater & Gordon. A copy of the BIA accompanies this announcement at Appendix 1.

Summary of the Offer

Under the Offer, Slater & Gordon shareholders will receive \$0.55 cash for each Slater & Gordon shareⁱ held and accepted into the Offer, subject to the satisfaction or waiver of the conditions of the Offer which include a 50.1% minimum acceptance condition. The Offer will also extend to all new Slater & Gordon shares issued during the Offer period to holders of Performance Rights who exercise their Rights.

Slater & Gordon's Chair, James MacKenzie, said:

"The Board and key management personnel believe Allegro's investment in Slater & Gordon will bring together a hands-on Australian investor focused on a growth-oriented partnership with one of Australia's leading consumer law firms built on social justice values."

Slater & Gordon shares are highly illiquid. The Offer is all cash and provides certainty of value for shareholders. Allegro's investment also presents an opportunity for Slater & Gordon to simplify its capital structure, which is currently dominated by offshore hedge funds."

In this context, the Board and the executive leadership group are excited for shareholders, the Slater & Gordon team, and current and future clients."

Allegro Founding Partner, Adrian Loader, said:

"Allegro is excited about the opportunity to partner with the Slater & Gordon team and assist in continuing to grow the firm which has a long and proud history in the Australian consumer law sector. Allegro has significant experience investing in purpose-led professional services organisations such as Slater & Gordon and looks forward to working with its strong team of lawyers whom we are keen to retain, support and incentivise."

Unanimous recommendation of the Slater & Gordon Board

Slater & Gordon's directors unanimously support the Offer and recommend that Slater & Gordon shareholders accept the Offer, in the absence of a superior proposal and subject to the independent expert appointed by Slater & Gordon concluding that the Offer is either fair and reasonable or not fair but reasonable to Slater & Gordon shareholders. Subject to those same two qualifications, each Slater & Gordon director intends to accept, or procure the acceptance of, the Offer in respect of each Slater & Gordon share they hold or control disposal of, including as a result of the exercise of Performance Rights respectively held by them.

The Slater & Gordon Board has carefully considered the Offer and concluded the value and certainty provided by the Offer provides greater benefit to shareholders than retaining their shares. The key factors that the Board has considered in reaching this recommendation will be set out in detail in Slater & Gordon's Target's Statement response to the Offer.

Slater & Gordon has appointed Kroll Australia Pty Ltd as the independent expert to report on whether the Offer is fair and reasonable to Slater & Gordon shareholders. The independent expert's report will be included in Slater & Gordon's Target's Statement.

Anticipated governance and management arrangements

Allegro has indicated the importance of governance and management continuity. Slater & Gordon anticipates that Allegro will invite the three current independent directors to remain on the Board and John Somerville to continue as Chief Executive Officer should its Offer be successful.

Terms and Conditions of the Offer

Consistent with the negotiated, recommended nature of the Offer, the BIA contains certain exclusivity terms. The Offer is subject to only two defeating conditions, being:

- Allegro acquiring a relevant interest of at least 50.1% of Slater & Gordon's shares, and
- No prescribed occurrences, excluding the issue of Slater & Gordon shares on the exercise of outstanding Performance Rights.

Allegro retains the right to waive any or all of the conditions of the Offer.

The full terms and conditions of the Offer are set out in the BIA.

Timing

Slater & Gordon shareholders are not required to take any action at this time.

It is expected that Slater & Gordon will receive the Bidder's Statement and proposed Offer document, containing detailed information relevant to the Offer, in the next few days. Dispatch of the Bidder's Statement is then expected to occur to all Slater & Gordon shareholders no later than 14 days afterwards. Slater & Gordon intends to dispatch its Target's Statement no later than 15 days after dispatch of the Bidder's Statement to Slater & Gordon shareholders.

Arrangements in relation to Slater & Gordon's super senior facility debt

Allegro has advised that it has also made private treaty offers to the holders of Slater & Gordon's super senior facility debt.

Information on Slater & Gordon

Slater & Gordon is a leading Australian consumer law firm. Our mission is to give people easier access to world class legal services. The firm provides specialist legal and complementary services in a broad range of areas.

Information on Allegro

Allegro is an independently owned Australian investment manager, investing in business across Australia and New Zealand. Allegro currently has over A\$4bn in AUM and is currently investing from Allegro Fund IV, which has approximately A\$750m in committed capital. Allegro's investors include large Australian and New Zealand superannuation funds.

Allegro specialises in partnership and transformational capital, applying capital, expertise and a distinctly hands-on approach to investing in businesses.

Advisers

Slater & Gordon is being advised by Flagstaff Partners and MinterEllison.

This announcement was authorised to be given to ASX by the Slater & Gordon Board of Directors

ENDS

Contact

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ⁱ Offer price will be reduced by the cash amount or value of any dividends, distributions or other rights attaching to the Company's shares on or after the date of this announcement and which a shareholder receives or is entitled to receive.



Execution version

Bid implementation agreement

—

Wright NomineeCo Pty Ltd (**Allegro**)
Slater & Gordon Ltd (**Company**)

—

MinterEllison

Bid implementation agreement

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Details

Date 23 February 2023

Parties

Name **Wright NomineeCo Pty Ltd**
ACN 665 965 266
Short form name **Allegro**
Notice details Suite 1, Level 29, 20 Bond St Sydney NSW 2000
Email: [REDACTED]
Attention: [REDACTED]

Name **Slater & Gordon Ltd**
ABN 93 097 297 400
Short form name **Company**
Notice details Level 12, 485 Latrobe Street, Melbourne, Victoria, 3000
Email: [REDACTED]
Attention: [REDACTED]

Background

- A Allegro is proposing to make a takeover bid to acquire all of the Shares on the terms set out in this agreement.
- B The Company Directors have indicated that they intend to recommend the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding and continuing to conclude that the Proposed Transaction is fair and reasonable or not fair but reasonable to Shareholders.
- C The parties have agreed to implement the Proposed Transaction on, and subject to, the terms and conditions set out in this agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement:

Adviser means, in relation to an entity, its legal, financial and other expert and professional advisers and agents.

Agreed Announcement means the announcement set out in Schedule 2.

Agreed Terms means the terms and conditions set out in Schedule 1.

Allegro Associate means any one or more of Wright Holdco Pty Ltd ACN 662 948 585, its Related Bodies Corporate, any entity managed or advised by Allegro Funds Pty Ltd ACN 665 965 266 or any of its Related Bodies Corporate and any entity directly or indirectly wholly owned by one or more of the foregoing.

Allegro Group means Allegro and each of its Related Entities.

Allegro Information means the information relating to the Allegro Group, including the Allegro Group's assets and liabilities, financial or trading position, profitability and prospects.

Announcement Date means the date on which Allegro and the Company announce publicly that Allegro proposes to make the Offer.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) included a reference to this agreement and the Company was the designated body.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX, as they may be waived or modified by ASX from time to time.

ASX Settlement means ASX Settlement Pty Ltd.

ASX Settlement Operating Rules means the operating rules of the clearing and settlement facility operated by ASX Settlement.

Australian bank has the meaning given in the Corporations Act.

Beneficiary means a present or former director or officer of the Company in respect of whom the Insurance Policy applies.

Bidder's Statement means the bidder's statement to be issued by Allegro in relation to the Offer in accordance with the Corporations Act.

Business Day means a day on which:

- (a) ASX is open for trading in securities; and
- (b) Australian banks are open for general banking business in Sydney and Melbourne, Australia other than a Saturday, Sunday or public holiday.

Claim includes any claim, notice, demand, action, proceeding, litigation, investigation, judgment or Liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this agreement.

Company Board means the board of directors of the Company.

Company Director means a director of the Company.

Company Group means the Company and each of its Related Entities.

Company Information means the information relating to the Company Group, including the Company Group's assets and liabilities, financial or trading position, profitability and prospects.

Company Prescribed Occurrence means any of the following:

- (a) the Company converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) the Company or a Subsidiary of the Company resolves to reduce its share capital in any way;
- (c) the Company or a Subsidiary of the Company:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Company or a Subsidiary of the Company:
 - (i) issues shares or agrees to issue shares; or
 - (ii) grants an option over its shares or agrees to grant an option over its shares, other than the issue of Shares upon the exercise and vesting of Performance Rights where those Performance Rights were issued before the Announcement Date and are in existence as at the Register Date;
- (e) the Company or a Subsidiary of the Company issues, or agrees to issue, convertible notes;
- (f) the Company or a Subsidiary of the Company disposes, or agrees to dispose, of the whole or a substantial part of its business or property;
- (g) the Company or a Subsidiary of the Company grants or agrees to grant a Security Interest over the whole or a substantial part of its business or property;
- (h) the Company or a Subsidiary of the Company resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Company or a Subsidiary of the Company is appointed;
- (j) a court makes an order for the winding up of the Company or a Subsidiary of the Company;
- (k) an administrator of the Company, or a Subsidiary of the Company, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a Subsidiary of the Company executes a deed of company arrangement;
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Company or of a Subsidiary of the Company.

Competing Transaction means any expression of interest, proposal, offer or transaction which, if completed substantially in accordance with its terms, would mean:

- (a) a person (other than Allegro or its Related Bodies Corporate) would, directly or indirectly acquire an interest (including an economic interest) or Relevant Interest in, or become the holder of:
 - (i) 10% or more of all Shares;
 - (ii) voting power of 10% or more in the Company; or
 - (iii) all (or a substantial part) of the business conducted by the Company Group;
- (b) a person (other than Allegro or its Related Bodies Corporate) would, directly or indirectly acquire Control of the Company or the Company Group; or
- (c) a person (other than Allegro or its Related Bodies Corporate) would, directly or indirectly acquire or merge with the Company Group; or
- (d) a person (other than Allegro or its Related Bodies Corporate) would, directly or indirectly acquire or obtain an interest (including an economic interest) in the whole (or a substantial part) of the Company Group or the businesses or assets or property of the Company Group;

in each case, whether by takeover offer, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, joint venture, partnership, reverse takeover bid or other transaction or arrangement.

Conditions means the conditions to the Offer which are set out in paragraph 4 of Schedule 1.

Confidentiality Deed means the Confidentiality Deed Poll dated 15 July 2022 executed by Allegro in favour of the Company.

Control has the meaning given to it in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth), as it may be modified by ASIC, including in respect of Allegro, the Company or the Offer.

Counterproposal has the meaning given to that term in clause 6.5.

Costs means any costs, fees, charges, expenses or disbursements.

Data Room means the data room maintained by the Company in relation to potential transactions in relation to the Shares, including the Proposed Transaction.

Data Room Materials means the information and documents (including written responses to requests for further information made by or on behalf of Allegro) contained in the Data Room and the information and documents provided to KPMG in relation to the Proposed Transaction, in each case, as set out in the indices agreed in writing between the parties on or prior to the Date of this agreement and subject to such additions or exclusions of documents as the parties agree.

Date of this agreement means the date the last party to sign this agreement does so.

Designated Employees means the designated employees of the Company Group as agreed between the Company and Allegro on or prior to the Date of this agreement.

End Date means the earlier of the:

- (a) end of the Offer Period; and
- (b) termination of this agreement in accordance with its terms.

Exclusivity Period means the period from and including the Date of this agreement until and including the earlier of the:

- (a) date of termination of this agreement in accordance with its terms; and
- (b) end of the Offer Period.

Fairly Disclosed means sufficient information has been disclosed so as to enable a sophisticated investor with experience in transactions of the nature of the Proposed Transaction and familiar with a business similar to that of the business carried on by the Company and Allegro (as applicable), would be aware of the substance and significance of the relevant information.

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) together with all interest, fees and penalties accrued thereon, in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:

- (a) interest or non-interest bearing loan or other financing liability or obligation, including an overdraft or any other liability in the nature of borrowed money (whether secured or unsecured);
- (b) bill, bond, debenture, note or similar instrument;
- (c) acceptance, endorsement or discounting arrangement;
- (d) Guarantee;
- (e) finance or capital lease;
- (f) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service;
- (g) redeemable share or security;
- (h) obligation to deliver goods or provide services paid for in advance by any financier or debt factoring or receivables financing arrangement; or

(i) Guarantee in respect of any of the above.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Exclusive Consideration has the meaning given to that term in clause 12.1.

GST Law has the meaning given to that term in the GST Act.

Guarantee means a guarantee, indemnity, letter of credit, performance bond, acceptance or endorsement, or legally enforceable undertaking or obligation:

- (a) to pay or to provide funds (including by the purchase of any property) in respect of;
- (b) to enable payment or discharge of;
- (c) to indemnify against the consequences of default in the payment of; or
- (d) to be otherwise responsible for,

an obligation of another person (whether or not it involves the payment of money), or otherwise to be responsible for the solvency or financial condition of another person.

Independent Directors' Committee means the Independent Directors Committee of the Company Board.

Independent Expert means Kroll Australia Pty Ltd.

Independent Expert's Report means the report from the Independent Expert commissioned by the Company for inclusion in the Target's Statement, which includes a statement by the Independent Expert on whether, in its opinion, the Proposed Transaction is fair and reasonable, and includes any update of that report by the Independent Expert.

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it or its Subsidiaries is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property;
- (c) it or its Subsidiaries enters into a deed of company arrangement;
- (d) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);
- (e) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;
- (f) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (g) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject);
- (h) it is otherwise unable to pay its debts when they fall due; or
- (i) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Insurance Policy means the Company directors and officers insurance policy in effect as at the Date of this agreement.

Insurance Run Off Period means the period expiring on the date 7 years after the Retirement Date.

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

Loss means any damage, claim, action, liability, cost, expense, outgoing, payment, fine or penalty or other loss of whatever nature.

Material Contract means a contract agreed by the parties on or before the Date of this agreement to be a material contract (if any).

Offer means the offer by Allegro to Shareholders by way of the Proposed Transaction on terms no less favourable than the Agreed Terms in respect of the Shares on issue as at the Register Date as well as any Shares issued after the Register Date as a result of the exercise and vesting of any Performance Rights on issue as at the Register Date.

Offer Period means the period during which the Offer will remain open for acceptance as specified in the Bidder's Statement, as extended in accordance with the Corporations Act.

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

Payee means a party who is reimbursed for Costs.

Performance Right means a performance right granted under the Rights Plan.

Proposed Transaction means the takeover bid or bids to be made by Allegro for all of the issued Shares that it does not own as at the Date of this agreement under Chapter 6 of the Corporations Act.

Public Authority means any government or any governmental, semi-governmental, administrative, monetary, fiscal, statutory or judicial entity (including a court), commission, tribunal, agency or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere, including any federal, state, provincial or local government, and including any self-regulating organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange and the Takeovers Panel, the Foreign Investment Review Board, ASIC and any other securities regulator, or any other person or entity under a law which has a right to impose a requirement on, or whose consent is required to carry out, operations.

Register means the official register of Shares maintained by the Registry on Company's behalf.

Register Date means the date set by Allegro under sections 633(2) to (4) inclusive of the Corporations Act in relation to the Offer.

Registry means Computershare Investor Services Pty Limited or any other registry that the Company appoints to maintain the Register.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Related Entity means, in respect of an entity (the **first entity**), an entity which:

- (a) is a Related Body Corporate of the first entity;
- (b) is any consolidated entity (as defined in section 9 of the Corporations Act) which contains the entity; or
- (c) is Controlled by the first entity.

Related Person in respect of a party, each Related Entity and each Representative of that party.

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

Representative means, in relation to a party:

- (d) each of the party's Related Entities; and
- (e) each of the Officers, employees and Advisers of the party or of any of its or its Adviser's Related Entities.

Restriction Period means the period commencing on the Date of this agreement and ending on the End Date (inclusive of those dates).

Retirement Date in relation to a Company Director as at the Date of this agreement means the date on which the Company Director ceases to be a Company Director.

Rights means all accretions and rights that accrue to or arise from Shares after the Date of this agreement, including all rights to receive dividends (but expressly excludes any franking credits attaching to those dividends or any other distribution) to receive and subscribe for shares, notes or other securities and all other distributions or entitlements declared, paid, made or issued by the Company after that date, but does not include any Performance Rights.

Rights Plan means Company's Long Term Incentive Plan (being the incentive plan that was approved by Shareholders at the 2019 Annual General Meeting).

Run Off Cover has the meaning given to that term in clause 5.3.

Security Interest has the meaning given in the Corporations Act.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares as recorded on the Register.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Transaction of the kind referred to in paragraph (b), (c) or (d) of the definition of Competing Transaction which has not resulted from a breach by the Company of any of its obligations under clause 6 of this agreement (it being understood that any Company authorised actions by Related Persons of the Company not permitted by clause 6 will be deemed to be a breach of the Company for these purposes) and, in the determination of the Company Board in order to satisfy what the Company Board consider to be its fiduciary and statutory duties (after consultation with its external legal and financial advisers):

- (a) is reasonably capable of being completed, taking into account all aspects of the Competing Transaction; and
- (b) would, if completed substantially in accordance with its terms, be or be reasonably likely to be more favourable to Shareholders as a whole than the Offer,

in each case, taking into account all terms and conditions and other aspects of the Competing Transaction and the Offer (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the probability of the Competing Transaction being completed).

Supplier has the meaning given to that term in clause 12.2.

Takeovers Panel means the body of that name continued in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) as the primary forum for resolving disputes about takeovers.

Target's Statement means the target's statement issued or to be issued by the Company under Chapter 6 of the Corporations Act in response to the Offer.

Third Party means a person other than the Company, Allegro or any of their respective Related Bodies Corporate or Associates.

Third Party Consent means the Third Party consents identified in the list agreed by the parties on or prior to the Date of this agreement.

Timetable means the indicative timetable for the Proposed Transaction as described in clause 3.5(a).

Transaction Committee has the meaning given in clause 5.7.

1.2 Interpretation

Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacement)** a document or agreement (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in, or annexure or schedule to, this agreement;
- (c) **(legislation)** statute, ordinance, code or other law includes regulations and other instruments under it, and consolidations, amendments, re-enactments or replacements of, any of them;
- (d) **(singular includes plural)** the singular includes the plural and vice versa;

- (e) **(person)** the word 'person' includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body, an association or any Public Authority;
- (f) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, permitted substitutes (including persons taking by novation) and assigns;
- (g) **(group of persons)** an agreement on the part of two or more persons binds them jointly and severally;
- (h) **(dollars)** a reference to Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (i) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (j) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (k) **(time of day)** a time of the day is a reference to the time in Melbourne, Australia unless otherwise indicated;
- (l) **(action date)** a day on which a person must do something under this agreement which is not a Business Day, then the person must do it on the next Business Day;
- (m) **(meaning not limited)** the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or 'such as' or similar expressions;
- (n) **(ordinary course of business)** a reference to 'in the ordinary course of business', or similar expressions, means the ordinary and usual course of business of the Company Group substantially consistent with the practice and customs of the Company Group in the 12 months preceding the Date of this agreement (including with regard to nature and scope);
- (o) **(awareness of the Company)** a reference to 'so far as the Company is aware' or such similar words or expressions to that effect, in relation to a matter, is deemed to be the actual knowledge of each of [REDACTED] and [REDACTED];
- (p) **(applicable law)** references to 'applicable law' include all laws and regulations of jurisdictions applicable to the Offer, Allegro or the Company Group within or outside Australia including the ASX Listing Rules and policies, guidelines, official directives or requests of, or by, any Public Authority, whether or not having the force of law, except to the extent compliance is duly modified, waived or exempted in favour of a person in the relevant circumstances.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

2. The Offer

2.1 Allegro agrees to make Offer

Allegro agrees to:

- (a) make the Offer; and
- (b) make the Agreed Announcement to the ASX as soon as practicable after the parties have executed this agreement.

2.2 Conditions

- (a) The Offer, and any contract which results from its acceptance, will be subject to the Conditions (subject to the Offer being declared free of such Conditions).
- (b) Each party must:

- (i) use reasonable endeavours to satisfy the Conditions which the party is capable of satisfying as soon as reasonably practicable after the Date of this agreement or to ensure that those Conditions continue to be satisfied at all times until the last time they are to be satisfied (as the case may require); and
- (ii) not do or omit to do anything within its control which will, or is likely to, result in any of the Conditions being breached, or not being capable of being satisfied.

2.3 Performance Rights

The Company will:

- (a) procure that all unvested Performance Rights will vest and that all Shares issued or to be issued in respect of the exercise or vesting of any Performance Rights be released from any restrictions or holding locks, in both cases upon Allegro acquiring a Relevant Interest in 50.1% of the Shares and the Offer becoming unconditional;
- (b) ensure that the Company does not effect a buy-back of any Performance Rights in accordance with clause 8 of the Rights Plan; and
- (c) procure that the Board determines that any vested Performance Rights that have not been exercised by the end of the Offer Period shall lapse, in accordance with clause 10.1 of the Rights Plan.

2.4 Notification of certain events

Each party must:

- (a) on request from the other party at reasonable intervals, promptly inform the other party of the steps it has taken and of its progress towards satisfaction of the Conditions which it is capable of or primarily responsible for satisfying;
- (b) promptly notify the other if it becomes aware that any Condition has been satisfied; and
- (c) if any event occurs or becomes apparent which would cause any of the Conditions to be breached or prevent them from being able to be satisfied or cause satisfaction of them to be materially delayed, to the extent the party is aware of such information, immediately notify the other party in writing of the event.

2.5 Variation, waiver of Conditions and extension

Subject to the Corporations Act, Allegro may in its sole discretion:

- (a) vary the terms of the Offer in any manner permitted by the Corporations Act; and
- (b) declare the Offer to be free from any Condition (including in respect of one or more events which have triggered a Condition) or extend the Offer at any time.

3. Facilitating the Offer

3.1 General obligations

The Company and Allegro must each:

- (a) use all reasonable endeavours and commit the necessary resources; and
- (b) procure that its Representatives work in a timely and co-operative fashion with the other party and its Representatives (including by attending meetings and by providing such records and information as the other party reasonably requires),

to implement the Proposed Transaction in accordance with the terms and conditions of the Offer and as otherwise set out in this agreement.

3.2 Promoting the Offer

The Company must:

- (a) include in all material public statements relating to the Offer following the execution of this agreement (including the Target's Statement), a statement to the effect that:
 - (i) the Company Directors unanimously recommend that Shareholders accept the Offer made to them;
 - (ii) each Company Director intends to accept, or procure the acceptances of, the Offer in respect of all Shares controlled or held by, or on behalf of, them,
- (b) in each case in the absence of a Superior Proposal and subject to the Independent Expert concluding and continuing to conclude that the Proposed Transaction is fair and reasonable or not fair but reasonable;
- (c) not make any public statement or take any other public action which would suggest that the Offer is not unanimously recommended by the Company Directors unless a Superior Proposal emerges or the Independent Expert concludes that the Proposed Transaction is not fair and not reasonable;
- (d) use reasonable endeavours to procure that no Company Director subsequently withdraws, revokes, revises, or qualifies, or makes any public statement inconsistent with their recommendation unless a Superior Proposal emerges or the Independent Expert concludes that the Proposed Transaction is not fair and not reasonable; and
- (e) support the Offer and participate in efforts reasonably required by Allegro to promote the merits of the Offer, including meeting with key shareholders and key management, unless a Superior Proposal emerges or the Independent Expert concludes that the Proposed Transaction is not fair and not reasonable.

3.3 Implementation obligations of Company

Subject to the ASX Settlement Operating Rules, the Company must:

- (a) provide all necessary information about the Register and the holders of Performance Rights to Allegro which Allegro reasonably requires;
- (b) provide all necessary directions to the Registry to promptly provide any information that Allegro reasonably requests in relation to the Register, including any sub-register and holders of Performance Rights and, where requested by Allegro, procure such information is provided to Allegro in such electronic form as is reasonably requested by Allegro; and
- (c) undertake regular beneficial shareholder analysis and promptly exercise its powers under section 672A of the Corporations Act if requested to do so by Allegro, acting reasonably,

in each case in order to assist Allegro to solicit acceptances under the Offer.

3.4 Company Board recommendation and acceptances

The Company represents and warrants to Allegro that all of the Company Directors have informed the Company that, if Allegro makes the Agreed Announcement, they:

- (a) will each recommend that all Shareholders accept the Offer, subject to there being no Superior Proposal and the Independent Expert concluding and continuing to conclude that the Proposed Transaction is fair and reasonable or not fair but reasonable;
- (b) will each make a statement stating their recommendation in clause 3.4(a) and that they intend to accept the Offer in respect of all Shares owned or controlled by that director, subject to there being no Superior Proposal and the Independent Expert concluding and continuing to conclude that the Proposed Transaction is fair and reasonable or not fair but reasonable; and
- (c) will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in clause 3.4(a), unless a Superior Proposal emerges or the Independent Expert concludes that the Proposed Transaction is neither fair nor reasonable.

3.5 Indicative timetable

- (a) Without prejudice to the remainder of the obligations contained in this clause 3, each party agrees to use reasonable endeavours to implement the Proposed Transaction in accordance with the timetable agreed by the parties on or prior to the Date of this agreement.

- (b) If the dates in the Timetable become unachievable, the parties will consult to agree necessary amendments to the indicative timetable.
- (c) Despite clause 3.5(a), the parties acknowledge and agree that the Target's Statement will include the Independent Expert's Report and Allegro agrees to ensure that the Offer Period will end no earlier than 2 weeks after the despatch of the Target's Statement to Shareholders.

4. Offer documentation

4.1 Bidder's Statement

- (a) Allegro must prepare a Bidder's Statement and acceptance form for the Offer that are consistent with this agreement and the Agreed Terms and which comply with the Corporations Act and relevant ASIC regulatory guides.
- (b) Allegro agrees to do, and to procure its Officers to do, such things as are reasonably necessary to prepare the Bidder's Statement and to facilitate its lodgement with ASIC and despatch to Shareholders in accordance with the Timetable, subject to the Company granting any necessary consents and ASIC granting any necessary modifications.
- (c) Allegro must, to the extent practicable, give the Company a reasonable opportunity to review an advanced draft of the Bidder's Statement and will consult with the Company with respect to any comments the Company or its Representatives have on the Bidder's Statement.
- (d) The Company must provide any assistance or information reasonably requested by Allegro in connection with the preparation of the Bidder's Statement.

4.2 Target's Statement

- (a) The Company must prepare:
 - (i) a Target's Statement in response to the Offer in accordance with the Corporations Act and relevant ASIC regulatory guides; and
 - (ii) instruct the Independent Expert to prepare the Independent Expert's Report for inclusion in the Target's Statement.
- (b) The Company agrees to do, and to procure its Officers to do, such things as are reasonably necessary to prepare the Target's Statement and to facilitate the lodgement of the Target's Statement and Independent Expert's Report with ASIC and their despatch to Shareholders in accordance with the Timetable, subject to Allegro granting any necessary consents and ASIC granting any necessary modifications.
- (c) The Company must, to the extent practicable, give Allegro a reasonable opportunity to review an advanced draft of the Target's Statement (excluding any draft of the Independent Expert's Report) and consult with Allegro with respect to any comments Allegro or its Representatives have on the Target's Statement.
- (d) The Company must ensure that, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Proposed Transaction is fair and reasonable or not fair and reasonable, the Target's Statement includes:
 - (i) a recommendation from the Company Directors unanimously recommending that Shareholders accept the Offer made to them; and
 - (ii) a statement by each Company Director that that director will accept or procure the acceptance of the Offer in respect of all Shares controlled or held by, or on behalf of, that director.
- (e) Allegro must provide any assistance or information reasonably requested by Company in connection with the preparation of the Target's Statement, the Independent Expert's Report and any other document to be sent by the Company to Shareholders in connection with the Offer.

4.3 Despatch of documents

- (a) Subject to clause 3.5(c), the Company agrees that the Bidder's Statement in respect of the Offer and accompanying documents to be sent by Allegro under item 6 of section 633(1) of the Corporations Act may be sent on any date nominated by Allegro that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act, to enable the Offers to be sent as contemplated by the Timetable.
- (b) The Company undertakes to direct its Registry to:
 - (i) co-operate with Allegro for the purposes of satisfying its obligations under the Corporations Act and allowing it to dispatch the Bidder's Statement in accordance with clause 4.3(a); and
 - (ii) provide Allegro (at Allegro's cost) with:
 - (A) all information about the register of Shareholders of the Company including a copy of the register and details regarding the holders of Performance Rights as at the date nominated by Allegro in the electronic form requested by Allegro within two Business Days after such request; and
 - (B) during the Offer Period, all information about the register of Shareholders, including any sub-register, in the electronic form requested by Allegro within two Business Days after receipt of a written request by Allegro to provide a copy of such register,subject to Allegro complying with any applicable requirements of the ASX Settlement Operating Rules.

Further, during the Offer Period, the Company undertakes to provide Allegro with a copy of all information in relation to the beneficial ownership of Shares that the Company has received under section 672DA of the Corporations Act within two Business Days after receipt of a written request from Allegro to provide such register.

- (c) The Company undertakes to despatch the Target's Statement to Shareholders as soon as practicable (and in any event no later than 14 days) after the date that the Bidder's Statement in respect of the Offer was dispatched to Shareholders and, subject to clause 3.5(c), in accordance with the Timetable.

5. Conduct of business

5.1 Overview

- (a) During the Restriction Period, the Company must, and must procure that each member of the Company Group does:
 - (i) conduct its business in the ordinary course of business or, to the extent inconsistent with that, as may be required in order to satisfy a specific requirement of a Public Authority;
 - (ii) comply with all agreements and contractual arrangements to which a member of the Company Group is party; and
 - (iii) comply with all applicable laws.
- (b) For the purpose of clause 5.1(a) and subject to the terms of this agreement, the Company responding to the Offer and responding to any potential Competing Transaction (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be the Company conducting its business in the ordinary course of business.
- (c) Nothing in clause 5.1(a) restricts the ability of the Company to take any action which:
 - (i) is required, expressly permitted or expressly contemplated by this agreement;
 - (ii) has been Fairly Disclosed in writing to Allegro prior to execution of this agreement or in public filings to ASX in the two years before the Date of this agreement or in the Data Room Materials;
 - (iii) is required by any applicable law or Public Authority;

- (iv) is required by any legal or contractual obligation arising before the Date of this agreement and which has been Fairly Disclosed in writing to Allegro prior to the Date of this agreement;
- (v) is required to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
- (vi) has been agreed to in writing by Allegro;
- (vii) has been agreed to by the Transaction Committee; or
- (viii) involves the incurring of reasonable third party adviser or service provider costs in relation to the transactions contemplated by the Proposed Transaction.

provided that, in the case of clause 5.1(c)(v), the Company must, only to the extent practicable to do so, notify and consult with Allegro in good faith in respect of the proposal to take such action or not take such action and consider any reasonable comments or requests of Allegro in relation to such proposal in good faith.

5.2 Prohibited actions – Company Group

Other than with Allegro's prior written approval (which approval must not be unreasonably withheld or delayed), the approval of the Transaction Committee or as Fairly Disclosed to Allegro in writing before the Date of this agreement or in public filings to ASX in the two years before the Date of this agreement or as Fairly Disclosed to Allegro in writing in the Data Room Materials, the Company must not, and must procure that each member of the Company Group does not, during the Restriction Period:

- (a) **(issue of shares)** in the case of the Company, issue any Shares or other securities including Performance Rights, other than as a result of the exercise or vesting of Performance Rights on issue prior to the Date of this agreement, and in the case of a member of the Company Group (other than the Company), issue any securities other than to the Company or to any other member of the Company Group that is directly or indirectly wholly-owned by the Company;
- (b) **(dividends and distributions)** in the case of the Company, announce, determine as payable, declare or pay any dividend or distribution, and in the case of a member of the Company Group (other than the Company), announce, determine as payable, declare or pay any dividend or distribution other than to the Company or to another member of the Company Group that is directly or indirectly wholly-owned by the Company;
- (c) **(Material Contracts)** enter into, terminate or materially vary, materially amend or materially modify a Material Contract other than the entry into, or renewal of, a contract in the ordinary course of business;
- (d) **(employment agreements)** other than in the ordinary course of business, enter into a new employment agreement or terminate an existing employment agreement, increase the remuneration of, or benefits of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy) or issue or agree to issue any securities or options or vary the redundancy terms of, or otherwise vary or amend the employment, services or consultancy agreements with, any of its directors or Designated Employees, except that this clause does not preclude the Company from making any payments under an existing employment contract that has been Fairly Disclosed to Allegro prior to the Date of this agreement or in the Data Room Materials which are not prohibited by the Corporations Act and is in place as at the Date of this agreement;
- (e) **(amendments to incentive plan)** amend or vary the terms of the Rights Plan or any other employee incentive arrangements (or exercise any discretion in a way that has the effect of amending or varying the application of any such incentive arrangements) other than as expressly contemplated or expressly permitted under this agreement or comprising, or as a result of, the accelerated vesting of Performance Rights on issue prior to the Date of this agreement in accordance with this agreement;
- (f) **(termination payments)** pay a director or a Designated Employee a termination payment, other than (i) as provided for in an existing employment contract that has been Fairly Disclosed to Allegro prior to the Date of this agreement or in the Data Room Materials and is in place as at the Date of this agreement, or (ii) as provided for in an existing employment contract in place as at the Date of this agreement entered into in the ordinary course of business;

- (g) **(transaction costs)** enter into any new agreements or arrangements not Fairly Disclosed to Allegro in writing prior to the Date of this agreement or materially amend any agreement or arrangement existing at the Date of this agreement under which the Company Group will incur costs and expenses payable to advisers or other third party service providers in connection with the Transaction except for the engagement of the Independent Expert for the preparation of the Independent Expert's Report;
- (h) **(Company Prescribed Occurrence)** take any action which would be reasonably expected to give rise to a Company Prescribed Occurrence;
- (i) **(directors)** appoint any person as a director of the Company (other than as expressly contemplated by this agreement);
- (j) **(material commitments)** enter into or agree to enter into or announce any transaction which would, or would be likely to, involve the Company or any other member of the Company Group incurring a commitment, whether capital or expense in nature, that would through a single transaction or a series of related transactions be in excess of \$1,000,000;
- (k) **(outside ordinary course matters)** enter into or agree to enter into or announce any action that would in the ordinary course of business have been referred to the Company Board for approval, other than relating to the Proposed Transaction or a potential or actual Competing Transaction in accordance with this agreement; or
- (l) **(agreement)** agree to do any of the matters set out above.

5.3 Directors and officers insurance

- (a) The Company must, and Allegro must procure Company to, ensure that each Beneficiary is at all times covered under run off directors' and officers' liability insurance cover (**Run Off Cover**) on terms not less favourable than the terms of the Insurance Policy. The costs of the Run Off Cover are to be borne by Allegro.
- (b) The Run Off Cover will cover claims for the Insurance Run Off Period.
- (c) The undertakings contained in this clause 5.3 are subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly.

5.4 Access to the Company

During the Restriction Period, the Company must to the extent reasonably requested:

- (a) provide Allegro and its Representatives as soon as is reasonably practicable with any documents, records and other information (subject to any existing confidentiality obligations owed to third parties or applicable privacy laws) reasonably requested by them; and
- (b) provide Allegro and its Representatives with reasonable access within normal business hours to the Company's senior management (provided that this does not impose an unreasonable burden on the Company or result in unreasonable disruptions to, or interference with, the Company Group's business),

for the purposes of:

- (c) further understanding the Company's financial position;
- (d) performing its obligations under this agreement in respect of the Offer;
- (e) preparing for and carrying on the business of the Company following close of the Offer; and
- (f) any other purpose agreed in writing between the parties,

provided that:

- (g) the Bidder must:
 - (i) keep all information obtained by it under this clause 5.4 confidential as Confidential Information subject to the Confidentiality Deed;
 - (ii) provide the Company with reasonable notice of any request for information or access; and

- (iii) comply with the reasonable requirements of the Company in relation to any access granted;
- (h) nothing in this clause 5.4 will require the Company to provide, or procure the provision of, information:
 - (i) concerning the Company Group's business that is, in the reasonable opinion of the Company, commercially sensitive, including any specific pricing and margin information or information about acquisition or disposal opportunities;
 - (ii) concerning clients of the Company;
 - (iii) concerning its directors' and management's consideration of, or advice received in relation to, the Proposed Transaction, a Competing Transaction, any equity raising or the incurrence of Financial Indebtedness; or
 - (iv) if to do so would or would be reasonably likely to result in a waiver of legal professional privilege;
- (i) information need not be provided if, in the Company's opinion (acting reasonably), that would result in unreasonable disruptions to the business of the Company Group or would breach an existing confidentiality obligation owed to a Third Party or any applicable law (including the ASX Listing Rules); and
- (j) the Company's obligations under this clause cease to operate upon a majority of the Company Board changing or withdrawing their recommendation where permitted by this agreement.

5.5 Third Party Consents

To the extent that any Third Party Consents have not already been obtained on terms acceptable to Allegro (acting reasonably), at Allegro's request:

- (a) the Company must, to the extent it has not already done so, in conjunction with Allegro, apply to the counterparties from which these Third Party Consents are required;
- (b) the Company must use, and must procure that each relevant Related Person of the Company uses, in conjunction with Allegro, reasonable endeavours to obtain the Third Party Consents as expeditiously as possible; and
- (c) the Company must work, and must procure that each relevant Related Person of the Company works, co-operatively with Allegro in seeking to obtain those Third Party Consents.

A failure by the Company to obtain any Third Party Consent or confirmation, or the exercise of a termination right by a counterparty, will not of itself constitute a breach of this agreement by the Company.

5.6 Appointment of Directors

- (a) As soon as practicable after Allegro has acquired Relevant Interest in 50.1% of all the Shares and Allegro has declared the Offer unconditional, if requested in writing to do so by Allegro, the Company must use its best endeavours to procure the resignation of two existing directors of the Company Board (as identified by Allegro) and the appointment of up to two Allegro nominee directors to the Company Board (subject to those persons having provided a consent to act as directors).
- (b) As soon as practicable after the Offer Period has ended and Allegro has paid the consideration payable under the Offer to the Company's Shareholders who accepted the Offer, and for so long as Allegro and its Associates together have relevant interests in more than 90% of all of the Shares (on a fully diluted basis), the Company must use reasonable endeavours to:
 - (i) procure that each director of the Company Board designated by Allegro in writing and each director of any member of the Company Group designated by Allegro in writing resigns; and
 - (ii) cause the appointment to the Company Board, and to the boards of each member of the Company Group, of such persons as nominated by Allegro in writing,

subject to those persons having provided a consent to act as directors of the relevant company or companies.

- (c) After appointments are made under clause 5.6(a), Allegro must procure that its nominees agree to customary conflict and information sharing protocols which ensure that they do not participate in any discussions or decisions of the Company Board which relate to the Proposed Transaction or a Competing Transaction during the Offer Period.

5.7 Transaction Committee

- (a) On and from the Date of this agreement, the parties agree to establish a committee (**Transaction Committee**) initially comprising of the following individuals:
 - (i) as representatives of the Company: two directors of the Company nominated by the Company; and
 - (ii) as representatives of Allegro: two executives of Allegro nominated by Allegro.
- (b) The role of the Transaction Committee will be to act as a forum for discussion and consultation on:
 - (i) matters related to integration planning, including employee retention and incentivisation, stakeholder engagement and communications, consolidation of operations and functions or processes;
 - (ii) the proposed entry into or renewal of any Material Contracts that is not prohibited under clause 5.2(c); and
 - (iii) proposed actions by the Company Group that would be likely to be outside the ordinary course of business and potentially prohibited under clause 5.1 or 5.2.
- (c) The Transaction Committee will meet at such times and places as agreed between the members of the Transaction Committee from time to time (and at a minimum at least fortnightly), taking into account the existing roles and duties of the Company's nominees on the Transaction Committee. Meetings may be held via telephone, video or any other technology that permits each member to communicate with every other member (or any combination of these technologies).
- (d) The members of the Transaction Committee may agree to invite other persons to attend meetings of the Transaction Committee from time to time.
- (e) The parties acknowledge and agree that:
 - (i) the Transaction Committee is a discussion and planning forum only, and the members of the Transaction Committee do not have power to bind any party or to give any consent, approval or waiver on behalf of the party;
 - (ii) any consent, approval, agreement or a decision of the Transaction Committee in respect of any matter can only be made by the affirmative written approval of at least one representative of the Company and one representative of Allegro, in each case as nominated in accordance with clause 5.7(a);
 - (iii) nothing in this clause 5.7 or elsewhere in this agreement requires a party to act at the direction of the other party or is intended to create a relationship of partnership, joint venture, fiduciary obligation or similar between the parties;
 - (iv) nothing in this clause 5.7 or elsewhere in this agreement requires a party to take any action that would reasonably be expected to conflict with or violate the party's constituent documents or any law;
 - (v) the respective businesses of the Allegro Group and the Company Group are to continue to operate independently until (and subject to) implementation of the Proposed Transaction; and
 - (vi) nothing in this clause 5.7 requires any of the Company's representatives on the Transaction Committee to do anything which would unduly interfere with their responsibilities to the Company and the ongoing conduct of the Company's business in the ordinary course of business.

6. Exclusivity

6.1 No existing discussions

The Company represents and warrants to Allegro that:

- (a) other than the discussions with Allegro in respect of the Proposed Transaction, no member of the Company Group is as at the Date of this agreement participating in in any negotiations or discussions relating to any actual, proposed or potential Competing Transaction with any person; and
- (b) no person proposing any Competing Transaction to the Company's knowledge has access to the Company Group's confidential information.

6.2 No-shop and no talk

During the Exclusivity Period, the Company must not, and must ensure that each of its Related Persons do not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal, negotiations or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Transaction or communicate to any person an intention to do anything referred to in this clause 6.2(a); or
- (b) **(no talk and no due diligence)** subject to clause 6.3:
 - (i) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Transaction or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Transaction;
 - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Transaction; or
 - (iii) disclose or otherwise provide any non-public information about the business or affairs of the Company Group to a Third Party (other than a Public Authority that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, an actual, proposed or potential Competing Transaction (including providing such information for the purposes of the conduct of due diligence investigations in respect of the Company Group) whether by that Third Party or another person; or
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 6.2,

provided that nothing in this clause 6.2 prevents the Company from:

- (d) making normal presentations to brokers, portfolio managers and analysts in the ordinary course of business, or promoting the merits of the Proposed Transaction and the Offer;
- (e) providing information as required by any applicable law or the ASX Listing Rules or to any Public Authority;
- (f) providing information to its auditors, advisers, customers, suppliers in the ordinary course of business; or
- (g) communicating with Shareholders in accordance with its ordinary investor communications practices.

6.3 Fiduciary exception

Clauses 6.2(b) and 6.4 (only to the extent it requires disclosure of information referred to in clause 6.4(b)(i)) do not prohibit any action or inaction by the Company or any of its Related Persons in relation to any actual, proposed or potential Competing Transaction, which the Company Board determines,

based on and having regard to written advice from its external legal and financial Advisers, is a Superior Proposal (or which may reasonably be expected to result in the Competing Transaction becoming a Superior Proposal) and the failure to take or not take such action would constitute, or would be reasonably likely to constitute, a breach of the fiduciary or statutory duties of the directors of the Company, provided that the Competing Transaction was not directly or indirectly brought about by, or facilitated by, a breach of clause 6.2(b).

6.4 Notice of approach

- (a) During the Exclusivity Period, the Company must within two Business Days notify Allegro in writing if it or any of its Related Persons becomes aware of:
- (i) any negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Transaction;
 - (ii) any written proposal made to the Company or any of its Related Persons in connection with or in respect of any exploration or completion of, an actual, proposed or potential Competing Transaction; or
 - (iii) any provision by the Company or any of its Related Persons of any non-public information concerning the business or operations of the Company or the Company Group to any Third Party (other than a Public Authority) in connection with an actual, proposed or potential Competing Transaction,
- whether direct or indirect, solicited or unsolicited, and in writing or otherwise.
- (b) A notification given under clause 6.4(a) must, subject to clause 6.3, include:
- (i) the identity of the relevant person making or proposing the relevant actual, proposed or potential Competing Transaction; and
 - (ii) all terms and conditions of the actual, proposed or potential Competing Transaction.
- (c) Commencing upon the provision of any notice referred to in clause 6.4(a), Company must as soon as possible:
- (i) advise Allegro of any material developments in relation to an actual, proposed or potential Competing Transaction, including material amendments or proposed amendments to the terms of such actual, proposed or potential Competing Transaction; and
 - (ii) advise Allegro of the timing of any Company Board meeting to consider that proposal unless (and only to the extent that) the Company Board, acting in good faith and having regard to external legal advice, determines that it would be likely to be a breach of their fiduciary or statutory duties to notify Allegro.
- (d) For the purpose of this clause 6.4, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Transaction will constitute a new Competing Transaction.

6.5 Matching right

- (a) Without limiting clause 6.2, during the Exclusivity Period, the Company:
- (i) must not, and must procure that each member of the Company Group does not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, the Company or any member of the Company Group proposes or propose to undertake or give effect to an actual, proposed or potential Competing Transaction; and
 - (ii) must use reasonable endeavours to procure that none of its directors change their recommendation in favour of the Offer, publicly recommend an actual, proposed or potential Competing Transaction (or recommend against the Offer) or make any public statement to the effect that they may do so at a future point (provided that a statement

that no action should be taken by Shareholders pending the assessment of a Competing Transaction by the Company Board and its Advisers shall not contravene this clause),

unless all of the following apply:

- (iii) the Company Board in order to satisfy what the members of the Company Board consider to be their statutory or fiduciary duties (having received written advice from its external legal Adviser) determines that the Competing Transaction would be or would be reasonably likely to be an actual, proposed or potential Superior Proposal;
 - (iv) the Company has provided Allegro with a notice confirming the Company Board has made the determination in clause 6.5(a)(iii), along with all material terms and conditions of the actual, proposed or potential Competing Transaction (including price and the identity of the Third Party making the actual, proposed or potential Competing Transaction, the form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing and any conditions precedent) and has publicly confirmed that, subject to the operation of this clause 6.5, it intends to terminate this agreement and enter into an agreement to give effect to the Competing Transaction;
 - (v) the Company has given Allegro at least five Business Days after the date of the provision of the information referred to in clause 6.5(a)(iv) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction; and
 - (vi) Allegro has not announced or otherwise formally proposed to the Company a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction by the expiry of the five Business Day period in clause 6.5(a)(v) above.
- (b) If Allegro proposes to the Company, or announces, amendments to the terms of the Offer including increasing the amount of consideration offered under the Offers or a new proposal that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction (**Counterproposal**) by the expiry of the five Business Day period in clause 6.5(a)(v) above, the Company must procure that the Company Board considers the Counterproposal and if the Company Board, acting reasonably and in good faith, determines that the Counterproposal (as completed) would provide an equivalent or superior outcome for Shareholders as a whole (other than Allegro and those who are Associates of Allegro) compared with the Competing Transaction, taking into account all of the terms and conditions of the Counterproposal, then the Company and Allegro must use their reasonable endeavours to agree the amendments to this agreement and the Offer (as applicable) that are reasonably necessary to reflect the Counterproposal and to implement the Counterproposal, in each case as soon as reasonably practicable, and the Company must use reasonable endeavours to procure that each of the directors of Company continues to recommend the Offer and the Proposed Transaction (as modified by the Counterproposal) to Shareholders.
- (c) For the purpose of this clause 6.5, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Transaction notified to Allegro under clause 6.5(a)(iv) will constitute a new Competing Transaction in respect of which the Company must comply with its obligations under this clause 6.5 again.

6.6 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 6 or any part of it:
- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Company Board;
 - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) the Company will not be obliged to comply with that provision of clause 6.
- (b) The parties must not make or cause to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 6.6.

6.7 Provision of information

During the Exclusivity Period, the Company must as soon as possible (and, in any event, within two Business Days) give Allegro:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any non-public information about the business or affairs of the Company or the Company Group disclosed or otherwise provided by the Company or any of its Related Persons to any Third Party in connection with a Competing Transaction that has not previously been provided to Allegro. For the avoidance of doubt, any such provision of information to a Third Party may only be undertaken if permitted by clause 6.3.

6.8 Legal advice

The Company represents and warrants to Allegro that:

- (a) prior to entering into this agreement it has received legal advice on this agreement and the operation of this clause 6; and
- (b) it and the Company Board consider this clause 6 to be fair and reasonable and appropriate to agree in order to secure the significant benefits to it and Shareholders resulting from the transactions contemplated hereby.

7. Representations and warranties

7.1 Allegro warranties

Allegro represents and warrants to the Company as at the Date of this agreement and until the end of the Offer Period that:

- (a) each member of the Allegro Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Allegro has been properly authorised by all necessary corporate action and Allegro has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) subject to the laws generally affecting creditors' rights and the principles of equity, this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Allegro's constitution or any agreement or agreement or writ, order or injunction, rule or regulation to which Allegro or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any Public Authority;
- (d) the Bidder's Statement will:
 - (i) as at the date it is lodged with ASIC, and excluding any Company Information contained in the Bidder's Statement for which the Company takes responsibility, not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel; and
 - (ii) be updated by all such further or new information which may arise after the Bidder's Statement has been lodged with ASIC until the end of the Offer Period which is necessary to ensure that the Bidder's Statement is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (e) no resolutions have been passed or steps taken, and no application or other process has been made or threatened in writing against it for winding-up or deregistration, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;

- (f) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;
- (g) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being breached, except as disclosed by the Allegro to the Company in writing prior to the Date of this agreement; and
- (h) no approvals are required to be obtained by Allegro under any applicable law, rule or regulation (including under the ASX Listing Rules) to perform and observe its obligations under this agreement and to consummate the transactions contemplated by this agreement.

7.2 Company warranties

The Company represents and warrants to Allegro as at the Date of this agreement and on each subsequent day until the end of the Offer Period (except where a warranty is given as of a particular date, in which case the Company gives that warranty as of that particular date) that:

- (a) each member of the Company Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by the Company has been properly authorised by all necessary corporate action and the Company has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) subject to the laws generally affecting creditors' rights and the principles of equity, this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under the Company's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which the Company or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any Public Authority;
- (d) as at the Date of this agreement, the Company is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and the Corporations Act and, with the exception of the Proposed Transaction, is not relying on ASX Listing Rule 3.1A to withhold any information from disclosure;
- (e) so far as the Company is aware, the information contained in the Data Room Materials as at the Date of this agreement has been prepared with reasonable care and is as at the Date of this agreement true and accurate and not misleading in any material respect;
- (f) as at the Date of this agreement, no resolutions have been passed or steps taken, and no application or other process has been made or threatened in writing against it for winding-up or deregistration, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (g) the Target's Statement will:
 - (i) as at the date it is lodged with ASIC and excluding any Allegro Information contained in the Target's Statement for which Allegro takes responsibility for, or the Independent Expert's Report for which the Independent Expert takes responsibility for, not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply with the requirements of the Corporations Act, the ASX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel; and
 - (ii) be updated by all such further or new information which may arise after the Target's Statement has been lodged with ASIC until the end of the Offer Period which is necessary to ensure that the Target's Statement is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (h) it or one of its wholly-owned Subsidiaries is the beneficial owner of all the issued share capital in each of its Subsidiaries and there is no obligation to transfer shares in any of those companies to any Third Party;

- (i) as at the Date of this agreement, no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;
- (j) as at the Date of this agreement, each member of the Company Group has complied in all material respects with all applicable laws and orders of Public Authorities having jurisdiction over it and has all material licences, permits and authorisations necessary for it to conduct the business of the Company Group as it has been conducted in the 12 months prior to the Date of this agreement;
- (k) as at the Date of this agreement, so far as the Company is aware, neither it nor any member of the Company Group is in material default under any Material Contract, agreement or instrument binding on it or its assets nor has anything occurred which is, or would with the giving of notice or lapse of time, constitute an event of default, prepayment event or similar event, or give another party a termination right or right to accelerate any right or obligation under any such material document or agreement which such an effect;
- (l) as at the Date of this agreement, the Company is not aware of any facts or circumstances that will cause a Third Party, as a result of the entry into this agreement and the implementation of the Offer, to exercise a right to terminate a contract which is material to the business of the Company Group or vary the performance of any material obligation of the Company Group under such contract;
- (m) as at the Date of this agreement, the Company is not aware of any act, omission, event or fact that would result in one or more of the Conditions being breached; and
- (n) as at the Date of this agreement, the Company has the following securities on issue (as set out in the table below) and there are no other shares, options, notes or other securities of the Company and no rights to be issued such shares, options, notes or other securities other than as a result of the vesting or exercise of the Performance Rights described below:

Security type	Number on issue
Shares	141,073,337
Performance Rights	13,532,861
Total	154,606,198

7.3 Reliance by parties

Each party acknowledges that:

- (a) in entering into this agreement the other party has relied on the representations and warranties provided by that party under this clause 7;
- (b) no party (nor any person acting on its behalf) has made any representation, warranty or other inducement to it to enter into this agreement except for the representations and warranties expressly set out in this agreement;
- (c) it does not enter into this agreement on reliance on any representation, warranty or other inducement by or on behalf of any other party except for any representation or warranty expressly set out in this agreement; and
- (d) nothing in this clause prejudices any party's rights in relation to information which has been filed by the other party with ASIC or ASX.

7.4 Survival of representations

The representations and warranties provided by each party under this clause 7:

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

7.5 Notification of breach

Each of Allegro and the Company must promptly advise each other in writing as soon as they become aware of any fact, matter or circumstance that constitutes or may constitute:

- (a) a breach of any representation or warranty provided in this agreement by either party; or
- (b) a breach of this agreement by it.

8. Confidentiality

- (a) Subject to clauses 8(c), 9.2 and 9.3, each party acknowledges and agrees that:
 - (i) the content and substance of any communications between the parties concerning the subject matter of this agreement, including the substance of any investigations, discussions or negotiations concerning that subject matter or the fact of and reasons for any termination of this agreement;
 - (ii) information provided by either party to the other, or obtained by either party from the other, in the course of proposing, negotiating or implementing the Proposed Transaction (including information provided before or after the Date of this agreement); and
 - (iii) all copies of information, agreements and those parts of the notes and other records referred to above,

(**Confidential Information**) is strictly confidential and may not be disclosed to any Third Party (except as permitted by this agreement).
- (b) For the avoidance of doubt, information that is known by a party before the date of the Confidentiality Deed and that was not obtained on a confidential basis from another party in the course of proposing, negotiating or implementing the Proposed Transaction is not Confidential Information.
- (c) Confidential Information may only be used for the purposes of implementing the Proposed Transaction or disclosed by a party:
 - (i) to a Representative of that party or any of its Related Bodies Corporate for the purpose of implementing the Proposed Transaction, provided that the disclosing party ensures that the recipient only uses it for the purposes of implementing the Proposed Transaction and otherwise complies with these terms of confidentiality; and
 - (ii) subject to clause 9.2, if and to the extent disclosure is required by law, the rules of a financial market, or any requirement of a court or Public Authority.
- (d) Notwithstanding the foregoing provisions of this clause 8, the Company releases Allegro from its obligations under the foregoing provisions of this clause 8 and the Confidentiality Agreement to the extent necessary for Allegro to make the Offer, satisfy the Conditions and promote the merits of the Offer, and otherwise perform its obligations under, and undertake the transactions contemplated by, this agreement.
- (e) The rights and obligations of the parties under this clause survive termination of this agreement.

9. Public announcements

9.1 Public announcements

Subject to clauses 8(c), 9.2 and 9.3, no public announcement or disclosure (including any presentations or briefings to analysts, the media or Shareholders) of the Offer or any other transaction the subject of this agreement may be made other than in a form approved by each party (acting reasonably), but each party must use reasonable endeavours to provide such approval as soon as practicable.

9.2 Required disclosure

Where a party is required by law or the ASX Listing Rules to make any announcement or to make any disclosure in connection with the Offer or any other transaction the subject of this agreement, it may do

so only after it has given at least one Business Days' notice, or such lesser period as may be required or permitted to comply with its legal or regulatory responsibilities, but in any event prior notice, to the other party and has taken all reasonable steps to consult with the other party and its legal advisers and to take account of all reasonable comments received from the other party.

9.3 Statements on termination

The parties must use reasonable endeavours to issue an agreed statement or statements in respect of any termination provided for in this agreement and will make no statements or disclosure in respect of the termination of this agreement except in accordance with clauses 9.1 and 9.2.

10. Termination

10.1 Termination by either party

This agreement may be terminated with immediate effect at any time before the end of the Offer Period by either party giving notice in writing to the other if:

- (a) the other party is in material breach of its obligations under this agreement, or there is a material breach of any representation or warranty given by that other party, and (if capable of remedy) has failed to remedy the breach within five Business Days of receipt by it of written notice from the first party notifying the other party of the breach and its intention to terminate;
- (b) Allegro withdraws the Offer as permitted by the Corporations Act or the Offer lapses for any reason including non-satisfaction of a Condition;
- (c) the other party becomes Insolvent;
- (d) any Public Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Offer, or has refused to do anything necessary to permit the Offer, and the action is final and cannot be appealed or reviewed or the party reasonably believes (after receiving external legal advice) that any appeal or review is unlikely to succeed; or
- (e) the Company Board or a majority of the Company Board changes its recommendation in respect of the Proposed Transaction as a result of:
 - (i) the Company Board or a majority of the Company Board determining that a Competing Transaction (provided always that Company has complied with its obligations in clause 4) is a Superior Proposal; or
 - (ii) the Independent Expert concluding that the Offer is neither fair nor reasonable.

10.2 Termination by Allegro

Allegro may, by notice in writing to the Company, terminate this agreement with immediate effect if at any time before the end of the Offer Period:

- (a) a Superior Proposal is made or publicly announced for the Company by a Third Party;
- (b) a Company Director fails to recommend that Shareholders accept the Offer in accordance with clause 3.4 or, having recommended that Shareholders accept the Offer, withdraws, revokes, qualifies or adversely changes his or her recommendation of the Offer; or
- (c) a Company Prescribed Occurrence occurs.

10.3 Effect of termination

If this agreement is terminated by a party under this clause 10:

- (a) each party will be released from its obligations under this agreement except its obligations under clauses 7, 8, 9.3, 10, 11, 13 and 14 which will survive termination;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and

- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including any further obligations in respect of the Offer.

10.4 No other termination

Neither party may terminate or rescind this agreement except as permitted under this clause 10.

11. Liability of Company Directors, officers and employees

- (a) Allegro releases its rights against, and will not make any claim against any past or present director, officer or employee of the Company in relation to:
 - (i) information provided to it in relation to their execution of this agreement or the transactions contemplated by it; or
 - (ii) any breach of any representations and warranties of the Company or any other member of the Company Group in this agreement or
 - (iii) any disclosures made in connection with this agreement or the transactions contemplated by it, including the Proposed Transaction containing any statement which is false or misleading whether in context or by omission,except to the extent the past or present director, officer or employee has acted fraudulently.
- (b) Clause 11(a) is subject to any Corporations Act restriction and will be read down accordingly.
- (c) The Company holds the benefit of the releases in clause 11(a) as trustee for past and present directors, officers and employees of the Company.
- (d) The Company releases its rights against, and will not make any claim against any past or present director, officer or employee of Allegro in relation to:
 - (i) information provided to it in relation to their execution of this agreement or the transactions contemplated by it; or
 - (ii) any breach of any representations and warranties of Allegro or any other Related Entity of Allegro in this agreement or
 - (iii) any disclosures made in connection with this agreement or the transactions contemplated by it, including the Proposed Transaction containing any statement which is false or misleading whether in context or by omission,except to the extent the past or present director, officer or employee has acted fraudulently.
- (e) Clause 11(d) is subject to any Corporations Act restriction and will be read down accordingly.
- (f) Allegro holds the benefit of the releases in clause 11(d) as trustee for past and present directors, officers and employees of Allegro.

12. Goods and services tax

12.1 Consideration GST exclusive

Unless expressly stated otherwise in this agreement, all amounts payable or consideration to be provided for a supply made under or in connection with this agreement are exclusive of GST (**GST Exclusive Consideration**).

12.2 Gross up for GST

If any supply made by a party under this agreement is subject to GST, the party who makes the supply (**Supplier**) may recover from the recipient an additional amount calculated under clause 12.3 in addition to any GST Exclusive Consideration for the supply.

12.3 GST amount

The additional amount referred to in clause 12.2 is:

- (a) equal to the GST Exclusive Consideration for the supply multiplied by the prevailing GST rate; and
- (b) payable by the recipient to the Supplier at the same time as the recipient is required to pay or provide the consideration for the supply to which the additional amount relates.

12.4 Input tax credit

If any party is required to reimburse the Payee for any Costs, the amount of the Costs are:

- (a) reduced by the amount of any input tax credit to which the Payee is entitled; and
- (b) increased in accordance with clause 12.2 as required.

12.5 Tax invoice

Before claiming an additional amount under clause 12.3, the Supplier must provide a tax invoice to the recipient in respect of the relevant supply.

12.6 GST Groups

If a party is, or becomes a member of, a GST Group, references in this clause 12 to GST payable or Input Tax Credits, includes GST which the representative member of the GST Group must pay in respect of supplies made by that party and Input Tax Credits to which the representative member of the GST Group is entitled.

12.7 Variation of GST payable

If, for any reason, the GST payable in relation to a supply made under this agreement varies from the additional amount paid by the recipient under clause 12.3, the Supplier:

- (a) will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the recipient; and
- (b) must provide the recipient with an adjustment note or tax invoice (as the case may be) no later than 14 days after becoming aware of the variation.

12.8 Interpretation

Any reference in this clause 12 to a term defined or used in the GST Law is, unless the context indicates otherwise, a reference to that term as defined or used in the GST Law.

13. Notices and other communications

13.1 Form – all communications

Unless expressly stated otherwise in this agreement or the Corporations Act, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement or the Proposed Transaction must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

13.2 Form – communications sent by email

Communications sent by email need not be marked for attention in the way stated in clause 13.1. However, the email must state the first and last name of the sender. Communications sent by email are taken to be signed by the named sender.

13.3 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;

- (b) sent by email to the address set out or referred to in the Details; or
- (c) given in any other way permitted by law.

However, if the intended recipient has notified a changed address email address, then communications must be to that address or email address.

13.4 When effective

Communications take effect from the time they are received or taken to be received under clause 13.5 (whichever happens first) unless a later time is specified.

13.5 When taken to be received

Communications are taken to be received:

if sent by email, the first to occur of:

- (a) when the sender receives an automated message confirming delivery; or
- (b) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

13.6 Receipt outside business hours

Despite clauses 13.4 and 13.5, if communications are received or taken to be received under clause 13.5 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

14. General

14.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

14.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

14.3 Failure to exercise rights

Except as otherwise set out in this agreement, any partial exercise, failure to exercise, or delay in exercising, a right or remedy provided under this agreement or by law does not operate as a waiver or prevent or restrict any further or other exercise of that or any other right or remedy in accordance with this agreement.

14.4 Duty

Allegro must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this agreement or the Offer or the steps to be taken under this agreement or the Offer.

14.5 No liability for Loss

Except as otherwise set out in this agreement, a party is not liable for Loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy that is available to it under this agreement.

14.6 Legal costs

Except as expressly stated otherwise in this agreement, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this agreement.

14.7 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if this involves a conflict of duty or a party has a personal interest in their exercise.

14.8 Consents

Except as expressly stated otherwise in this agreement, a party may conditionally or unconditionally give or withhold any consent to be given under this agreement and is not obliged to give its reasons for doing so.

14.9 Remedies cumulative

The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.

14.10 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

14.11 Time is of the essence

Time is of the essence in this agreement.

14.12 Further assurances

Each party agrees, at its own expense, on the request of the other parties, to do everything reasonably necessary to give effect to this agreement and the transactions contemplated by it, including, but not limited to, the execution of documents.

14.13 Amendment

This agreement may only be varied or replaced by a document executed by the parties.

14.14 Severability

If the whole or any part of a provision of this agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

14.15 Assignment

The rights and obligations of each party under this agreement cannot be assigned without the prior written consent of the other party.

14.16 Counterparts

This agreement may be executed in any number of counterparts or copies, with signatures appearing on different counterparts or copies, and this has the same effect as if the signatures on the counterparts or copies were on a single copy of this agreement. Without limiting the foregoing, if any of the signatures on behalf of one party are on different counterparts or copies of this agreement, this shall be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this agreement. A party who has executed a counterpart of this agreement may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party.

14.17 Entire agreement

Other than in relation to the Confidentiality Deed, this agreement, including its schedules, exhibits and annexures:

- (a) constitute the entire agreement between the parties in connection with its subject matter; and
- (b) in relation to that subject matter, supersedes all previous agreements or understandings between the parties and all prior conditions, warranties, indemnities or representations imposed, given or made by a party.

14.18 Governing law

This agreement and the transactions contemplated by this agreement are governed by the law in force in New South Wales. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably and unconditionally waives any objection to the venue of any legal process in these courts.

Schedule 1– Agreed Terms

1. Bid class securities

The Offer will apply to all Shares that exist on the date set by Allegro under section 633(2) of the Corporations Act and in addition will also extend to all Shares issued on the exercise and vesting of Performance Rights in existence as at the Register Date (subject to ASIC granting any necessary relief from the Corporations Act).

2. Offer Price

In relation to the Offer, the consideration to be provided by Allegro under the Offer is \$0.55 in cash for every 1 Share held less the cash amount or value of any Rights attaching to or arising from any Share for which the record date occurs after the Date of this agreement and which the holder of that Share or a previous holder of that Share receives or is entitled to receive (provided that such Rights are not vested in Allegro or Allegro does not otherwise receive the benefit or value of those Rights).

3. Offer Period

The Offer Period will initially last for at least one month and, subject always to clause 2.5 of this agreement, will be subject to Allegro's right to extend the period in its absolute discretion in accordance with the Corporations Act.

4. Conditions of the Offer

The Offer, and any contract resulting from the acceptance of the Offer, is subject to the fulfilment of the following conditions.

4.1 Minimum acceptance condition

Allegro or an Allegro Associate acquires a Relevant Interest in at least 50.1% of the Shares.

4.2 No Company Prescribed Occurrences

Between the period beginning on the Announcement Date and ending at the end of the Offer Period (each inclusive), none of the following events occur (each a **Company Prescribed Occurrence**):

- (a) the Company converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) the Company or a Subsidiary of the Company resolves to reduce its share capital in any way;
- (c) the Company or a Subsidiary of the Company:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Company or a Subsidiary of the Company:
 - (i) issues shares or agrees to issue shares; or
 - (ii) grants an option over its shares or agrees to grant an option over its shares, other than the issue of Shares upon the exercise and vesting of Performance Rights where those Performance Rights were issued before the Announcement Date and are in existence as at the Register Date;

- (e) the Company or a Subsidiary of the Company issues, or agrees to issue, convertible notes;
- (f) the Company or a Subsidiary of the Company disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company or a Subsidiary of the Company grants, or agrees to grant, a Security Interest over the whole, or a substantial part, of its business or property;
- (h) the Company or a Subsidiary of the Company resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Company or a Subsidiary of the Company is appointed;
- (j) a court makes an order for the winding up of the Company or a Subsidiary of the Company;
- (k) an administrator of the Company, or a Subsidiary of the Company, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a Subsidiary of the Company executes a deed of company arrangement;
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Company or a subsidiary of the Company.

Schedule 2 – Agreed Announcement

ASX Announcement

24 February 2023

Partnership Proposed between Slater & Gordon and Allegro Slater & Gordon Board Unanimously Recommends Allegro's Offer

- **Allegro's proposed investment in Slater & Gordon will bring together a hands-on investor focused on a growth-oriented partnership with one of Australia's leading consumer law firms built on social justice values**
- **Allegro to make a 55 cents a shareⁱ cash off-market takeover offer for 100% of the ordinary shares in Slater & Gordon**
- **Slater & Gordon's Board unanimously recommends that shareholders accept Allegro's offer, subject to the independent expert concluding that Allegro's offer is either fair and reasonable or not fair but reasonable, and in the absence of a superior proposal**
- **The Board believes that Allegro should provide Slater & Gordon with a stable capital base and a supportive operating environment, enabling the Slater & Gordon team to continue to focus on delivering outstanding outcomes for their clients and stakeholders**

Slater & Gordon Ltd ("Slater & Gordon" or "the Company") (ASX: **SGH**) is pleased to announce that it has today entered into a Bid Implementation Agreement (**BIA**) with Allegro Funds Pty Ltd (**Allegro**) for a recommended off-market takeover offer at \$0.55 cash per shareⁱ (**Offer**) by funds managed by Allegro to acquire all of the issued fully paid ordinary shares in Slater & Gordon. A copy of the BIA accompanies this announcement at Appendix 1.

Summary of the Offer

Under the Offer, Slater & Gordon shareholders will receive \$0.55 cash for each Slater & Gordon shareⁱ held and accepted into the Offer, subject to the satisfaction or waiver of the conditions of the Offer which include a 50.1% minimum acceptance condition. The Offer will also extend to all new Slater & Gordon shares issued during the Offer period to holders of Performance Rights who exercise their Rights.

Slater & Gordon's Chair, James MacKenzie, said:

"The Board and key management personnel believe Allegro's investment in Slater & Gordon will bring together a hands-on Australian investor focused on a growth-oriented partnership with one of Australia's leading consumer law firms built on social justice values."

Slater & Gordon shares are highly illiquid. The Offer is all cash and provides certainty of value for shareholders. Allegro's investment also presents an opportunity for Slater & Gordon to simplify its capital structure, which is currently dominated by offshore hedge funds."

In this context, the Board and the executive leadership group are excited for shareholders, the Slater & Gordon team, and current and future clients."

Allegro Founding Partner, Adrian Loader, said:

"Allegro is excited about the opportunity to partner with the Slater & Gordon team and assist in continuing to grow the firm which has a long and proud history in the Australian consumer law sector. Allegro has significant experience investing in purpose-led professional services organisations such as Slater & Gordon and looks forward to working with its strong team of lawyers whom we are keen to retain, support and incentivise."

Unanimous recommendation of the Slater & Gordon Board

Slater & Gordon's directors unanimously support the Offer and recommend that Slater & Gordon shareholders accept the Offer, in the absence of a superior proposal and subject to the independent expert appointed by Slater & Gordon concluding that the Offer is either fair and reasonable or not fair but reasonable to Slater & Gordon shareholders. Subject to those same two qualifications, each Slater & Gordon director intends to accept, or procure the acceptance of, the Offer in respect of each Slater & Gordon share they hold or control disposal of, including as a result of the exercise of Performance Rights respectively held by them.

The Slater & Gordon Board has carefully considered the Offer and concluded the value and certainty provided by the Offer provides greater benefit to shareholders than retaining their shares. The key factors that the Board has considered in reaching this recommendation will be set out in detail in Slater & Gordon's Target's Statement response to the Offer.

Slater & Gordon has appointed Kroll Australia Pty Ltd as the independent expert to report on whether the Offer is fair and reasonable to Slater & Gordon shareholders. The independent expert's report will be included in Slater & Gordon's Target's Statement.

Anticipated governance and management arrangements

Allegro has indicated the importance of governance and management continuity. Slater & Gordon anticipates that Allegro will invite the three current independent directors to remain on the Board and John Somerville to continue as Chief Executive Officer should its Offer be successful.

Terms and Conditions of the Offer

Consistent with the negotiated, recommended nature of the Offer, the BIA contains certain exclusivity terms. The Offer is subject to only two defeating conditions, being:

- Allegro acquiring a relevant interest of at least 50.1% of Slater & Gordon's shares, and
- No prescribed occurrences, excluding the issue of Slater & Gordon shares on the exercise of outstanding Performance Rights.

Allegro retains the right to waive any or all of the conditions of the Offer.

The full terms and conditions of the Offer are set out in the BIA.

Timing

Slater & Gordon shareholders are not required to take any action at this time.

It is expected that Slater & Gordon will receive the Bidder's Statement and proposed Offer document, containing detailed information relevant to the Offer, in the next few days. Dispatch of the Bidder's Statement is then expected to occur to all Slater & Gordon shareholders no later than 14 days afterwards. Slater & Gordon intends to dispatch its Target's Statement no later than 15 days after dispatch of the Bidder's Statement to Slater & Gordon shareholders.

Arrangements in relation to Slater & Gordon's super senior facility debt

Allegro has advised that it has also made private treaty offers to the holders of Slater & Gordon's super senior facility debt.

Information on Slater & Gordon

Slater & Gordon is a leading Australian consumer law firm. Our mission is to give people easier access to world class legal services. The firm provides specialist legal and complementary services in a broad range of areas.

Information on Allegro

Allegro is an independently owned Australian investment manager, investing in business across Australia and New Zealand. Allegro currently has over A\$4bn in AUM and is currently investing from Allegro Fund IV, which has approximately A\$750m in committed capital. Allegro's investors include large Australian and New Zealand superannuation funds.

Allegro specialises in partnership and transformational capital, applying capital, expertise and a distinctly hands-on approach to investing in businesses.

Advisers

Slater & Gordon is being advised by Flagstaff Partners and MinterEllison.

This announcement was authorised to be given to ASX by the Slater & Gordon Board of Directors

ENDS

Contact

Kate Van Poelgeest
Head of Media and Communications
(07) 3331 9720 or kate.vanpoelgeest@slatergordon.com.au

ⁱ Offer price will be reduced by the cash amount or value of any dividends, distributions or other rights attaching to the Company's shares on or after the date of this announcement and which a shareholder receives or is entitled to receive.

Signing page

EXECUTED as an agreement.

Executed by Wright NomineeCo Pty Ltd in accordance with Section 127 of the *Corporations Act 2001*

DocuSigned by:
Adrian Loader
5504577619D64C2...

Signature of director

Adrian Loader

Name of director (print)

DocuSigned by:

BD2096B65F22485...

Signature of director/company secretary
(Please delete as applicable)

Johan Krynauw

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

Executed by Slater & Gordon Ltd in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

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EXECUTED as an agreement.

Executed by Wright NomineeCo Pty Ltd in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

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Executed by Slater & Gordon Ltd in accordance with Section 127 of the *Corporations Act 2001*



Signature of director

James MacKenzie

Name of director (print)



Signature of director/~~company secretary~~
(Please delete as applicable)

John Somerville

Name of director/~~company secretary~~ (print)

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