

Greencross Limited

The Pet Company

ACN 119 778 862

Scheme Booklet

For a scheme of arrangement between Greencross Limited and its shareholders in relation to the proposed acquisition by Vermont Aus Pty Ltd an entity ultimately owned by funds managed by TPG Asia VII SF Pte Ltd and TPG Growth IV SF Pte Ltd

VOTE IN FAVOUR

GREENCROSS DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THAT THE SCHEME IS IN THE BEST INTERESTS OF GREENCROSS SHAREHOLDERS

This is an important document and requires your immediate attention.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

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

Financial Advisers



MACQUARIE

ALLIER
CAPITAL

Legal Adviser

CLAYTON UTZ

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Important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making any decision as to how to vote on the Scheme Resolution. You should also consult your legal, financial, tax or other professional adviser.

Defined terms

Capitalised terms used in this Scheme Booklet are defined either in the Glossary set out in Section 15 or where the relevant term first appears.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to:

- explain the terms of the Scheme;
- explain the manner in which the Scheme will be considered and implemented (if approved by the requisite majorities of Greencross Shareholders and the Court); and
- provide information as is prescribed or otherwise material to the decision of Greencross Shareholders whether or not to approve the Scheme by voting in favour of the Scheme Resolution, being information that is within the knowledge of the Greencross Directors and has not previously been disclosed to Greencross Shareholders.

This Scheme Booklet includes the explanatory statement required to be sent to Greencross Shareholders in relation to the Scheme pursuant to Section 412(1) of the Corporations Act.

Status of Scheme Booklet

Other than with respect to the offer to subscribe for HoldCo Shares as part of the Scheme Consideration, this Scheme Booklet does not constitute or contain an offer to Greencross Shareholders, or a solicitation of an offer from Greencross Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Sub-section 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under sub-section 411(1). Instead, Greencross Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

No financial product advice

The information contained in this Scheme Booklet is not financial product or investment advice. Neither Greencross nor TPG BidCo is licenced to provide financial product advice in respect of Greencross Shares, Class B Shares or any other financial product. No cooling off regime applies in relation to the acquisition of Class B Shares if an Election is made to receive either of the Mixed Consideration Options.

Investment decisions

This Scheme Booklet is intended for Greencross Shareholders collectively and does not take into account the investment objectives, financial situation, tax position or particular needs of each Greencross Shareholder or any other person. It is important that you consider the information in this Scheme Booklet in light of your particular circumstances. This Scheme Booklet should not be relied on as the sole basis for any investment decision in relation to Greencross Shares. Independent advice should also be sought before any such investment decision is made.

Responsibility for information

Greencross has prepared, and is responsible for, the Greencross Information contained in this Scheme Booklet. None of the TPG BidCo Group Members, nor any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the Greencross Information or any part of it.

TPG BidCo has prepared, and is responsible for, the TPG BidCo Information contained in this Scheme Booklet. None of the Greencross Group members, nor any of their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the TPG BidCo Information or any part of it.

Grant Thornton has prepared, and is responsible for, the Independent Expert's Report. None of the Greencross Group Members and their respective directors, officers, employees or advisers, nor the TPG BidCo Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report or any part of it, except in the case of Greencross, to the extent that information has been provided by Greencross to Grant Thornton for the purposes of preparing the Independent Expert's Report.

BDO has prepared, and is responsible for, the Taxation Report in Section 12 outlining the Australian tax implications of the Scheme for Greencross Shareholders. None of the Greencross Group Members and their respective directors, officers, employees or advisers, nor the TPG BidCo Group Members and their respective directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information in Section 12 or any part of it, except in the case of Greencross, to the extent that information has been provided by Greencross to BDO for the purposes of preparing the report set out in Section 12. In this regard, Greencross Shareholders should seek independent professional advice based on their particular circumstances.

Role of ASIC and ASX

A copy of this Scheme Booklet has been examined by ASIC pursuant to Section 411(2)(b) of the Corporations Act and registered by ASIC under Section 412(6) of the Corporations Act. A copy of this Scheme Booklet has also been lodged with ASX.

Greencross has asked ASIC to provide a statement, in accordance with Section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such statements until the Second Court Date. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire Scheme process.

ASIC has expressed concerns that HoldCo is a proprietary company rather than a public company and that, through the custodian arrangements, HoldCo will remain a proprietary company even if more than 50 Greencross Shareholders take up the Scrip Consideration pursuant to either of the Mixed Consideration Options. The practical effect for individual shareholders of HoldCo's status as a proprietary company and the custodian arrangements is disclosed in the Scheme Booklet. ASIC's concern is with public policy issues that arise from those characteristics of the Scheme. For these reasons, ASIC has indicated that it is currently not minded to provide a statement of no objection.

The question of whether the Scheme should be approved is ultimately one for Greencross Shareholders and the Court.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under Section 411(1) of the Corporations Act

The fact that under Section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet required to accompany the Notice of Scheme Meeting (Appendix A) does not mean that the Court:

- has formed any view as to the merits of the Scheme or as to how Greencross Shareholders should vote on the Scheme Resolution (on this matter Greencross Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Appendix A. The Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. An Election Form also accompanies this Scheme Booklet.

Notice of Second Court Hearing

At the Second Court Hearing the Court will consider whether to approve the Scheme following the vote on the Scheme Resolution.

Any Greencross Shareholder may appear at the Second Court Hearing, which is currently expected to be held on Monday, 11 February 2019 at the Federal Court of Australia, Law Courts Building, Queens Square, Sydney.

Notice to persons outside Australia

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions. The release, publication or distribution of this Scheme Booklet (electronically or otherwise) in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared solely in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet has been prepared in accordance with the laws and regulations in any other jurisdiction. This Scheme Booklet does not constitute an offer to, or a solicitation of an offer from, Greencross Shareholders in any jurisdiction in which it would be unlawful.

A Scheme Shareholder whose Registered Address is shown on the Greencross Share Register on the Scheme Record Date as a place outside Australia and its external territories will be an Ineligible Foreign Shareholder.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive either of the Mixed Consideration Options. If you make an Election to receive either of the Mixed Consideration Options, your Election will be invalid and have no effect, and you will receive the Cash Consideration for all of your Greencross Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the Cash Consideration in respect of all of their Greencross Shares held on the Scheme Record Date if the Scheme becomes Effective.

Ineligible Foreign Shareholders will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share they hold as at the Special Dividend Record Date.

Greencross Shareholders resident outside Australia for tax purposes should also seek specific taxation advice in relation to the Australian and overseas tax implications of their participation in the Scheme.

Please note that neither Greencross nor TPG BidCo Group are in the business of dealing in securities, nor do they purport to hold themselves out as carrying on a business of dealing in securities.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. Such forward looking statements, which include all information relating to the performance of Greencross, are not based solely on historical facts but rather reflect the current expectations of Greencross (in relation to the Greencross Information) and the TPG BidCo Group (in relation to the TPG BidCo Information). Statements that describe Greencross', or the TPG BidCo Group's objectives, plans, goals or expectations may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties and assumptions and are subject to a variety of other factors that could cause the actual results or performance of Greencross to be materially different from what is expressed or implied by such statements. Some of the risks that Greencross Shareholders may be exposed to in relation to the Scheme are set out in Sections 11 and 12. Forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which Greencross and the TPG BidCo Group will operate in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Greencross Shareholders should note that the historical performance of Greencross is no assurance of Greencross' future performance. Other than as required by law, none of the Greencross Group Members, the TPG BidCo Group Members or any of their respective directors, officers, employees or advisers represents that, or gives any assurance or guarantee that, the occurrence of events expressed or implied in any forward looking statements will actually occur.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of intention in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change.

Subject to any continuing obligations under law or the ASX Listing Rules, Greencross and the Greencross Directors, officers, employees and advisers disclaim any obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect any change in expectations in relation to those statements or change in events, conditions or circumstance on which a statement is based.

Privacy and personal information

Greencross and the TPG BidCo Group Members, and their respective registries and agents, may need to collect personal information to implement the Scheme. The personal information may include the names, contact details, bank account details and other details of Greencross Shareholders, as well as the names and contact details of individuals appointed by Greencross Shareholders as proxies, attorneys or corporate representatives to attend and vote at the Scheme Meeting.

Greencross Shareholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access the personal information collected about them. An individual who wishes to exercise any of these rights should contact the Greencross Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) on Business Days at any time between 9.00am and 5.00pm on Monday to Friday.

The personal information described above may be disclosed to Greencross' and each TPG BidCo Group Member's registries and agents, securities brokers and third party service providers (including print and mail service providers). Personal information may also be used to contact Greencross Shareholders in relation to the Scheme.

Third parties who receive personal information in the course of providing the above services will be reminded of their obligations to use the personal information only for the purposes set out above and to protect the information according to applicable statutory and legal requirements.

Greencross Shareholders who appoint an individual as their proxy, attorney or corporate representative to attend and vote at the Scheme Meeting should inform him or her of the matters outlined above.

Sections and appendices

A reference to a Section or an Appendix is a reference to a section of, or appendix to, this Scheme Booklet, unless otherwise stated.

Some of the documents reproduced in the appendices to this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary.

References to time

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Sydney, New South Wales, Australia.

References to currency

Unless expressly stated otherwise, all references in this Scheme Booklet to "\$", "A\$" or "AUD" are references to Australian currency.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Any discrepancies between totals in tables and sums of components contained in this Scheme Booklet and between those figures and figures referred to in other parts of the Scheme Booklet are due to rounding.

Charts and diagrams

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available as at the date of this document.

References to websites

Information contained in or accessible through the websites mentioned in this Scheme Booklet do not form part of this Scheme Booklet. All references in this Scheme Booklet to websites are for information only.

Greencross Shareholder Information Line

If you have any questions about this Scheme Booklet or the Scheme, you should call the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia) on Business Days at any time between 8.30am and 5.30pm on Monday to Friday.

Date

This Scheme Booklet is dated 19 December 2018.



1.

Key dates

1. Key dates

Unless expressly stated otherwise, all references in this Scheme Booklet to time relate to the time in Sydney, New South Wales, Australia.

Event	Date and Time
First Court Date at which the Court made orders convening the Scheme Meeting	Wednesday, 19 December 2018
Election Date Last time and date by which Election Forms must be received by the Greencross Registry	Friday, 25 January 2019 at 7.00pm
Announcement of Election Results Election results to be announced to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies	Tuesday, 29 January 2019
Last Date for Proxy Forms Latest date for Proxy Forms or powers of attorney to be received by the Greencross Registry for the Scheme Meeting	Monday, 4 February 2019 at 10.00am
Meeting Record Date Time and date for determining eligibility to vote at the Scheme Meeting	Monday, 4 February 2019 at 7.00pm
Scheme Meeting	Wednesday, 6 February 2019 at 10.00am
If the Scheme is approved by Greencross Shareholders at the Scheme Meeting	
Event	Date and Time
Second Court Date to obtain Court orders approving the Scheme	Monday, 11 February 2019
Effective Date Court order to be lodged with ASIC and announcement to ASX Trading in Greencross Shares on ASX to be suspended from close of trading	Monday, 11 February 2019
Special Dividend Record Date Time and date for determining entitlements to the Special Dividend	Wednesday, 13 February 2019 at 7.00pm
Special Dividend Payment Date Payment date of the Special Dividend	Wednesday, 20 February 2019
Scheme Record Date Time and date for determining entitlements to Scheme Consideration	Friday, 22 February 2019 at 7.00pm
Implementation Date The date on which the Scheme will be implemented	Wednesday, 27 February 2019

Please note that all of the above times and dates are indicative only and subject to change. Certain times and dates are conditional (among other things) on the satisfaction or waiver of the Conditions Precedent in accordance with the Scheme Implementation Agreement and the receipt of all necessary approvals from Greencross Shareholders, the Court and Regulatory Authorities. Any changes will be announced by Greencross through ASX and notified on the Greencross website at <http://www.greencrosslimited.com.au>.



2.

Chairman's letter

2. Chairman's letter

19 December 2018

Dear Greencross Shareholders

On behalf of the Greencross Board, I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration about the proposed acquisition of Greencross by Vermont Aus Pty Ltd (**TPG BidCo**), an entity ultimately owned by the TPG Shareholders.

On 5 November 2018, Greencross announced that it had entered into a Scheme Implementation Agreement with TPG BidCo to acquire 100% of Greencross Shares. The proposed acquisition will be effected via a scheme of arrangement (**Scheme** or **TPG Proposal**) (which is a commonly used legal procedure to enable one company to acquire another company), subject to Greencross Shareholder and Court approval, and certain other conditions. Full details of the Scheme are set out in this Scheme Booklet.

Scheme Overview

If the Scheme is approved and implemented, Greencross Shareholders (other than those who make a valid Election to receive either of the Mixed Consideration Options described below) will receive cash payments equal to \$5.55 per Greencross Share (**Cash Payments**) in respect of all their Greencross Shares, comprising:

- a fully franked dividend of up to \$0.21 per Greencross Share for each Greencross Share they hold as at the Special Dividend Record Date that may be declared and paid by Greencross before the Scheme is implemented (**Special Dividend**); and
- consideration under the Scheme of \$5.55 per Greencross Share they hold as at the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by Greencross before the Scheme is implemented (**Cash Consideration**).

The Cash Payments represent:

- a 44.5% premium to the 1 month VWAP of \$3.84 (up to and including 9 October 2018, being the last closing price prior to the announcement made by Greencross to ASX on 10 October 2018 that it was assessing indicative, incomplete, confidential and non-binding proposals covering a number of transaction types);¹
- a 34.1% premium to the undisturbed closing price of Greencross Shares on 9 October 2018 of \$4.14;
- an implied equity value of \$675 million and enterprise value of \$970 million;² and
- implied acquisition multiples of ~18x FY18A P/E, ~14x FY18A EV/EBIT and ~10x FY18A EV/EBITDA.³

Subject to certain conditions which are described below, Greencross Shareholders will have the option to elect to receive the Scheme Consideration (as defined in Section 15) in the following ways and based on their choice made on or prior to the Election Date:

- **Cash Consideration:** Cash Consideration (being \$5.55 per Greencross Share held by each Greencross Shareholder on the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by Greencross). A Greencross Shareholder who receives the Cash Consideration will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share held by that Greencross Shareholder as at the Special Dividend Record Date; or

Mixed Consideration Options:

- **Mixed Consideration Option 1:** Cash Consideration in respect of 50% of their Greencross Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 50% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below; or
- **Mixed Consideration Option 2:** Cash Consideration in respect of 25% of their Greencross Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 75% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below.

¹ 1 month VWAP based on cumulative trading volume from 10 September 2018 up to and including 9 October 2018.

² Implied diluted equity value of A\$675 million based on the Scheme Consideration of A\$5.55 per share multiplied by current Greencross Shares on issue of 120,463,450 Greencross Shares and 1,166,680 unlisted performance rights. Enterprise value includes Greencross net debt of A\$268.2 million and minority interests of A\$26.3 million as at 1 July 2018.

³ Multiples calculated using FY18A NPAT, FY18A EBIT and FY18A EBITDA and diluted Greencross Shares on issue. Based on Greencross underlying FY18 EBITDA of \$97.6 million, underlying FY18 EBIT of \$71.1 million and underlying FY18 NPAT attributable to Greencross Shareholders of \$37.2 million.

In each of Mixed Consideration Option 1 and Mixed Consideration Option 2, the Scrip Consideration will be such number of Class B Shares in Vermont Aus HoldCo Pty Ltd (ACN 626 842 135) (**HoldCo**) as is equivalent to \$5.55 minus the amount of any Special Dividend that may be declared and paid per Greencross Share held on the Scheme Record Date. Each HoldCo Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo and issued at a notional issue price of \$1.00 per HoldCo Share.

If a Special Dividend is declared and paid, a Greencross Shareholder who elects to receive either of the Mixed Consideration Options will also receive any Special Dividend that may be declared or paid by Greencross in respect of each Greencross Share held by that Greencross Shareholder on the Special Dividend Record Date.

Those Greencross Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.09 per Greencross Share if a Special Dividend of up to \$0.21 is paid. Whether you will be able to realise the full benefit of the franking credits will depend on your individual circumstances.⁴

Default Election

A Greencross Shareholder who does not make a valid Election by the Election Date will be deemed to have made an Election to receive the Cash Consideration. Ineligible Foreign Shareholders and persons who become Greencross Shareholders after the Election Date will also be deemed to have elected to receive the Cash Consideration.

Mixed Consideration Options

The Greencross Board makes no recommendation in relation to the Mixed Consideration Options.

The alternative to elect to receive the Mixed Consideration Options formed part of TPG BidCo's initial proposal to the Greencross Board. It has been included as a feature of the Scheme to give all Greencross Shareholders with a Registered Address in Australia an equal opportunity to retain an ongoing investment in Greencross' business during the TPG BidCo Group's ownership, if they wish.

The notional value of the Scrip Consideration issued under the Mixed Consideration Options will be equal to the value of the Cash Consideration. If Greencross does not declare a Special Dividend, or declares a Special Dividend of less than \$0.21 per Greencross Share, the notional value of the Scrip Consideration will be increased by the corresponding amount, such that the total notional value received by Greencross Shareholders who elect to receive the Mixed Consideration Options and participate in both the Special Dividend and the Scheme will be \$5.55 per Greencross Share.

Greencross Shareholders considering whether or not to make an Election to receive the Mixed Consideration Options should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that Class B Share. In particular, Greencross Shareholders should note that the Independent Expert has assessed the current value of the total payments under the Scrip Consideration to be either:

- between \$4.42 and \$4.76 for Mixed Consideration Option 1 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share); or
- between \$3.85 and \$4.36 for Mixed Consideration Option 2 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share).

Risks of electing the Mixed Consideration Options

You should form your own view as to whether you wish to make an Election to receive a Mixed Consideration Option based on your individual circumstances, financial situation, taxation position, investment objectives and risk profile. You should also consider obtaining professional advice appropriate to your specific circumstances before making any Election.

It is important to understand that any investment in unlisted Class B Shares would represent a fundamentally different investment than your current investment in Greencross. In particular, your continuing exposure to Greencross would have materially different risks and a different investment and financial profile to your existing investment in Greencross as an ASX listed company.

⁴ Whether a Greencross Shareholder will be able to realise the full benefit of the franking credits will also depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.

Important information in relation to the Mixed Consideration Options only (this does not apply to the Cash Consideration)

Importantly, Greencross Shareholders should be aware that if they make an Election to receive Scrip Consideration pursuant to either of the Mixed Consideration Options:

- they will face risks that apply to an investment in HoldCo that are materially different from, and in addition to, those risks that apply to their existing investment in Greencross;
- they will hold shares in an unlisted proprietary company, which will not be subject to the same level of regulation as an ASX listed public company (for example, it will not be subject to the ASX Listing Rules, Australia's takeover regime, continuous disclosure obligations and certain other investor protections that apply to ASX listed public companies);
- a custodian may be appointed to hold all of the Class B Shares on bare trust for the Class B Shareholders, in which case, they may not have the right to request the transfer of their Class B Shares from the custodian to them personally;
- they will face a lack of liquidity in respect of their Class B Shares given there will be no active market for the sale and purchase of Class B Shares; and
- they will become a party to the HoldCo Shareholders' Deed, which restricts the ability of Class B Shareholders to transfer or Deal with their Class B Shares.

In particular, Greencross Shareholders should note that the TPG Shareholders do not intend to be an active buyer of Class B Shares once the Scheme is implemented. This means that if you want to sell your Class B Shares at any time in the future, you should not assume that the TPG Shareholders will purchase any of your Class B Shares (including in an 'emergency' scenario).

Accordingly, there is a risk that a holder of Class B Shares may not be able to transfer or sell the Class B Shares issued to them other than through an Exit, and there is no guarantee that an Exit will take place.

This means that if you want to sell your Class B Shares at any time in the future you should not assume that you will be able to do so in a timely manner (including in an 'emergency' scenario).

Accordingly, there is a risk that a Class B Shareholder may not be able to transfer or sell the Class B Shares issued to them if and when they would like to do so.

Please refer to Section 10.3 which sets out a summary of the HoldCo Shareholders' Deed and the rights attaching to Class B Shares.

Furthermore, the value of the Mixed Consideration Options is less certain than the Cash Consideration and there is no assurance that the future value of Class B Shares in HoldCo will be equal to or higher than the value of the Cash Payments.

Accordingly, you should carefully read Sections 10, 11 and 12, and consider obtaining appropriate professional advice before making any Election to receive a Mixed Consideration Option. In particular, you should consider the risks associated with an investment in HoldCo set out in Section 11.4.

It is also important to understand that there is no guarantee that the Mixed Consideration Options will eventuate. The Mixed Consideration Options are subject to the following qualifications:

- the Mixed Consideration Options will only operate if Elections made would result in Greencross Shareholders holding, in aggregate, at least 1.5% of the total issued capital of HoldCo on the implementation of the Scheme (being the **Minimum Scrip Threshold**). In the event the Minimum Scrip Threshold is not satisfied, all Greencross Shareholders will receive the Cash Consideration; and
- if Elections made would result in Greencross Shareholders holding, in aggregate, more than 15% of the total issued capital of HoldCo on the implementation of the Scheme (being the **Maximum Scrip Threshold**), then the Scaleback Mechanism will apply to ensure that the total number of Class B Shares does not exceed 15% of the total shares on issue in HoldCo.

Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.

Special Dividend

The payment and amount of the Special Dividend is at the discretion of the Greencross Board. The Special Dividend is expected to be fully franked. If Greencross does not declare a Special Dividend, or declares a Special Dividend of less than \$0.21 per Greencross Share, the Cash Consideration will be increased by the corresponding amount, such that the Cash Payments received by Greencross Shareholders who participate in both the Special Dividend and the Scheme (other than those who make a valid Election to receive either of the Mixed Consideration Options) will be \$5.55 per Greencross Share. Please refer to the worked examples in Section 4.4 of this Scheme Booklet.

If Greencross Shareholders or the Court do not approve the Scheme, the Greencross Board does not intend to declare or authorise any Special Dividend.

Importantly, to be eligible to receive both the Special Dividend and the Scheme Consideration, you must be registered as a Greencross Shareholder on the Special Dividend Record Date (currently expected to be Wednesday, 13 February 2019) and also the Scheme Record Date (currently expected to be Friday, 22 February 2019). If you buy (additional) Greencross Shares after the Special Dividend Record Date and before the Scheme Record Date, those Greencross Shares will not carry any right to the Special Dividend.

Directors' recommendation

The Greencross Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders. Subject to those same qualifications, each of the Greencross Directors intends to vote all the Greencross Shares held or controlled by them in favour of the Scheme which collectively represent approximately 6.8%⁵ of Greencross Shares currently on issue.

The Greencross Directors' unanimous recommendation that you vote in favour of the Scheme is based on the quantum of the Cash Consideration.

The Greencross Directors unanimously recommend that you vote in favour of the Scheme, based on the quantum of Cash Consideration.

The Greencross Directors make no recommendation in relation to the Mixed Consideration Options, due to the speculative nature of the Class B Shares and the fact that whether either of the Mixed Consideration Options are appropriate will depend significantly on the characteristics and risk profile of the individual Greencross Shareholder. Greencross Shareholders who are considering making an Election to receive either of the Mixed Consideration Options should:

- take into account the Minimum Scrip Threshold, the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 4.3b) of this Scheme Booklet, which may affect whether the Scrip Consideration will be issued and the number of Class B Shares that will actually be received;
- take into account that the Class B Shares would be subject to the rights and restrictions set out in the HoldCo Shareholders' Deed (which importantly restrict the ability for a holder of Class B Shares to sell or otherwise Deal with their Class B Shares) and the HoldCo Constitution, copies of which are set out in Appendix D and Appendix E and described in Sections 10.2 and 10.3 of this Scheme Booklet;
- carefully consider the matters set out in Section 10 of this Scheme Booklet and the risk factors set out in Section 11 of this Scheme Booklet, noting that an investment in HoldCo does not involve the same liquidity and other protections which shareholders when investing in an ASX listed company;
- carefully consider the tax considerations set out in Section 12 of this Scheme Booklet and how they apply to the Mixed Consideration Options in comparison to the Cash Consideration;
- take into account the Independent Expert's Report and the views expressed in relation to the Class B Shares set out in Annexure B of this Scheme Booklet, noting the value of a Class B Share was calculated by the Independent Expert to be in the range of \$4.42 and \$4.76 for Mixed Consideration Option 1 and \$3.85 and \$4.36 for Mixed Consideration Option 2 (in each case, inclusive of a Special Dividend of up to \$0.21 per Greencross Share) on a minority interest basis and having regard to the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and the lack of marketability of the Class B Shares; and

⁵ This percentage does not include the Greencross Performance Rights referred to in Section 8.2.

- consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in HoldCo meets their individual investment objectives.

If Greencross Shareholders elect to receive a Mixed Consideration Option it will allow them to have an indirect ongoing interest in Greencross. Greencross Shareholders should carefully read Sections 4.3, 10, 11 and 12 of this Scheme Booklet and seek professional advice before making any Election to receive the Mixed Consideration Options.

In reaching the unanimous decision to recommend the Scheme to Greencross Shareholders subject to the qualifications described above, the Greencross Directors considered a number of alternatives to maximise value, including assessment of standalone value creation opportunities. Greencross received various proposals from a number of parties covering a range of transaction types, which were expressed as being indicative, incomplete, confidential and non-binding. The various alternatives including the TPG Proposal were evaluated across a number of criteria including a comparison to the status quo and taking into account future capital requirements of the business. The TPG Proposal was selected on the basis of it delivering the highest and most certain value to Greencross Shareholders.

Whilst the Greencross Directors remain positive about the outlook for Greencross as an independent ASX listed company, including its capacity to deliver growth for Greencross Shareholders into the future, the Greencross Board has also considered the general and specific risks that Greencross faces which may impede the delivery of that potential future growth. The Greencross Board was unanimous in its decision to recommend the Scheme, in the absence of a Superior Proposal, for the following reasons:

- the Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme in the best interests of Greencross Shareholders in the absence of a superior alternative proposal;
- the value of the Cash Payments represents a significant premium for your Greencross Shares;
- the value of the Cash Payments represents attractive acquisition multiples;
- if a Special Dividend of up to \$0.21 is paid, those Greencross Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.09 per Greencross Share⁶;
- the Cash Consideration, together with any Special Dividend that may be declared and paid by Greencross, provides Greencross Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with Greencross' business. These are discussed further in Section 11.3 and include:
 - increasing competition for Greencross' retail business, particularly with the recent entry of Amazon in the Australian pet retail segment; and
 - risks associated with the execution of Greencross' strategy.
- no Superior Proposal has emerged as at the date of this Scheme Booklet;
- if the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Greencross' business and general market risks;
- the leverage and gearing ratios of Greencross exceed listed peers in retail and veterinary sectors. If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed. This may result in further downward pressure on the share price; and
- you will not incur any brokerage charges on the transfer of your Greencross Shares if the Scheme proceeds.

In forming their unanimous decision to recommend the Scheme to Greencross Shareholders subject to the qualifications described above, the Greencross Directors considered the potential disadvantages of the Scheme proceeding. In particular:

- certain Greencross Shareholders may disagree with the Greencross Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in their best interests;
- Greencross Shareholders may wish to maintain a direct investment in Greencross as an ASX listed company;
- the Mixed Consideration Options will not be available unless the Minimum Scrip Threshold is reached;
- Class B Shares have very different features compared to Greencross Shares;
- the tax consequences of the Scheme may not suit certain Greencross Shareholders; and
- potential for a Superior Proposal to be made in the foreseeable future.

The Greencross Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

⁶ Whether a Greencross Shareholder will be able to realise the full benefit of the franking credits will depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.

If the Scheme does not proceed, Greencross will continue as an independent entity listed on ASX and Greencross Shareholders will not receive the Scheme Consideration or the Special Dividend. In addition, if the Scheme does not proceed and no Superior Proposal emerges, the Greencross Directors currently anticipate that the market price of Greencross Shares on ASX may fall below current trading levels, all other things remaining equal.

Independent Expert

The Greencross Directors' unanimous recommendation of the Scheme is supported by the conclusion of Grant Thornton, the Independent Expert engaged by the Greencross Board to assess the merits of the Scheme and opine on whether it is in the best interests of Greencross Shareholders.

The Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme is in the best interests of Greencross Shareholders in the absence of a Superior Proposal.

The Independent Expert has assessed the full underlying value of Greencross at between \$5.05 and \$5.67 per Greencross Share. The Cash Payments are within this range. Greencross Shareholders should note that the Independent Expert has assessed the current value of the total payments under the Scrip Consideration to be either:

- between \$4.42 and \$4.76 for Mixed Consideration Option 1 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share); or
- between \$3.85 and \$4.36 for Mixed Consideration Option 2 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share).

In both scenarios, the Independent Expert's valuation of the Scrip Consideration is lower than the Independent Expert's valuation range of \$5.05 to \$5.67 for each Greencross Share. It is also lower than the Cash Payments. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders.

A complete copy of the Independent Expert's Report is attached at Appendix B to this Scheme Booklet.

How to vote

Your vote is important and I encourage you to vote by completing and returning the Proxy Form accompanying this Scheme Booklet or alternatively by attending the Scheme Meeting in person, or by proxy, attorney or corporate representative. The Scheme Meeting is currently expected to be held at 10:00am on Wednesday, 6 February 2019 at Northside Conference Centre, Cnr Oxley St & Pole Ln, Crows Nest, New South Wales. For more instructions on how you can vote, please see Section 6.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution.

Further information

The Scheme Booklet sets out important information regarding the Scheme, including the reasons for the Greencross Directors' recommendation and the Independent Expert's Report. It also sets out some of the potential reasons why you may wish to vote against the Scheme.

Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your Greencross Shares.

If you require any further information, please call the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia).

Yours faithfully



Stuart James

Chairman

Greencross Limited



3.

Key considerations
relevant to your vote

3. Key considerations relevant to your vote

The Scheme has a number of advantages and disadvantages that may affect Greencross Shareholders in different ways depending on their individual circumstances. Those advantages and disadvantages are described in this Section 3, a summary of which is set out in Section 3.1.

Section 3.2 describes some of the reasons why the Greencross Board unanimously recommends Greencross Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders. This section should be read in conjunction with Section 3.3, which sets out reasons why Greencross Shareholders may wish to vote against the Scheme. Section 3.4 also sets out some additional considerations that may be relevant to your vote in respect of the Scheme.

While the Greencross Directors acknowledge the reasons to vote against the Scheme, they believe the advantages of the Scheme significantly outweigh the disadvantages.

You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote. You should also seek professional advice on your particular circumstances, as appropriate.

3.1 Summary of reasons why you might vote for and against the Scheme

a) Reasons to vote in favour of the Scheme

-
- ✓ The Greencross Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders.
-
- ✓ The Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme is in the best interests of Greencross Shareholders in the absence of superior alternative proposal.
-
- ✓ The value of the Cash Payments represents a significant premium for your Greencross Shares.
-
- ✓ The value of the Cash Payments represents attractive acquisition multiples.
-
- ✓ If a Special Dividend of up to \$0.21 is paid, those Greencross Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.09 per Greencross Share.⁷
-
- ✓ The Cash Consideration, together with any Special Dividend that may be declared and paid by Greencross, provides Greencross Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with Greencross' business.
-
- ✓ No Superior Proposal has emerged as at the date of this Scheme Booklet.
-
- ✓ If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Greencross' business and general market risks.
-
- ✓ If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed.
-
- ✓ You will not incur any brokerage charges on the transfer of your Greencross Shares if the Scheme proceeds.
-

⁷ Whether a Greencross Shareholder will be able to realise the full benefit of the franking credits will depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.

b) Potential reasons to vote against of the Scheme

-
- x You may disagree with the Greencross Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests.

 - x Greencross Shareholders may wish to maintain a direct investment in Greencross as an ASX listed company.

 - x The Mixed Consideration Options will not be available unless the Minimum Scrip Threshold is reached.

 - x Class B Shares have very different features compared to Greencross Shares.

 - x The tax consequences of the Scheme may not suit certain Greencross Shareholders.

 - x You may believe there is potential for a Superior Proposal to be made in the foreseeable future.
-

3.2 Reasons to vote in favour of the Scheme

This Section 3.2 sets out some of reasons why the Greencross Directors consider that you should vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders. While the Greencross Directors acknowledge that there are reasons to vote against the Scheme, they believe that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against it.

a) The Greencross Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude the Scheme is in the best interests of Greencross Shareholders

The Greencross Directors unanimously recommend that in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude the Scheme is in the best interest of Greencross Shareholders, you vote in favour of the Scheme.

The Greencross Directors' unanimous recommendation that you vote in favour of the Scheme is based on the quantum of the Cash Consideration.

The Greencross Directors make no recommendation in relation to the Mixed Consideration Options, due to the speculative nature of the Class B Shares and the fact that whether either of the Mixed Consideration Options are appropriate will depend significantly on the characteristics and risk profile of the individual Greencross Shareholder. Greencross Shareholders who are considering making an Election to receive either of the Mixed Consideration Options should refer to Section 3.3d) below.

In reaching their unanimous decision to recommend the Scheme to Greencross Shareholders subject to the qualifications described above, the Greencross Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Scheme Booklet and concluded that the Scheme is in the best interests of Greencross Shareholders.

In the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of Greencross Shareholders, each of the Greencross Directors intends to vote all Greencross Shares held or controlled by them in favour of the Scheme. The interests of Greencross Directors are set out in Section 13.6.

b) The Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme is in the best interests of Greencross Shareholders in the absence of a superior alternative proposal

The Greencross Directors appointed Grant Thornton to prepare an Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of Greencross Shareholders.

The Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme is in the best interests of Greencross Shareholders in the absence of a superior alternative proposal.

The Independent Expert has assessed the full underlying value of Greencross at between \$5.05 and \$5.67 per Greencross Share. The Cash Payments are within this range.

Greencross Shareholders should note that the Independent Expert has assessed the current value of the total payments under the Scrip Consideration to be either:

- between \$4.42 and \$4.76 for Mixed Consideration Option 1 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share); or
- between \$3.85 and \$4.36 for Mixed Consideration Option 2 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share).

In both scenarios, the Independent Expert's valuation of the Scrip Consideration is lower than the Independent Expert's valuation range of \$5.05 to \$5.67 for each Greencross Share. It is also lower than the Cash Payments. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders.

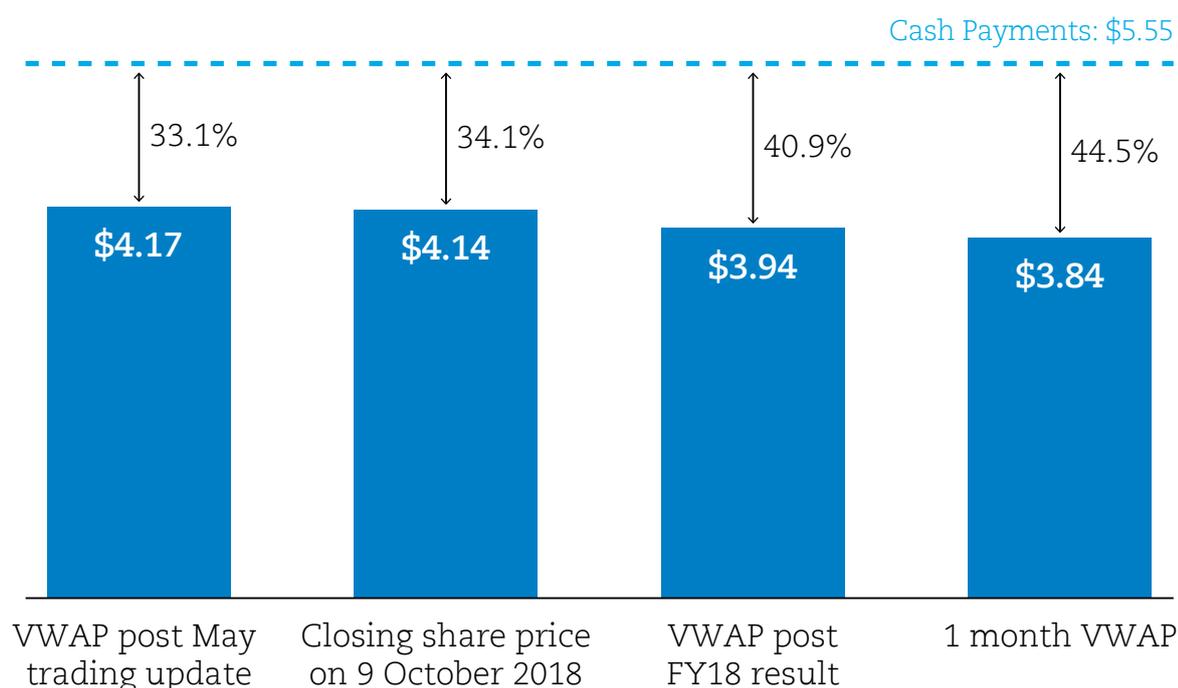
A complete copy of the Independent Expert's Report is attached at Appendix B of this Scheme Booklet and the Greencross Directors encourage you to read the report in full.

c) The value of the Cash Payments represents an attractive premium for your Greencross Shares

The Cash Payments equating to \$5.55 per Greencross Share represents an attractive premium of 44.5% over the 1 month VWAP of Greencross Shares up to and including 9 October 2018 of \$3.84.⁸

The chart below shows the Cash Payments of \$5.55 per Greencross Share and VWAP of Greencross Shares on 9 October 2018, being the last closing price before Greencross' announcement to ASX on 10 October 2018 that it was assessing indicative, incomplete, confidential and non-binding proposals covering a number of transaction types including from TPG BidCo.

Figure 1 – Premium of Cash Payments over historical trading prices of Greencross⁹



Source: IRESS, Greencross Shares traded on ASX.

The Cash Payments of \$5.55 per Greencross Share shown above does not include franking credits of up to \$0.09 per Greencross Share, which may be realised by those Greencross Shareholders who are able to receive full benefit of franking credits, if a Special Dividend of up to \$0.21 is paid.¹⁰

⁸ 1 month VWAP based on cumulative trading volume from 10 September 2018 up to and including 9 October 2018.

⁹ VWAP post May trading update based on cumulative trading volume from 9 May 2018 up to and including 9 October 2018. VWAP post FY18 result based on cumulative trading volume from 20 August 2018 up to and including 9 October 2018. 1 month VWAP based on cumulative trading volume from 10 September 2018 up to and including 9 October 2018.

¹⁰ Whether a Greencross Shareholder will be able to realise the full benefit of the franking credits will also depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.

d) The value of the Cash Payments represents attractive acquisition multiples

The total value of the Cash Payments of \$5.55 per Greencross Share equates to transaction multiples of ~18x FY18A P/E, ~14x FY18A EV/EBIT and ~10x FY18A EV/EBITDA. This is considered by the Board to be attractive given the implied EBITDA multiple (~10x) is within the multiple range used by the Independent Expert in its assessment of the value of Greencross on a control basis.¹¹

e) If a Special Dividend of up to \$0.21 is paid, those Greencross Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.09 per Greencross Share

Those Greencross Shareholders who are able to realise the full benefit of franking credits in respect of any Special Dividend declared and paid by Greencross before the Scheme is implemented could receive an additional value of up to \$0.09 value per Greencross Share, if a Special Dividend of up to \$0.21 is paid. Greencross has applied to the Australian Tax Office (ATO) requesting a class ruling to confirm key taxation implications of the Scheme, including availability of franking credits for certain classes of taxpayers. Whether you will be able to realise the full benefit of the franking credits will depend on your individual circumstances.¹² You should seek independent professional tax advice on your individual circumstances.

f) The Cash Consideration, together with any Special Dividend that may be declared and paid by Greencross, provides Greencross Shareholders with certainty of value and the opportunity to realise their investment for cash, avoiding the uncertainties and risks associated with Greencross' business

The total value of the Cash Consideration, together with any Special Dividend that may be declared and paid by Greencross, of \$5.55 per Greencross Share provides you with certainty of value for your Greencross Shares held on both the Special Dividend Record Date and the Scheme Record Date (subject to the Scheme becoming Effective).

The certainty of these cash payments should be compared with the risks and the uncertainties of remaining a Greencross Shareholder, which include, but are not limited to, the risks set out in Section 11.2 and 11.3 and are summarised below in Section 3.2h).

g) No Superior Proposal has emerged as at the date of this Scheme Booklet

Since the announcement of the execution of the Scheme Implementation Agreement on 5 November 2018 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the Greencross Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

In reaching unanimous decision to recommend the Scheme to Greencross Shareholders subject to the qualifications described above, the Greencross Directors considered a number of alternatives to maximise value, including assessment of standalone value creation opportunities. Greencross received various proposals from a number of parties covering a range of transaction types, which were expressed as being indicative, incomplete, confidential and non-binding. The various alternatives including the Scheme were evaluated across a number of criteria including a comparison to the status quo and taking into account future capital requirements of the business. The Scheme was selected on the basis of it delivering the highest and most certain value to Greencross Shareholders.

h) If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Greencross' business and general market risks

The Greencross Directors consider that Greencross has significant growth opportunities as an independent listed company on ASX. This includes the benefits to be achieved by Greencross management's successful execution of Greencross' five strategic priorities to:

- expand Greencross' integrated pet care model;
- invest in personalisation and omni to leverage our loyalty data and customer intimacy;
- differentiate Greencross' retail offering to deliver a unique customer experience;
- improve vet operational performance, including delivering a future model offering improved customer service and convenience; and
- focus on service excellence across all parts of the business.

¹¹ Multiples calculated using FY18A NPAT, FY18A EBIT and FY18A EBITDA and diluted Greencross Shares on issue. Based on Greencross underlying FY18 EBITDA of \$97.6 million, underlying FY18 EBIT of \$71.1 million and underlying FY18 NPAT attributable to Greencross Shareholders of \$37.2 million.

¹² Whether a Greencross Shareholder will be able to realise the full benefit of the franking credits will also depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.

Nevertheless, these initiatives will take time to fully implement, may require further capital investment and carry execution risks, some of which are outside the control of Greencross. In addition, Greencross' leverage and gearing could constrain Greencross' ability to pursue growth initiatives, which is discussed further in Section 3.2i) below.

If the Scheme does not proceed, Greencross Shareholders will continue to be exposed to market risks, as well as other external risks and specific risks inherent in Greencross' business, including those summarised in more detail in Section 11.2 and 11.3.

The Cash Consideration, together with any Special Dividend that may be declared and paid by Greencross under the Scheme, removes these risks and uncertainties for Greencross Shareholders and allows Greencross Shareholders to exit their investment in Greencross at a price that the Greencross Directors consider is attractive. If the Scheme is approved and implemented, these risks and uncertainties will be assumed by TPG BidCo and Greencross Shareholders who elect the Mixed Consideration Options following implementation of the Scheme.

If the Scheme does not become Effective, Greencross Shares will continue to remain quoted on ASX and will continue to be subject to market volatility, including general stock market movements and the impact of general economic conditions. As such, if the Scheme is not implemented, the price at which Greencross Shares trade may fall, including to a price that is well below the value of the Cash Payments of \$5.55 per Greencross Share.

On the last trading day before the announcement that Greencross had received proposals, the Greencross Share price closed at \$4.14. On the day of the announcement of the Scheme, the Greencross Share price closed at \$5.40. From the day after the announcement of the Scheme to the last trading day before the date of this Scheme Booklet, the closing price of Greencross Shares has ranged between \$5.26 and \$5.50.

i) If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed

As at 2 December 2018, Greencross' net debt was \$295.7 million. The leverage and gearing ratios of Greencross exceed listed peers in retail and veterinary sectors. If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed. This may result in further downward pressure on the share price.

j) You will not incur any brokerage charges on the transfer of your Greencross Shares if the Scheme proceeds

You will not incur brokerage on the transfer of your Greencross Shares to TPG BidCo pursuant to the Scheme.

If you sell your Greencross Shares on ASX (rather than disposing of them via the Scheme), you may incur brokerage charges (and, potentially, GST on those charges).

3.3 Potential reasons to vote against the Scheme

Although the Scheme is recommended unanimously by the Greencross Directors and the Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme is in the best interests of Greencross Shareholders in the absence of a superior alternative proposal, this Section 3.3 sets out some of the reasons which may lead you to consider voting against the Scheme.

a) You may disagree with the Greencross Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests

Despite the view of the Greencross Directors and the Independent Expert, you may believe that the Scheme is not in the best interests of Greencross Shareholders or not in your individual interest.

b) Greencross Shareholders may wish to maintain a direct investment in Greencross as an ASX listed company

You may wish to maintain your investment in Greencross in order to have an investment in a publicly listed company with the specific characteristics of Greencross in terms of industry, operational profile, size, capital structure and potential dividend payments.

Implementation of the Scheme may result in a disadvantage to those who wish to maintain their investment profile. Greencross Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of Greencross and they may incur transaction costs in undertaking any new investment.

c) The Mixed Consideration Options will not be available unless the Minimum Scrip Threshold is reached

It is also important to understand that there is no guarantee that the Mixed Consideration Options will eventuate. The Mixed Consideration Options are subject to the following qualifications:

- the Mixed Consideration Options will only operate if the Minimum Scrip Threshold is satisfied. That is, if Elections made would result in Greencross Shareholders holding, in aggregate, at least 1.5% of the total issued capital of HoldCo on the implementation of the Scheme. In the event that the Minimum Scrip Threshold is not satisfied, all Greencross Shareholders will receive the Cash Consideration; and
- if Elections made would result in Greencross Shareholders holding, in aggregate, more than 15% of the total issued capital of HoldCo on the implementation of the Scheme, then the Scaleback Mechanism will apply to ensure that the total number of Class B Shares does not exceed 15% of the total shares on issue in HoldCo.

Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.

d) Class B Shares have very different features compared to Greencross Shares

Class B Shares have very different features compared to Greencross Shares. For further information about the features and risks associated with HoldCo Shares see Sections 10, 11.3 and 11.4. Greencross Shareholders who are considering making an Election to receive either of the Mixed Consideration Options should:

- take into account the Minimum Scrip Threshold, the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 4.3b) of this Scheme Booklet, which may affect whether the Scrip Consideration will be issued and the number of Class B Shares that will actually be received;
- take into account that the Class B Shares would be subject to the rights and restrictions set out in the HoldCo Shareholders' Deed (which importantly restrict the ability for a holder of Class B Shares to sell or otherwise Deal with their Class B Shares) and the HoldCo Constitution, copies of which are set out in Appendix D and Appendix E and described in Sections 10.2 and 10.3 of this Scheme Booklet;
- carefully consider the matters set out in Section 10 of this Scheme Booklet and the risk factors set out in Section 11 of this Scheme Booklet, noting that an investment in HoldCo does not involve the same liquidity and other protections which shareholders when investing in an ASX listed company;
- carefully consider the tax considerations set out in Section 12 of this Scheme Booklet and how they apply to the Mixed Consideration Options in comparison to the Cash Consideration;
- take into account the Independent Expert's Report and the views expressed in relation to the Class B Shares set out in Annexure B of this Scheme Booklet, noting the value of a Class B Share was calculated by the Independent Expert to be in the range of \$4.42 and \$4.76 for Mixed Consideration Option 1 and \$3.85 and \$4.36 for Mixed Consideration Option 2 (in each case, inclusive of a Special Dividend of up to \$0.21 per Greencross Share) on a minority interest basis and having regard to the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and the lack of marketability of the Class B Shares; and
- consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in HoldCo meets their individual investment objectives.

Important information in relation to the Mixed Consideration Options only (this does not apply to the Cash Consideration)

Importantly, Greencross Shareholders should be aware that if they make an Election to receive Scrip Consideration pursuant to either of the Mixed Consideration Options:

- they will face risks that apply to an investment in HoldCo that are materially different from, and in addition to, those risks that apply to their existing investment in Greencross;
- they will hold shares in an unlisted proprietary company, which will not be subject to the same level of regulation as an ASX listed public company (for example, it will not be subject to the ASX Listing Rules, Australia's takeover regime, continuous disclosure obligations and certain other investor protections that apply to ASX listed public companies);
- a custodian may be appointed to hold all of the Class B Shares on bare trust for the Class B Shareholders, in which case, they may not have the right to request the transfer of their Class B Shares from the custodian to them personally;
- they will face a lack of liquidity in respect of their Class B Shares given there will be no active market for the sale and purchase of Class B Shares; and
- they will become a party to the HoldCo Shareholders' Deed, which restricts the ability of Class B Shareholders to transfer or Deal with their Class B Shares.

In particular, Greencross Shareholders should note that the TPG Shareholders do not intend to be an active buyer of Class B Shares once the Scheme is implemented. This means that if you want to sell your Class B Shares at any time in the future, you should not assume that the TPG Shareholders will purchase any of your Class B Shares (including in an 'emergency' scenario).

Accordingly, there is a risk that a holder of Class B Shares may not be able to transfer or sell the Class B Shares issued to them other than through an Exit, and there is no guarantee that an Exit will take place.

This means that if you want to sell your Class B Shares at any time in the future you should not assume that you will be able to do so in a timely manner (including in an 'emergency' scenario).

Accordingly, there is a risk that a Class B Shareholder may not be able to transfer or sell the Class B Shares issued to them if and when they would like to do so.

Please refer to Section 10.3 which sets out a summary of the HoldCo Shareholders' Deed and the rights attaching to Class B Shares.

e) The tax consequences of the Scheme for you may not suit your financial position

Implementation of the Scheme and receipt of any Special Dividend that may be declared and paid by Greencross may trigger adverse or unwanted taxation consequences for certain Greencross Shareholders.

Greencross has applied to the ATO requesting a class ruling to confirm the key Australian taxation implications of the Scheme and that the impact of any Special Dividend that may be declared and paid by Greencross on Greencross Shareholders is in accordance with the general description in this Scheme Booklet. The class ruling has not been finalised by the ATO as at the date of this Scheme Booklet. The Scheme is not conditional on the receipt of the class ruling. The expected taxation implications for Greencross Shareholders are summarised in Section 12.

Greencross Shareholders who only receive Cash Consideration for the disposal of their Greencross Shares will not be entitled to CGT roll-over relief in respect of any capital gain arising from the disposal of the Greencross Shares to TPG BidCo. This has been included as part of the class ruling lodged with the ATO.

Greencross Shareholders who elect to receive the Mixed Consideration Options and who are residents of Australia for income tax purposes will only be eligible for partial CGT roll-over relief in respect of any capital gain arising from the disposal of the Greencross Shares to TPG BidCo. This would include Greencross Shareholders who make an Election to receive either of the Mixed Consideration Options and are subject to the Scaleback Mechanism. This has been included as part of the class ruling lodged with the ATO.

Greencross Shareholders who are tax residents in a foreign jurisdiction and do not make an Election may be exposed to adverse tax consequences in that foreign jurisdiction in addition to the impact under Australian tax law (for example, being taxed on any gain on sale of the Greencross Shares and/or being taxed on the Special Dividend under foreign law). The Australian tax implications for foreign resident Greencross Shareholders has been included as part of the class ruling lodged with the ATO.

Greencross Shareholders who receive any fully franked Special Dividend that may be paid by Greencross and are Australian tax residents may have to pay additional income tax after the application of any available franking offset. Any such Special Dividend may also be treated as part of the proceeds received on disposal of the Greencross Shares and so reduce the amount of any capital loss that a Greencross Shareholder might otherwise realise from the disposal. Confirmation of capital proceeds has been included as part of the class ruling lodged with the ATO.

A general guide to the taxation implications of the Scheme is set out in Section 12. This guide is expressed in general terms only and Greencross Shareholders should seek independent professional taxation advice regarding the tax consequences applicable to their own circumstances.

f) You may consider that there is potential for a Superior Proposal to be made in the foreseeable future

It is possible that, if Greencross were to continue as an independent listed entity, a corporate control proposal for Greencross could materialise in the future, such as a takeover bid with a higher price.

Implementation of the Scheme will mean that Greencross Shareholders will not receive the benefit of any such proposal. Since the announcement of the Scheme to ASX by Greencross on 5 November 2018 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the Greencross Directors are not aware of any superior or any alternative proposal that is likely to emerge.

The Scheme Implementation Agreement prohibits Greencross from soliciting a Competing Proposal. However, Greencross is permitted to respond to any Competing Proposal which is or is reasonably likely to be a Superior Proposal in circumstances where the Competing Proposal was not solicited by Greencross and was not otherwise brought about as a result of any breach by Greencross of its exclusivity obligations should the Greencross Directors determine that failing to do so would likely constitute a breach of their fiduciary or statutory duties. Further details of the key terms of the Scheme Implementation Agreement are provided in Section 8.1.

3.4 Additional considerations relating to the Scheme

You should also take into account the following additional considerations in deciding how to vote on the Scheme.

a) The Scheme may be implemented even if you vote against the Scheme or do not vote at all

You should be aware that if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the requisite majorities of Greencross Shareholders and by the Court and if the Conditions Precedent are satisfied or waived (as applicable) in accordance with the terms of Scheme Implementation Agreement. If this occurs, your Greencross Shares held on the Scheme Record Date will be transferred to TPG BidCo and you will receive the Cash Consideration even though you voted against, or did not vote on the Scheme.

b) Conditionality of the Scheme

Implementation of the Scheme is subject to the satisfaction (or waiver) of a number of Conditions Precedent, which are summarised in Section 8.1 of this Scheme Booklet and set out in clause 3 of the Scheme Implementation Agreement. If the Conditions Precedent are not satisfied or waived (as applicable) in accordance with the terms of the Scheme Implementation Agreement, the Scheme will not proceed and Greencross Shareholders will not receive the Scheme Consideration.

As far as Greencross and TPG BidCo are aware, as at the date of this Scheme Booklet, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00am on the Second Court Date. In the event of any material change in status, Greencross will inform Greencross Shareholders of the status of the Conditions Precedent through an announcement to ASX.

The Scheme Implementation Agreement may be terminated if any of the Conditions Precedent have not been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by no later than the End Date (being 6 months after the entry into the Scheme Implementation Agreement, or such other date as is agreed between Greencross and TPG BidCo). As at the date of this Scheme Booklet, the Greencross Directors are not aware of any circumstances that would prevent the Conditions Precedent from being satisfied and the Scheme from proceeding in accordance with the timetable set out in this Scheme Booklet. For further information about the Conditions Precedent and termination rights under the Scheme Implementation Agreement (including with respect to the Conditions Precedent) see Sections 8.1a) and 8.1g).

c) Warranty by Scheme Shareholders about their Scheme Shares

If the Scheme is implemented, each Scheme Shareholder is deemed to have warranted to Greencross and TPG BidCo, and appointed and authorised Greencross as its attorney and agent to warrant to TPG BidCo, that their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, on the date of their transfer to TPG BidCo, be transferred fully paid and free from all Encumbrances and third party rights or interests of any kind and that they have full power and capacity to sell and to transfer those Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to TPG BidCo. Each Scheme Shareholder is also deemed to have warranted to Greencross and TPG BidCo, and appointed and authorised Greencross as its attorney and agent to warrant to TPG BidCo, that they have no existing right to be issued any Greencross Shares, options exercisable into Greencross Shares, Greencross Performance Rights, Greencross convertible notes or any other form of Greencross securities, other than in the case any Scheme Shareholder who is also a holder of Greencross Performance Rights, the right to be issued Greencross Shares on the vesting of those Greencross Performance Rights (if applicable) before the Scheme Record Date in accordance with their terms.

d) Exclusivity

The Scheme Implementation Agreement includes certain exclusivity arrangements that Greencross has made in favour of TPG BidCo. These include customary no-shop, no-talk and no-due diligence obligations, as well as obligations of notification of competing proposals and providing a matching right to TPG BidCo in the event that a Superior Proposal is received by Greencross. These exclusivity arrangements are described in further detail in Section 8.1b).

e) Break Fee

Greencross will be obliged to pay TPG BidCo a Break fee of \$6,750,000 (excluding GST) in certain circumstances, including if:

- during the Exclusivity Period, any of the Greencross Directors withdraws or adversely revises their recommendation to vote in favour of the Scheme, subject to certain exceptions (including where the Independent Expert subsequently determines that the Scheme is not in the best interest of Greencross Shareholders or Greencross is entitled to terminate the Scheme Implementation Agreement in circumstances, where TPG BidCo is in material breach of the Scheme Implementation Agreement and fails to remedy that breach within the requisite timeframe and has given TPG BidCo the appropriate termination notice);
- a Competing Proposal is announced or made before the Second Court Date and, within 12 months of the date of such announcement, the Third Party or an Associate of that Third Party (i) completes a Superior Proposal; or (ii) acquires a Relevant Interest in more than 50% of Greencross Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control Greencross or acquires substantially all of the assets of Greencross; and
- TPG BidCo is entitled to terminate the Scheme Implementation Agreement and does terminate the Scheme Implementation Agreement in circumstances where Greencross is in material breach of the Scheme Implementation Agreement and fails to remedy that breach within the requisite timeframe.



4.

Overview of Scheme Consideration

4. Overview of Scheme Consideration

4.1 Background

As described in Section 4.2 and 4.3 of this Scheme Booklet, the Scheme Consideration comprises the Cash Consideration or may include the Scrip Consideration if you make a valid Election to receive either the Mixed Consideration Option 1 or the Mixed Consideration Option 2.

4.2 Cash Consideration

The Cash Consideration is \$5.55 cash per Greencross Share you hold on the Scheme Record Date, less the amount of any Special Dividend of up to \$0.21 per Greencross Share that may be declared and paid by Greencross before the Scheme is implemented. Greencross Shareholders are not required to make any Election to receive the Cash Consideration. Under the Scheme, a Greencross Shareholder will receive the Cash Consideration for all the Greencross Shares held by that Greencross Shareholder on the Scheme Record Date in the absence of a valid Election to receive either of the Mixed Consideration Options. Ineligible Foreign Shareholders and persons who become Greencross Shareholders after the Election Date will also be deemed to have elected to receive the Cash Consideration.

The payment and amount of the Special Dividend is at the discretion of the Greencross Board. If the Greencross Board does not declare a Special Dividend, or declares a Special Dividend of less than \$0.21 per Greencross Share, the Cash Consideration under the Scheme will be increased by the corresponding amount, such that the Cash Payments received by Greencross Shareholders who participate in both the Special Dividend and the Scheme (other than those who make a valid Election to receive either of the Mixed Consideration Options) will still be \$5.55 cash per Greencross Share in aggregate. For worked examples, see Section 4.4 of this Scheme Booklet.

4.3 Scrip Consideration

a) General overview

As an alternative to the Cash Consideration, Eligible Greencross Shareholders may make an Election to receive one of the Mixed Consideration Options. Under the Mixed Consideration Options, Eligible Greencross Shareholders may elect to receive either:

- **Mixed Consideration Option 1:** Cash Consideration in respect of 50% of their Greencross Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 50% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below; or
- **Mixed Consideration Option 2:** Cash Consideration in respect of 25% of their Greencross Shares held on the Scheme Record Date, plus Scrip Consideration, in respect of the remaining 75% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below.

In each of Mixed Consideration Option 1 and Mixed Consideration Option 2, the Scrip Consideration will be such number of HoldCo Shares as is equivalent to \$5.55 minus the amount of any Special Dividend that may be declared and paid per Scheme Share, subject to the Minimum Scrip Threshold, the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. Each HoldCo Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo and issued at a notional issue price of \$1.00 per HoldCo Share. The ultimate capital structure of HoldCo depends on a number of factors, including the number of valid Elections received. Please refer to Section 10.3b) of this Scheme Booklet for some illustrative examples of the potential capital structure of HoldCo after the Implementation Date.

Greencross Shareholders who make a valid Election and receive the Scrip Consideration will become parties to the HoldCo Shareholders' Deed and subject to the HoldCo Constitution. Under the terms of the HoldCo Shareholders' Deed, Class B Shareholders will have different rights to those currently applicable to their Greencross Shares. Please refer to Section 10.3d) for a summary of these rights and Sections 11.2 and 11.4 of this Scheme Booklet for further information on the risks associated with receiving the Scrip Consideration. For further information in relation to the Class B Shares, please refer to Section 10.3 of this Scheme Booklet.

An Election will only be valid if the completed Election Form is received by the Greencross Registry no later than the Election Date (currently expected to be Friday, 25 January 2019).

A Greencross Shareholder who does not make a valid Election by the Election Date will be deemed to have Elected to receive the Cash Consideration. Ineligible Foreign Shareholders and persons who become Greencross Shareholders after the Election Date will also be deemed to have elected to receive the Cash Consideration.

Greencross Shareholders who receive the Cash Consideration may also receive any Special Dividend that may be declared and paid by Greencross in respect of each of the Greencross Shares they hold on the Special Dividend Record Date.

b) Minimum Scrip Threshold and Maximum Scrip Threshold

Subject to the Minimum Scrip Threshold and the Maximum Scrip Threshold (and any application of the pro rata Scaleback Mechanism), Greencross Shareholders who have made a valid Election to receive Scrip Consideration will hold between 1.5% and 15% of the issued capital in HoldCo.

4.3.b.1 Minimum Scrip Threshold

HoldCo is only required to issue Scrip Consideration if the Minimum Scrip Threshold is satisfied. That is, if Elections received under the Scheme are equal to at least 1.5% of the issued capital of HoldCo as at the Implementation. If the Minimum Scrip Threshold is not met, all Greencross Shareholders including those who have made valid Elections will receive the Cash Consideration in respect of their Scheme Shares.

4.3.b.2 Maximum Scrip Threshold

The Scrip Consideration is also subject to a pro rata Scaleback Mechanism if such Elections would result in Greencross Shareholders holding greater than the Maximum Scrip Threshold, being 15% of the issued capital of HoldCo as at the Implementation Date.

4.3.b.3 Scaleback Mechanism

A pro rata Scaleback Mechanism applies if the Maximum Scrip Threshold is exceeded. If that is the case, there will be a scaleback applied on a pro rata basis such that Greencross Shareholders who receive Scrip Consideration do not hold more than 15% of the issued capital of HoldCo on the Implementation Date. The extent of any such scaleback will depend on the outcome of Elections which will not be known until the Election Date. Greencross will announce on the date after the Election Date on ASX the results of the Elections and whether or not any pro rata scaleback is to be applied. If the pro rata Scaleback Mechanism is applied, each Scheme Shareholder who has made a valid Election will receive such number of HoldCo Shares as reduced by a pro rata scaleback with fractions rounded to the nearest whole number of HoldCo Shares and will receive Cash Consideration for each Greencross Share in respect of which Scrip Consideration is not issued (with fractions rounded to the nearest whole cent).

If an Eligible Greencross Shareholder makes a valid Election in respect of either the Mixed Consideration Option 1 or the Mixed Consideration Option 2 and the Minimum Scrip Threshold is achieved, HoldCo has an obligation to issue Class B Shares to that Greencross Shareholder, such that that Greencross Shareholder will, on the Implementation Date, be entered into the HoldCo Share Register as a shareholder of HoldCo (either directly or through a custodian as contemplated by the Scheme and the HoldCo Shareholders' Deed) and thereby have an indirect interest in Greencross that is proportional to their holding in HoldCo. The Greencross Shareholders who become HoldCo Securityholders will be bound by the HoldCo Shareholders' Deed and HoldCo Constitution.

4.3.b.4 Election results

Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.

c) Issue of Scrip Consideration

Assuming the Scheme becomes Effective and the Minimum Scrip Threshold is met, Scheme Shareholders who have made a valid Election to receive either the Mixed Consideration Option 1 or the Mixed Consideration Option 2 will be issued Class B Shares for their Greencross Shares the subject of such valid Election on the Implementation Date (subject to the Maximum Scrip Threshold and the application of any pro rata Scaleback Mechanism). Scheme Shareholders who have been issued Scrip Consideration will be sent a share certificate or holding statement shortly thereafter, and in any event within 5 Business Days after the Implementation Date sent to their Registered Address as it appears on the Greencross Share Register.

4.4 Worked examples

a) Cash Consideration – outcomes under different scenarios

The tables below illustrate the potential outcomes for those Greencross Shareholders who either make a valid Election for Cash Consideration or do not make a valid Election under different scenarios, assuming the Scheme is approved and implemented.

Scenario	What you will receive ¹³	Total ¹⁴
No Special Dividend is declared	\$5.55 cash for each Greencross Share you hold at the Scheme Record Date (paid by TPG BidCo)	\$5.55 Cash Consideration for each Greencross Share
A Special Dividend of \$0.21 per Greencross Share is declared	\$0.21 cash for each Greencross Share you hold at the Special Dividend Record Date (paid by Greencross) plus \$5.34 cash for each Greencross Share you hold at the Scheme Record Date (paid by TPG BidCo)	\$0.21 Special Dividend + \$5.34 Cash Consideration = \$5.55 cash for each Greencross Share
A Special Dividend of \$0.10 per Greencross Share is declared	\$0.10 cash for each Share you hold at the Special Dividend Record Date (paid by Greencross) plus \$5.45 cash for each Greencross Share you hold at the Scheme Record Date (paid by TPG BidCo)	\$0.10 Special Dividend + \$5.45 Cash Consideration = \$5.55 cash for each Greencross Share

Additionally, the below table provides an illustration of the potential outcomes for a Greencross Shareholder holding 100 Greencross Shares, who either makes a valid Election for Cash Consideration or does not make a valid Election under different scenarios, assuming the Scheme is approved and implemented.

Scenario	Total Consideration received ¹⁵	
No Special Dividend is declared	Total Cash Consideration	\$555.00
	Total Special Dividend	\$0.00
	Total Cash Payments	\$555.00
A Special Dividend of \$0.21 per Greencross Share is declared	Total Cash Consideration	\$534.00
	Total Special Dividend	\$21.00
	Total Cash Payments	\$555.00
A Special Dividend of \$0.10 per Greencross Share is declared	Total Cash Consideration	\$545.00
	Total Special Dividend	\$10.00
	Total Cash Payments	\$555.00

¹³ Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration.

¹⁴ Ignoring the potential further value of any franking credit benefits.

¹⁵ Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration. This also ignores the potential further value of any franking credit benefits.

b) Mixed Consideration Option 1 – outcomes under different scenarios

The tables below illustrate the potential outcomes for those Greencross Shareholders who make a valid Election to receive Mixed Consideration Option 1, assuming the Minimum Scrip Threshold is satisfied, the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario	What you receive ¹⁶	Total ¹⁷
No Special Dividend is declared	<p>\$5.55 cash for 50% of the Greencross Shares you hold at the Scheme Record Date (paid by TPG BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$5.55, with each Class B Share issued at a notional issue price of \$1.00, for 50% of the Greencross Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>\$5.55 Cash Consideration for each Greencross Share (for 50% of your holding)</p> <p>Class B Shares with a total notional value of \$5.55 = \$5.55 for each Greencross Share (for 50% of your holding)</p>
A Special Dividend of \$0.21 per Greencross Share is declared	<p>\$0.21 cash per Greencross Share you hold at the Special Dividend Record Date (paid by Greencross)</p> <p><i>plus</i></p> <p>\$5.34 cash for 50% of the Greencross Shares you hold at the Scheme Record Date (paid by TPG BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$5.34, with each Class B Share issued at a notional issue price of \$1.00, for 50% of the Greencross Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.21 cash + \$5.34 Cash Consideration = \$5.55 cash for each Greencross Share (for 50% of your holding)</p> <p>Special Dividend of \$0.21 cash + Class B Shares with a total notional value of \$5.34 = \$5.55 for each Greencross Share (for 50% of your holding)</p>
A Special Dividend of \$0.10 per Greencross Share is declared	<p>\$0.10 cash per Greencross Share you hold at the Special Dividend Record Date (paid by Greencross)</p> <p><i>plus</i></p> <p>\$5.45 cash for 50% of the Greencross Shares you hold at the Scheme Record Date (paid by TPG BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$5.45, with each Class B Share issued at a notional issue price of \$1.00, for 50% of the Greencross Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.10 cash + \$5.45 Cash Consideration = \$5.55 cash for each Greencross Share (for 50% of your holding)</p> <p>Special Dividend of \$0.10 cash + Class B Shares with a total notional value of \$5.45 = \$5.55 for each Greencross Share (for 50% of your holding)</p>

¹⁶Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration or the Scrip Consideration.

¹⁷Ignoring the potential further value of any franking credit benefits.

Additionally, the below table provides an illustration of the potential outcomes for a Greencross Shareholder holding 100 Greencross Shares, who makes a valid Election to receive Mixed Consideration Option 1, assuming the Minimum Scrip Threshold is satisfied, the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario	Total Consideration received ¹⁸	
No Special Dividend is declared	Total Cash Consideration	\$277.50
	Total Special Dividend	\$0.00
	Total Cash Payments	\$277.50
	Total Class B Shares	278 Class B Shares
A Special Dividend of \$0.21 per Greencross Share is declared	Total Cash Consideration	\$267.00
	Total Special Dividend	\$21.00
	Total Cash Payments	\$288.00
	Total Class B Shares	267 Class B Shares
A Special Dividend of \$0.10 per Greencross Share is declared	Total Cash Consideration	\$272.50
	Total Special Dividend	\$10.00
	Total Cash Payments	\$282.50
	Total Class B Shares	273 Class B Shares

¹⁸ Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration. This also ignores the potential further value of any franking credit benefits.

c) Mixed Consideration Option 2 – outcomes under different scenarios

The tables below illustrate the potential outcomes for those Greencross Shareholders who make a valid Election to receive Mixed Consideration Option 2, assuming the Minimum Scrip Threshold is satisfied, the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario	What you will receive ¹⁹	Total ²⁰
No Special Dividend is declared	<p>\$5.55 cash for 25% of the Greencross Shares you hold at the Scheme Record Date (paid by TPG BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$5.55, with each Class B Share issued at a notional issue price of \$1.00, for 75% of the Greencross Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>\$5.55 Cash Consideration for each Greencross Share (for 25% of your holding)</p> <p>Class B Shares with a total notional value of \$5.55 = \$5.55 for each Greencross Share (for 75% of your holding)</p>
A Special Dividend of \$0.21 per Greencross Share is declared	<p>\$0.21 cash per Greencross Share you hold at the Special Dividend Record Date (paid by Greencross)</p> <p><i>plus</i></p> <p>\$5.34 cash for 25% of the Shares you hold at the Scheme Record Date (paid by TPG BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$5.34, with each Class B Share issued at a notional issue price of \$1.00, for 75% of the Greencross Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.21 cash + \$5.34 Cash Consideration = \$5.55 cash for each Greencross Share (for 25% of your holding)</p> <p>Special Dividend of \$0.21 cash + Class B Shares with a total notional value of \$5.34 = \$5.55 for each Greencross Share (for 75% of your holding)</p>
A Special Dividend of \$0.10 per Greencross Share is declared	<p>\$0.10 cash per Greencross Share you hold at the Special Dividend Record Date (paid by Greencross)</p> <p><i>plus</i></p> <p>\$5.45 cash for 25% of the Greencross Shares you hold at the Scheme Record Date (paid by TPG BidCo)</p> <p><i>plus</i></p> <p>Class B Shares with a total notional value of \$5.45, with each Class B Share issued at a notional issue price of \$1.00, for 75% of the Greencross Shares you hold at the Scheme Record Date (issued by HoldCo)</p>	<p>Special Dividend of \$0.10 cash + \$5.45 Cash Consideration = \$5.55 cash for each Greencross Share (for 25% of your holding)</p> <p>Special Dividend of \$0.10 cash + Class B Shares with a total notional value of \$5.45 = \$5.55 for each Greencross Share (for 75% of your holding)</p>

¹⁹Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration or the Scrip Consideration.

²⁰Ignoring the potential further value of any franking credit benefits.

Additionally, the below table provides an illustration of the outcomes for a Greencross Shareholder holding 100 Greencross Shares, who makes a valid Election to receive Mixed Consideration Option 2, assuming the Minimum Scrip Threshold is satisfied, the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply and the Scheme is approved and implemented.

Scenario	Total Consideration received ²¹	
No Special Dividend is declared	Total Cash Consideration	\$138.75
	Total Special Dividend	\$0.00
	Total Cash Payments	\$138.75
	Total Class B Shares	416 Class B Shares
A Special Dividend of \$0.21 per Greencross Share is declared	Total Cash Consideration	\$133.50
	Total Special Dividend	\$21.00
	Total Cash Payments	\$154.50
	Total Class B Shares	401 Class B Shares
A Special Dividend of \$0.10 per Greencross Share is declared	Total Cash Consideration	\$136.25
	Total Special Dividend	\$10.00
	Total Cash Payments	\$146.25
	Total Class B Shares	409 Class B Shares

You should note that the notional issue price of \$1.00 per Class B Share does not equal or otherwise reflect the underlying economic value of that Class B Share. In particular, Greencross Shareholders should note that the Independent Expert has assessed the current value of the total payments under the Scrip Consideration to be either:

- between \$4.42 and \$4.76 for Mixed Consideration Option 1 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share); or
- between \$3.85 and \$4.36 for Mixed Consideration Option 2 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share).

In its valuation of the Scrip Consideration, the Independent Expert states:

“In our assessment of the Mixed Consideration [Options], we have considered that parcel shares in an unlisted company like HoldCo will have a lower value as they are not as readily marketable. When two investments are substantially comparable, investors tend to place more value on a security that is more liquid. In order to compensate for the lack of marketability and the minority position in HoldCo of GXL shareholders electing to receive the Mixed Consideration [Options], it is appropriate in our opinion to apply a discount to the value of an unlisted company. Marketability/liquidity discounts typically range between 10% and 30%.”

²¹ Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration. This also ignores the potential further value of any franking credit benefits.



5.

Frequently asked questions

5. Frequently asked questions

Question	Answer	More information
1	Background and overview of the Scheme	
What are Greencross Shareholders being asked to consider?	<p>Greencross Shareholders are being asked to consider and vote on a proposal to transfer all of their Greencross Shares to TPG BidCo, in exchange for TPG BidCo paying Cash Consideration of \$5.55 for each Greencross Share they hold on the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by Greencross.</p> <p>There are also Mixed Consideration Options as an alternative to the Cash Consideration under the Scheme, which provide Greencross Shareholders an opportunity to acquire a continuing indirect minority interest in the Greencross business in addition to any Special Dividend that may be declared and paid by Greencross before the Scheme is implemented.</p> <p>The proposal is structured as a scheme of arrangement between Greencross and all persons who hold Greencross Shares as at the Scheme Record Date (currently expected to be 7.00pm on Friday, 22 February 2019).</p> <p>If the Scheme becomes Effective, Greencross will become a wholly owned subsidiary of TPG BidCo and delisted from ASX.</p>	Section 7 contains an overview of the Scheme and a copy of the Scheme is contained in Annexure A to the Scheme Implementation Agreement, a copy of which is attached as Appendix C.
What is a scheme of arrangement?	A scheme of arrangement is a way of implementing an acquisition of shares under the Corporations Act. It requires a vote in favour of the Scheme by the requisite majorities of Greencross Shareholders as well as approval of the Court.	Section 7
What do the Greencross Directors recommend?	<p>The Greencross Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders.</p> <p>The Greencross Directors' unanimous recommendation that you vote in favour of the Scheme is based on the quantum of the Cash Consideration.</p> <p>The Greencross Directors make no recommendation in relation to the Mixed Consideration Options, due to the speculative nature of the Class B Shares and the fact that whether either of the Mixed Consideration Options are appropriate will depend significantly on the characteristics and risk profile of the individual Greencross Shareholder.</p> <p>The reasons for the Greencross Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 3 of this Scheme Booklet.</p>	Section 3 provides a summary of some of the reasons why Greencross Shareholders might vote for and against the Scheme, as well as some additional considerations that may be relevant to Greencross Shareholders' vote in respect of the Scheme.
How do the Greencross Directors intend to vote?	Each Greencross Director intends to vote the Greencross Shares they hold or control in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders. As at the date of this Scheme Booklet, Greencross Directors hold or control in aggregate approximately 6.8% ²² of all Greencross Shares currently on issue.	Sections 2 and 3

²² This figure does not include the Greencross Performance Rights referred to in Section 8.2.

Question	Answer	More information
<p>What is the opinion of the Independent Expert?</p>	<p>The Independent Expert has concluded that the Cash Consideration is fair and reasonable and hence the Scheme is in the best interests of Greencross Shareholders in the absence of a Superior Proposal.</p> <p>The Independent Expert has assessed the full underlying value of Greencross at between \$5.05 and \$5.67 per Greencross Share. The Cash Payments are within this range.</p> <p>Greencross Shareholders should note that the Independent Expert has assessed the current value of the total payments under the Scrip Consideration to be either:</p> <ul style="list-style-type: none"> • between \$4.42 and \$4.76 for Mixed Consideration Option 1 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share); or • between \$3.85 and \$4.36 for Mixed Consideration Option 2 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share). <p>In both scenarios, the Independent Expert's valuation of the Scrip Consideration is lower than the Independent Expert's valuation range of \$5.05 to \$5.67 for each Greencross Share. It is also lower than the Cash Payments. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders.</p> <p>A complete copy of the Independent Expert's Report is including in Appendix B to this Scheme Booklet.</p>	<p>A copy of the Independent Expert's Report is contained in Appendix B.</p>
<p>What are my options?</p>	<p>You may:</p> <ul style="list-style-type: none"> • vote for or against of the Scheme Resolution to approve the Scheme (in person or by proxy, corporate representative or attorney); • sell your Greencross Shares on-market before the Effective Date or off-market before the Scheme Record Date; or • do nothing, in which case: <ul style="list-style-type: none"> – if the Scheme becomes Effective, your Greencross Shares will be transferred to TPG BidCo and you will receive the Cash Consideration as well as any Special Dividend that may be declared and paid by Greencross for all of your Greencross Shares held on both the Special Dividend Record Date and the Scheme Record Date; and – if the Scheme does not become Effective, you will continue to hold your Greencross Shares. <p>If you are an Eligible Greencross Shareholder and you wish to receive either of the Mixed Consideration Options instead of the Cash Consideration, you will need to complete and return a valid Election Form in accordance with the instructions on that Election Form by no later than the Election Date (currently expected to be Friday, 25 January 2019). You do not need to complete an Election Form if you wish to receive the Cash Consideration.</p>	<p>N/A</p>

Question	Answer	More information
Can I sell my Greencross Shares now?	<p>Yes. You can sell your Greencross Shares on market at any time before the close of trading on ASX on the Effective Date (currently expected to be Monday, 11 February 2019) at the then prevailing market price (which may vary from the Cash Payments). You will not be able to sell your Greencross Shares on market after the Effective Date, as this will be the last day of trading in Greencross Shares on ASX before trading in Greencross Shares on ASX is suspended.</p> <p>You may however seek to sell your Greencross Shares off-market after the Effective Date but before the Scheme Record Date (currently proposed to be 7.00pm on Friday, 22 February 2019).</p> <p>If you sell your Greencross Shares before the Scheme Record Date, you:</p> <ul style="list-style-type: none"> • may receive the proceeds from the sale of your Greencross Shares sooner than you would receive payment under the Scheme (noting that your sale proceeds may vary from the Scheme Consideration); • may incur brokerage costs if you sell your Greencross Shares on market; • will not be able to participate in the Scheme or a Superior Proposal, if one emerges after the date on which you sell your Greencross Shares; and • may not be eligible to receive the Special Dividend (if it is declared), noting that the Special Dividend Record Date is currently expected to be Wednesday, 13 February 2019. 	N/A
2 Scheme Meeting and Voting Requirements		
What is the Scheme Resolution?	The Scheme Resolution is a resolution to approve the Scheme. It will be voted on at the Scheme Meeting and is set out in the Notice of Scheme Meeting (Appendix A).	The Notice of Scheme Meeting contained in Appendix A sets out further details on the Scheme Meeting.
What voting majority is required to approve the Scheme?	<p>The Scheme needs to be approved by the requisite majorities of Greencross Shareholders at the Scheme Meeting, which is:</p> <ul style="list-style-type: none"> • at least 75% of the total number of votes cast on the Scheme Resolution (in person or by proxy, corporate representative or attorney); and • a majority in number (more than 50%) of Greencross Shareholders present and voting (in person or by proxy, corporate representative or attorney). <p>The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.</p> <p>If the Scheme is not approved by the requisite majorities of Greencross Shareholders and approved by the Court, the Scheme will not proceed.</p>	Section 6.2
Am I entitled to vote?	Each Greencross Shareholder who is registered on the Greencross Share Register as at 7:00pm on the Meeting Record Date (currently expected to be Monday, 4 February 2019), is entitled to vote at the Scheme Meeting.	The Notice of Scheme Meeting contained in Appendix A sets out further details on your entitlement to vote at the Scheme Meeting.

Question	Answer	More information
How do I vote?	<p>You can vote:</p> <ul style="list-style-type: none"> • in person, by personally attending the Scheme Meeting, or by appointing a proxy, attorney or corporate representative to attend the Scheme Meeting and vote on your behalf; or • by proxy, by completing and returning the Proxy Form accompanying this Scheme Booklet or lodging your proxy online. 	Section 6.5 and the Notice of Scheme Meeting contained in Appendix A set out further details on how to vote at the Scheme Meeting.
Is voting compulsory?	No. Voting is not compulsory. However, Greencross Directors believe that the Scheme is important for all Greencross Shareholders and the Greencross Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders.	The reasons for the Greencross Directors' unanimous recommendation and other matters that you may wish to consider are outlined in Section 3 of this Scheme Booklet.
Why should I vote in favour of the Scheme?	Section 3.2 sets out some of reasons why the Greencross Directors consider that you should vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Greencross Shareholders.	Section 3.2
Why might I consider voting against the Scheme?	Section 3.3 sets out some of the reasons which may lead you to consider voting against the Scheme.	Section 3.3
When and where will the Scheme Meeting be held?	The Scheme Meeting is currently expected to be held at 10:00am on Wednesday, 6 February 2019 at Northside Conference Centre, Cnr Oxley St & Pole Ln, Crows Nest, New South Wales.	Section 6.1 and the Notice of Scheme Meeting contained in Appendix A set out further details on the Scheme Meeting.
When will the result of the Scheme meeting be known?	<p>The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX as soon as practicable.</p> <p>Even if the Scheme Resolution is passed by the Scheme Meeting, the Scheme is subject to approval of the Court.</p>	Section 6
What happens to my Greencross Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective?	<p>If the Scheme becomes Effective and you are a Greencross Shareholder as at the Scheme Record Date, your Greencross Shares will be transferred pursuant to the Scheme and you will be entitled to receive the Scheme Consideration for your Greencross Shares. This is even if you did not vote, or voted against the Scheme.</p> <p>If the Scheme is not approved by Greencross Shareholders and the Court and does not become Effective, you will remain a Greencross Shareholder.</p>	Section 3.4
Where can I get further information?	For further information, you can call the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia).	Section 9.9

Question	Answer	More information
3	The Scheme Consideration	
What is the Scheme Consideration?	<p>The Scheme Consideration refers to:</p> <ul style="list-style-type: none"> • Cash Consideration; • Mixed Consideration Option 1; or • Mixed Consideration Option 2, <p>subject to the terms of the Scheme and the Election made by each Greencross Shareholder.</p>	Section 4
What is the Cash Consideration?	<p>If the Scheme becomes Effective, Greencross Shareholders (other than those who make a valid Election to receive either of the Mixed Consideration Options) will receive Cash Consideration of \$5.55 for each Greencross Share held as at the Scheme Record Date, less the amount of any Special Dividend that may be declared paid by Greencross.</p> <p>A Greencross Shareholder who receives the Cash Consideration will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share held by that Greencross Shareholder as at the Special Dividend Record Date.</p>	Section 4.2
What are the Mixed Consideration Options?	<p>As an alternative to the Cash Consideration, Eligible Greencross Shareholders can make an Election to receive one of the Mixed Consideration Options. Under the Mixed Consideration Options, Eligible Greencross Shareholders can make an Election to receive either:</p> <ul style="list-style-type: none"> • Mixed Consideration Option 1: Cash Consideration in respect of 50% of their Greencross Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 50% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below; or • Mixed Consideration Option 2: Cash Consideration in exchange for 25% of their Greencross Shares held on the Scheme Record Date, plus Scrip Consideration in respect of the remaining 75% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below. <p>In each of Mixed Consideration Option 1 and Mixed Consideration Option 2, the Scrip Consideration will be such number of HoldCo Shares as is equivalent to \$5.55 minus the amount of any Special Dividend that may be declared and paid per Scheme Share held on the Scheme Record Date subject to the Minimum Scrip Threshold, the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. Each HoldCo Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo and issued at a notional issue price of \$1.00 per HoldCo Share.</p> <p>If a Special Dividend is declared and paid, a Greencross Shareholder who elects to receive either of the Mixed Consideration Options will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share held by that Greencross Shareholder on the Special Dividend Record Date.</p> <p>See the response to the question below for what you should be aware of if you make an Election to receive either of the Mixed Consideration Options.</p>	Section 4.3

Question	Answer	More information
<p>What should I be aware of if I make an Election to receive either of the Mixed Consideration Options?</p>	<p>Importantly, Greencross Shareholders should be aware that if they make an Election to receive Scrip Consideration pursuant to either of the Mixed Consideration Options:</p> <ul style="list-style-type: none"> • they will face risks that apply to an investment in HoldCo that are materially different from, and in addition to, those risks that apply to their existing investment in Greencross; • they will hold shares in an unlisted proprietary company, which will not be subject to the same level of regulation as an ASX listed public company (for example, it will not be subject to the ASX Listing Rules, Australia’s takeover regime, continuous disclosure obligations and certain other investor protections that apply to ASX listed public companies); • a custodian may be appointed to hold all of the Class B Shares on bare trust for the Class B Shareholders, in which case, they may not have the right to request the transfer of their Class B Shares from the custodian to them personally; • they will face a lack of liquidity in respect of their Class B Shares given there will be no active market for the sale and purchase of Class B Shares; and • they will become a party to the HoldCo Shareholders’ Deed, which restricts the ability of Class B Shareholders to transfer or Deal with their Class B Shares. <p>In particular, Greencross Shareholders should note that the TPG Shareholders do not intend to be an active buyer of Class B Shares once the Scheme is implemented. This means that if you want to sell your Class B Shares at any time in the future, you should not assume that the TPG Shareholders will purchase any of your Class B Shares (including in an ‘emergency’ scenario).</p> <p>Accordingly, there is a risk that a holder of Class B Shares may not be able to transfer or sell the Class B Shares issued to them other than through an Exit, and there is no guarantee that an Exit will take place.</p> <p>This means that if you want to sell your Class B Shares at any time in the future you should not assume that you will be able to do so in a timely manner (including in an ‘emergency’ scenario).</p> <p>Accordingly, there is a risk that a Class B Shareholder may not be able to transfer or sell the Class B Shares issued to them if and when they would like to do so.</p>	<p>Section 10.3 sets out a summary of the HoldCo Shareholders’ Deed and the rights attaching to Class B Shares.</p>
<p>What is the Minimum Scrip Threshold?</p>	<p>The Mixed Consideration Options will only be available to Scheme Shareholders if the Minimum Scrip Threshold is satisfied. That is, if Elections received under the Scheme would result in Greencross Shareholders holding, in aggregate, at least 1.5% of the total issued capital of HoldCo as at the Implementation Date.</p> <p>If the Minimum Scrip Threshold is not satisfied, all Scheme Shareholders, including those who have made valid Elections, will receive the Cash Consideration in respect of their Scheme Shares.</p>	<p>Sections 4.3.b.1 and 7.3c)</p>
<p>What is the Maximum Scrip Threshold and Scaleback Mechanism?</p>	<p>The Mixed Consideration Options are also subject to a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is met. That is, if Elections received under the Scheme would result in Greencross Shareholders holding, in aggregate, greater than 15% of the total issued capital of HoldCo as at the Implementation Date.</p> <p>If the Maximum Scrip Threshold is met, then the pro rata Scaleback Mechanism will apply to ensure that the total number of Class B Shares issued under the Scheme does not exceed 15% of the total shares on issue in HoldCo.</p>	<p>Sections 4.3.b.2 and 4.3.b.3</p>

Question	Answer	More information
When will I find out if the Minimum Scrip Threshold has been met and if the Scaleback Mechanism applies?	Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.	Section 4.3.b.4
How will fractional entitlements be treated?	<p>Any entitlement of an Eligible Greencross Shareholder under the Scheme to be provided with a fraction of a HoldCo Share will be:</p> <ul style="list-style-type: none"> • rounded up to the nearest whole number if the entitlement is to half a HoldCo Share or more; and • rounded down to the nearest whole number if the entitlement is to less than half a HoldCo Share. <p>Any entitlement of a Greencross Shareholder under the Scheme to be provided with a fraction of a cent will be:</p> <ul style="list-style-type: none"> • rounded up to the nearest whole cent if the entitlement is to half a cent or more; and • rounded down to the nearest whole cent if the entitlement is to less than half a cent. 	Section 7.3.d.1
Who is an Ineligible Foreign Shareholder?	<p>If your Registered Address, as shown in the Greencross Share Register as at the Scheme Record Date, is a place outside Australia and its external territories, you will be an Ineligible Foreign Shareholder.</p> <p>If you are a Greencross Shareholder whose Registered Address as shown in the Greencross Share Register is a place outside Australia or its external territories and wish to receive either of the Mixed Consideration Options, you should contact the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia) to enquire as to whether you may be an Eligible Greencross Shareholder.</p>	Section 7.3g)
How will an Ineligible Foreign Shareholder be treated under the Scheme?	<p>If you are an Ineligible Foreign Shareholder, you will not be entitled to receive either of the Mixed Consideration Options. If you make an Election to receive either of the Mixed Consideration Options, your Election will be invalid and have no effect, and you will receive the Cash Consideration for all of your Greencross Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the Cash Consideration in respect of all of their Greencross Shares held on the Scheme Record Date if the Scheme becomes Effective.</p> <p>If you are an Ineligible Foreign Shareholder you will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share you hold as at the Special Dividend Record Date.</p>	Section 7.3g)
Do the Greencross Directors have any specific views or recommendations for Greencross Shareholders on the Mixed Consideration Options?	<p>No.</p> <p>The default form of consideration under the Scheme is the Cash Consideration, which, together with any Special Dividend that may be declared and paid by Greencross, provides Greencross Shareholders with the opportunity to receive Cash Payments of \$5.55 per Greencross Share for all of their Greencross Shares. The Greencross Directors have recommended that you approve the Scheme by voting in favour of the Scheme Resolution based on the quantum of the Cash Payments.</p>	Sections 2 and 3

Question	Answer	More information
<p>Do the Greencross Directors have any specific views or recommendations for Greencross Shareholders on the Mixed Consideration Options? continued</p>	<p>The Greencross Directors make no recommendation in relation to the Mixed Consideration Options, due to the speculative nature of the Class B Shares and the fact that whether either of the Mixed Consideration Options are appropriate will depend significantly on the characteristics and risk profile of the individual Greencross Shareholder. Eligible Greencross Shareholders who are considering making an Election to receive either of the Mixed Consideration Options should:</p> <ul style="list-style-type: none"> • take into account the Minimum Scrip Threshold, the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 4.3b) of this Scheme Booklet, which may affect whether the Scrip Consideration will be issued and the number of Class B Shares that will actually be received; • take into account that the Class B Shares would be subject to the rights and restrictions set out in the HoldCo Shareholders' Deed (which importantly restrict the ability for a holder of Class B Shares to sell or otherwise Deal with their Class B Shares) and the HoldCo Constitution, copies of which are set out in Appendix D and Appendix E and described in Sections 10.2 and 10.3 of this Scheme Booklet; • carefully consider the matters set out in Section 10 of this Scheme Booklet and the risk factors set out in Section 11 of this Scheme Booklet, noting that an investment in HoldCo does not involve the same liquidity and other protections which shareholders when investing in an ASX listed company; • carefully consider the tax considerations set out in Section 12 of this Scheme Booklet and how they apply to the Mixed Consideration Options in comparison to the Cash Consideration; • take into account the Independent Expert's Report and the views expressed in relation to the Class B Shares set out in Annexure B of this Scheme Booklet, noting the value of a Class B Share was calculated by the Independent Expert to be in the range of \$4.42 and \$4.76 for Mixed Consideration Option 1 and \$3.85 and \$4.36 for Mixed Consideration Option 2 (in each case, inclusive of a Special Dividend of up to \$0.21 per Greencross Share) on a minority interest basis and having regard to the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and having regard to the lack of marketability of the Class B Shares; and • consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in HoldCo meets their individual investment objectives. <p>Ultimately, your Greencross Directors consider that it is a matter for each Eligible Greencross Shareholder to decide whether or not to make an Election to receive the Mixed Consideration Options, having regard to their individual circumstances, financial situation, tax position, investment objectives and risk profile.</p>	<p>Sections 2 and 3</p>

Question	Answer	More information
4	The Special Dividend	
What is the Special Dividend?	The Special Dividend is intended to be a fully franked dividend of up to \$0.21 per Greencross Share, that Greencross may declare and pay, if the Scheme is approved by Greencross Shareholders and the Court.	Sections 4.2 and 4.4
Will I definitely receive a Special Dividend?	No. There is no guarantee that a Special Dividend will be paid, even if the Scheme is approved by Greencross Shareholders and the Court. The Greencross Board may decide to declare and pay the Special Dividend at its discretion.	Section 4.2
If I receive the Special Dividend and the Cash Consideration, how much will I receive?	If you receive the Special Dividend and the Cash Consideration you will receive total Cash Payments of \$5.55 for each Greencross Share you hold. ²³ See the worked examples set out in Section 4.4.	Section 4.4
What is the ATO class ruling?	<p>Greencross has applied to the ATO requesting a class ruling to confirm the key taxation implications of the Scheme and that the impact of any Special Dividend that may be declared and paid by Greencross on Greencross Shareholders is in accordance with the general description in this Scheme Booklet.</p> <p>The class ruling has not been finalised as at the date of this Scheme Booklet. The expected taxation implications for Greencross Shareholders are summarised in Section 12. The Scheme is not conditional on the receipt of the class ruling.</p>	Section 12
Will the Special Dividend be franked?	If a Special Dividend is declared and paid it is intended to be fully franked.	Section 12
Will I get the benefit of franking credits?	<p>Those Greencross Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.09 per Greencross Share if a Special Dividend of up to \$0.21 is paid.</p> <p>Whether you will be able to realise the full benefit of the franking credits will depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.</p>	Section 12

²³ Please note, if you become a Greencross Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend. Similarly, if you sell your Greencross Shares before the Scheme Record Date, you will not receive the Cash Consideration.

Question	Answer	More information
5	Making an Election in relation to the Mixed Consideration Options	
How do I receive the Cash Consideration?	If the Scheme becomes Effective, you do not need to do anything to receive the Cash Consideration for all of your Greencross Shares. Unless you make a valid Election to receive one of the Mixed Consideration Options, you will receive the Cash Consideration for all of your Greencross Shares.	Section 4.2
How do I make an Election to receive one of the Mixed Consideration Options?	<p>If you are an Eligible Greencross Shareholder and wish to receive either of the Mixed Consideration Options, you need to complete an Election Form in accordance with the instructions set out in the Election Form and return it to the Greencross Registry by the Election Date (currently expected to be no later than Friday, 25 January 2019).</p> <p>Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.</p>	Sections 6.6 and 7.3f)
How can I obtain an Election Form?	<p>An Election Form will be sent to you with this Scheme Booklet.</p> <p>If you need a replacement, a new Election Form may be requested by calling the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia).</p>	Section 6.6
If I make an Election, can I later withdraw or change it?	Yes. You may change your Election by completing and returning a new Election Form in accordance with the instructions on the Election Form by no later than the Election Date (currently expected to be 7.00pm on Friday, 25 January 2019). Where a Greencross Shareholder returns more than one Election Form, the last valid Election Form received by the Greencross Registry before the Election Date will be treated as revoking for all purposes any other Election Form and used to determine your Election.	Section 7.3f)
What if I do not make an Election in time or if the Election is invalid?	<p>If you do not make a valid Election or your Election is not received by the Greencross Registry by the Election Date, you will receive the Cash Consideration for all of your Scheme Shares.</p> <p>If you are an Ineligible Foreign Shareholder or become a Greencross Shareholder after the Election Date, you will receive the Cash Consideration for all of your Scheme Shares.</p>	Sections 4.2, 4.4a) and 7.3g)

Question	Answer	More information
6	Implementation of the Scheme	
What will happen to Greencross if the Scheme becomes Effective?	If the Scheme becomes Effective all of the Greencross Shares will be acquired by TPG BidCo, and it is intended that Greencross will be delisted from ASX.	Section 8
Are there conditions that need to be satisfied before the Scheme can proceed?	<p>Yes. Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent. These Conditions Precedent are summarised in Section 8.1a) and include:</p> <ul style="list-style-type: none"> • obtaining FIRB Approval; • no Material Adverse Change occurring; • no restraining order, injunction, decision, determination or objection notice issued by a Court or Regulatory Authority or other legal restraint preventing the Scheme from being implemented; • the counterpart to the Animates JV giving (and not withdrawing) its written consent to the change of control of Greencross as a result of the Scheme; • no Greencross Prescribed Occurrences occurring; • obtaining Greencross Shareholder approval; • obtaining Court approval; • no breach of Greencross Warranties occurring; • no breach of TPG BidCo Warranties occurring; and • all outstanding Greencross Performance Rights vesting or lapsing before the Scheme Record Date. 	Section 8
When will the Scheme become Effective?	<p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> • the Scheme is approved by the requisite majorities of Greencross Shareholders at the Scheme Meeting; • the Court approves the Scheme at the Second Court Hearing; and • all other Conditions Precedent are satisfied or waived (as applicable). <p>Subject to the above, the Scheme will become Effective on the Effective Date (currently expected to be Monday, 11 February 2019).</p>	Sections 3.4b) and 8.1
When will Greencross Shares cease trading on ASX?	Greencross Shares are expected to cease trading from the close of trading on ASX on the Effective Date (currently expected to be Monday, 11 February 2019).	Sections 8.3d) and 13.2

Question	Answer	More information
When will I receive the Special Dividend and the Scheme Consideration?	<p>If the Scheme becomes Effective, the Scheme Consideration and Special Dividend (if any) will be received as follows:</p> <ul style="list-style-type: none"> • if any Special Dividend is declared by Greencross, it will be paid on the Special Dividend Payment Date (currently expected to be Wednesday, 20 February 2019); • any Cash Consideration payable, will be paid to a trust account operated by or on behalf of Greencross on the Implementation Date (currently expected to be Wednesday, 27 February 2019) and paid to Scheme Shareholders within five Business Days of that Date; and • any HoldCo Shares to be issued under the Mixed Consideration Options will be issued on the Implementation Date (currently expected to be Wednesday, 27 February 2019), with share certificates or holding statements to be issued within five Business Days of that date. <p>If the Scheme is not approved by the requisite majorities of Greencross Shareholders or the Court, the Special Dividend (and the Scheme Consideration) will not be provided.</p>	Section 1
How will I be paid the Cash Consideration?	<p>All cash payments (including the Special Dividend) will be made by direct deposit into your nominated bank account with an Australian ADI, as advised to the Greencross Registry as at the Scheme Record Date.</p> <p>If you have not nominated a bank account, payment will be made by Australian dollar cheque sent by post to your Registered Address as shown on the Greencross Share Register.</p>	Section 8.3g)
What are the tax implications of the Scheme and the Special Dividend?	<p>If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain or disposal of Greencross Shares and tax being payable in respect of the Special Dividend (with the possibility of a franking offset being available).</p> <p>For further information about the general Australian tax consequences of the Scheme and the Special Dividend for certain Greencross Shareholders, see Section 12. The tax treatment may vary depending on the nature and characteristics of each Greencross Shareholder and that Greencross Shareholder's specific circumstances. Greencross Shareholders should seek independent professional advice based on their particular circumstances.</p>	Section 12

Question	Answer	More information
<p>What happens if the Scheme is not approved?</p>	<p>If the Scheme is not approved by the requisite majorities of Greencross Shareholders, or the Court, the Scheme will not proceed.</p> <p>If the Scheme does not proceed:</p> <ul style="list-style-type: none"> • the Scheme Consideration will not be provided to Scheme Shareholders; • the Special Dividend will not be paid; • TPG BidCo will not acquire the Scheme Shares; • Greencross will continue to be listed on ASX; and • Greencross Shareholders will retain their Greencross Shares and continue to share in any benefits and risks of Greencross' ongoing business. <p>If the Scheme does not proceed, and no Superior Proposal emerges, Greencross Shareholders will continue to be exposed to the general market risks set out in Section 11.2 and the risk factors relating to the business and operations of Greencross set out in Section 11.3, including the risk that the price of Greencross Shares may fall.</p> <p>The leverage and gearing ratios of Greencross exceed listed peers in retail and veterinary sectors. If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed. This may result in further downward pressure on the share price.</p>	<p>Sections 3.2h) and 6.2</p>
<p>What happens if a Competing Proposal for Greencross emerges?</p>	<p>Although no Competing Proposal has emerged as at the date of this Scheme Booklet it is possible that one could emerge, noting that Greencross has agreed not to solicit Competing Proposals. If an unsolicited Competing Proposal for Greencross is received before the Scheme Meeting, the Greencross Directors will carefully consider it to determine whether it is a Superior Proposal and will inform you of any material developments which may affect the Greencross Directors' view that the Scheme is presently the most favourable proposal for all of your Greencross Shares.</p> <p>TPG BidCo has the right to better as a whole) any unsolicited Competing Proposal if one is received by Greencross. Any change of the Greencross Directors' current recommendation in response to a Competing Proposal being announced, may result in Greencross being obliged to pay the Break Fee of \$6,750,000 (excluding GST) to TPG BidCo (see below).</p>	<p>Section 8.1</p>

Question	Answer	More information
When will the Break Fee be payable?	<p>Greencross will be obliged to pay TPG BidCo a Break fee of \$6,750,000 (excluding GST) in certain circumstances, including if:</p> <ul style="list-style-type: none"> during the Exclusivity Period, any of the Greencross Directors withdraws or adversely revises their recommendation to vote in favour of the Scheme, subject to certain exceptions, (including where the Independent Expert subsequently determines that the Scheme is not in the best interest of Greencross Shareholders or Greencross is entitled to terminate the Scheme Implementation Agreement in circumstances where TPG BidCo is in material breach of the Scheme Implementation Agreement and fails to remedy that breach within the requisite timeframe and has given TPG BidCo the appropriate termination notice); a Competing Proposal is announced or made before the Second Court Date and, within 12 months of the date of such announcement, the Third Party or an Associate of that Third Party (i) completes a Superior Proposal; or (ii) acquires a Relevant Interest in more than 50% of the Greencross Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control Greencross or acquires substantially all of the assets of Greencross; and TPG BidCo is entitled to terminate the Scheme Implementation Agreement and does terminate the Scheme Implementation Agreement in circumstances where Greencross is in material breach of the Scheme Implementation Agreement and fails to remedy that breach within the requisite timeframe. 	Sections 3.4e) and 8.1e)
7 Information about TPG BidCo, HoldCo and HoldCo Shares		
Who is TPG BidCo?	Vermont Aus Pty Ltd ACN 626 845 510, an entity ultimately owned by the TPG Shareholders.	Section 10.2
Who is HoldCo?	Vermont Aus HoldCo Pty Ltd ACN 626 842 135, the holding company of TPG BidCo and the company that will issue the Scrip Consideration.	Section 10.2
What is a HoldCo Share?	A Class B Share in the capital of HoldCo having the rights set out in the HoldCo Shareholders' Deed and the HoldCo Constitution. See Section 10.3d) for a summary of these rights.	Sections 10.2 and 10.3
What are TPG BidCo's intentions if the Scheme is implemented?	TPG BidCo intends to delist Greencross from ASX, conduct a detailed review of the business and reconstitute the Greencross Board, among other things. Please see Section 10.5 for a detailed description of TPG BidCo's intentions if the Scheme is implemented.	Section 10.5
What is the HoldCo Shareholders' Deed?	The shareholders' deed in respect of the affairs of HoldCo to be entered into by HoldCo on substantially those terms set out in Appendix D to this Scheme Booklet. Greencross Shareholders who receive Scrip Consideration will, in electing to receive the Scrip Consideration and by virtue of the Scheme being implemented, become bound by the HoldCo Shareholders' Deed (and the HoldCo Constitution).	Section 7.3e)



6.

Scheme Meeting
details and
instructions
on how to vote
and how to make
an Election

6. Scheme Meeting details and instructions on how to vote and how to make an Election

6.1 Scheme Meeting details

The notice convening the Scheme Meeting is attached at Appendix A to this Scheme Booklet. A personalised Proxy Form for the Scheme Meeting accompanies this Scheme Booklet. The Proxy Form contains a control number that you will need if you wish to lodge your proxy online.

The Scheme Meeting is currently expected to be held at Northside Conference Centre, Cnr Oxley St & Pole Ln, Crows Nest, New South Wales on Wednesday, 6 February 2019 at 10.00am.

6.2 Voting majorities required

The Scheme needs to be approved by the requisite majorities of Greencross Shareholders at the Scheme Meeting, which is:

- at least 75% of the total number of votes cast on the Scheme Resolution by Greencross Shareholders present and voting (in person or by proxy, corporate representative or attorney); and
- a majority in number (more than 50%) of Greencross Shareholders present and voting (in person or by proxy, corporate representative or attorney).

The Court has the discretion to waive the second of these two requirements if it considers it appropriate to do so.

If the Scheme is not approved by the requisite majorities of Greencross Shareholders and approved by the Court, the Scheme will not proceed.

6.3 Your vote is important

Greencross Directors urge Greencross Shareholders to vote on the Scheme Resolution. The Scheme affects your shareholding and your vote on the Scheme Resolution is important in determining whether the Scheme becomes Effective.

6.4 Voting entitlements

Greencross Shareholders registered on the Greencross Share Register on the Scheme Record Date (currently expected to be 7.00pm on Friday, 22 January 2019) will be entitled to vote at the Scheme Meeting.

6.5 How to vote

a) Voting in person

To vote in person at the Scheme Meeting, Greencross Shareholders must attend the Scheme Meeting. A Greencross Shareholder entitled to attend and vote at the Scheme Meeting will be admitted to the Scheme Meeting upon providing evidence of his or her name and address at the point of entry to the Scheme Meeting.

b) Voting by proxy

A Proxy Form is enclosed with this Scheme Booklet.

Greencross Shareholders wishing to appoint a proxy to attend and vote at the Scheme Meeting must complete and return the Proxy Form in accordance with the instructions on the Proxy Form. The Proxy Form contains a control number that you will need if you wish to lodge your proxy online.

There are a number of ways Proxy Forms may be submitted. Proxy Forms may be lodged using the reply paid envelope or:

Method	Instructions
Online	<p>www.linkmarketservices.com.au</p> <p>Login to the Link Market Services Limited website using the holding details as shown on the Proxy Form. Select “Voting” and follow the prompts to lodge your vote. To use the online lodgement facility, Greencross Shareholders will need their “Holder Identifier” (“Securityholder Reference Number” or “Holder Identification Number” as shown on the front of the Proxy Form).</p>
Mobile device	<p>Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code on the Proxy Form or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the “Holder Identifier” and postcode for your shareholding. To scan the code on the Proxy Form you will need a QR code reader application which can be downloaded for free on your mobile device.</p>
Mail	<p>Greencross Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia</p>
Fax	+61 2 9287 0309
Hand delivery	<p>Deliver during business hours (Monday to Friday, 9:00am – 5:00pm) to Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000</p>

Proxy Forms must be received by the Greencross Registry by 10.00am on the Last Date for Proxy Forms (currently expected to be Monday, 4 February 2019). If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney or other evidence of your attorney’s authority must be received by the Greencross Registry at the same time as the Proxy Form (unless previously provided to the Greencross Registry).

A proxy will be admitted to the Scheme Meeting upon providing evidence of their name and address at the point of entry to the Scheme Meeting.

Greencross Shareholders who have returned a Proxy Form may revoke the proxy by attending and voting at the Scheme Meeting.

c) Voting by attorney

Greencross Shareholders wishing to appoint an attorney to attend and vote at the Scheme Meeting on their behalf must, if they have not already done so, deliver an instrument appointing the attorney to the Greencross Registry by no later than 10.00am on the Last Date for Proxy Forms (currently expected to be Monday, 4 February 2019). Persons attending the Scheme Meeting as an attorney should bring to the Scheme Meeting the original or a certified copy of the instrument under which they have been appointed as an attorney and authorised to attend and vote at the Scheme Meeting.

d) Voting by corporate representative

Greencross Shareholders who are bodies corporate may have a corporate representative attend and vote at a Scheme Meeting on their behalf. The appointment must comply with section 250D of the Corporations Act. Persons attending a Scheme Meeting as a corporate representative should bring to the Scheme Meeting evidence of their appointment, including any authority under which the document appointing them as corporate representative was signed.

6.6 Scheme Consideration Elections

You can make an Election to receive the Mixed Consideration Options by completing the Election Form (sent with this Scheme Booklet) and returning it in accordance with the instructions on the Election Form so that it is received by the Greencross Registry by no later than the Election Date (currently expected to be 7.00pm on Friday, 25 January 2019).

If you do not make a valid Election, or your Election is not received by the Greencross Registry by the Election Date, you will be deemed to have elected to receive the Cash Consideration. If you are an Ineligible Foreign Shareholder or a persons who becomes a Greencross Shareholder after the Election Date will also be deemed to have elected to receive the Cash Consideration.

If you need a replacement, a new Election Form may be requested by calling the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia).

You may also change your Election by completing and returning a new Election Form in accordance with the instructions on the Election Form. A new Election Form may be requested by calling the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia). Where a Greencross Shareholder returns more than one Election Form, the last valid Election Form that is received by the Greencross Registry before the Election Date will be treated as revoking for all purposes any other Election Form and will be used to determine your Election.

TO BE VALID, ELECTION FORMS OR AMENDED ELECTION FORMS MUST BE RECEIVED BY THE GREENCROSS REGISTRY BY NO LATER THAN THE ELECTION DATE (CURRENTLY EXPECTED TO BE FRIDAY, 25 JANUARY 2019).

There are a number of ways Election Forms may be submitted:

Method	Instructions
Online	www.linkmarketservices.com.au
Mail	Greencross Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
Fax	+61 2 9287 0309
Hand delivery	Deliver during business hours (Monday to Friday, 9:00am – 5:00pm) to Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000

Elections are subject to the Scheme becoming Effective, as well as the Minimum Scrip Threshold being satisfied, the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. Therefore, even if you make a valid Election to receive the Scrip Consideration, there is no guarantee that you will receive any or all of it.

Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.

Scheme Participants who make an Election to receive the Mixed Consideration Option 1 or Mixed Consideration Option 2 agree to become members of the HoldCo and to be bound by the terms of the HoldCo Constitution and HoldCo Shareholders' Deed. For copies of the HoldCo Constitution and the HoldCo Shareholders' Deed, see Appendix D and Appendix E.

You should read this Scheme Booklet in full before making an Election to receive either of the Mixed Consideration Options. You may also consider obtaining appropriate independent professional advice before making such an Election.

6.7 Further information

Please refer to the Notice of Scheme Meeting set out in Appendix A for further information on voting procedures and details of the Scheme Resolution to be voted on at the Scheme Meeting (including who is entitled to vote on the Scheme Resolution).



7.

Transaction overview

7. Transaction overview

7.1 Background

On 5 November 2018, Greencross announced that it had entered into a Scheme Implementation Agreement with TPG BidCo, an entity ultimately owned by the TPG Shareholders, to acquire 100% of Greencross Shares, subject to the satisfaction or waiver of a number of Conditions Precedent. This followed an earlier announcement by Greencross on 10 October 2018 noting the receipt of various proposals from a number of parties covering a range of transaction types, which were expressed as being indicative, incomplete, confidential and non-binding.

The Scheme Implementation Agreement sets out a framework for Greencross to propose a scheme of arrangement between itself and Greencross Shareholders under which TPG BidCo will acquire all of the Greencross Shares on issue as at the Scheme Record Date.

Greencross appointed Macquarie Capital (Australia) and Allier Capital as its financial advisers and Clayton Utz as its legal adviser to help coordinate its discussions and negotiations with these parties with a view to maximising Greencross Shareholder value. The parties were given access to information and management presentations in order for them to develop their proposals and as a result, a number of these parties submitted indicative, incomplete, confidential and non-binding proposals covering a range of transaction types.

Having carefully considered TPG BidCo's proposal and the merits of the alternatives, the Greencross Directors unanimously recommend that Greencross Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the Greencross Shareholders. Subject to those same qualifications, each of the Greencross Directors intend to vote all the Greencross Shares held or controlled by them in favour of the Scheme which collectively represent approximately 6.8%²⁴ of the Greencross Shares currently on issue.

In forming their unanimous recommendation, the Greencross Directors have carefully considered the expected advantages of the Scheme and potential reasons to vote against the Scheme. These considerations are discussed in Section 3.

The key terms of the Scheme Implementation Agreement are summarised in Section 8.1. A full copy of the Scheme Implementation Agreement, as lodged with ASX on 5 November 2018, is enclosed as Appendix C to this Scheme Booklet and may be obtained by calling the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia) or from Greencross' website: <http://www.greencrosslimited.com.au>.

7.2 What will happen under the Scheme?

If the Scheme is approved by Greencross Shareholders and the Court (as discussed in Sections 6.2 and 8) and subject to the satisfaction or waiver of the other Conditions Precedent in accordance with the terms of the Scheme Implementation Agreement, all Greencross Shareholders who hold Greencross Shares as at the Scheme Record Date will participate in the Scheme, whether or not they voted for the Scheme (and even if they did not vote or voted against the Scheme).

If the Scheme becomes Effective:

- TPG BidCo will acquire all of the Scheme Shares;
- each Greencross Shareholder may receive a Special Dividend of up to \$0.21 in relation to each Scheme Share, which Greencross may declare and pay before the Scheme is implemented;
- each Scheme Shareholder will receive the Scheme Consideration in exchange for each Scheme Share held by that Scheme Shareholder; and
- Greencross will be removed from the official list of ASX and will cease to be listed on ASX.

The detailed terms of the Scheme are set out in the Scheme Implementation Agreement and the annexures to it, a copy of which is attached at Appendix C. In support of its obligations to provide or procure the provision of the Scheme Consideration under the Scheme Implementation Agreement, TPG BidCo and HoldCo have executed the Deed Poll in favour of Greencross Shareholders, a copy of which is provided in Annexure B to the Scheme Implementation Agreement, a copy of which is attached at Appendix C.

For the Scheme to proceed, the Scheme Resolution must be approved by the requisite majorities of Greencross Shareholders and the Scheme must be approved by the Court. There are also other Conditions Precedent that need to be satisfied before the Scheme proceeds. The key Conditions Precedent are outlined in Section 8.1a).

²⁴This percentage does not include the Greencross Performance Rights referred to in Section 8.2.

7.3 What you will receive

If the Scheme becomes Effective, each Greencross Shareholder will receive the Scheme Consideration in respect of the Greencross Shares held by them on the Scheme Record Date, as set out below.

a) Cash Consideration

If the Scheme becomes Effective, each Greencross Shareholder (other than those who make a valid Election to receive either of the Mixed Consideration Options) will receive the Cash Consideration of \$5.55 for each Greencross Share held by that Greencross Shareholder as at the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by Greencross. A Greencross Shareholder who receives the Cash Consideration will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share held by that Greencross Shareholder as at the Special Dividend Record Date.

The default form of consideration under the Scheme is the Cash Consideration, which, together with any Special Dividend that may be declared and paid by Greencross before the Scheme is implemented, provides Greencross Shareholders who participate in both the Scheme and the Special Dividend with the opportunity to receive Cash Payments of \$5.55 per Greencross Share for all of their Greencross Shares. Greencross Shareholders do not need to make any Election to receive the Cash Consideration in cash for all of their Greencross Shares.

The payment and amount of the Special Dividend is at the discretion of the Greencross Board. If the Greencross Board does not declare a Special Dividend, or declares a Special Dividend of less than \$0.21 per Greencross Share, the Cash Consideration under the Scheme will be increased by the corresponding amount, such that the Cash Payments received by Greencross Shareholders who participate in both the Special Dividend and the Scheme (other than those who make a valid Election to receive either of the Mixed Consideration Options) will still be \$5.55 cash per Greencross Share in aggregate. For worked examples, see Section 4.4 of this Scheme Booklet. If a Special Dividend is declared and paid, Greencross intends to attach the maximum allowable amount of franking credits to the Special Dividend (that is, 'fully frank' the Special Dividend). Whether a Greencross Shareholder will be able to capture the full benefit of the franking credits in respect of any Special Dividend declared and paid will depend on their individual circumstances.²⁵

b) Mixed Consideration Options

Eligible Greencross Shareholders can make an Election to receive one of the Mixed Consideration Options instead of the Cash Consideration in respect of their Greencross Shares. Under the Mixed Consideration Options, Eligible Greencross Shareholders can make an Election to receive their Scheme Consideration in the form of Mixed Consideration Option 1 or Mixed Consideration Option 2, the details of which are explained below.

In each of Mixed Consideration Option 1 and Mixed Consideration Option 2, the Scrip Consideration will be such number of HoldCo Shares as is equivalent to \$5.55 minus the amount of any Special Dividend that may be declared and paid per Scheme Share, subject to the Minimum Scrip Threshold, the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. Each HoldCo Share issued as Scrip Consideration will be a Class B Share in the capital of HoldCo and issued at a notional issue price of \$1.00 per HoldCo Share.

The Independent Expert has identified a number of factors that Greencross Shareholders should consider before making any election for the Mixed Consideration Options. In particular, Greencross Shareholders should note that the Independent Expert has assessed the current value of the total payments under the Scrip Consideration to be either:

- between \$4.42 and \$4.76 for Mixed Consideration Option 1 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share); or
- between \$3.85 and \$4.36 for Mixed Consideration Option 2 (inclusive of a Special Dividend of up to \$0.21 per Greencross Share).

In both scenarios, the Independent Expert's valuation of the Scrip Consideration is lower than the Independent Expert's valuation range of \$5.05 to \$5.67 for each Greencross Share. It is also lower than the Cash Payments. In determining the value of the Mixed Consideration Options, the Independent Expert has had regard to the value of a Class B Share on a minority interest basis and the lack of marketability of the Class B Shares. While no conclusion has been made in relation to the Mixed Consideration Options, if the Independent Expert had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, the Independent Expert would have concluded that the Scheme is not fair to Greencross Shareholders.

²⁵ Whether a Greencross Shareholder will be able to realise the full benefit of the franking credits will also depend (among other things) on whether a Special Dividend is declared and paid, the value of that Special Dividend, the class ruling issued by the ATO and the circumstances of the Greencross Shareholder. For more information on the Special Dividend see Sections 4.2 and 4.4.

The Greencross Board makes no recommendation in relation to the Mixed Consideration Options, except to note that Eligible Greencross Shareholders who are considering making an Election to receive any of the Mixed Consideration Options should:

- carefully consider the information set out in Section 11.4 relating to the features and risks of HoldCo Shares;
- refer to the Independent Expert's Report and the views expressed therein in relation to the Mixed Consideration Options;
- consider the potential taxation implications under Australian income tax law and foreign tax laws in connection with the Mixed Consideration Options (see the Taxation Report set out in Section 12 for Australian tax implications); and
- obtain appropriate legal, financial, tax or other professional advice about whether an investment in HoldCo Shares is appropriate to their specific circumstances before deciding whether to make an election for the Mixed Consideration Options.

Ultimately, the Greencross Board considers that it is a matter for each Eligible Greencross Shareholder to decide whether or not to make an Election to receive the Mixed Consideration Options, having regard to their individual circumstances, financial situation, tax position, investment objectives and risk profile.

Greencross Shareholders who make a valid Election for the Mixed Consideration Options will only receive some Scheme Consideration in cash, subject to the proportion of Greencross Shares that have been elected to be exchanged for the Cash Consideration under the Scheme.

Greencross Shareholders who receive the Mixed Consideration Options will also receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share they hold as at the Special Dividend Record Date.

7.3.b.1 Mixed Consideration Option 1

Eligible Greencross Shareholders who make a valid Election for the Mixed Consideration Option 1 will receive the Cash Consideration in respect of 50% of their Greencross Shares held on the Scheme Record Date and Scrip Consideration in respect of the remaining 50% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below in Sections 7.3c) and 7.3d).

Mixed Consideration Option 1 is not available to Ineligible Foreign Shareholders or people who become Greencross Shareholders after the Election Date.

There is no assurance that the future value of the HoldCo Shares will be equal to or higher than Cash Consideration.

7.3.b.2 Mixed Consideration Option 2

Eligible Greencross Shareholders who make a valid Election for the Mixed Consideration Option 2 will receive the Cash Consideration in respect of 25% of their Greencross Shares and Scrip Consideration in respect of the remaining 75% of their Greencross Shares held on the Scheme Record Date, subject to the qualifications below in Sections 7.3c) and 7.3d).

Mixed Consideration Option 2 is not available to Ineligible Foreign Shareholders or people who become Greencross Shareholders after the Election Date.

There is no assurance that the future value of the HoldCo Shares will be equal to or higher than the value of the Cash Consideration.

c) Minimum Scrip Threshold

The Mixed Consideration Options will only be available to Scheme Shareholders if the Minimum Scrip Threshold is satisfied. That is, if Elections made would result in Scheme Shareholders holding, in aggregate, at least 1.5% of the total issued capital of HoldCo as at the Implementation Date.

In the event that the Minimum Scrip Threshold is not satisfied, all Scheme Shareholders will receive the Cash Consideration.

d) Scaleback Mechanism

The Mixed Consideration Options are also subject to a pro rata Scaleback Mechanism that may apply depending on the number of Elections made by Eligible Greencross Shareholders to receive the Mixed Consideration Options. Generally speaking, the effect of the Scaleback Mechanism is as follows:

- A scaleback applying to an Eligible Greencross Shareholder who has validly elected the Mixed Consideration Option will mean that instead of exchanging their elected portion of Greencross Shares for HoldCo Shares, some of those Greencross Shares will be acquired under the Scheme and the Greencross Shareholder will receive cash under the Scheme in respect of those Greencross Shares; and
- Each scaleback will be applied on a pro rata basis among those Eligible Greencross Shareholders subject to that scaleback, meaning that if one such Eligible Greencross Shareholder holds twice as many Greencross Shares as another Eligible Greencross Shareholder, then twice as many of the first holder's Greencross Shares will be subject to the scaleback as compared to the other holder.

In this case, the Scaleback Mechanism will apply if Elections made by Eligible Greencross Shareholders would result in Greencross Shareholders holding, in aggregate, more than 15% of the total issued capital of HoldCo on the implementation of the Scheme, being the Maximum Scrip Threshold. In these circumstances, the Scaleback Mechanism will apply to ensure that the total number of Class B Shares issued under the Scheme does not exceed the Maximum Scrip Threshold.

7.3.d.1 Fractional entitlements and rounding

Any entitlement of an Eligible Greencross Shareholder under the Scheme to be provided with a fraction of a HoldCo Share will be:

- rounded up to the nearest whole number if the entitlement is to half a HoldCo Share or more; and
- rounded down to the nearest whole number if the entitlement is to less than half a HoldCo Share.

Any entitlement of a Greencross Shareholder under the Scheme to be provided with a fraction of a cent will be:

- rounded up to the nearest whole cent if the entitlement is to half a cent or more; and
- rounded down to the nearest whole cent if the entitlement is to less than half a cent.

e) HoldCo Shareholders' Deed

Eligible Greencross Shareholders who elect the Mixed Consideration Options and, as a result, receive HoldCo Shares will become parties to the HoldCo Shareholders' Deed. A summary of the HoldCo Shareholders' Deed and a summary of the rights attaching to the HoldCo Shares is set out in Section 10.3d). A copy of the HoldCo Shareholders' Deed is also attached at Appendix D.

f) How to make an Election to receive the Mixed Consideration Options

Eligible Greencross Shareholders can (subject to the conditions outlined above) make an Election to receive Mixed Election Consideration Option 1 or Mixed Consideration Option 2 by completing and returning an Election Form. An Election will only be valid if it is made using an Election Form and is received by the Greencross Registry by no later than the Election Date (currently expected to be 7.00pm on Friday, 25 January 2019).

An Election Form will be sent to Greencross Shareholders with this Scheme Booklet. If required, Greencross Shareholders may contact the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia) on Business Days at any time between 8:30am and 5:30pm on Monday to Friday and request a new Election Form be sent to them.

An Eligible Greencross Shareholder who makes an Election may subsequently vary or withdraw it by lodging a replacement Election Form so that it is received by the Greencross Registry by no later than the Election Date (currently expected to be 7.00pm on Friday, 25 January 2019). The last valid Election Form received by the Greencross Registry before the Election Date will be used to determine the Election made by an Eligible Greencross Shareholder and will apply to the Greencross Shares held by that Eligible Greencross Shareholder on the Scheme Record Date.

Greencross Shareholders who do not submit a valid Election Form to the Greencross Registry, or who submit an Election Form to the Greencross Registry after the Election Date (currently expected to be 7.00pm on Friday, 25 January 2019), will receive the Cash Consideration for all of their Greencross Shares held on the Scheme Record Date.

Greencross Shareholders are Ineligible Greencross Shareholders or become a Greencross Shareholder after the Election Date, will also receive the Cash Consideration for all of their Greencross Shares held on the Scheme Record Date.

Election Forms, duly completed in accordance with the instructions set out in the Election Form, must be returned to the Greencross Registry in the manner described in Section 6.6.

Greencross will announce the results of the Election process to ASX, including whether the Minimum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Tuesday, 29 January 2019.

g) Ineligible Foreign Shareholders

A Greencross Shareholder whose Registered Address is shown on the Greencross Share Register on the Scheme Record Date as a place outside Australia and its external territories will be an Ineligible Foreign Shareholder.

If you are a Greencross Shareholder whose Registered Address as shown in the Greencross Share Register is a place outside Australia or its external territories and you wish to receive either of the Mixed Consideration Options you should contact the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia) to enquire as to whether you may be an Eligible Greencross Shareholder.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive either of the Mixed Consideration Options. If you make an Election to receive either of the Mixed Consideration Options, your Election will be invalid and have no effect, and you will receive the Cash Consideration for all of your Greencross Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the Cash Consideration in respect of all of their Greencross Shares held on the Scheme Record Date if the Scheme becomes Effective.

Ineligible Foreign Shareholders will also be entitled to receive any Special Dividend that may be declared and paid by Greencross in respect of each Greencross Share they hold as at the Special Dividend Record Date.

h) Special Dividend

If a Special Dividend of up to \$0.21 per Greencross Share is declared, it will be paid to all Greencross Shareholders in respect of their Greencross Shares held on the Special Dividend Record Date. The Special Dividend is expected to be fully franked.

Although the exact value of the Special Dividend is not known as at the date of this Scheme Booklet, if Greencross does not declare a Special Dividend, or declares a Special Dividend of less than \$0.21 per Greencross Share, the Cash Consideration will be increased by the corresponding amount, such that the Cash Payments received by Greencross Shareholders who participate in both the Special Dividend and the Scheme (other than those who make a valid Election to receive either of the Mixed Consideration Options) will be \$5.55 per Greencross Share. Similarly, the notional value of the Scrip Consideration will be increased by the corresponding amount, such that the total notional value received by Greencross Shareholders who elect to receive the Mixed Consideration Options and participate in both the Special Dividend and the Scheme will be \$5.55 per Greencross Share. Please refer to the worked examples in Section 4.4 of this Scheme Booklet.

Greencross Shareholder should not the following important points in relation to the Special Dividend:

- if Greencross Shareholders or the Court do not approve the Scheme, the Greencross Board does not intend to declare or pay any Special Dividend;
- the expected Special Dividend Record Date for determining entitlements to participate in any Special Dividend that may be declared and paid by Greencross is currently expected to be 7.00pm on Wednesday, 13 February 2019;
- the Scheme Record Date for determining entitlements to participate in the Scheme is currently expected to be 7.00pm on Friday, 22 February 2019;
- due to the different Special Dividend Record Date and Scheme Record Date, only those persons who are registered as Greencross Shareholders on both the Special Dividend Record Date and Scheme Record Date will be entitled to receive any Special Dividend that may be declared and paid by Greencross and participate in the Scheme;
- acquisitions and disposals of Greencross Shares before or during these key dates may affect your entitlement to receive any Special Dividend that may be declared and paid by Greencross and participate in the Scheme; and
- if the Scheme becomes Effective, any Special Dividend that may be declared and paid by Greencross will be paid on the Special Dividend Payment Date (currently expected to be Wednesday, 20 February 2019).



8.

Implementation of the Scheme

8. Implementation of the Scheme

8.1 Key Terms of the Scheme Implementation Agreement

a) Conditions Precedent

The implementation of the Scheme is subject to the satisfaction or waiver of a number of Conditions Precedent, as set out below:

- **FIRB Approval**

Before 5.00pm on the Business Day before the Second Court Date, the Treasurer has either:

- provided written notice that there is no objection under the *Foreign Acquisition and Takeovers Act 1975 (Cth)* to the Scheme, being either unconditional or subject only to Tax Conditions or conditions which are reasonably acceptable to TPG BidCo; or
- become precluded from exercising any power to make an order under the *Foreign Acquisition and Takeovers Act 1975 (Cth)* in relation to the Scheme.

(**FIRB Approval**).

- **No Material Adverse Change**

No Material Adverse Change occurs or becomes known to Greencross between the date of the Scheme Implementation Agreement, being 5 November 2018 and 8.00am on the Second Court Date.

- **No restraint**

No temporary restraining order, preliminary or permanent injunction or other order being issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order being issued by any Regulatory Authority or any other legal restraint preventing any of the transactions contemplated by the Scheme Implementation Agreement being in effect as at 8.00am on the Second Court Date.

- **Animates JV**

The counterparty to the Animates JV giving (and not withdrawing) its consent in writing to the change of control which will occur as a result of the Scheme either without qualification or on terms and conditions which are acceptable to TPG BidCo, acting reasonably, by 8.00am on the Second Court Date.

- **Greencross Prescribed Occurrences**

No Greencross Prescribed Occurrence occurring or becoming known to TPG BidCo between the date of the Scheme Implementation Agreement, being 5 November 2018 and 8.00 am on the Second Court Date.

- **Greencross Shareholder approval**

Greencross Shareholders approving the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

- **Court approval**

The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.

- **Greencross Warranties**

At all times on and before 8.00am on the Second Court Date, the Greencross Warranties being true and correct in all material respects as at the time they are given.

- **TPG BidCo Warranties**

At all times on and before 8.00am on the Second Court Date, the TPG BidCo Warranties being true and correct as at the time they are given.

- **Employee incentive arrangements**

Greencross having taken all necessary steps by 8.00am on the Second Court Date to ensure that all outstanding Greencross Performance Rights vest or lapse before the Scheme Record Date.

As far as Greencross and TPG BidCo are aware, as at the date of this Scheme Booklet, no circumstances have occurred which are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00am on the Second Court Date. In the event of any material change in status, Greencross will inform Greencross Shareholders of the status of the Conditions Precedent through an announcement to ASX. Details regarding the Conditions Precedent are set out in full in clause 3 of the Scheme Implementation Agreement.

b) Exclusivity

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of TPG BidCo. During the Exclusivity Period, Greencross must not, and must ensure that its Representatives do not (directly or indirectly), except with the prior written consent of TPG BidCo:

- **(No shop)** solicit, invite, initiate or encourage any Competing Proposal or any inquiry, expression of interest, offer, proposal, negotiations or discussions by or with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal;
- **(No talk)** enter into, continue or participate in any negotiations or discussions with, or accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding with any Third Party in relation to, or which may reasonably be expected to lead to, a Competing Proposal;
- **(No diligence)** make available to any Third Party, or permit any Third Party to receive, any non-public information relating to any member of the Greencross Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of a Competing Proposal, or a proposal which may reasonably be expected to lead to a Competing Proposal (including without limitation providing such information for the purposes of the conduct of due diligence investigations in respect of Greencross); or
- communicate any intention to any person to do any of those things.

The obligations in relation to 'no talk' and 'no diligence' as set out above do not prohibit Greencross, its Related Bodies Corporate and their Representatives from undertaking any action in relation to an actual, potential or proposed bona fide Competing Proposal which is or is reasonably likely to be a Superior Proposal in circumstances where the Competing Proposal was not solicited by Greencross and was not otherwise brought about as a result of any breach by Greencross of its exclusivity obligations and the Greencross Board, acting in good faith and after having considered written advice from the Greencross Board's external legal advisers, determines that not undertaking that act would be likely to involve a breach of the Greencross Directors' fiduciary or statutory duties.

Details regarding exclusivity are set out in full in clause 9 of the Scheme Implementation Agreement.

c) Notice of approaches

During the Exclusivity Period, Greencross must promptly notify TPG BidCo in writing as soon as reasonably practicable, and in any event within 24 hours, if it, or any of its Representatives, receives or becomes aware of any:

- approach or proposal, whether written or otherwise, made to Greencross or any of its Representatives in connection with a bona fide Competing Proposal received by Greencross or its Representatives, including the fact that such approach or proposal has been made or Competing Proposal has been received, the identity of the party making the approach or proposal (and if different, details of the proposed bidder or acquirer) and the material terms and conditions of the Competing Proposal; or
- provision by Greencross or any of its Representatives of any non-public information relating to Greencross or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of the person formulating, developing or finalising a current or future bona fide Competing Proposal.

d) Matching right

During the Exclusivity Period, Greencross must procure that none of the Greencross Directors publicly recommend a Competing Proposal, unless Greencross has:

- provided TPG BidCo with the terms and conditions of the Competing Proposal; and
- given TPG BidCo at least two Business Days to provide an offer to Greencross that is more favourable as a whole to Greencross Shareholders than the terms of that Competing Proposal (**TPG BidCo Counter Proposal**).

If the Greencross Directors determine, acting in good faith and having taken advice from its legal and financial advisers, that the terms and conditions of the TPG BidCo Counter Proposal taken as a whole are more favourable to Greencross Shareholders than those of the relevant Competing Proposal, Greencross and TPG BidCo must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the TPG BidCo Counter Proposal.

e) Break Fee

A break fee of \$6,750,000 (excluding GST) (**Break Fee**) may be payable by Greencross to TPG BidCo if:

- during the Exclusivity Period, any of the Greencross Directors withdraws or adversely revises their recommendation to vote in favour of the Scheme, unless:
 - the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Greencross Shareholders; or
 - Greencross is entitled to terminate the Scheme Implementation Agreement in circumstances where TPG BidCo is in material breach of the Scheme Implementation Agreement and fails to remedy that breach within the requisite timeframe and has given TPG BidCo the appropriate termination notice.
- a Competing Proposal is announced or made before the Second Court Date (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, a Third Party or an Associate of that Third Party (i) completes a Superior Proposal; or (ii) acquires a Relevant Interest in more than 50% of the Greencross Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control Greencross or acquires substantially all of the assets of Greencross; or
- TPG BidCo is entitled to terminate the Scheme Implementation Agreement and does terminate the Scheme Implementation Agreement in circumstances where Greencross is in material breach of the Scheme Implementation Agreement and fails to remedy that breach within the requisite timeframe.

Details regarding the Break Fee are set out in full in clause 10 of the Scheme Implementation Agreement.

This fee is strictly compensatory in nature. If payable, this fee is intended to reimburse TPG BidCo for (among other things) fees for legal, financial and other professional advice in planning and implementing the Scheme (excluding success fees).

f) Representation and warranties

Greencross and TPG BidCo have given representations and warranties to each other as to information contained in this Scheme Booklet, and compliance with disclosure and other obligations, and certain other representations and warranties which are customary for a transaction of this nature. The details regarding the representations and warranties are set out in full in clause 12 of the Scheme Implementation Agreement.

g) Termination

Greencross and TPG BidCo may each terminate the Scheme Implementation Agreement if:

- any event occurs which would, or in fact does, prevent a Condition Precedent being satisfied by the date specified for its satisfaction in the Scheme Implementation Agreement and that Condition Precedent is not waived by the party entitled to waive that Condition Precedent in accordance with the Scheme Implementation Agreement and the parties have consulted in good faith to (among other things) determine and agree an alternative method by which the Scheme may proceed and the parties are unable to reach an agreement within 5 Business Days of becoming aware of the relevant occurrence, relevant date or by the End Date (being 6 months after the entry into of the Scheme Implementation Agreement, or such other date as is agreed between Greencross and TPG BidCo). However, a party is not entitled to terminate the Scheme Implementation Agreement if the relevant occurrence or the failure of the Condition Precedent to be satisfied, or of the Scheme to become Effective, arises out of a breach by the terminating party; or
- the other party is in material breach of any clause of this Scheme Implementation Agreement provided that the terminating party is only entitled to terminate if it has given notice to the other party setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist for 5 Business Days (or any shorter period ending at 5.00pm on the day one Business Day before the Second Court Date) from the time such notice is received by the other party.

In addition to the above, Greencross may terminate the Scheme Implementation Agreement if:

- a majority of Greencross Directors publicly change or withdraw their recommendation or voting intention to vote in favour of the Scheme or publicly recommend a Competing Proposal, for any reason, whether or not permitted to do so under the Scheme Implementation Agreement; or
- the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Greencross Shareholders, and does not change or withdraw those statements or recommendations once made.

Details regarding termination are set out in full in clause 14 of the Scheme Implementation Agreement.

8.2 Greencross Performance Rights

a) Background

Greencross Performance Rights have been granted to a number of Greencross executives which have not yet vested or lapsed under the Greencross Long Term Incentive Plans for the periods ending on 30 June 2017, 30 June 2018 and 30 June 2019, subject to the terms of those Greencross Long Term Incentive Plans.

b) The Scheme, Greencross Performance Rights and cash incentives

Under the Scheme Implementation Agreement:

- if the Greencross Board determines to vest the outstanding Greencross Performance Rights under the Greencross Long Term Incentive Plans prior to the Scheme Record Date, those rights will vest and Greencross Shares will be issued and the holders of those Greencross Shares will receive the Scheme Consideration in exchange for their Greencross Shares held on the Scheme Record Date;
- Greencross is required, as at 8.00am on the Second Court Date, to put in place arrangements so that, subject to the Scheme becoming Effective:
 - all Greencross Performance Rights outstanding as at the date of the Scheme Implementation Agreement will either vest or have lapsed before the Scheme Record Date; and
 - the number of Greencross Performance Rights that will vest by no later than the Scheme Record Date will not exceed 1,166,680; and
- Greencross may pay cash incentives to Greencross executives and management, to a maximum total amount of \$1.5 million, without seeking TPG BidCo's consent. These payments are subject to approval by the Greencross Board and are in lieu of any retention payments, transaction bonuses and a portion of the short term incentive payable to executives and management, depending on the full year performance of the company.

8.3 Key steps to implement the Scheme

a) Deed Poll

On 18 December 2018, TPG BidCo and HoldCo executed the Deed Poll (a copy of which is attached to the Scheme Implementation Agreement as Annexure B) pursuant to which TPG BidCo and HoldCo agreed, subject to the Scheme becoming Effective, to comply with its obligations under the Scheme. A copy of the Deed Poll is provided in Annexure B to the Scheme Implementation Agreement, a copy of which is attached at Appendix C.

b) Court Hearings

On Wednesday, 19 December 2018, the Court ordered that Greencross convene the Scheme Meeting for the purposes of considering the Scheme. The Scheme Meeting is currently expected to be held at Northside Conference Centre, Cnr Oxley St & Pole Ln, Crows Nest, New South Wales on Wednesday, 6 February 2019, commencing at 10.00am. The order of the Court convening the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

If the Scheme is approved by the requisite majorities of Greencross Shareholders at the Scheme Meeting, Greencross will apply to the Court (on the Second Court Date) for an order approving the Scheme. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the requisite majorities of Greencross Shareholders. The Second Court Date is currently expected to be held on Monday, 11 February 2019, though a different date may be sought.

c) Actions by Greencross and TPG BidCo

If the Court order approving the Scheme is obtained, the directors of each of Greencross and TPG BidCo will take or procure the taking of the steps required for the Scheme to be implemented.

In particular, Greencross will lodge with ASIC copies of the Court order under section 411 of the Corporations Act, approving the Scheme and the Scheme will become Effective. This is expected to occur following the Second Court Hearing on the Second Court Date.

d) Suspension of trading of Greencross Shares

If the Court approves the Scheme, it is expected that the suspension of trading in Greencross Shares will occur from the close of trading on ASX on the Effective Date (currently expected to be Monday, 11 February 2019).

e) Determination of who is entitled to receive the Special Dividend

If a Special Dividend is declared and paid by Greencross, Greencross Shareholders who are on the Greencross Share Register on the Special Dividend Record Date (currently expected to be Wednesday, 13 February 2019), will be entitled to receive the Special Dividend. The Special Dividend will only be paid if the Scheme becomes Effective.

f) Determination of who are Scheme Shareholders

For the purposes of establishing the identity of Scheme Shareholders, dealings in Greencross Shares will be recognised by Greencross if:

- in the case of dealings of the type to be effected on CHES, the transferee is registered in the Greencross Share Register as the holder of the relevant Greencross Shares on or before 7.00pm on the Scheme Record Date; and
- in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the Greencross Share Register is kept and registered by 7.00pm on the Scheme Record Date,

and Greencross will not accept for registration, or recognise for the purpose of establishing who are Scheme Shareholders, any transmission application or transfer in respect of Greencross Shares received after such times on the Scheme Record Date.

Greencross will, until the Scheme Consideration has been paid and TPG BidCo has been entered in the Greencross Share Register as the holder of all of the Scheme Shares, maintain the Greencross Share Register on this basis and the Greencross Share Register in this form, and the terms of the Scheme will solely determine entitlements to the Scheme Consideration.

g) Provision of Aggregate Cash Consideration

If the Scheme becomes Effective, by no later than 12 noon on the Implementation Date, TPG BidCo must deposit, or procure the deposit of, an amount in cleared funds at least equal to the Aggregate Cash Consideration into a trust account operated by or on behalf of Greencross, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will be to TPG BidCo's account.

Within 5 Business Days after the Implementation Date, subject to the funds having been deposited by TPG BidCo in the manner described in the previous paragraph, Greencross will pay to each Scheme Shareholder the amount of the Cash Consideration which that Scheme Shareholder is entitled to receive for each Scheme Share registered in the name of that Scheme Shareholder as at the Scheme Record Date by:

- sending (or procuring the Greencross Registry to send) that amount to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the trust account referred to above; and
- if the Scheme Shareholder has a payment direction (including a direction used for the payment of dividends) for a bank account with any Australian ADI recorded in the Greencross Share Register on the Record Date, depositing (or procuring the Greencross Registry to deposit) that amount into that account.

If any cheque issued to a Scheme Shareholder in the manner set out above is returned to Greencross or has not otherwise been presented for payment within six months after the date on which the cheque was sent, then Greencross may cancel that cheque, provided that, during the period of one year commencing on the Implementation Date, on request from the Scheme Shareholder, Greencross must reissue the cheque that was previously cancelled in the manner described in this paragraph.

If there is any surplus in the amount held by Greencross in the trust account, that surplus must be repaid by Greencross to TPG BidCo once Greencross has otherwise satisfied its obligations in respect of the provision of the Cash Consideration.

In the event that a cheque is sent to the Scheme Shareholder's Registered Address by Greencross and returned to the sender and that Scheme Shareholder does not have a payment direction for an account, or a deposit into such an account is rejected or refunded, Greencross may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Greencross to be held on trust by Greencross for the Scheme Shareholder until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation (except that any interest accruing on the amount will be for the account of TPG BidCo after the deduction of any costs, expenses or applicable taxes). An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Greencross must maintain records of the amount paid, the people who are entitled to the amounts and any transfer of the amounts.

If any amount is required under any law or by any government or any governmental, semi-governmental or judicial entity or authority to be withheld from an amount payable to a Scheme Shareholder and paid to that entity, or retained by Greencross out of an amount payable to a Scheme Shareholder, its payment or retention by Greencross (or the Greencross Registry) will constitute the full discharge of Greencross' obligations in respect of the provision of the Cash Consideration, until in the case of any amount that is required to be retained, that amount is no longer required to be retained.

h) Provision of the Aggregate Scrip Consideration

If the Scheme becomes Effective, by no later than 12 noon on the Implementation Date, TPG BidCo or HoldCo must provide, or procure the provision of, the Aggregate Scrip Consideration to Scheme Shareholders in accordance with the Scheme, by:

- issuing to each applicable Scheme Shareholder the number of HoldCo Shares the Scheme Shareholder is entitled to receive in accordance with the terms of the Scheme and the Election of that Scheme Shareholder; and
- procuring that the name and address of each such Scheme Shareholder is entered into the HoldCo Share Register on the Implementation Date in respect of the HoldCo Shares to which it is entitled under the Scheme (either directly or through a custodian as contemplated in the HoldCo Shareholders' Deed).

HoldCo may elect that a Scheme Shareholder who receives Scrip Consideration pursuant to this Scheme will have those HoldCo Shares registered in the name of a custodian nominated by HoldCo in accordance with the terms of a custody agreement as specified by HoldCo where:

- the allotment of the Aggregate Scrip Consideration would otherwise result in there being more than 50 registered shareholders in HoldCo; or
- subject to the consent of Target (not to be unreasonably withheld or delayed), the allotment of the Aggregate Scrip Consideration would result in there being less than 50 registered shareholders in HoldCo.

Within 5 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) representing or stating, as applicable, the number of HoldCo Shares issued to the Scheme Shareholder, must be sent by HoldCo to the Registered Address of each Scheme Shareholder who receives HoldCo Shares pursuant to the Scheme.

i) Greencross Shares held in joint names

In the case of Greencross Shares that are held by Scheme Shareholders in joint names:

- any HoldCo Shares comprised in the Scheme Consideration are to be registered in the names of the joint holders;
- any cheque required to be paid to Scheme Shareholders will be made payable to the joint holders of those Greencross Shares and sent at the sole discretion of Greencross, either to the holder whose name appears first in the Greencross Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account, in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
- any other document required to be sent under this Scheme will be forwarded at the sole discretion of Greencross, either to the holder whose name appears first in the Greencross Share Register as at the Record Date or to the joint holders.

j) Implementation Date

If the Scheme becomes Effective, it will be implemented on the Implementation Date (currently expected to be Wednesday, 27 February 2019). On that date, all Greencross Shares will be transferred to TPG BidCo, subject to the payment of the Scheme Consideration in the manner described above.

k) Warranty by Greencross Shareholders

If the Scheme is implemented, each Scheme Shareholder is deemed to have warranted to Greencross and TPG BidCo, and appointed and authorised Greencross as its attorney and agent to warrant to TPG BidCo, that their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, on the date of their transfer to TPG BidCo, be transferred fully paid and free from all Encumbrances and third party rights or interests of any kind and that they have full power and capacity to sell and to transfer those Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to TPG BidCo. Each Scheme Shareholder is also deemed to have warranted to Greencross and TPG BidCo, and appointed and authorised Greencross as its attorney and agent to warrant to TPG BidCo, that they have no existing right to be issued any Greencross Shares, options exercisable into Greencross Shares, Greencross Performance Rights, Greencross convertible notes or any other form of Greencross securities, other than in the case any Scheme Shareholder who is also a holder of Greencross Performance Rights, the right to be issued Greencross Shares on the vesting of those Greencross Performance Rights (if applicable) before the Scheme Record Date in accordance with their terms.

l) Delisting of Greencross

It is intended that, on the day immediately following the Implementation Date (or shortly thereafter), Greencross will be removed from the official list of ASX and will cease to be listed on ASX.



9.

Information about Greencross

9. Information about Greencross

9.1 Overview of Greencross

Greencross is one of Australasia’s leading integrated pet care companies.

With over 250 retail stores, operating under the brand names of Petbarn and City Farmers in Australia and Animates in New Zealand, Greencross is Australasia’s leading specialty pet care retailer. In addition to selling pet food and accessories, Greencross provides its customers with access to a wide range of pet services including grooming, dog washing, pet insurance, puppy training, pet minding and pet adoption.

As well as selling pet food and accessories through its store network, Greencross has a fast-growing online business which enables its customers to order online and have products delivered to their home or to pick up in store using click and collect.

Greencross also owns and operates the largest network of veterinary practices in Australasia with more than 160 general practice veterinary clinics (including 56 in-store vet clinics) and over 30 specialist and emergency hospitals.

Greencross employs over 5,100 people across Australia and New Zealand.

A brief history of Greencross is set out below.

Figure 2 – History of Greencross

Year	Highlight
2006	<ul style="list-style-type: none">• Mammoth Pet Holdings Pty Limited (“Mammoth”) founded by Jeff David and Paul Wilson• Mammoth acquires 10 original Petbarn stores
2007	<ul style="list-style-type: none">• Greencross admitted to official list of ASX• Mammoth acquires 51% interest in Animates (NZ) in joint venture with EBOS Group Limited
2009	<ul style="list-style-type: none">• Petbarn opens its 50th retail store
2011	<ul style="list-style-type: none">• Greencross opens its 50th clinic
2013	<ul style="list-style-type: none">• Merger of Greencross and Mammoth announced• Greencross opens its 100th clinic• Petbarn opens its 100th retail store
2014	<ul style="list-style-type: none">• Merger of Greencross and Mammoth completed• Greencross completes acquisition of City Farmers, bringing total number of retail stores to over 175• Greencross admitted to S&P/ASX 200 index
2015	<ul style="list-style-type: none">• Greencross opens 200th retail store• Greencross enters into joint venture with Animal Referral Hospital• Greencross enters New Zealand veterinary services market
2016	<ul style="list-style-type: none">• Greencross opens its 150th clinic
2017	<ul style="list-style-type: none">• Greencross expanded its store and clinic network to over 400
2018	<ul style="list-style-type: none">• Greencross opens its 50th in-store clinic• 1.9 million active “Friends for Life” members across Australia and New Zealand• “Healthy Pets Plus” reaches 60,000 members

a) Operations

Greencross is organised into three reportable segments:

- Retail: Sale of specialty pet care products and services in Australia;
- Veterinary: Provision of veterinary services and sale of pet care products in Australia; and
- New Zealand: Sale of specialty pet care products and veterinary services in New Zealand.

Figure 3 – Historical segment revenue

Operating revenue by segment (A\$ million)	FY17	FY18
Australian retail	505.2	532.3
Australian veterinary	214.4	240.8
New Zealand	98.0	105.6
Total operating revenue	817.5	878.7

a) Retail

Greencross' retail business operates under the following brands:

Figure 4 – Greencross' retail brands

Petbarn		<ul style="list-style-type: none">• Petbarn is the leading specialty pet care retailer in Australia, operating over 170 stores.
Animates		<ul style="list-style-type: none">• Animates is a leading specialty pet care retailer in New Zealand, operating over 40 stores. Greencross holds a 50% interest in Animates through a joint venture with EBOS Group Limited, a NZX listed health care and animal care provider.
City Farmers		<ul style="list-style-type: none">• City Farmers is a leading speciality pet care retailer in Western Australia, operating over 30 stores.

b) Veterinary services

Greencross' veterinary services operations include:

- general practices consisting of veterinary practices that offer consultations and associated diagnostics capabilities and general practice medical and surgical treatment options;
- emergency centres providing full animal hospital facilities for after-hours care and treatment of sick pets; and
- specialist centres providing veterinary care across a number of specialist services including medicine, surgery, pathology, oncology, dermatology, chemotherapy and radiology.

Greencross' veterinary services business operates under the following brands.

Figure 5 – Greencross’ veterinary services brands

Greencross Vets		<ul style="list-style-type: none"> • Greencross Vets is the largest veterinary services provider in Australia, operating over 140 general practice clinics (including over 40 in-store clinics).
Vepalabs		<ul style="list-style-type: none"> • Vepalabs provides point of care diagnostics equipment and servicing to veterinary clinics around Australia.
AEC – Animal Emergency Centre*		<ul style="list-style-type: none"> • The Animal Emergency Centre at Mount has over 100 dedicated veterinarians and veterinary nurses.
Pets Eternal		<ul style="list-style-type: none"> • Pets Eternal provide pet cremations, exhumations, memorial services, burials and grief support from two locations in Brisbane and the Gold Coast.
Adelaide Veterinary Specialist and Referral Centre*		<ul style="list-style-type: none"> • The Adelaide Veterinary Specialist and Referral Centre provides multidisciplinary medical services for small animals.
Melbourne Veterinary Specialist Centre*		<ul style="list-style-type: none"> • The Melbourne Veterinary Specialist Centre is one of Australia’s leading providers of advanced multidisciplinary medical services for animals.
Veterinary Referral Hospital*		<ul style="list-style-type: none"> • The Veterinary Referral Hospital care for those pets with severe, complex or prolonged conditions which require specialized equipment or expertise beyond that which can be provided in general vet clinics.
Animal Referral Hospital*		<ul style="list-style-type: none"> • The Animal Referral Hospital has eight clinics across Australia providing emergency and specialist services to pets.
Animates Vetcare		<ul style="list-style-type: none"> • Animates Vetcare operates 18 vet clinics in New Zealand.

* These brands relate to joint venture arrangements to which Greencross is party.

b) Strategic priorities

Greencross has five strategic priorities to:

1. expand its integrated pet care model;
2. invest in personalisation and omni to leverage its loyalty data and customer intimacy;
3. differentiate its retail offering to deliver a unique customer experience;
4. improved vet operational performance, including delivering a future model offering improved customer service and convenience; and
5. focus on service excellence across all parts of the business.

9.2 Greencross Board and senior management

a) Greencross Board

The Greencross Board comprises the following Directors:

- Stuart James – Non-Executive Director and Chairman
- Simon Hickey – Managing Director and Chief Executive Officer
- Christina Boyce – Non-Executive Director
- Rebekah Horne – Non-Executive Director
- Chris Knoblanche AM – Non-Executive Director
- Dr Glen Richards – Non-Executive Director
- Paul Wilson – Non-Executive Director

b) Executive leadership team

Members of Greencross' executive leadership team are:

- Simon Hickey – Managing Director and Chief Executive Officer
- Lucas Barry – Chief Financial Officer
- Richard Bowker – Chief Merchant
- Dr Rachel Chay – Chief Veterinary Officer
- Chris Gava – Chief Information Officer
- Tanya Houghton – Chief Operating Officer
- Vincent Pollaers – Chief Human Resources Officer, General Counsel and Company Secretary
- Tania Whyte – Chief Customer Officer

9.3 Capital structure

As at the date of this Scheme Booklet, the capital structure of Greencross is as follows:

Type of security	Number on issue
Fully paid ordinary Greencross Shares	120,463,450
Unlisted Greencross Performance Rights	1,166,680

9.4 Recent share price history

Greencross Shares are listed on ASX under the code 'GXL'.

On 9 October 2018, the last trading day before the announcement made by Greencross to ASX on 10 October 2018 that it was assessing indicative, incomplete, confidential and non-binding proposals covering a number of transaction types, the Greencross share price closed at \$4.14. On 5 November 2018, the day of the announcement of Greencross' entry into the Scheme Implementation Agreement, the Greencross share price closed at \$5.40. From the day after the announcement of the Scheme to the last trading day before the date of this Scheme Booklet, the closing price of Greencross Shares has ranged between \$5.26 and \$5.50.

During the three months ending 9 October 2018:

- the highest recorded daily closing price for Greencross Shares on ASX was \$4.54 on 10 July 2018; and
- the lowest recorded daily closing price for Greencross Shares on ASX was \$3.60 on 20 September 2018.

Figure 6 – Greencross closing share price over the last 24 months



Source: IRESS, Greencross Shares traded on ASX.

9.5 Greencross substantial shareholders

As extracted from filings released on ASX, in each case prior to the last practicable trading day prior to the date of this Scheme Booklet, the following persons were substantial holders who hold 5% or more of Greencross Shares:

Greencross Shareholder	Number of Greencross Shares	Voting power
Lazard Asset Management Pacific Co.	14,115,893	11.7%
Connor, Clark & Lunn Financial Group Ltd. and its controlled entities including Global Alpha Capital Management Ltd.	12,351,041	10.3%

9.6 Historical financial information

The following section contains historical financial information about the consolidated entity consisting of Greencross and the entities it controlled at the end of, or during, the periods ended 2 July 2017 and 1 July 2018. The financial information in this section is a summary only and prepared for the purpose of this Scheme Booklet. It does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. The information has been extracted from the audited financial reports of Greencross for the periods ended 2 July 2017 and 1 July 2018.

Further detail on Greencross' financial performance and financial statements for the year ended 1 July 2018 as announced to ASX on 20 August 2018 can be found in the annual report for the financial year ended 1 July 2018 that is available on the Greencross website at <http://www.greencrosslimited.com.au>.

a) Greencross consolidated income statement

The audited historical consolidated income statement for the periods ended 2 July 2017 and 1 July 2018 are summarised below.

	For the period ended 2 July 2017	For the period ended 1 July 2018
	53 weeks \$'000s	52 weeks \$'000s
Revenue		
Revenue from external customers	817,496	878,734
Interest income	392	192
Expenses		
Cost of sales of goods	(364,509)	(383,989)
Employee benefits expense	(212,926)	(257,525)
Depreciation and amortisation expense	(23,140)	(27,928)
Marketing costs	(12,676)	(12,697)
Occupancy costs	(88,782)	(92,097)
Administration costs	(37,073)	(43,174)
Impairment of assets	–	(13,034)
Acquisition costs	(1,751)	(1,412)
Finance costs	(14,264)	(14,411)
Profit before income tax expense	62,767	32,659
Income tax expense	(15,419)	(8,696)
Profit after income tax expense for the period	47,348	23,963
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in the fair value of cash flow hedges taken to equity, net of tax	904	144
Foreign currency translation	(128)	641
Other comprehensive income for the period, net of tax	776	785
Total comprehensive income for the period	48,124	24,748
<i>Profit for the period is attributable to:</i>		
Non-controlling interest	5,293	3,306
Owners of Greencross Limited	42,055	20,657
	47,348	23,963
<i>Total comprehensive income for the period is attributable to:</i>		
Non-controlling interest	5,293	3,306
Owners of Greencross Limited	42,831	21,442
	48,124	24,748
Earnings per share		
Basic earnings per share	36.21	17.52
Diluted earnings per share	35.92	17.44

b) Greencross reconciliation of underlying to statutory results

The table below presents an underlying profit and loss statement for Greencross after removing the impact of exceptional costs from each cost type. The removal of the exceptional costs for each cost type improves comparability of results because they relate to costs which have not been incurred in the normal course of business and are of a non-recurring nature.

Reconciliation of underlying to statutory results	For the period ended 2 July 2017		For the period ended 1 July 2018	
	EBITDA \$'000's	NPAT ²⁶ \$'000's	EBITDA \$'000's	NPAT \$'000's
Statutory	99,779	42,055	74,806	20,657
Add back: acquisitions & defence costs	1,803	1,298	1,412	988
Impairment of projects	–	–	10,723	7,440
Provision for slow moving inventory	750	540	3,025	2,118
Redundancy and restructuring costs	1,898	1,367	2,734	1,914
Impairment of investments, store assets, store network and incidental provisions	–	–	4,881	3,344
Changes to effective life of intangible assets ²⁷	–	–	–	728
Tax loss recognition	–	(1,876)	–	–
Effective tax rate adjustment	–	(387)	–	–
Total adjustments	4,451	942	22,775²⁸	16,533
Underlying	104,230	42,997	97,581	37,190

²⁶ NPAT attributable to shareholders of Greencross.

²⁷ Represents after tax impact of accelerated depreciation due to reassessment of intangible software asset useful lives of \$1.0 million.

²⁸ Total exceptional items of \$24.2 million, of which \$22.8 million are related to items in EBITDA and \$1.4 million of depreciation.

c) Greencross consolidated statement of cash flows

The audited historical consolidated statement of cash flows for the periods ended 2 July 2017 and 1 July 2018 are summarised below.

	For the period ended 2 July 2017	For the period ended 1 July 2018
	53 weeks \$'000s	52 weeks \$'000s
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	899,917	967,686
Payments to suppliers and employees (inclusive of GST)	(802,303)	(874,755)
Interest received	392	192
Interest and other finance costs paid	(11,027)	(12,788)
Acquisition costs	(1,751)	(1,412)
Income taxes paid	(10,241)	(13,310)
Net cash from operating activities	74,987	65,613
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(17,609)	(13,043)
Payments for property, plant and equipment	(45,639)	(44,791)
Payments for intangibles	(13,418)	(16,744)
Net cash used in investing activities	(76,666)	(74,578)
Cash flows from financing activities		
Share issue transaction costs	(98)	–
Proceeds from borrowings	–	22,000
Repayment of borrowings	(737)	(13,290)
Refinance costs	(41)	(170)
Repayment of finance leases	(322)	(250)
Dividends paid	–	(11,190)
Dividends paid to non-controlling interests in subsidiaries	(2,023)	–
Net cash used in financing activities	(3,221)	(2,900)
Net decrease in cash and cash equivalents	(4,900)	(11,865)
Cash and cash equivalents at the beginning of the financial period	62,583	57,683
Cash and cash equivalents at the end of the financial period	57,683	45,818

d) Greencross consolidated balance sheet

The audited consolidated balance sheets as at 2 July 2017 and 1 July 2018 are summarised below.

	As at 2 July 2017 \$'000s	As at 1 July 2018 \$'000s
Assets		
Current assets		
Cash and cash equivalents	57,683	45,818
Trade and other receivables	11,545	12,719
Inventories	97,503	98,094
Other	2,187	4,215
Total current assets	168,918	160,846
Non-current assets		
Other financial assets	785	165
Property, plant and equipment	187,783	211,654
Intangibles	578,374	596,116
Deferred tax	7,296	7,942
Total non-current assets	774,238	815,877
Total assets	943,156	976,723
Liabilities		
Current liabilities		
Trade and other payables	100,752	104,564
Borrowings	679	11,572
Current tax liabilities	6,963	1,106
Provisions	21,739	25,435
Total current liabilities	130,133	142,677
Non-current liabilities		
Borrowings	292,535	302,416
Derivative financial instruments	194	129
Provisions	21,501	20,516
Total non-current liabilities	314,230	323,061
Total liabilities	444,363	465,738
Equity		
Contributed equity	552,328	564,103
Reserves	2,776	2,045
Accumulated losses	(79,178)	(81,490)
Equity attributable to the owners of Greencross Limited	475,926	484,658
Non-controlling interest	22,867	26,327
Total equity	498,793	510,985

9.7 Material changes to Greencross' financial position since 1 July 2018

Other than:

- payment of a 100% franked interim dividend of \$0.055 per Greencross Share on 12 October 2018;
- the accumulation of earnings in the ordinary course of trading;
- as at 2 December 2018, Greencross' net debt was \$295.7 million;
- as disclosed in this Scheme Booklet or as otherwise disclosed to ASX by Greencross; and
- in accordance with generally known market conditions,

within the knowledge of the Greencross Directors and other than as disclosed in this Scheme Booklet or announced to ASX, the financial position of Greencross has not materially changed since 1 July 2018, being the date of Greencross' financial report for the year ended 1 July 2018.

9.8 Greencross Directors' intentions for the business

The Corporations Act requires a statement by the Greencross Directors of their intentions regarding Greencross' business. If the Scheme is implemented, the existing Greencross Directors will resign and the Greencross Board will be reconstituted in accordance with the instructions of TPG BidCo after the Implementation Date. Accordingly it is not possible for the Greencross Directors to provide a statement of their intentions after the Scheme is implemented regarding:

- the continuation of the business of Greencross;
- any major changes, if any, to be made to the business of Greencross; and
- the future employment of the present management of Greencross.

If the Scheme is implemented, TPG BidCo will have 100% control of Greencross. The current intentions of TPG BidCo with respect to these matters are set out in Section 10.

If the Scheme is not implemented, the Greencross Directors intend to continue to operate the business of Greencross in the ordinary course of the business. However, the Greencross Directors note that the leverage and gearing ratios of Greencross exceed listed peers in retail and veterinary sectors. If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed. This may result in further downward pressure on the share price.

9.9 Publicly available information on Greencross

As a company listed on ASX and a disclosing entity under the Corporations Act, Greencross is subject to regular reporting and disclosure obligations. Broadly, these require Greencross to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information. ASX maintains files containing publicly disclosed information about all companies listed on ASX. Information disclosed to ASX by Greencross is available on ASX's website at www.asx.com.au. Further announcements concerning developments at Greencross will continue to be made available on this website after the date of this Scheme Booklet.

Greencross is required to prepare and lodge with ASIC and ASX both annual and half yearly financial statements accompanied by a statement and report from the Greencross Directors and an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the Greencross website at <http://www.greencrosslimited.com.au>.

Greencross Shareholders may also obtain copies of the Greencross annual report for the financial year ended 1 July 2018 free of charge by calling the Greencross Shareholder Information Line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia).



10.

Information about TPG BidCo and HoldCo

10. Information about TPG BidCo and HoldCo

This Section 10 has been prepared by TPG BidCo. The information concerning TPG, TPG BidCo, HoldCo and the intentions, views and opinions contained in this Section 10 are the responsibility of TPG BidCo.

10.1 Overview of TPG

TPG is a global private investment firm founded in 1992 which invests in companies across a broad range of industries and geographies, and its investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit and public equity. As at 30 September 2018, TPG has more than US\$100 billion of assets under management worldwide.

Investment funds managed by TPG have made a number of investments in the pet sector, including the following:

Investment	Details of business	Details of TPG's (or funds that it advises and manages) investment
Mammoth Pet Holdings Pty Limited	<ul style="list-style-type: none"> A specialty pet care retailer in Australasia, operating under the Petbarn and Animates brands in Australia and New Zealand respectively. Comprised of 133 stores at the time of its merger with Greencross Limited in 2014. 	<ul style="list-style-type: none"> This investment was held between 2010 and 2014. TPG owned a 34% equity interest immediately prior to its merger with Greencross Limited.
Petco Animal Supplies, Inc.	<ul style="list-style-type: none"> A pet specialty retailer with over 1,400 locations across the United States, Mexico and Puerto Rico at the time of TPG's most recent divestment in 2015. 	<ul style="list-style-type: none"> TPG's first investment was held between 2000 and 2004, and its second investment was held between 2006 and 2015. In both instances, TPG's investment was made alongside a group of other investors.
Independent Pet Partners Holdings, LLC	<ul style="list-style-type: none"> A network of independent pet retail brands with over 75 locations across the United States. 	<ul style="list-style-type: none"> TPG acquired a majority equity interest in the business in 2017. At the date of this Scheme Booklet, TPG continues to be an investor in the business.

More broadly, TPG has completed a number of investments in Australia including:

- Novotech, Australia's largest independent provider of clinical trials for new drugs;
- Ingham's, a national, vertically integrated poultry producer in Australia and New Zealand;
- Healthscope, a leading Australian private healthcare operator;
- Myer, a leader in Australian retailing and one of the country's largest department store groups; and
- Cushman & Wakefield, a global leader in commercial real estate services which was formed through a merger with DTZ, a leading provider of property and facilities management services carved out of the Australian conglomerate UGL.

The TPG Shareholders are entities managed/advised by funds known as the **TPG Asia VII Funds** and the **TPG Growth IV Fund** (and their respective general partners). The limited partnerships which comprise the TPG Asia VII Fund and the TPG Growth IV Fund will be indirectly participating in the Scheme and have an ownership interest in the TPG BidCo Group through the TPG Shareholders. More information in relation to TPG can be found at <https://www.tpg.com/>.

10.2 Overview of TPG BidCo Group

a) TPG BidCo

10.2.a.1 General overview

TPG BidCo is a wholly owned subsidiary of MidCo, and MidCo is in turn is a wholly owned subsidiary of HoldCo. TPG BidCo is an Australian proprietary company incorporated on 15 June 2018 for the purposes of acquiring all of the Greencross Shares. Other than entry into the Scheme Implementation Agreement and associated documentation and taking any steps contemplated by those documents, a liability in relation to the convertible loan note described in Section 10.2.c.2, the Swap as outlined in Section 10.2.a.2 and ancillary arrangements associated with the Swap, TPG BidCo has no trading history, assets or liabilities. All of the shares in TPG BidCo are held by MidCo (which will remain the same on and from the Implementation Date).

As at the date of this Scheme Booklet, the directors of TPG BidCo are the same as the directors of HoldCo, being Mr Joel Thickins, Mr Malcolm Jackson (from 1 January 2019), Mr Ken Murphy and Mr Michael LaGatta (described in detail at Section 10.2.c.3).

10.2.a.2 Swap

TPG BidCo's only asset is a total return cash settled equity swap with Credit Suisse AG, Singapore Branch (**Swap**) which, as at the date of this Scheme Booklet, relates to 5,688,243 Greencross Shares, representing an economic interest in 4.7% of the issued capital of Greencross. The Swap is still outstanding for the full quantum. Being a cash settled instrument, it does not provide TPG BidCo with the right to require physical settlement of the Swap. As at the date of this Scheme Booklet, TPG BidCo has not entered into any agreement, arrangement or understanding with the Swap counterparty or any other person in relation to physical settlement of the Swap. Prior to the Implementation Date, TPG BidCo may seek to terminate or settle the Swap in accordance with its terms.

b) MidCo

MidCo is an Australian proprietary company incorporated on 23 November 2018 and became the holder of all of the shares in TPG BidCo on 23 November 2018. MidCo has no trading history, assets or liabilities. All of the shares in MidCo are held by HoldCo (which will remain the same on and from the Implementation Date).

As at the date of this Scheme Booklet, the directors of TPG BidCo Mr Joel Thickins, Mr Ken Murphy and Mr Michael LaGatta (described in detail at Section 10.2.c.3).

c) HoldCo

10.2.c.1 General overview

HoldCo is an unlisted Australian proprietary company incorporated on 15 June 2018 for the purposes of holding all of the shares in MidCo, issuing Class A Shares to the TPG Shareholders and issuing the Scrip Consideration to those eligible Greencross Shareholders who validly elect to receive part of their Scheme Consideration in the form of Class B Shares in accordance with the Scheme. Other than entry into the Scheme Implementation Agreement and associated documentation and taking any steps contemplated by those documents and the issuance of \$24,477,241 of convertible loan notes to TPG Asia VII for the purposes of funding the Swap position, HoldCo has no trading history, assets or liabilities.

It is expected that, post-implementation of the Scheme, the TPG BidCo Group would be a "large proprietary company". Pursuant to section 292(1) of the Corporations Act the TPG BidCo Group would be required to prepare an audited financial report and a directors' report in accordance with Chapter 2M of the Corporations Act and must lodge those reports with ASIC within four months of the financial year end (as required by section 315(4) of the Corporations Act). Notwithstanding that it is not required to do so under the Corporations Act, the TPG BidCo Group intends to send a copy of these reports to each Class B Shareholder at the address noted on the HoldCo share register (or, if a nominee is appointed, at the address nominated to the nominee), free of charge, following the lodgement of the relevant reports with ASIC.

10.2.c.2 Capital structure

As at the Implementation Date, there will be only Class A Shares on issue in HoldCo and these shares are held by the TPG Shareholders.

Shareholder	Number of Class A Shares
TPG Asia VII	100
TPG Growth IV	1
Total	101

TPG Asia VII also currently holds \$24,477,241 of convertible loan notes in HoldCo which convert into Class A Shares at \$1.00 per Class A Share on the Implementation Date. Further details on the Swap are set out in Section 10.2.a.2.

TPG is in discussions with potential co-investors who may be offered the opportunity to invest in HoldCo alongside the TPG Shareholders (subject to receipt of FIRB approval, if applicable for the particular co-investor). These co-investors are existing and future potential limited partners of TPG in one or more of the TPG Asia VII Funds and TPG Growth IV Fund. As at the date of this Scheme Booklet, the details of any such co-investment have not been finalised. Any co-investment will be passive. Co-investors will be invited to invest either through a TPG-controlled co-investment vehicle which itself would be issued Class A Shares equivalent to the aggregate quantum of any such co-investment, or alternatively through either or both of the TPG Shareholders. No single co-investor will have an economic interest in HoldCo exceeding 10% of the issued capital of HoldCo as at the Implementation Date and the TPG Shareholders will be the majority shareholders in HoldCo.

10.2.c.3 Directors

The initial directors of HoldCo are Mr Joel Thickins, Mr Malcolm Jackson (from 1 January 2019), Mr Ken Murphy and Mr Michael LaGatta. Brief profiles of these current directors are set out below.

HoldCo intends to supplement or replace these directors with additional nominees, pursuant to its right to do so under the HoldCo Shareholders' Deed.

- **Mr Joel Thickins:** Mr Thickins is Head of Australia and New Zealand for TPG. In addition to investing in Australia and New Zealand, he leverages TPG's pan-Asia platform to help consumer branded companies develop growth strategies across the region. Joel has deep experience in leading large and complex cross border transactions, including investments in Accolade Wines and Bradken and the sale of Alinta Energy to Hong Kong conglomerate Chow Tai Fook. Before joining TPG in 2016, Joel served as a director at CHAMP Private Equity, where he oversaw investments in the consumer, industrial, and agricultural services market segments. Prior to CHAMP, Joel was vice-president at Dyno Nobel Limited, where he led acquisitions in China, Europe, and North America. He is currently the chairman of clinical research organisation Novotech and is a board member of ASX listed Ingham's Group Limited. Prior directorships include Accolade Wines, Gerard Lighting, and Centric Wealth.
- **Mr Malcolm Jackson:** Mr Jackson is a Managing Director in Australia and New Zealand for TPG. Prior to joining TPG in 2018, Mr Jackson worked at Blackstone's Tactical Opportunities Group in London and Singapore for 4 years and, before that, at the Royal Bank of Scotland Special Opportunities Fund in London. He has extensive experience investing across financial institutions, infrastructure and healthcare. Most recently, Mr Jackson led Blackstone's investment in non-bank lender La Trobe Financial. His experience also includes investments in Shawbrook Bank, Arrow Global, mortgage businesses Northview Group and Ripon Mortgages, several other UK performing and non-performing loan portfolios and New Zealand retirement village business Arena Living. Mr Jackson will be appointed as a director of HoldCo and TPG BidCo from 1 January 2019.
- **Mr Ken Murphy:** Mr Murphy is a Partner at TPG and the Managing Partner of TPG services and new business operations and is based in Fort Worth, United States. Prior to joining TPG in 2015, Mr Murphy worked at Mount Kellett Capital Management for three years and Goldman Sachs for 23 years. Mr Murphy is a graduate of Baylor University.
- **Mr Michael LaGatta:** Mr LaGatta is General Counsel of TPG Holdings and Deputy General Counsel of TPG. Prior to joining TPG in 2011, Michael was Vice President, Strategy and Marketing at First Solar, a solar project developer and panel manufacturer. Prior to that, Mr LaGatta was an Associate at a law firm in New York, where his practice was focused on M&A and leveraged transactions. Michael graduated from the University of Texas at Austin with a BS in economics, and earned his JD, Magna Cum Laude with order of the Coif Distinction, and his MBA, Summa Cum Laude, from Georgetown University.

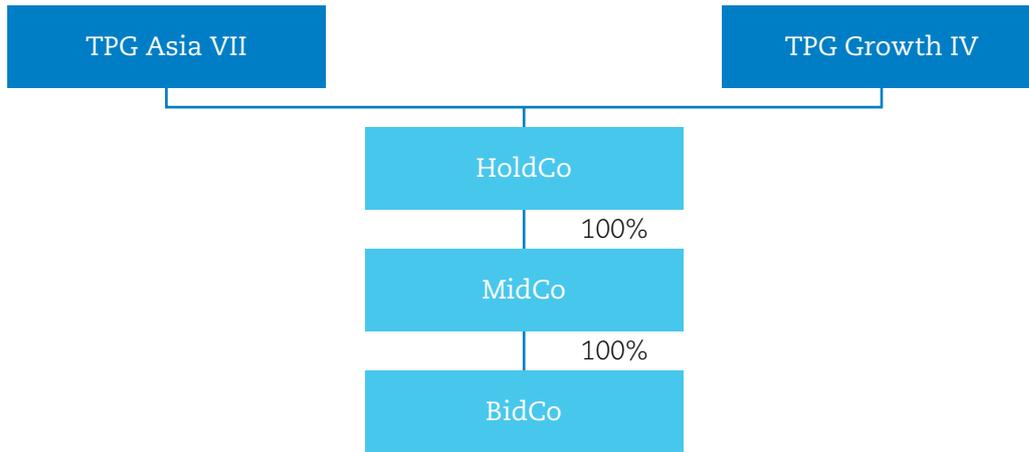
10.2.c.4 Corporate governance

The affairs of HoldCo are regulated under the HoldCo Constitution and HoldCo Shareholders' Deed (set out as Appendix D and Appendix E to this Scheme Booklet). A summary of the rights attaching to Class B Shares under these documents is set out at Section 10.3d) of this Scheme Booklet (although these summaries are not exhaustive and Greencross Shareholders should read these documents in full).

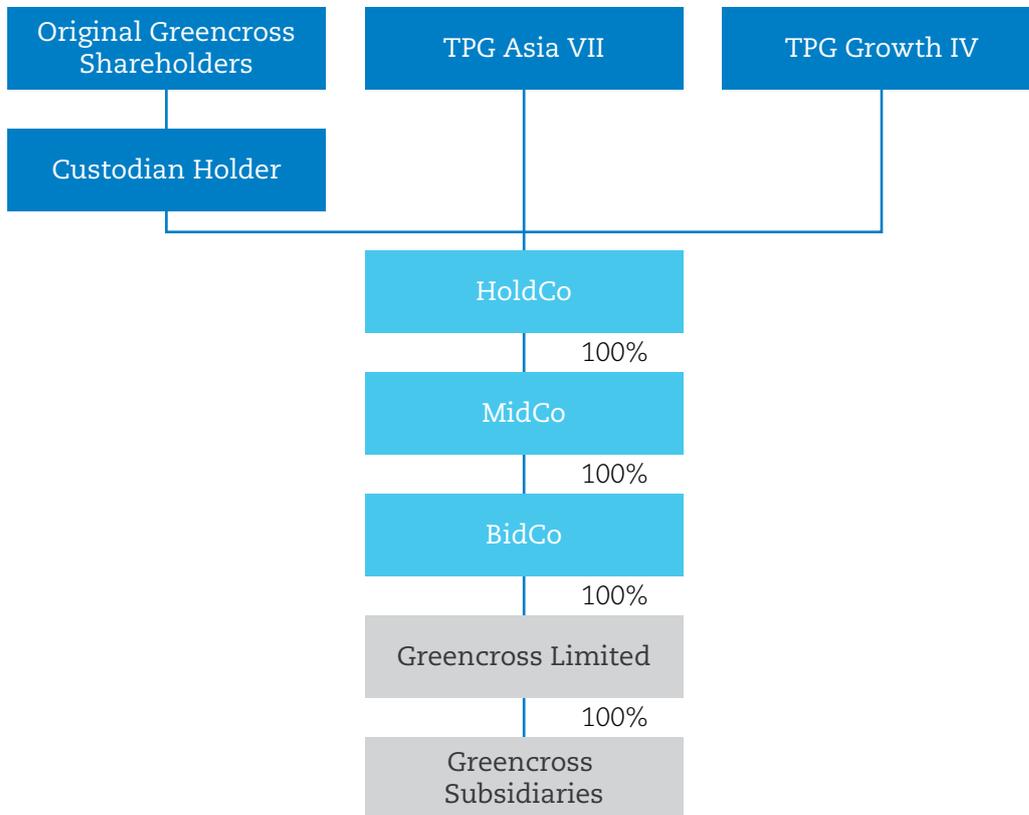
The HoldCo Shares are not granted official quotation on any securities exchange, and for the foreseeable future, will not be granted official quotation on any securities exchange following the Implementation Date. The corporate governance arrangements for HoldCo will differ from those Greencross currently has in place. After the Implementation Date, Greencross is likely to adopt an approach to corporate governance appropriate for a closely held proprietary company limited by shares.

d) TPG BidCo Group structure

Set out below is a current structure diagram of the TPG BidCo Group:



Set out below is an illustrative post-Implementation structure chart for the TPG BidCo Group:



The TPG Shareholders will subscribe for Class A Shares in HoldCo to partially fund the Cash Consideration and other amounts (with the remainder of the Cash Consideration and other amounts being funded through the Syndicated Facilities). Detailed information in relation to equity and debt funding is set out in Section 10.4. The proportion of Class A Shares on issue will depend on the Minimum Scrip Threshold, the Maximum Scrip Threshold (and the associated operation of the pro rata Scaleback Mechanism) and the number of Greencross Shareholders who make a valid Election to receive Scrip Consideration.

As described in Section 10.3 below, irrespective of how many Class B Shares are issued to Greencross Shareholders under the Scheme, holders of Class A Shares (which, as at the Implementation Date, only the TPG Shareholders will hold) will have certain additional rights in relation to HoldCo and its subsidiaries (including Greencross) because of the terms of the HoldCo Shareholders’ Deed. A full summary of the rights attaching to the Class B Shares is set out in Section 10.3d) and the HoldCo Shareholders’ Deed and HoldCo Constitution are set out as Appendix D and Appendix E to this Scheme Booklet.

10.3 Class B Shares

a) Transaction overview

As detailed in Section 6.6, Eligible Greencross Shareholders are entitled to make an Election to receive part of their Scheme Consideration as HoldCo Shares. These Elections are as follows:

- **Mixed Consideration Option 1:** Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares, plus Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares, held by a Scheme Shareholder who has made this Election; or
- **Mixed Consideration Option 2:** Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares, plus Scrip Consideration for each Scheme Share, in respect of the other 75% of the Scheme Shares, held by a Scheme Shareholder who has made this Election.

HoldCo is only required to issue Scrip Consideration if Elections received under the Scheme are equal to at least 1.5% of the issued capital of HoldCo as at the Implementation Date (being the **Minimum Scrip Threshold**). If the Minimum Scrip Threshold is not met, all Greencross Shareholders who have made valid Elections will receive the Cash Consideration in respect of their Scheme Shares.

The Scrip Consideration is also subject to a pro rata Scaleback Mechanism if such Elections would result in Greencross Shareholders holding greater than the Maximum Scrip Threshold. Subject to the Minimum Scrip Threshold, the Maximum Scrip Threshold (and any application of the pro rata Scaleback Mechanism), Greencross Shareholders who validly elect to receive Scrip Consideration will hold between 1.5% and 15% of the issued capital in HoldCo.

If an Eligible Greencross Shareholder makes a valid Election in respect of either the Mixed Consideration Option 1 or the Mixed Consideration Option 2 and the Minimum Scrip Threshold is achieved, HoldCo has an obligation to issue Class B Shares to that Greencross Shareholder, such that that Greencross Shareholder will, on the Implementation Date, be entered into the HoldCo Share Register as a shareholder of HoldCo (either directly or through a custodian as contemplated by the Scheme and the HoldCo Shareholders' Deed) and thereby have an indirect interest in HoldCo that is proportional to their holding in HoldCo. The Greencross Shareholder will be bound by the HoldCo Shareholders' Deed and HoldCo Constitution.

b) Illustrative examples of possible HoldCo capital structure

The following scenarios are illustrative only of the possible share capital structures of HoldCo after the Implementation Date. Each of these scenarios is based on a number of assumptions and is unlikely to reflect the ultimate HoldCo capital structure immediately after the Implementation Date. The actual capital structure of HoldCo post-Implementation Date remains subject to the outcome of Elections to be made by Greencross Shareholders on or before the Election Date.

The tables are also based on a number of assumptions, including:

- the total amount of the transaction costs;
- the level of Greencross' net debt;
- that all 1,166,680 Greencross Performance Rights on issue are vested and become an equal number of Greencross Shares which participate in the Scheme (and no other Greencross Performance Rights will be granted by Greencross before the Implementation Date) such that Greencross will have 121,630,130 Greencross Shares on issue as at the Implementation Date;
- the amount of the Special Dividend declared will be \$0.21 per Greencross Share;
- the Swap will be closed out at an amount of \$5.55 per Greencross Share;
- each HoldCo Share will have an issue price of \$1.00; and
- the number of Greencross Shareholders who make valid Elections to receive Scrip Consideration.

The actual outcome at the Implementation Date may differ from the assumptions made in this Section 10.3, resulting in changes to the sources and uses of funds at the Implementation Date and, consequently, may result in changes to the illustrative ownership of HoldCo at the Implementation Date.

Illustrative scenario 1: Minimum valid Elections for Scrip Consideration

Illustrative HoldCo capital structure

Shares	Number (millions)	Percentage
Class A Shares	512.0	98.5%
Class B Shares	7.8 ²⁹	1.5%
Total	519.8	100.0%

Sources and uses

Sources	A\$ (millions)
Cash provided by TPG	512.0
Cash provided by Greencross new debt facilities	500.0
Total sources of funds	1,012.0
Uses	A\$ (millions)
Payment of Cash Consideration (excluding Special Dividend) ³⁰	641.7
Repayment of Greencross existing net debt balance outstanding ³¹	305.3
Payment of transaction costs, capital raising fees and funding of initial liquidity ³²	65.0
Total uses of funds	1,012.0

Illustrative scenario 2: Maximum valid Elections for Scrip Consideration

Illustrative HoldCo capital structure

Shares	Number (millions)	Percentage
Class A Shares	441.9	85.0%
Class B Shares	78.0 ³³	15.0%
Total	519.8	100.0%

Sources and uses

Sources	A\$ (millions)
Cash provided by TPG	441.9
Cash provided by Greencross new debt facilities	500.0
Total sources of funds	941.9

²⁹Based on the implied number of Class B Shares for the total number of Class B Shares to equal 1.5% of the issued capital of HoldCo.

³⁰Product of 120,169,885 Greencross Shares (being 121,630,130 Greencross Shares (which assumes all 1,166,680 Performance Rights will vest and an equivalent number of Greencross Shares issued) (**Total Shares Outstanding**) less 7,797,710 Class B Shares divided by the Cash Consideration) multiplied by the Cash Consideration per Greencross Share.

³¹Greencross estimate for the anticipated net debt amount to be refinanced as at or around the Implementation Date. This includes the payment of the Special Dividend.

³²Estimates provided by TPG BidCo and Greencross.

³³Based on the implied number of Class B Shares for the total number of Class B Shares to equal 15.0% of the issued capital of HoldCo.

Uses	A\$ (millions)
Payment of Cash Consideration (excluding Special Dividend) ³⁴	571.5
Repayment of Greencross existing net debt balance outstanding ³⁵	305.3
Payment of transaction costs, capital raising fees and funding of initial liquidity	65.0
Total uses of funds	941.9

Illustrative scenario 3: Minimum valid Elections threshold not achieved

Illustrative HoldCo capital structure

Shares	Number (millions)	Percentage
Class A Shares	519.8	100.0%
Class B Shares	0	0.0%
Total	519.8	100.0%

Sources and uses

Sources	A\$ (millions)
Cash provided by TPG	519.8
Cash provided by Greencross new debt facilities	500.0
Total sources of funds	1,019.8

Uses	A\$ (millions)
Payment of Cash Consideration (excluding Special Dividend)	649.5
Repayment of Greencross existing net debt balance outstanding ³⁶	305.3
Payment of transaction costs, capital raising fees and funding of initial liquidity	65.0
Total uses of funds	1,019.8

c) Features of the Class B Shares

As at the date of this Scheme Booklet, no Class B Shares are on issue.

Greencross Shareholders who receive HoldCo Shares under the Scheme will become parties to the HoldCo Shareholders' Deed as Class B Shareholders. HoldCo may elect that a Scheme Shareholder who receives Scrip Consideration pursuant to this Scheme will have those HoldCo Shares registered in the name of a custodian nominated by HoldCo in accordance with the terms of a custody agreement as specified by HoldCo where:

- the allotment of the Aggregate Scrip Consideration would otherwise result in there being more than 50 registered shareholders in HoldCo; or
- subject to the consent of Target (not to be unreasonably withheld or delayed), the allotment of the Aggregate Scrip Consideration would result in there being less than 50 registered shareholders in HoldCo.

³⁴ Product of 107,027,676 Greencross Shares (being Total Shares Outstanding less 77,977,103 Class B Shares divided by the Cash Consideration) multiplied by the Cash Consideration per Greencross Share.

³⁵ Greencross estimate for the anticipated net debt amount to be refinanced as at or around the Implementation Date. This includes the payment of the Special Dividend.

³⁶ Greencross estimate for the anticipated net debt amount to be refinanced as at or around the Implementation Date. This includes payment of the Special Dividend.

Under the HoldCo Shareholders' Deed, Class B Shares are subject to certain restrictions which include, but are not limited to, restrictions with regards to shareholder approvals, director appointment rights and exit rights. A full summary of the rights attaching to the Class B Shares is set out in Section 10.3 and the HoldCo Shareholders' Deed and HoldCo Constitution are set out as Appendix D and Appendix E to this Scheme Booklet. ASIC has written to Greencross and raised concerns regarding the Scheme.

Any investment in HoldCo will be regulated differently to an investment in Greencross because:

- HoldCo will not be admitted to the official list of ASX;
- the ASX Listing Rules will not apply to HoldCo; and
- the continuous disclosure, takeover regime and certain other minority protection rights currently relevant to Greencross will not apply to HoldCo.

Further information about the risks of investing in HoldCo is set out in Section 11.4 of this Scheme Booklet. In addition to reading this Scheme Booklet and annexures in their entirety, Greencross Shareholders considering making a valid Election in relation to either the Mixed Consideration Option 1 or Mixed Consideration Option 2 are encouraged to contact their professional advisers if they are uncertain about whether an investment in HoldCo suits their particular investment objectives.

d) Summary of rights attaching to Class B Shares

A summary of the key rights and liabilities attaching to Class B Shares is set out below.

The below summary is not exhaustive. Greencross Shareholders considering making a valid Election in respect of either the Mixed Consideration Option 1 or the Mixed Consideration Option 2 to receive the Scrip Consideration, should read and understand the HoldCo Shareholders' Deed and HoldCo Constitution (Appendix D and Appendix E to this Scheme Booklet, respectively) in full and seek their own independent advice before making a decision.

The HoldCo Constitution provides that the terms of the HoldCo Shareholders' Deed will prevail in the event of any inconsistency between the provisions of the HoldCo Constitution and the HoldCo Shareholders' Deed.

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Issue and ranking	<p>Class B Shares issued as consideration under the Scheme will be issued as fully paid shares in accordance with the terms of the Scheme, and will rank equally in all respects with all other Class B Share.</p> <p>For further details, see rule 3.1 of the HoldCo Constitution.</p>	<p>Greencross Shareholders currently hold fully paid ordinary shares that rank equally with each other fully paid ordinary share on issue. There is no additional class of share on issue in Greencross which ranks ahead of, or has rights in addition to those holders of, the Greencross Shares.</p> <p>The TPG Shareholders will hold Class A Shares, which will have rights (including voting rights) pursuant to the HoldCo Shareholders' Deed that the Class B Shares will not have.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that, under the HoldCo Shareholders' Deed, the TPG Shareholders will hold Class A Shares, and as a result will have greater voting and information rights (among other rights) than the holders of Class B Shares.</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Variation of class rights	<p>Subject to the terms of the HoldCo Constitution, the HoldCo Shareholders' Deed, the Corporations Act and the terms of which any shares in HoldCo are issued, the rights attaching to a class of shares may only be varied or cancelled by a resolution approved by at least 75% of all votes cast by or on behalf of all TPG Shareholders who are present at the relevant meeting (in person or by proxy) and entitled to vote on the resolution concerned.</p> <p>For further details, see clause 5.1 of the HoldCo Shareholders' Deed.</p>	<p>Under the current Greencross constitution and the Corporations Act, Greencross Shareholders currently have the right to vote on resolutions relating to variation of class rights (see Article 7 of Greencross' constitution and section 246B of the Corporations Act).</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that, subject to law, they may not have such right to vote on resolutions relating to variation of class rights as holders of Class B Shares.</p>
Dividends	<p>Payment of any dividends will be at the sole discretion of the HoldCo Board subject to the Corporations Act. It should be noted that the TPG BidCo Group will be entering into documents with financial institutions that contain covenants restricting TPG BidCo Group from declaring or paying a dividend except in limited circumstances.</p> <p>For further details, see clause 9 of the HoldCo Shareholders' Deed and rule 10 of the HoldCo Constitution.</p>	<p>Greencross Shareholders are presently entitled to receive dividends on Greencross Shares determined to be paid at the sole discretion of the Greencross Board (subject to the Corporations Act and the ASX Listing Rules).</p> <p>For further details, see Article 64 of Greencross' constitution and section 254T of the Corporations Act.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that the Greencross Board is not presently restricted from declaring or paying dividends by its financing arrangements in the same way in which the HoldCo Board will be restricted in the future.</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Proprietary company	<p>In order for HoldCo to maintain its status as an Australian proprietary limited company under the Corporations Act, the HoldCo Board may appoint an independent third party trustee (the nominee) to hold Class B Shares on bare trust for Class B Shareholders on the terms of the relevant nominee deed where:</p> <ul style="list-style-type: none"> the allotment of the Aggregate Scrip Consideration would otherwise result in there being more than 50 registered shareholders in HoldCo; or subject to the consent of Target (not to be unreasonably withheld or delayed), the allotment of the Aggregate Scrip Consideration would result in there being less than 50 registered shareholders in HoldCo. <p>For the avoidance of doubt, for the purposes of the HoldCo Shareholders' Deed, the Class B Shareholders are to be treated as holding the Class B Shares which are held on their behalf by the nominee.</p> <p>See clause 17 of the HoldCo Shareholders' Deed for further information.</p>	<p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that, as a proprietary company, HoldCo will not have to comply with many provisions of the Corporations Act and the ASX Listing Rules which Greencross is presently required to comply with, including:</p> <ul style="list-style-type: none"> the takeover provisions contained in Chapter 6 of the Corporations Act; related party provisions contained in Division 2 of Part 2D.1 and Chapter 2E and Part 5C.7 of the Corporations Act; continuous disclosure obligations imposed by section 674 of the Corporations Act and Chapter 3 of the ASX Listing Rules; termination benefits provisions contained in Division 2 of Part 2D.2 of the Corporations Act; restrictions on conflicted directors voting under section 195 of the Corporations Act; rules for appointment and removal of directors under section 201E and section 249H(3) of the Corporations Act; Australian residency requirements for directors under section 201A of the Corporations Act; and the requirement to hold annual general meetings under section 205N of the Corporations Act. <p>For further details in relation to the risks associated with some of these matters, please see Section 11.4.b.4 of this Scheme Booklet.</p>
HoldCo Board	<ul style="list-style-type: none"> The HoldCo Board must be constituted by a minimum of four directors, all of whom will be appointed by TPG Shareholders. The maximum number of directors is nine. Class B Shareholders do not have the right to appoint, remove or replace a director. The chairperson will be appointed as a director of HoldCo and will have a casting vote. <p>See clause 3 of the HoldCo Shareholders' Deed for further information.</p>	<p>Presently, the Greencross Shareholders may by resolution appoint, remove or replace a director at general meeting (see Article 46 of Greencross' constitution for further information).</p> <p>Greencross Shareholders who elect to receive Scrip Consideration will have no rights to appoint, remove or replace a director of HoldCo.</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
HoldCo Board meetings	<ul style="list-style-type: none"> • Two directors are required to form a quorum for a HoldCo Board meeting. • Subject to applicable law and the terms of the HoldCo Shareholders' Deed, all actions or resolutions of the HoldCo Board will be made by the affirmative vote of a simple majority resolution of directors (being directors that together hold more than 50% of the total voting rights of all directors who attend the relevant HoldCo Board meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution). <p>See clause 4 of the HoldCo Shareholders' Deed for further information.</p>	<p>Greencross Shareholders do not presently have any rights in relation to Greencross Board meetings. The rights of Greencross Shareholders who receive Scrip Consideration will remain unchanged in this regard.</p>
HoldCo Shareholder meetings and voting	<p>A quorum for a meeting of shareholders is constituted by the presence of the TPG Shareholders.</p> <p>Each Class B Shareholder is entitled to that number of votes which is equivalent to the number of fully paid up shares held by it subject to the terms of the HoldCo Shareholders' Deed.</p> <p>Subject to the other terms of the HoldCo Constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:</p> <ul style="list-style-type: none"> • on a show of hands, every member present has one vote; and • on a poll, every member present has: <ul style="list-style-type: none"> – one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and – a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share. <p>For further details, see rules 6.3 and 6.8 of the HoldCo Constitution and clause 5 of the HoldCo Shareholders' Deed.</p>	<p>A quorum for a Greencross Shareholders meeting is 3 attending shareholders entitled to vote on a resolution at that meeting. Greencross Shareholders who receive Scrip Consideration should be aware that no Class B Shareholders are required for quorum to be constituted at any HoldCo Shareholder meeting.</p> <p>Each Greencross Shareholder is presently entitled to the number of votes which is equivalent to the number of fully paid up shares held by it. While this will remain the same for any Greencross Shareholders who receive Scrip Consideration, the terms of the HoldCo Shareholders' Deed are such that the matters that require a vote of Class B Shareholders will be significantly narrower than the matters that presently require the approval of Greencross Shareholders. For example, the approval of the Class B Shareholders is not required for a change to the nature or scale of the Greencross business.</p>
	<p><i>Simple majority decisions</i></p> <p>Subject to the Corporations Act, all shareholder decisions (other than in relation to the matters specifically provided for in the HoldCo Shareholders' Deed) will be made by the affirmative vote of a simple majority of Class A Shareholders present (in person or by proxy) and entitled to vote.</p>	

Topic Summary of Class B rights under the HoldCo
Shareholders' Deed

HoldCo
Shareholder
meetings
and voting
continued

Special majority decisions

The following decisions will require approval by a special majority resolution. A special majority resolution means a resolution approved by at least 75% of all votes cast by the TPG Shareholders who are present and entitled to vote.

- **(Business)** the making of any material change in the nature of the business of the Group.
- **(Winding up)** the making of an application or the commencement of any proceedings or the taking of any other steps for the winding up, dissolution, deregistration or appointment or administrator of HoldCo or a subsidiary, or the entering into by HoldCo or a subsidiary of an arrangement, compromise or composition with or assignment for the benefit of its creditors, a class of them or any of them.
- **(Variation to class rights)** any variation, cancellation or modification to the rights attached to any shares of HoldCo (unless otherwise specifically permitted by the HoldCo Shareholders' Deed).
- **(Buy-back)** any buy-back, redemption, cancellation, reduction of capital or purchase by HoldCo of shares which is not undertaken on a pro rata basis.
- **(Related Party Proposals)** undertaking any transaction that would, if HoldCo was a public company, be a transaction with a related party of the HoldCo under the Corporations Act that involves a single transaction or a series of similar transactions with an aggregate value of \$500,000 or more (unless it would be covered by an exception under section 210 of the Corporations Act or is otherwise permitted under the HoldCo Shareholders' Deed. For the avoidance of doubt, this will include fee arrangements entered into between HoldCo and TPG on terms which are commercial and arms' length in respect of ongoing monitoring of the investment in HoldCo, transactions on which TPG has provided management and/or advisory services and transactions contemplated under the SIA.

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
HoldCo Shareholder meetings and voting continued	<p>The following resolutions must be passed by at least 75% of all votes cast by all shareholders (other than Class C Shareholders and any other holders of non-voting shares) who are present and entitled to vote:</p> <ul style="list-style-type: none"> • (Constitution) the making of any amendment to its constitution or the modification or abrogation of any rights attached to any class of shares in HoldCo whether issued or unissued. <p>The following resolution must be passed by at least 75% of all votes cast by shareholders (other than Class C Shareholders and any other holders of non-voting shares) who are affected by the relevant variation, cancellation or modification and are present and entitled to vote:</p> <ul style="list-style-type: none"> • (Amendment to the HoldCo Shareholders' Deed) the making of any amendment to the HoldCo Shareholders' Deed that materially adversely affects the rights of shareholders in one or more classes of voting shares (other than to a minor extent or in a way which impacts all classes of voting shares equally). <p>For further information, see clause 5.1 of the HoldCo Shareholders' Deed</p>	
Winding up	<p>If the company is wound up, the liquidator may, with the sanction of a special majority resolution:</p> <ul style="list-style-type: none"> • divide among the members the whole or any part of the property of the company; and • determine how the division is to be carried out as between the members or different classes of members. <p>For further details, see rule 11 of the HoldCo Constitution.</p>	<p>Greencross Shareholders who receive Scrip Consideration will have equivalent rights in a winding up of HoldCo as they would have in a winding up of Greencross.</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Issue of further HoldCo shares	<p>HoldCo must first offer any new shares in HoldCo on a pro rata basis to eligible holders of existing shares (other than Class C Shares), except in the following circumstances:</p> <ul style="list-style-type: none"> • emergency funding requirements (after having first considered other means of financing), provided that HoldCo must either offer new shares in HoldCo on a pro rata basis to eligible holders of existing shares or allow other holders to acquire shares from one or more of the TPG Shareholders, at the sole discretion of the TPG Shareholders, following the provision of emergency funding to allow each eligible holder to maintain its relevant proportionate interest in HoldCo; • the issue of shares to TPG Shareholders to provide funding to meet transaction costs in connection with the Scheme or to finance the payment of cash consideration under the Scheme to Greencross Shareholders or to repay debts of Greencross in place prior to implementation of the Scheme, such Class A Shares to be issued at an issue price equal to the implied value of Class B Shares issued pursuant to the Scheme; • the issue of Class B Shares in connection with the Scheme in consideration for the transfer of Greencross Shares to HoldCo or one of its subsidiaries; • the issue of shares to management in HoldCo under a management equity plan; • an issue of shares (including in a new class) at fair value (as determined by the HoldCo Board in good faith) in respect of the bona fide, arm's length acquisition of, or merger with, a company, or the acquisition of a company, business or assets, by HoldCo or one of its subsidiaries; • the issue of shares pursuant to an initial public offering of HoldCo or one of its subsidiaries (IPO); and • if HoldCo proposes to issue any new shares (Offer Shares) and eligible holders of existing shares do not take up the Offer Shares, then TPG Shareholders may take up any Offer Shares not taken up by the other shareholders (in which case the Offer Shares will be issued to the TPG Shareholders as Class A Shares). <p>For further information see clauses 10 and 11 of the HoldCo Shareholders' Deed.</p>	<p>Subject to applicable law and any rights and restrictions attached to a class of shares, Greencross may by resolution of the Greencross Board issue shares, options to acquire shares and other securities with rights of conversion to shares on any terms, to any person, at any time and for any consideration, as the Board resolves (see Article 5 of Greencross' constitution).</p> <p>Greencross is presently required to comply with the ASX Listing Rules in relation to the issuance of Greencross Shares, including obtaining Greencross Shareholder approval for issuances in certain circumstances. For more information, see Chapter 7 of the ASX Listing Rules.</p> <p>As an unlisted company, HoldCo will not be required to comply with the ASX Listing Rules. Greencross Shareholders who elect to receive Scrip Consideration should be aware that HoldCo will not need to seek the approval of Class B Shareholders to issue any number of shares in HoldCo (in any class) including any issuance of shares to pursue acquisitions or to incentivise members of Greencross management.</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Restrictions on transfer and granting security interests	<p>The directors must decline to register any transfer of shares, unless that transfer is permitted by the HoldCo Shareholders' Deed.</p> <p>However, the directors must not decline to register any transfer of shares where such transfer is made to:</p> <ul style="list-style-type: none"> • a person entitled to the benefit of a security interest (whether or not as agent, trustee or nominee for a person entitled to the benefit of the security interest); or • a person who purchases the shares from the holder of those shares or a person entitled to the benefit of the security interest (or a person acting as agent, trustee or nominee on its behalf) in accordance with the HoldCo Shareholders' Deed, pursuant to, or in connection with, the purchase of the shares or enforcement of that security interest in respect of the shares and provided that the person who is to be registered as the holder of such shares has agreed to be bound by the HoldCo Shareholders' Deed under an accession deed provided to the company and, for the avoidance of doubt, any such person (including any agent, trustee or nominee for a person entitled to the benefit of the security interest) may be registered as the holder of such shares pursuant to, or in connection with, such enforcement. <p>For further details, see rule 5.2 of the HoldCo Constitution.</p>	<p>Greencross Shareholders are presently able to sell their Greencross Shares on market at any time and there is a liquid market for Greencross Shares.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that HoldCo will be an unlisted proprietary company and as such, there will be no public market for the trading of HoldCo Shares post implementation of the Scheme and a lack of liquidity in respect of their Class B Shares.</p> <p>Further, the HoldCo Shareholders' Deed imposes extensive restrictions on the transfer of Class B Shares with limited exceptions which further restrict the ability of a Class B Shareholder in being able to sell its Class B Shares.</p>
Restrictions on Dealing	<p>Class B Shareholders are not permitted to deal with their Class B Shares except:</p> <ul style="list-style-type: none"> • by way of transfer to a permitted transferee (being a related entity or relative of the Class B Shareholder); or • in accordance with the exit mechanisms outlined below. <p>If a transferee ceases to be a permitted transferee, they must transfer back their holding of Class B Shares to the original transferor (or another permitted transferee of the transferor).</p> <p>For further information see clause 12 of the HoldCo Shareholders' Deed.</p>	See above.

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Drag along rights	<p>If the TPG Shareholders wish to sell all or a proportion of their shares to a third party, they may require Class B Shareholders to sell the same proportion of their Class B Shares to the third party on terms no less favourable than the terms offered by the third party to the TPG Shareholders.</p> <p>For further information see clause 13 of the HoldCo Shareholders' Deed.</p>	<p>There are no equivalent provisions under Greencross' constitution – this provision is specific to HoldCo's structure.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that they will have no rights to vote on any transactions involving the use of the drag along right.</p>
Tag along rights	<p>If the TPG Shareholders wish to sell more than 30% of the shares on issue in HoldCo to a third party in a single transaction or series of related transactions, the Class B Shareholders must be invited to sell the same proportion of their Class B Shares as will be sold by the TPG Shareholders to the third party on terms no less favourable to the Class B Shareholder than the terms offered by the third party to the TPG Shareholders.</p> <p>For further information see clause 14 of the HoldCo Shareholders' Deed.</p>	<p>There are no equivalent provisions under Greencross' constitution – this provision is specific to HoldCo's structure.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that they will have no rights to vote on any transactions involving the use of the tag along right.</p>
IPO	<p>If the HoldCo Board (at the discretion of the TPG Shareholders, in their sole discretion) pursues an IPO, and the TPG Shareholders wish to sell all or a proportion of their shares in connection with the IPO, the TPG Shareholders must invite (and may elect to require) Class B Shareholders to sell the same proportion of their Class B Shares pursuant to the IPO.</p> <p>For further information see clause 15 of the HoldCo Shareholders' Deed.</p>	<p>There are no equivalent provisions under Greencross' constitution – this provision is specific to HoldCo's structure.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that they will have no rights to vote on any transactions involving HoldCo or the TPG Shareholders pursuing an IPO in the future.</p>
Compulsory Acquisition	<p>At any time after the end of the two year period commencing on the effective date, the TPG Shareholders (Acquiring Shareholders) may give written notice to HoldCo (Compulsory Acquisition Notice) that the Acquiring Shareholders wish to compulsorily acquire the Class B Shares held by shareholders with a shareholding in HoldCo of less than \$1,000 (Small Holding Shareholders). The Compulsory Acquisition Notice will set out the terms applying to the acquisition (including the proposed settlement date) and the price of the Class B Shares shall be at fair market value, as determined by an independent valuer in accordance with the HoldCo Shareholders' Deed.</p> <p>The Acquiring Shareholders may agree that instead of the Acquiring Shareholders acquiring the Class B Shares held by the Small Holding Shareholders, HoldCo will acquire those shares by way of buy back or cancellation, as directed by HoldCo by notice to the Small Holding Shareholders.</p> <p>For further information see clause 16 of the HoldCo Shareholders' Deed.</p>	<p>The ASX Listing Rules contemplate a process by which Greencross could seek to consolidate "unmarketable parcels" (being parcels of Greencross Shares under \$500) in certain circumstances.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that, if they are Small Holding Shareholders, HoldCo may exercise its compulsory acquisition rights under the HoldCo Shareholders' Deed after two years without consulting with, or approval from, any Class B Shareholders (including the Small Holding Shareholders).</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Power of Attorney	<p>Each appointment of an attorney by a Shareholder or relevant manager under certain clauses of the HoldCo Shareholders' Deed (including the provisions relating to the drag along rights, tag along rights, IPO and appointment of a nominee) is made on the following terms:</p> <ul style="list-style-type: none"> • the appointor irrevocably appoints HoldCo as its attorney to complete and execute such instruments and resolutions for and on its behalf as the attorney thinks necessary to give effect to any of the transactions contemplated by the relevant clause; • the appointor agrees to ratify and confirm whatever the attorney lawfully does, or causes to be done, under the appointment; • the appointor agrees to indemnify the attorney against all claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and • the appointor agrees to deliver to the company on demand any power of attorney, instrument of transfer or other instruments as the company may require for the purposes of any of the transactions contemplated by the relevant clause. <p>For further details, see clause 25.6 of the HoldCo Shareholders' Deed.</p>	<p>There are no equivalent provisions under Greencross' constitution – this provision is specific to HoldCo's structure.</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that they are agreeing to grant a power of attorney to HoldCo in respect of a range of matters relating to their HoldCo shareholding, including matters which, in the context of Greencross, they would be required to sign, consent to or approve. This means that certain actions may occur without any input from the Class B Shareholders.</p>
Accession Deed	<p>No person may be registered as a holder of shares in HoldCo unless they execute and deliver an accession deed agreeing to be bound by the terms of the HoldCo Shareholders' Deed (except in the case of an IPO or where the proposed transferee is already party to the HoldCo Shareholders' Deed).</p> <p>For further details, see clause 23 of the HoldCo Shareholders' Deed.</p>	Not applicable.

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Nominee Deed	<p>HoldCo may appoint the nominee to hold all of the Class B Shares (and if required, to hold all of the Class C Shares issued to management) on bare trust for each shareholder pursuant to the terms of the nominee deed where:</p> <ul style="list-style-type: none"> • the allotment of the Aggregate Scrip Consideration would otherwise result in there being more than 50 registered shareholders in HoldCo; or • subject to the consent of Target (not to be unreasonably withheld or delayed), the allotment of the Aggregate Scrip Consideration would result in there being less than 50 registered shareholders in HoldCo. <p>Following appointment of a nominee, each Class B Shareholder agrees to appoint HoldCo as its attorney for the purpose of facilitating the transfer of its shares to the nominee.</p> <p>The key terms of the nominee arrangements under the nominee deed and the HoldCo Shareholders' Deed are as follows:</p> <ul style="list-style-type: none"> • Class B Shareholders will be beneficial holders in relation to shares held by the nominee as bare trustee on their behalf; • Each Class B Shareholder will be able to instruct the nominee to exercise voting rights or take other steps as the registered holder of shares on its behalf; • HoldCo will procure that any distribution or dividend that would otherwise be paid to the Nominee will instead be paid to the relevant beneficial holder in proportion to the number of shares that are held on trust for that beneficial holder; • HoldCo will give, make available or despatch all notices or information it circulates to shareholders to beneficial holders as well as the nominee; • There will be no meetings of the beneficial holders. • A Class B Shareholder who is a beneficial holder under the nominee deed must not (without the consent of the HoldCo Board) direct the nominee to transfer legal title to the shares held on trust for that Class B Shareholder back to the Class B Shareholder; and • The restrictions on transfer set out above continue to apply to Class B Shareholders that are beneficial holders. However, a beneficial holder may transfer shares to a permitted transferee on the basis that the nominee is directed to hold legal title to the relevant shares as bare trustee on behalf of the transferee, unless the HoldCo Board agrees otherwise. 	<p>Each Greencross Shareholder is presently entitled to choose to hold its Greencross Shares in its own name or in a structure of its choice (including through a nominee on bare trust for the relevant Greencross Shareholder).</p> <p>Greencross Shareholders who elect to receive Scrip Consideration should be aware that HoldCo may require the Class B Shares to be held by a nominee on bare trust (rather than in the name of the Greencross Shareholder). Class B Shareholders will still be entitled to the economic benefits associated with the Class B Shares.</p>

Topic	Summary of Class B rights under the HoldCo Shareholders' Deed	Summary of current rights as Greencross Shareholder and impact of the Scheme on those rights
Nominee Deed continued	Under the terms of the relevant nominee deed, HoldCo will undertake to the nominee that it will dispatch or make available any notice of meeting of Class B Shareholders to the beneficial holders of the Class B Shares, and the nominee must, to the extent reasonably practicable, vote at any such meeting as directed by an instruction given by the underlying beneficial holder of Class B Shares. To the extent the nominee considers that it is unable to act on an instruction given by a beneficial holder, the nominee must promptly (and within two Business Days) notify the relevant beneficial holder and resolve and seek a withdrawal of the instruction or re-issue or clarify the instruction.	
Amendment to the HoldCo Shareholders' Deed	The HoldCo Shareholders Deed may be amended only if approved by a special majority resolution of the TPG Shareholders. For further details, see clause 5.1 of the HoldCo Shareholders' Deed.	Greencross Shareholders who elect to receive Scrip Consideration should be aware that the TPG Shareholders may amend the HoldCo Shareholders' Deed without seeking the approval of Class B Shareholders.
Information rights	It is expected that, post-implementation of the Scheme, the TPG BidCo Group would be a "large proprietary company". Pursuant to section 292(1) of the Corporations Act, the TPG BidCo Group would be required to prepare an audited financial report and a directors' report in accordance with Chapter 2M of the Corporations Act and must lodge those reports with ASIC within four months of the financial year end (as required by section 315(4) of the Corporations Act). Notwithstanding that it is not required to do so under the Corporations Act, the TPG BidCo Group intends to send a copy of these reports to each Class B Shareholder at the address noted on the HoldCo share register (or, if a nominee is appointed, at the address nominated to the nominee), free of charge, following the lodgement of the relevant reports with ASIC.	Greencross Shareholders should be aware that the TPG BidCo Group will not need to comply with the extensive continuous disclosure obligations in Chapter 3 of the Listing Rules and section 674 of the Corporations Act resulting in Greencross Shareholders not having any rights to information about the TPG BidCo Group beyond receipt of the audited financial and directors' reports each financial year.

10.4 Funding the Scheme Consideration

a) Maximum Cash Consideration

If the Scheme becomes Effective, the Scheme Consideration payable to Greencross Shareholders under the Scheme will be satisfied by a combination of the payment of the Cash Consideration and issue of such number of HoldCo Shares the subject of valid Elections (provided the Minimum Scrip Threshold is met and subject to the Maximum Scrip Threshold and any application of the pro rata Scaleback Mechanism).

Based on the number of Greencross Shares on issue as at the date of this Scheme Booklet, the maximum amount of Cash Consideration TPG BidCo may be required to pay to Greencross Shareholders under the Scheme is approximately \$675 million (assuming the Minimum Scrip Threshold is not achieved and the full amount of the Special Dividend is paid) (**Maximum Cash Consideration**). The Scheme is not subject to any financing condition precedent.

b) Cash funding arrangements

TPG BidCo intends to fund the Scheme Consideration with a combination of debt and equity funding. As detailed below, TPG BidCo will fund the Cash Consideration through equity committed by the TPG Asia VII Funds and the TPG Growth IV Fund, as well as third party debt financing.

10.4.b.1 Equity commitments

TPG BidCo has a legally binding commitment letter from each of the TPG Asia VII Funds and the TPG Growth IV Fund, pursuant to which such funds agree to provide funding to TPG BidCo to meet its obligations to fund the Cash Consideration under the Scheme. The maximum amount available under these equity commitment letters is (together with the debt funding arrangements outlined in Section 10.4.b.2 below), sufficient to fund the Maximum Cash Consideration and transaction costs (**Equity Funding**).

The obligation to provide the Equity Funding under the commitment letter is conditional on the satisfaction or waiver (as applicable) of all the conditions to the Scheme Implementation Agreement and must be provided except where the Scheme Implementation Agreement is terminated and the Scheme does not otherwise become Effective.

In addition, the terms of those letters provide that:

- TPG BidCo must, if requested by Greencross, promptly enforce its rights and remedies under the commitment letters against the TPG Asia VII Funds and the TPG Growth IV Fund in accordance with Greencross' lawful directions from time; and
- no waiver by TPG BidCo of any of its rights under the commitment letters will be effective unless confirmed in writing by Greencross.

10.4.b.2 Debt funding

TPG BidCo has executed a senior syndicated facility agreement with, among others, Credit Suisse AG, Sydney Branch, UBS AG, Australia Branch and National Australia Bank Limited (**Finance Document**). Under the Finance Document, TPG BidCo has proceeds available to it under the senior secured syndicated facilities (**Syndicated Facilities**).

The proceeds available to TPG BidCo under the Syndicated Facilities, together with Equity Funding, are in excess of the amount that could be required to fund the Maximum Cash Consideration and the proposed refinancing of certain existing debt facilities of Greencross.

Such proceeds are available to BidCo for the purpose of:

- funding the purchase price for the acquisition of Scheme Shares;
- refinancing of certain existing debt facilities of Greencross; and
- paying certain costs and expenses incurred in connection with the Scheme and associated transactions.

The funding of the Syndicated Facilities are subject to the satisfaction of certain conditions precedent, which are customary for facilities of this kind and include confirmation that:

- completion of the acquisition of the Scheme Shares has occurred or will occur in accordance with the Scheme Implementation Agreement;
- all material authorisations required to complete the acquisition of the Scheme Shares have been obtained and all conditions precedent to implementation of the Scheme have been, or will on the date of the first drawdown under the Syndicated Facilities, be satisfied or waived; and
- there has been no termination of, amendment to, or waiver under the Scheme Implementation Agreement which is materially prejudicial to the interests of the financiers without the prior consent of the financiers (not to be unreasonably withheld).

It is expected that these conditions will be satisfied before the Second Court Date (other than certain conditions which are intended to be satisfied concurrently with, or prior to, the first drawdown under the Syndicated Facilities on the Implementation Date including the payment of fees and expenses).

If all of the conditions precedents are satisfied or waived, then subject to the provisions set out in the paragraph below and provided that it is not unlawful for the lenders to do so the financiers must provide the funds for their portion of the commitment under the Syndicated Facilities. As at the date of this Scheme Booklet, TPG BidCo is not aware of any reason why any of the conditions precedent to the Syndicated Facilities will not be satisfied, and are confident they will be satisfied, in time to allow payment in full of the aggregate Scheme Consideration for the Scheme Shares as and when due under the terms of the Scheme.

The availability of the Syndicated Facilities is subject to the correctness of certain representations and that certain events of default have not occurred and are not subsisting. As at the date of this Scheme Booklet, TPG BidCo is not aware of the occurrence of any misrepresentation or event of default or any circumstance that would lead to any misrepresentation or an event of default or which would give rise to a right to the financiers to terminate the applicable facilities.

The representations and warranties to be given by TPG BidCo in relation to the Syndicated Facilities are customary for facilities of this nature. As at the date of this Scheme Booklet, TPG BidCo is not aware of any breach of a representation or warranty, or any circumstances that would lead to a breach of a representation or warranty.

As at the date of this Scheme Booklet, TPG BidCo is not aware of any reason why the Syndicated Facilities will not be available to be drawn down for the purpose of the acquisition of the Greencross Shares as contemplated by the Scheme.

c) Scrip Consideration

TPG BidCo and HoldCo have entered into the Deed Poll to covenant in favour of the Scheme Shareholders to perform their respective obligations in relation to the Scheme. This includes the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme, including to issue all HoldCo Shares the subject of valid Elections by the Scheme Shareholders under the terms of the Scheme.

d) Reasonable basis

On the basis of the arrangements outlined above, the TPG BidCo Group believes it has a reasonable basis for holding the view, and it does hold the view, that TPG BidCo will be able to satisfy its obligations to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme.

10.5 Intentions of TPG BidCo

a) Introduction

If the Scheme is implemented, TPG BidCo will become the holder of all of the Greencross Shares on issue and, accordingly, Greencross will become a wholly owned subsidiary of TPG BidCo.

This Section 10.5 sets out the intentions of TPG BidCo in relation to the continuation of the business, any major changes to the business, and the future employment of the present employees of Greencross and any redeployment of the fixed assets of Greencross, in each case if the Scheme is implemented. The intentions of TPG BidCo are the same as the intentions of each member of the TPG BidCo Group and the TPG Shareholders.

The statements made in this Section 10.5 are statements of present intention only and are based on the information concerning Greencross (including certain non-public information made available by Greencross to TPG BidCo prior to the entry into the Scheme Implementation Agreement), and the general business environment which is known to TPG BidCo at the time of preparation of this Scheme Booklet. Final decisions will only be made by TPG BidCo after having conducted a detailed review of the business. Accordingly, statements set out in this Section 10.5 are statements of present intention only, which may change as new information becomes available or circumstances change.

b) Removal from ASX

If the Scheme is implemented, TPG BidCo will apply to ASX for Greencross to be removed from its official list after the Implementation Date and subsequently converted to a proprietary company limited by shares.

c) Head office

If the Scheme is implemented, TPG BidCo presently intends for Greencross to maintain its current head office in Sydney, New South Wales.

d) Employees

Greencross is a people driven business. TPG BidCo recognises that a well-trained and motivated workforce is critical to the success of the business, and that the incentivisation of staff is an essential component of the future success of the company. TPG BidCo will undertake a review of Greencross' business post-implementation to ensure Greencross has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities. Subject to a detailed review, TPG BidCo will consider implementing various initiatives to improve the productivity of Greencross' workforce.

e) Directors

Pursuant to clause 4.6 of the Scheme Implementation Agreement, the Greencross Board will be reconstituted with effect on and from the Implementation Date. As at the date of this Scheme Booklet, the directors of Greencross after the Implementation Date have not been determined.

f) Changes to Greencross' constitution

TPG BidCo intends to replace Greencross' constitution with a constitution appropriate for a proprietary company limited by shares (consistent with the intention expressed in Section 10.5b) to convert Greencross into a proprietary company limited by shares following Implementation.

g) Business continuity/major changes

It is the current intention of TPG BidCo to continue to operate the business substantially in its current form in the near term while actively pursuing acquisition and expansion opportunities available to Greencross. As noted in Section 10.5 above, TPG BidCo intends to undertake a fulsome review of Greencross' business and operations to determine the best way to operate the business going forward and provide this additional support. Any further decisions around the future of Greencross and intentions for the Greencross business will be made after, and informed by, the results of the review.

TPG intends to enter into arrangements with HoldCo in respect of time and resources TPG spends working with HoldCo. As at the date of this Scheme Booklet, these arrangements have not yet been determined. Such work may include, but is not limited to, TPG's ongoing monitoring and management of its investment in HoldCo and transactions on which TPG provides management and/or advisory services. Any such arrangements shall be made on terms which are commercial and at arms' length, and consistent with market practice in the context of private equity.

TPG BidCo intends to continue to operate the business under the name "Greencross".

TPG BidCo does not intend to redeploy any of Greencross' fixed assets.

TPG plans to invest in Greencross' platform to further grow and improve the business. Subject to a detailed review, TPG's proposed initiatives include the following:

- lift customer loyalty program penetration;
- selective evaluation of new store roll-out opportunities;
- proactively develop an integrated retail and services offering; and
- pursue additional growth opportunities including acquisitions, offshore expansion and new product development.

It is intended that Greencross' existing finance facilities will be refinanced on or after the Implementation Date using part of the proceeds of the equity and debt funding described in Section 10.4b) above.

Consistent with usual private equity practice, the TPG Shareholders may seek to exit their investment in Greencross in approximately three to five years' time. This is subject to prevailing market conditions, the businesses performance and other factors which may be considered relevant at the time. Due consideration will also be given to market conditions and business performance as they evolve over time, hence the exit may take place before or after the intended exit period of three to five years. The optimal means of exit will be determined at some point in the future.

Other than as set out above, TPG BidCo intends to continue the business and not make any major changes to the business in the near term.



11.

Investment risk/
What if the Scheme
is not implemented?

11. Investment risk/What if the Scheme is not implemented?

11.1 Introduction

The Scheme presents a number of potential risks that Greencross Shareholders should consider when deciding how to vote on the Scheme. In making your decision, you should carefully read this Scheme Booklet in its entirety. You should also carefully consider the risk factors outlined in this Section and your personal circumstances. This Section is general in nature only and does not take into account your individual objectives, financial situation, tax position or particular needs.

This Section outlines some of the:

- risk factors relating to the business and operations of Greencross, including your current investment in Greencross Shares (see Sections 11.2 and 11.3);
- risks factors relating to HoldCo Shares (see Section 11.4); and
- risks factors which may prevent the Scheme from becoming Effective (see Section 11.5).

If the Scheme is implemented, the risks in Sections 11.2, 11.3 and 11.4 will not apply to Greencross Shareholders who do not elect either of the Mixed Consideration Options and receive the Cash Consideration, as they will not hold HoldCo Shares. The risk factors in Section 11.2, 11.3 and 11.4 will apply to Greencross Shareholders who elect the Mixed Consideration Options as they will hold HoldCo Shares.

If the Scheme is not implemented, Greencross Shares will remain quoted on ASX and all Greencross Shareholders will continue to be subject to the risks in Sections 11.2 and 11.3.

The outline of risks in this Section 11 is a summary only and should not be considered exhaustive. This Section 11 does not purport to list every risk that may be associated with an investment in Greencross now or in the future or which may prevent the Scheme from becoming Effective or being implemented. The occurrence or consequences of some of the risks described in this Section 11 may be partially or completely outside the control of Greencross or TPG BidCo or their respective directors and senior management teams.

The risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Greencross Shareholders. Before making any Election for the Mixed Consideration Options, you should have a sufficient understanding of these matters having regard to your own individual risk profile, portfolio strategy, investment objectives, financial circumstances and taxation position.

You should carefully consider the risk factors discussed in this Section 11, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

11.2 General investment risk

If the Scheme does not become Effective, Greencross Shares and future distributions made to Greencross Shareholders will be influenced by a number of macroeconomic factors including:

- changes in investor sentiment and overall performance of the Australian and international stock markets;
- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, house prices, retail sales and consumer demand;
- changes in government fiscal, monetary and regulatory policies, including foreign investment;
- natural disasters and catastrophes, whether on a global, regional or local scale; and
- accounting standards which affect the financial performance and position reported by Greencross.

11.3 Risk factors relating to the business and operations of Greencross

In considering the Scheme, you should be aware that there are a number of general risk factors, as well as risks specific to the industries in which Greencross operates, which could materially and adversely affect the future operating and financial performance of Greencross.

Many of these risks are currently relevant to Greencross Shareholders and will only continue to be relevant to Greencross Shareholders if:

- the Scheme does not become Effective and you retain your current investment in Greencross; or
- the Scheme becomes Effective and you have made a valid Election for the Mixed Consideration Option, so that you receive HoldCo Shares which give you indirect exposure to the business of Greencross through HoldCo's shareholding in TPG BidCo and TPG BidCo's holding of 100% of the shares in an unlisted Greencross.

a) Greencross share price volatility

If the Scheme does not become Effective, Greencross Shares will remain quoted on ASX and will continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions.

If the Scheme does not become Effective, the price at which Greencross Shares trade may fall.

b) Leverage and gearing

The current leverage and gearing ratios of Greencross exceed listed peers in retail and veterinary sectors. If Greencross' leverage and gearing ratios remain at current levels this may constrain Greencross' ability to fund growth initiatives or adversely impact its ability to pay dividends. As a result of these constraints, the business may be required to raise equity or sell assets to reduce current debt levels should the Scheme not proceed. This may result in further downward pressure on the share price.

c) Competition risk

The continuing retail trend away from bricks and mortar stores in favour of the e-commerce channel has increased competition for retailers, which has been exacerbated by the recent entry of Amazon in the Australian pet retail segment. Greencross will continue to invest in omni initiatives and compete in the online pet retail market. There is a risk that investment in these initiatives will not deliver significant profit growth or may adversely impact margins particularly in the near-term.

The actions of existing competitors, or the entry of new competitors to the market, particularly by way of adopting an integrated business model similar to Greencross could result in decreased profitability and loss of market share and may impact Greencross' profit margins. The barriers to entry to establish such competition, either on a local, regional or national level are not considered to be high.

d) Increased competition for clinic acquisitions

There are low barriers of entry in the market in which Greencross operates and there is a risk that an existing or new entrant to the market might aggressively attempt to grow its market share through acquisitive consolidation with discounting and aggressive marketing, although this would take some time to have a material adverse impact on Greencross.

Such activities may cause Greencross' competitive position to deteriorate. Any deterioration in Greencross' competitive position may result in a decline in revenue and margins and a loss of market share which may have an adverse effect on Greencross' future financial performance.

Increased competition for clinic acquisitions may increase the acquisition price of future clinic purchases. Any increase in acquisition price may result in additional cash being required to fund future growth, lower returns on future capital employed by Greencross and have an adverse effect on Greencross' future financial performance and growth outlook.

e) Branding and intellectual property

Greencross' intellectual property rights include the trademarks of each of its businesses, domain names and business name, some of which are registered in Australia. Greencross' intellectual property rights may be infringed, or Greencross may infringe the intellectual property rights of other entities, resulting in loss of competitive advantage or significant costs in pursuing or defending legal and commercial action.

f) Pet retail and veterinary services expenditure

If general economic conditions deteriorate, customer expenditure on their pets may decrease and vet visit numbers may decline. This may have a material impact on Greencross' revenue and profitability.

In addition, a decline in the level of pet ownership in Australia may reduce the addressable market and have an adverse effect on Greencross' future financial performance.

g) Key personnel

Greencross is dependent on its key management the loss of whose services could materially and adversely affect Greencross and impede the achievement of its objectives.

h) Retention of veterinarians

The retention of veterinarians is important to the ongoing operation of Greencross' veterinary operations.

Veterinarians tend to prefer to work at clinics which have high quality facilities, equipment, staff, offer career progression and training and which are conveniently located, amongst other factors. In the event that some of Greencross' clinics become less attractive to veterinarians and new graduates due to the ageing of facilities, obsolescence of equipment, or reduction in the number and quality of staff, there is a risk that veterinarians will be less inclined to work at Greencross' clinics. This in turn could adversely impact Greencross' operational and financial performance.

i) Operational risk and control

There is a risk that inadequate operational processes, personnel and systems may result in loss or damage to Greencross' business. Greencross is exposed to operational risks including fraud, systems failure or failure of electronic and physical security systems. This could have a material adverse impact on Greencross' financial performance.

j) Product sourcing

Greencross' products are sourced from a network of suppliers. Loss or interruption to this supply or changes to existing supply arrangements may result in increased product sourcing costs and lower profitability. Supply of poor quality products could result in death, injury or sickness to an animal which could damage Greencross' brand and reputation. Increased cost of products may impact Greencross' profit margins.

k) Damage to the brand and reputation

Greencross' veterinary and retail brands are crucial to the assets of the business. The perception of the brands as high quality and credible could be adversely impacted by a number of factors, including:

- product quality issues;
- negative press; and
- breach of any fair trading regulations or Australian Competition and Consumer Commission or New Zealand Commerce Commission investigations.

Any factors which damage the brand and reputation of Greencross or its store or clinics may have an adverse impact on Greencross' financial performance.

l) Information Technology (IT) systems

Greencross is reliant on the capability and reliability of its IT systems and backup systems, and those of its external service providers such as communication carriers to process transactions, manage debtors and inventory, report financial results and manage its business.

The failure of any Greencross' IT systems, including veterinary management software, retail point of sale and inventory management systems could have a significant impact on Greencross' ability to trade and may have an adverse effect on Greencross' future financial performance.

m) Privacy breach

The protection of customer, employee and company data is critical to Greencross. Greencross has access to customer information, in particular through its veterinary management software database and its "Friends for Life" program database and "Healthy Pets Plus" program database. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. A significant breach of customer, employee or company data could attract significant media attention, damage Greencross' customer relationships and reputation and ultimately result in lost sales, fines or litigation, which may have an adverse effect on Greencross' future financial performance.

n) Customer satisfaction and loyalty

Greencross' success is highly dependent on the delivery of quality service to its clients and maintaining client satisfaction and loyalty. Any diminution in client satisfaction and loyalty may have an adverse impact on Greencross' financial performance.

o) Lease arrangements

Greencross operates its stores and clinics at leased premises. Each lease requires Greencross to comply with various obligations including the payment of rent and outgoings. In the event of default by Greencross, the landlord may terminate the lease if the default is not remedied. Termination could have an adverse impact on Greencross' financial performance.

11.4 Risk factors relating to HoldCo Shares

a) Risks associated with an investment in HoldCo post implementation of the Scheme

Greencross Shareholders who elect the Mixed Consideration Options should consider a number of risks that can be broadly classified as risks specific to an investment in HoldCo Shares post implementation of the Scheme and general risks relating to investing in unquoted securities. These risks may, individually or in combination, have a material adverse effect on any one or more of HoldCo's future financial performance, financial position, cash flows or, distributions and your ability to dispose of HoldCo Shares if you wish to do so and consequently, on the outcome of an investment in HoldCo and the value of your HoldCo Shares.

You should read the Scheme Booklet in its entirety and specifically consider the factors contained within this Section 11.4 before making an Election to receive either of the Mixed Consideration Options.

You should also carefully consider these factors in the light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding whether to make an Election to receive either of the Mixed Consideration Options. There is no guarantee that TPG BidCo will achieve its stated objectives or any of its statements of current future intent as described in Section 10.5, or that any dividends or distributions will be paid to HoldCo Securityholders post implementation of the Scheme.

You should note that this Section 11.4 is not an exhaustive list of the risks associated with an investment in HoldCo post implementation of the Scheme. Further, many of these risks are outside the control of TPG BidCo or TPG BidCo and either cannot be mitigated or can only be partially mitigated.

The risk factors that apply to an investment in HoldCo post implementation of the Scheme are materially different from those that apply to your existing investment in Greencross.

Despite the operating history of Greencross, an investment in HoldCo post implementation of the Scheme should be considered a speculative investment.

For further information about the rights and risks associated with HoldCo Shares see Section 10.

b) Risks specific to HoldCo and HoldCo Shares post implementation of the Scheme

11.4.b.1 Liquidity risk

HoldCo, post implementation of the Scheme, will be an unlisted proprietary company. As such, there will be no public market for the trading of HoldCo Shares post implementation of the Scheme, nor is there expected to be any such market in the future. There are restrictions on the disposal of HoldCo Shares under the HoldCo Shareholders' Deed that will restrict any prospective seller of HoldCo Shares from trading in their HoldCo Shares. This will result in HoldCo Shares being substantially illiquid. This may also affect the value of HoldCo Shares post implementation of the Scheme as well as your ability to dispose of them, either at all or in a timely manner.

As noted above, there are also substantial restrictions on the ability of HoldCo Securityholders to transfer their HoldCo Shares under the HoldCo Shareholders' Deed. See Sections 10.3d) for further information.

11.4.b.2 HoldCo Shareholders' Deed

Greencross Shareholders who receive HoldCo Shares under the Scheme will become shareholders in HoldCo and parties to the HoldCo Shareholders' Deed, which is intended to govern the relationship between investors in HoldCo. The HoldCo Shareholders' Deed provides HoldCo Securityholders with certain rights and obligations in connection with, amongst other things, the governance of HoldCo and the disposal of HoldCo Shares.

11.4.b.3 Original Greencross Shareholders' minority voting rights

As Greencross Shareholders who receive HoldCo Shares under the Scheme will collectively have no more than a 15% interest in HoldCo, they will be subject to risks inherent in minority shareholdings. As at the Implementation Date, it is expected that only the TPG Shareholders will hold Class A Shares in the capital of HoldCo. Class A Shares carry rights to appoint all of the directors to the HoldCo Board (including the Chairman of the HoldCo Board). Greencross Shareholders who receive HoldCo Shares under the Scheme will be issued Class B Shares, which carry with them limited voting rights under the HoldCo Shareholders' Deed. This means that the TPG Shareholders will be able to exercise majority voting power, and will be in a position to determine the outcome of most decisions relating to HoldCo and the TPG BidCo Group more generally. An individual HoldCo Securityholder or group of HoldCo Securityholders, acting together (other than the TPG Shareholders), will not be able to affect those matters relating to HoldCo. Greencross Shareholders who receive HoldCo Shares under the Scheme will therefore, in most cases, be subject to the decisions made by the TPG Shareholders in relation to HoldCo and the TPG BidCo Group.

11.4.b.4 Neither the ASX Listing Rules nor Australia's takeover regime will apply

As HoldCo will be an unlisted company post implementation of the Scheme, neither the ASX Listing Rules nor Australia's takeover regime (among other provisions of the Corporations Act) will apply. The effect of this change in structure means that investor protections currently available to Greencross Shareholders in respect of their Greencross Shares under the ASX Listing Rules and Chapter 6 of the Corporations Act will not apply to those Greencross Shareholders who make an Election to receive, and do not receive, either of the Mixed Consideration Options in respect of their HoldCo Shares. There is a risk that, because of the different regulatory regime that applies to an investment in HoldCo after the Scheme is implemented, HoldCo Securityholders may not realise the outcome with respect to their investment that they intended, or which might have been available were their investment in a listed entity.

ASX Listing Rules

A summary of some of the key types of investor protections that will no longer apply is set out in the table below.

Listing Rule	Description of lost protection
Continuous disclosure (Chapter 3)	<p>This chapter contains obligations on listed entities to disclose material price sensitive information to the market.</p> <ul style="list-style-type: none">• Neither HoldCo nor TPG BidCo will have an obligation to disclose material price sensitive information post implementation of the Scheme.
Securities (Chapter 6)	<p>This chapter provides that each class of equity security must be appropriate and equitable in ASX's view. It also provides protections in relation to voting rights of holders of ordinary and preference shares.</p> <ul style="list-style-type: none">• The terms of the HoldCo Shares are not subject to ASX's approval.
Changes in capital and share issues (Chapter 7)	<p>This Chapter requires issuers who issue more than 15% of a listed entity's capital in a 12 month period to seek securityholder approval, subject to certain exceptions. It also imposes limits on the ability of listed entities to issue securities under a rights issue, dividend or distribution plan or during a takeover unless prescribed conditions are met.</p> <ul style="list-style-type: none">• Holdings of HoldCo Shares may be more easily diluted.
Transaction with persons of influence (Chapter 10)	<p>This chapter imposes restrictions on persons in a position of influence, such as related parties, a subsidiary, or a substantial holder, from entering into certain transactions with the listed entity unless certain conditions are met. In prescribed cases, transactions of this nature will require securityholder approval.</p> <ul style="list-style-type: none">• Transactions between HoldCo, Greencross and/or their related parties may not require shareholder approval.
Significant transactions (Chapter 11)	<p>This chapter requires a listed entity to obtain the approval of securityholders in certain circumstances (and where required by ASX), if it proposes to make a significant change to the nature or scale of its activities.</p> <ul style="list-style-type: none">• A significant change to the operations of HoldCo and/or Greencross may not require shareholder approval.

Australia's takeovers regime (Chapter 6 of the Corporations Act)

Chapter 6 of the Corporations Act sets out Australia's takeovers regime (which is supplemented by ASIC Regulatory Guides and guidance notes issued by the Australian Takeovers Panel). These provisions prohibit a person from acquiring relevant interests in the securities of a listed entity where it would have the effect of causing the person's or someone else's voting power in the company to increase from 20% or below to above 20%, or to increase from a starting point of above 20% and below 90%, unless an exception applies. Exceptions include where the person increases its voting power by way of a takeover bid or a scheme of arrangement. The purpose of Chapter 6 of the Corporations Act is to ensure such increases in voting power occur in a manner which provides shareholders with sufficient time to enable them to assess an offer put to them by an acquirer, sufficient information and disclosure about the offer and allows them to have an equal opportunity to participate in the offer and any control premium offered by the acquirer.

As such, there is a risk that a person may be able to acquire control of HoldCo, TPG BidCo, Greencross or any of their subsidiaries in a manner that would not have been permitted had Chapter 6 of the Corporations Act applied, for example:

- without making a takeover offer or proposing a scheme of arrangement;
- in circumstances where less information was disclosed to HoldCo Securityholders about the transaction or where less time was given to HoldCo Securityholders to assess the offer put to them; and/or
- without giving HoldCo Securityholders equal opportunity to participate in the offer and any control premium offered by an acquirer.

11.4.b.5 Lack of information

Greencross Shareholders who receive HoldCo Shares under the Scheme will receive significantly less information and reports about their investment than Greencross Shareholders currently receive. Under the HoldCo Shareholders' Deed, Class B Shareholders are entitled to receive a copy of the latest audited financial statements of the TPG BidCo Group if requested. Notwithstanding this, the TPG BidCo Group intends to send a copy of these reports to each Class B Shareholder at the address noted on the HoldCo share register (or, if a nominee is appointed, at the address nominated to the nominee), free of charge, following the lodgement of the relevant reports with ASIC. Greencross Shareholders who receive HoldCo Shares under the Scheme will not, however, receive reports such as remuneration reports or corporate governance reports and HoldCo will not be required to comply with the extensive continuous disclosure obligations set out in Chapter 3 of the Listing Rules and section 674 of the Corporations Act. HoldCo will not be required to hold any annual general meeting of its members.

11.4.b.6 Payment of dividends

Whilst each Class B Share will be entitled to receive any dividends and other distributions from HoldCo, declaration and payment of any dividends will be at the sole discretion of the HoldCo Board.

It should be noted that the TPG BidCo Group will be entering into documents with financial institutions that contain covenants restricting TPG BidCo Group from declaring or paying a dividend.

11.4.b.7 Dilution

HoldCo may need to raise additional capital in the future in order to meet the operating and/or financing requirements of itself and Greencross. HoldCo may also issue shares to HoldCo management through the establishment of a management equity plan. Future capital raisings, equity funded acquisitions by HoldCo or issuances of shares to HoldCo management, undertaken in accordance with the HoldCo Shareholders' Deed, may dilute the holdings of a particular HoldCo Securityholder relative to other HoldCo Securityholders. In the event that further equity funding is required, existing HoldCo Securityholders may be offered to participate and, if they do not take up their proportional share of any pro rata issue of shares offered to them, have their interest in HoldCo diluted relative to other HoldCo Securityholders who elected to take up their proportional share of any pro rata issue.

11.4.b.8 Exit

Consistent with usual private equity practice, the TPG Shareholders may seek to exit their investment in HoldCo at some time in the future. This is subject to prevailing market conditions, the business' performance and other factors which may be considered relevant at the time. Due consideration will also be given to market conditions and business performance as they evolve over time. The optimal means of exit will be determined at some point in the future. As such, the time period for exit is currently unknown and is in the discretion of the TPG Shareholders.

There is no guarantee that HoldCo Securityholders will be able to achieve an exit in respect of their HoldCo Shares if a decision for exit is not made by the TPG Shareholders. In particular, there will be no active market for the sale and purchase of HoldCo Shares post implementation of the Scheme.

Conversely, there is no guarantee that HoldCo Securityholders will want to exit their investment at the same time as a decision for exit is made by the TPG Shareholders. HoldCo Securityholders may not agree with the exit strategy adopted by the TPG Shareholders or receive the price and return on investment they expect. For further information about the exit rights of TPG Shareholders and HoldCo Securityholders see Section 10.3d).

11.4.b.9 Due diligence and reliance on information

Before executing the Scheme Implementation Agreement, the TPG BidCo Group undertook due diligence in respect of Greencross on information provided for the purpose of considering the acquisition of Greencross and negotiating the Scheme Implementation Agreement. Such investigations were carried out in a limited timeframe. TPG BidCo is satisfied that it has sufficient information to proceed with the Scheme. The TPG BidCo Group has prepared these risks on the basis of information regarding Greencross that is known to the TPG BidCo Group and accordingly there may be other risks associated with Greencross that are currently unknown to TPG BidCo. Additionally, there is a risk that the information currently available to the TPG BidCo Group in respect of Greencross may contain inaccuracies or have changed due to changes in the economy or other risk factors outside of the control of either the TPG BidCo Group or Greencross.

11.4.b.10 Change of control

Upon implementation of the Scheme, a change of control in Greencross will occur.

It is possible that material contracts to which Greencross is a party may be subject to pre-emptive rights, review or termination upon a change of control. While TPG BidCo is not aware of any counterparty that may wish to terminate a material contract, should any such contracts be terminated, Greencross would lose the benefit of the contract and may be unable to obtain similar terms upon entry into replacement contracts (should such replacement contracts be available).

11.5 Risk factors that may prevent the Scheme from becoming Effective or being implemented

a) Regulatory approval delays

As set out in Section 8, the Scheme is subject to a number of Conditions Precedent, including Court and regulatory approvals (including FIRB Approval).

There is a risk that such Court and regulatory approvals may not be obtained, or may be obtained subject to conditions upon which TPG BidCo, Greencross or both (as applicable) are not prepared to accept (acting reasonably), or may be delayed.

b) Change of control consent requirements

A number of contracts to which members of Greencross are a party (including leases, supply contracts and financing arrangements) contain change of control provisions that will, or may if certain conditions pertain, be triggered either by or upon the entry into the Scheme Implementation Agreement, the Scheme, the acquisition of Greencross Shares by TPG BidCo on the implementation of the Scheme or the delisting of Greencross. Such provisions allow the counterparty to, variously, demand immediate or earlier repayment of borrowed monies, review, adversely modify or terminate the contract. Such counterparties may also seek damages, injunctive relief or specific performance in respect of breaches of these contracts as a result of or in connection with the Scheme.

The only consent requirement which is a Condition Precedent to the Scheme requires the counterparty to the Animates JV to give consent in writing to the change of control of Greencross as a result of the implementation of the Scheme. The Scheme will not proceed unless this consent is obtained or TPG BidCo waives the Condition Precedent.

However, although no other consent is a Condition Precedent, if a counterparty to another contract were to refuse to provide consent to the proposed change of control, seek to terminate or renegotiate a contract, or seek damages, injunctive relief or specific performance in respect of any breach of such contract, this may, individually or in aggregate, have an adverse effect on the ability to successfully implement the Scheme.

Greencross is aware of a number of consent requirements that will or may be triggered by the Scheme and is, under the Scheme Implementation Agreement, required to use its reasonable endeavours to obtain all such change of control consents to ensure that there is no adverse effect on the ability to successfully implement the Scheme arising from such requirements.



12.

Taxation implications for Greencross Shareholders

12. Taxation implications for Greencross Shareholders

12.1 Introduction

a) Tax implications addressed in this Section

Greencross has provided below a summary of the general Australian tax consequences for Greencross Shareholders.

The information contained within this summary is of a general nature only. It does not constitute specific tax advice and should not be relied upon as such. Greencross Shareholders should seek independent professional advice on the consequences of the Scheme becoming Effective, based on their particular circumstances.

This summary is based on the provisions of the Income Tax Assessment Act 1936 (**ITAA 36**) and the Income Tax Assessment Act 1997 (**ITAA 97**) as at the date of this Scheme Booklet.

This summary considers the following Australian tax implications of the Scheme:

- the Australian income tax implications of any Special Dividend that may be declared and paid by Greencross before the Scheme is implemented;
- the Australian income tax consequences of the disposal of Greencross Shares under the Scheme;
- certain Australian tax implications of acquiring HoldCo Shares; and
- certain stamp duty and GST implications.

This summary applies to Australian tax resident and non-resident shareholders who hold their shares on capital account. However, this summary will not apply to Greencross Shareholders who:

- hold their Greencross Shares on revenue account, as trading stock or to which the Taxation of Financial Arrangements under Division 230 of the ITAA 97 applies; or
- are financial institutions, insurance companies, partnerships, tax exempt organisations, dealers in securities or shareholders who change their tax residency while holding shares and are subject to special tax rules; or
- acquired their Greencross Shares because of an employee share plan and the shares are taxable under the employee share scheme rules under Division 83A of the ITAA 97 or former Division 13A of Part III of the ITAA 36. However, the general advice provided in this Section 12 should apply to Greencross Shareholders who acquired their Greencross Shares by exercising options, where the Greencross Shares are now held as a CGT asset and are not now subject to any relevant employee share scheme rules.

b) Class ruling

Greencross has lodged a class ruling application with the ATO seeking the Commissioner of Taxation's view on specific Australian income tax implications for Greencross Shareholders of implementing the Scheme and any Special Dividend that may be declared and paid by Greencross prior to the implementation of the Scheme. The Scheme is not conditional on the receipt of the class ruling.

The class ruling has not been issued by the ATO at the date of this Scheme Booklet. When published, the class ruling will be available at www.ato.gov.au and Greencross will make an ASX announcement in respect of its publication.

12.2 Greencross special dividend

a) Assessability of special dividend

12.2.a.1 Australian resident individuals, companies and complying superannuation entities

Any Special Dividend that may be declared and paid by Greencross will constitute assessable income of an Australian tax resident Greencross Shareholder. Australian tax resident Greencross Shareholders who are individuals, or that are companies or complying superannuation entities should include (as applicable) any Special Dividend that may be declared and paid by Greencross in their assessable income (part of this may then be exempt to complying superannuation entities to the extent that it relates to their current pension liabilities) in the year that Special Dividend is paid, together with any franking credit that is attached to that Special Dividend. These Greencross Shareholders should be entitled to a tax offset equal to the franking credit attached to any Special Dividend that may be declared and paid by Greencross. The tax offset can be applied to reduce the tax payable on Greencross Shareholders' taxable income. Where the tax offset exceeds the tax payable on the Greencross Shareholders' taxable income, these Greencross Shareholders who are individuals or complying superannuation entities should be entitled to a tax refund.

To the extent that any Special Dividend that may be paid by Greencross is unfranked, a Greencross Shareholder will generally be taxed at the applicable tax rate on the Special Dividend received with no tax offset.

12.2.a.2 Australian resident trusts and partnerships

Greencross Shareholders who are trustees or partnerships (other than a partnership or trustee that is a corporate tax entity, or a trustee of a complying superannuation entity) must include the amount of the Special Dividend together with any franking credit in determining the net income of the trust or partnership for the income year in which the Special Dividend is paid. The applicable laws relating to the treatment of dividends, and in particular franked dividends, for trusts and partnerships are complex but, providing that certain conditions are satisfied, both the liability to pay tax on the Special Dividend (and any franking credits) and the tax offset provided by any franking credits can flow through to the beneficiaries or partners.

12.2.a.3 Non-Australian resident individuals and corporate Greencross Shareholders

Any Special Dividend that may be declared and paid to a Greencross Shareholder who is a non-resident of Australia should not be subject to Australian dividend withholding tax to the extent that Special Dividend has been franked or, if unfranked, that Special Dividend has been declared to be conduit foreign income.

To the extent that the Special Dividend is unfranked and has not been declared to be conduit foreign income, Australian dividend withholding tax will be required to be withheld by Greencross on behalf of that Greencross Shareholder at a rate not exceeding 30%. Dividend withholding tax may be reduced under an applicable double taxation agreement which Australia has with certain treaty countries.

12.2.a.4 Shares held at risk

The benefit of franking credits can be denied where a Greencross Shareholder has not held the Greencross Shares 'at risk' for a continuous period of at least 45 days (not including the date of acquisition or the date of disposal of the Greencross Shares within the relevant 'qualification period'). The relevant qualification period that a Greencross Shareholder must hold shares 'at risk' is the 31 December 2018 to 21 February 2019.

A Greencross Shareholder will be considered to have not held their Greencross Shares 'at risk' where that Greencross Shareholder holds 'positions' which materially diminish the risk of loss or opportunities for gains in respect of those Greencross Shares by more than 70%. In the context of the Scheme Greencross Shareholders will no longer hold their Greencross Shares 'at risk' from the Scheme Record Date

12.3 Disposal of Greencross Shares

a) Australian tax residents

12.3.a.1 Australian capital gains tax (CGT)

The disposal of Greencross Shares by a Greencross Shareholder who is an Australian tax resident will constitute a CGT event for Australian income tax purposes. The CGT event should occur when the change of ownership of the Greencross Shares occurs, i.e. on the Implementation Date.

Greencross Shareholders will:

- make a capital gain if the capital proceeds from the disposal of their Greencross Shares are greater than the cost base of the Greencross Shares (subject to the application of partial roll-over relief discussed below); or
- make a capital loss if the capital proceeds from the disposal of their Greencross Shares are less than the reduced cost base of their Greencross Shares.

Greencross Shareholders who make a capital gain on disposal of their Greencross Shares will be required to include the net capital gain (if any) for the income year in their assessable income (except where the Greencross Shareholders are pre-CGT Greencross Shareholders, i.e. Greencross Shareholders who have held, or are deemed to have held, their Greencross Shares since prior to 20 September 1985, in which case any such capital gain would be disregarded). Specific CGT roll-over provisions are relevant to the Scheme, and these are outlined in Section 12.3b) below.

12.3.a.2 Capital proceeds

The capital proceeds for the CGT event arising from the disposal of Greencross Shares under the Scheme should include the Scheme Consideration. As such, the value of the capital proceeds should consist of the Cash Consideration received under the Scheme and the market value of the property received in the form of HoldCo Shares.

Based on the facts and circumstances of the Scheme, it is expected that any Special Dividend that may be declared and paid by Greencross should not constitute capital proceeds from the disposal of the Greencross Shares. This forms part of the class ruling to be lodged with the ATO. The Scheme is not conditional on the receipt of the class ruling.

Consequently, the capital proceeds should be equal to the Scheme Consideration (being \$5.55 per Greencross Share, reduced by the amount of any Special Dividend that may be declared and paid by Greencross).

12.3.a.3 Cost base

The cost base and reduced cost base of Greencross Shares will generally include the amount paid to acquire the Greencross Shares and the market value of any property given to acquire the Greencross Shares, plus any incidental costs of acquisition (e.g. brokerage fees and stamp duty). The cost base of each Greencross Share will depend on the individual circumstances of each Greencross Shareholder.

Greencross Shares acquired in different transactions may have different cost bases and therefore capital gains may arise in respect of some Greencross Shares while capital losses may arise in respect of other Greencross Shares.

12.3.a.4 CGT discount

Generally, Australian resident Greencross Shareholders who are individuals, trusts, and complying superannuation funds that have held Greencross Shares for at least 12 months at the time of disposal should be entitled to the CGT discount in calculating the amount of capital gain on disposal of their Greencross Shares.

The CGT discount is applied after available capital losses have been offset to reduce the capital gain.

The applicable CGT discount which would reduce a capital gain arising from the disposal of Greencross Shares is as follows:

- 50% for individuals and trusts; and
- 33 $\frac{1}{3}$ % for a complying superannuation fund.

As the rules relating to discount capital gains for trusts are complex, Greencross recommends that Greencross Shareholders who are trustees seek their own independent advice on how the CGT discount provisions will apply to them and the trust's beneficiaries. The CGT discount is not available for Greencross Shareholders who are companies.

b) Scrip for scrip roll-over relief

Greencross Shareholders who would otherwise make a capital gain on the disposal of their Greencross Shares under the Scheme may choose scrip for scrip roll-over relief to the extent that the capital gain made on the disposal of a Greencross Share is attributable to the receipt of a new HoldCo Share. Greencross Shareholders could not choose to apply scrip for scrip roll-over relief if they made a capital loss on the disposal of their Greencross Shares.

The eligibility for scrip for scrip roll-over relief is part of the class ruling application. The Scheme is not conditional on the receipt of the class ruling.

12.3.b.1 Consequences of choosing scrip for scrip roll-over relief

In the event that partial CGT scrip for scrip roll-over relief is available and has been chosen by a Greencross Shareholder, the part of the capital gain that relates to the Scheme Consideration in the form of HoldCo Shares may be disregarded. Any part of the capital gain that relates to the Scheme Consideration that is non-scrip consideration cannot be disregarded.

Where a Greencross Shareholder has applied partial CGT scrip for scrip roll-over relief, the cost base of the HoldCo Shares received as part of the Scheme Consideration should be equal to the cost base of their original Greencross Shares, reduced by an amount of the cost base that is reasonably attributable to the cash proceeds. Under the Scheme, the Cash Consideration component of the Scheme Consideration will be equal to \$5.55 per Greencross Share, less the amount of any Special Dividend that may be declared and paid by Greencross.

The following example illustrates how the cost base of HoldCo Shares issued under the Scheme is to be determined where scrip for scrip roll-over relief is available to and chosen by Greencross Shareholders.

Example

The figures used in this example are for illustrative purposes only, assuming Mixed Consideration Option 2 applies i.e. the Greencross Shareholder elects to receive the Cash Consideration in respect of 25% of their Greencross Shares held on the Scheme Record Date and for the Scrip Consideration in respect of the remaining 50% of their Greencross Shares held on the Scheme Record Date, subject to certain qualifications.

Cost base of 1,000 original Greencross Shares (issued at \$1 per share):

= \$1,000

Capital proceeds received as a result of the Scheme Consideration:

= 1,000 x (\$5.55 – \$0.21)

= \$5,340

Made up as follows per Greencross Share:

Cash consideration (25%)	\$1,335
Scrip consideration (75%)	\$4,005
Total	\$5,340

Prima facie capital gain (capital proceeds less cost base):

= \$4,340

Cost base of original Greencross Shares exchanged for the cash consideration:

= (Original cost base x Cash Consideration)/total consideration

= (\$1,000 x \$1,335)/\$5,340

= \$250

Cost base of new HoldCo Shares acquired:

= \$1,000 – \$250

= \$750

Capital gain realised under the Scheme (in respect of the Cash Consideration):

= \$1,335 – \$250

= \$1,085

Capital gain deferred under the Scheme (in respect of the Scrip Consideration)

= \$4,005 – \$750

= \$3,255

Where partial CGT scrip for scrip roll-over relief has been chosen by a Greencross Shareholder, the HoldCo Shares will be deemed to have been acquired at the time the Greencross Shares were originally acquired. This will be relevant for the purposes of determining eligibility for the CGT discount for a subsequent disposal of HoldCo Shares.

The benefit of choosing CGT scrip for scrip roll-over relief will depend upon the individual circumstances of each Greencross Shareholder.

12.3.b.2 Choosing roll-over relief

Generally, a choice to adopt scrip for scrip roll-over relief must be made by a Greencross Shareholder before lodgement of that Greencross Shareholder's income tax return for the income year in which the CGT event occurs.

No formal election notice to choose scrip for scrip roll-over relief is required to be lodged with the ATO. The Greencross Shareholder's income tax return should, however, be prepared in a manner consistent with electing for scrip for scrip roll-over relief.

12.3.b.3 Consequences of not choosing CGT scrip for scrip roll-over relief

Greencross Shareholders who are ineligible to choose CGT scrip for scrip roll-over, or elect not to choose it, will be assessed on any capital gain derived on the disposal of their Greencross Shares.

The first element of the cost base of the HoldCo Shares received in consideration for the disposal of Greencross Shares should be equal to the market value of those Greencross Shares on the date the HoldCo Shares are issued.

The acquisition date of the new HoldCo Shares should be the issue date. This will be relevant for the purposes of determining whether a Greencross Shareholder is eligible for the CGT discount in relation to a subsequent disposal of HoldCo Shares.

c) Non-Australian tax resident Greencross Shareholders

Greencross Shareholders who are non-Australian tax residents that derive a capital gain on disposal of their Greencross Shares under the Scheme would be subject to the Australian CGT rules to the extent that the Greencross Shares are characterised as 'taxable Australian property'. Generally, these Greencross Shareholders would be subject to Australian income tax on any capital gain derived if:

- they (together with any of their associates) hold 10% or more of Greencross Shares on issue (at the time of disposal or throughout a 12-month period during the two years before disposal);
- the majority of Greencross' assets consist of real property situated in Australia; and
- they do not choose scrip for scrip roll-over.

Greencross Shareholders who are non-Australian tax residents should seek their own independent tax advice as to the tax implications of the Scheme, including the tax implications in their country of residence.

12.4 GST

The sale of Greencross Shares by the Greencross Shareholders and the acquisition of HoldCo Shares (where relevant) should not give rise to any adverse GST implications. Where the Greencross Shareholder is not registered or required to be registered for GST, the sale will be outside the scope of the GST. Otherwise, the sale of the securities and acquisition of the HoldCo Shares will be an input taxed financial supply. Where this is the case, the Greencross Shareholder should obtain independent advice in relation to whether there is an ability to claim any input tax credits for the costs (such as legal or professional fees) associated with the disposal of the securities and acquisition of the HoldCo Shares.

12.5 Stamp duty

There should not be stamp duty payable by the Greencross Shareholders on the disposal of their Greencross Shares in Greencross.

There should be no landholder duty payable in relation to the acquisition of Class B Shares by respective Greencross Shareholders (where relevant). In the event that HoldCo is a landholder, the entitlement that Greencross Shareholders will have in the property upon the winding up of HoldCo is limited and cannot exceed 15%. Accordingly, provided that none of the Greencross Shareholders (or their associates) either directly or indirect also hold an interest of 50% or close to 50% in HoldCo, landholder duty should not arise.



13.

Additional
information
about Greencross

13. Additional information about Greencross

13.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the Corporations Regulations 2001 (Cth) to be included in this Scheme Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that the Greencross Directors consider material to a decision on how to vote on the resolution in respect of the Scheme.

13.2 Suspension of trading of Greencross Shares

If the Court approves the Scheme, Greencross will immediately notify ASX. It is expected that suspension of trading on ASX in Greencross Shares will occur at the close of trading on ASX on the Effective Date (currently expected to be Monday, 11 February 2019).

13.3 Removal of Greencross from the official list

If the Court approves the Scheme, Greencross will be removed from ASX's official list after the Implementation Date.

13.4 No relevant restrictions in the Constitution of Greencross

There are no relevant restrictions on the right to transfer Greencross Shares in Greencross' constitution.

13.5 Payment instructions

To give or update direct credit instructions online with the Greencross Registry please visit www.linkmarketservices.com.au.

13.6 Greencross Directors' interests in Greencross Shares and Performance Rights

As at the date of this Scheme Booklet, the Greencross Directors have the following interests in securities of Greencross:³⁷

Director	Position	Greencross Shares held by or on behalf of the Greencross Director	Greencross Performance Rights held by or on behalf of the Greencross Director
Stuart James	Chairman	2,499,704	0
Simon Hickey	Chief Executive Officer	58,112	227,556
Christina Boyce	Non-Executive Director	29,000	0
Rebekah Horne	Non-Executive Director	0	0
Christopher Knoblanche AM	Non-Executive Director	18,000	0
Dr Glen Richards	Non-Executive Director	2,356,770	0
Paul Wilson	Non-Executive Director	3,244,837	0
Total		8,206,423	227,556

³⁷ This table does not include the Greencross Performance Rights referred to in Section 8.2.

13.7 Remuneration of Greencross Directors

For the year ended 1 July 2018, the fees paid or payable to the current Greencross Directors were as follows:

a) Remuneration of Non-Executive Directors

Director	Cash fees (including superannuation)
Stuart James	\$230,176
Christina Boyce	\$147,884
Rebekah Horne	\$109,544
Christopher Knoblanche AM	\$147,884
Dr Glen Richards	\$108,979
Paul Wilson	\$108,938

b) Remuneration of Chief Executive Officer

Director	Salary, fees and allowances (including superannuation)
Simon Hickey	\$292,308*

* Pro rata for the period in the role from 5 March 2018 to 2 July 2018

Please see Section 8.2 in relation to the operation of the Greencross Performance Rights in light of the Scheme.

13.8 Retirement benefits

a) Retirement benefits of Non-Executive Directors

No payment or other benefit is proposed to be made or given in connection with the Scheme to any Non-Executive Director of Greencross as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Greencross or any Related Bodies Corporate of Greencross.

b) Retirement benefits of Executive Directors

No payment or other benefit is proposed to be made or given in connection with the Scheme to any Executive Director of Greencross as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Greencross or any Related Bodies Corporate of Greencross.

c) Retirement benefits of other director, secretary or executive officers of Greencross or any of its Related Bodies Corporate

No payment or other benefit is proposed to be made or given in connection with the Scheme to any other director, secretary or executive officers of Greencross or any of its Related Bodies Corporate as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office in Greencross or any Related Bodies Corporate of Greencross, other than any payments or benefits arising from any applicable redundancy entitlements. Redundancy entitlements may arise under the terms of the relevant officer's contract of employment, applicable statutory entitlements, Greencross policies or a combination of these.

13.9 Marketable securities of TPG BidCo or HoldCo held by or on behalf of Greencross Directors

None of the Greencross Directors, nor any of their Associates, have a relevant interest in any Marketable Securities issued by any one or more of TPG BidCo, HoldCo or any of their respective Related Bodies Corporate.

13.10 Agreements and arrangements entered into by Greencross Directors in connection with or conditional upon the Scheme

None of the Greencross Directors, nor any of their Associates, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any one or more of TPG BidCo, HoldCo or any of their respective Related Bodies Corporate, in connection with, or conditional upon, the outcome of the Scheme.

13.11 Interests of Greencross Directors in contracts of TPG BidCo and HoldCo

None of the Greencross Directors, nor any of their Associates, have entered into, or otherwise have any interest in any agreement, arrangement or contract with any one or more of TPG BidCo, HoldCo or any of their respective Related Bodies Corporate.

13.12 Disclosure of fees and other benefits

There is no additional agreement or arrangement made between any Greencross Director and another person in connection with or conditional on the outcome of the Scheme, other than certain existing executives and senior managers of Greencross may be paid a cash incentive that is not conditional on the Scheme being implemented and will not exceed \$1.5 million (in aggregate). These payments are subject to approval by the Greencross Board and are in lieu of any retention payments, transaction bonuses and a portion of the short term incentive payable to executives and management, depending on the full year performance of the company.

The persons named in this Booklet as performing a material function in a professional or advisory capacity in connection with the Scheme and with the preparation of the Scheme Booklet on behalf of Greencross are Clayton Utz as Australian legal adviser, BDO as tax adviser, Macquarie Capital (Australia) Limited and Allier Capital as joint financial advisers, Grant Thornton as the Independent Expert and Link Market Services Limited as the Greencross Registry.

The aggregate amount of the fees and expenses associated with the Scheme and the preparation of this Scheme Booklet incurred (or to be incurred) by Greencross are expected to be approximately \$11 million (exclusive of GST). Of this amount approximately \$3 million (exclusive of GST) is expected to be payable by Greencross irrespective of whether or not the Scheme becomes Effective. These amounts do not include the transaction costs that may be incurred by TPG BidCo in relation to the Scheme.

13.13 Greencross Directors' intentions regarding the business, assets and employees of Greencross

If the Scheme is approved and implemented, the existing Greencross Board will be reconstituted in accordance with the instructions of TPG BidCo as the only shareholder in Greencross. Accordingly, it is not possible for your Greencross Directors to provide a statement of their intentions regarding:

- the continuation of the business of Greencross or how Greencross' existing business will be conducted after the Scheme is implemented;
- any major changes to be made to the business of Greencross, including any redeployment of the fixed assets of Greencross; or
- the future employment of the present employees of Greencross, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, TPG BidCo will have 100% ownership of Greencross issued shares and will control Greencross.

Please refer to Section 10.5 for a statement of TPG BidCo's intentions for Greencross if the Scheme becomes Effective.

13.14 Consents

- The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
 - Macquarie Capital (Australia) Limited as joint financial adviser to Greencross;
 - Allier Capital as joint financial adviser to Greencross;
 - Clayton Utz as legal adviser to Greencross; and
 - Link Market Services Limited as the Greencross Registry.
- The Independent Expert has consented to the inclusion of the Independent Expert's Report in Appendix B to this Scheme Booklet and the Independent Expert has consented to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- BDO has consented to the inclusion of Taxation Report in Section 12 and to the references to the Taxation Report or the information included in the Taxation Report in this Scheme Booklet being made in the form and context in which each such references is included.

- Each person named in this Section 13.14:
 - has not authorised or caused the issue of this Scheme Booklet;
 - does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 13.14; and
 - to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of the party as specified in this Section 13.14.
- TPG BidCo has given, and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its consent, to the inclusion of the TPG BidCo Information in this Scheme Booklet and the references to the TPG BidCo Information in the form and context in which they are included in the Scheme Booklet.

13.15 Supplementary information

If between the date of lodgement of this Scheme Booklet for registration with ASIC and the Second Court Date Greencross becomes aware of any of the following:

- a material statement in this Scheme Booklet that is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter that has arisen and it would have been required to be included in this Scheme Booklet if known at the date of lodgement with ASIC,

then Greencross intends to publish supplementary material by:

- placing an advertisement in a prominently placed newspaper which is circulated throughout Australia; or
- posting the supplementary material on the Greencross website at <http://www.greencrosslimited.com.au> and lodging the material with ASX,

and, depending on the nature and timing of the changed circumstances and the supplementary material, Greencross may also post the supplementary material to all Greencross Shareholders, subject to obtaining any necessary regulatory approvals.

13.16 Other material information

Otherwise than as contained or referred to in this Scheme Booklet, including in the Independent Expert's Report and the information that is contained in the attachments and appendices to this Scheme Booklet, there is no other information that is material to the making of a decision by a Greencross Shareholder whether or not to vote in favour of the Scheme, being information that is known to any Greencross Director and which has not been previously disclosed to Greencross Shareholders.

Greencross is not aware of any material information about Greencross that is material to a decision of a Greencross Shareholder on how to vote in relation to the Scheme Resolution and which:

- has not been made available to the Independent Expert for the purpose of preparing the Independent Expert's Report;
- is not set out in this Scheme Booklet; or
- has not otherwise been made publicly available by Greencross.



14.

Additional
information
about TPG,
TPG BidCo
and HoldCo

14. Additional information about TPG, TPG BidCo and HoldCo

14.1 Interests in Greencross Shares

As at the date of this Scheme Booklet:

- the voting power of TPG BidCo and its associates in Greencross is 3.3%;
- TPG BidCo and its associates (other than Mr Jeffrey David) do not have a relevant interest in any Greencross Shares; and
- Mr Jeffrey David has a relevant interest in Greencross of 3.3%, but the nature of the association between TPG BidCo and Mr David does not result in TPG BidCo having a relevant interest in Mr David's Greencross shares (as TPG BidCo does not have the power to exercise, or control the exercise of, rights to vote attached to Mr David's shares, and does not have the power to dispose of, or control the exercise of a power to dispose of, Mr David's shares).

As outlined in Section 10.2.a.2, TPG BidCo has a total return cash settled equity swap with Credit Suisse AG, Singapore Branch (Swap) which, as at the date of this Scheme Booklet, relates to 5,688,243 Greencross Shares, representing an economic interest in 4.7% of the issued capital of Greencross.

As at the date of this Scheme Booklet, entities controlled by Mr Jeffrey David hold 3,933,924 Greencross Shares representing 3.3% of the issued capital of Greencross, held through the following two entities:

- Prebest Pty Limited – 3,906,289 Greencross Shares; and
- Swaus Pty Limited – 27,635 Greencross Shares,

(referred to as the **David Shares**).

Mr Jeffrey David is an existing employee of a company in which an associate of TPG BidCo holds a majority interest. Mr David has been assisting TPG BidCo with its commercial due diligence and sharing industry-related insights and perspectives. TPG BidCo and Mr David are associates for the purposes of section 12(2)(c) of the Corporations Act. For the avoidance of doubt, TPG BidCo has no power to exercise, or to control the exercise of, the votes attached to the David Shares.

The holders of the David Shares will not be restricted from voting on the Scheme Resolution. However, Greencross proposes to tag the voting on the David Shares for the purpose reporting on the outcome of the vote on the Scheme Resolution at the Second Court Hearing and drawing the Court's attention to any votes cast in respect of the David Shares.

14.2 Dealings in Greencross Shares in the previous four months

Neither TPG BidCo nor any of its associates has provided, or agreed to provide, consideration for Greencross Shares under a purchase or agreement during the period of four months before the date of this Scheme Booklet except for the Scheme Consideration, which TPG BidCo and HoldCo have agreed to provide under the Scheme (as reflected in the Scheme Implementation Agreement and the Deed Poll).

14.3 Inducing benefits given during the previous four months

Neither TPG BidCo nor any of its associates, during the period of four months before the date of this Scheme Booklet gave, or offered to give or agreed to give, a benefit to another person which was likely to induce the other person, or an associate, to:

- vote in favour of the Scheme; or
- dispose of Greencross Shares,

and which benefit was not offered to all Greencross Shareholders under the Scheme.

14.4 Benefits to Greencross Directors

TPG BidCo will not be making any payment or giving any benefit to any current Greencross Director as compensation or consideration for, or otherwise in connection with, their resignation from the Greencross Board, if the Scheme becomes Effective and the Greencross Board is accordingly reconstituted, other than as required under the relevant person's employment contract with Greencross (see Section 13).

14.5 No interests of TPG BidCo Group directors in Greencross Shares

As at the date of this Scheme Booklet none of the directors of TPG BidCo have a relevant interest in any Greencross Shares.

14.6 No other agreements or arrangements

Neither the TPG Shareholders nor the TPG BidCo Group have made any agreement or arrangement between a Greencross Shareholder in connection with or conditional on the outcome of the Scheme.

14.7 Disclosure of interests and fees of certain people

Other than as set out in this Scheme Booklet or pursuant to existing employment agreements, consulting arrangements or directorships, no:

- director or proposed director of HoldCo; or
- person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet,

holds, or held at any time during the last two years, any interests in:

- the formation or promotion of HoldCo;
- property acquired or proposed to be acquired by HoldCo in connection with its formation or promotion or the offer of Class B Shares under the Scheme; or
- the offer of Class B Shares under the Scheme.

14.8 Fees and benefits

Other than as set out in this Scheme Booklet or pursuant to existing employment agreements, consulting arrangements or directorships, no one has paid or agreed to pay any amount, or given or agreed to give any benefit to a director, or proposed director, of HoldCo:

- to induce them to become, or qualify as, a director of HoldCo; or
- for services provided in connection with the formation or promotion of HoldCo or the offer of Class B Shares under the Scheme.



15.

Glossary

15. Glossary

Aggregate Cash Consideration	means the aggregate of the Cash Consideration payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).
Aggregate Scrip Consideration	means the aggregate number of HoldCo Shares payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).
Animates JV	means the joint venture in respect of Animates NZ Holdings Pty Ltd.
ASIC	means the Australian Securities and Investments Commission.
ASIC Regulatory Guide	means a regulatory guide published by ASIC.
Associate	has the meaning given to it in the Corporations Act.
ASX	means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.
ASX Listing Rules	means the official listing rules of ASX from time to time as modified by any express written waiver or exemption given by ASX.
ATO	means the Australian Tax Office.
Australian ADI	has the meaning given to it in section 9 of the Corporations Act.
BDO	means BDO (Qld) Pty Ltd.
Bonus Payment	has the meaning given to it in paragraph (k)(vi) of the definition of Greencross Prescribed Occurrence.
Break Fee	means a break fee of \$6,750,000 (excluding GST), which may be payable by Greencross to TPG BidCo in the circumstances set out in clause 10 of the Scheme Implementation Agreement.
Business Associates Program	means the program established by the Greencross Group to enable veterinarians, practice managers and other employees of veterinary clinics operated as part of the Greencross Group to share in the financial performance of the veterinary clinics in which they work, including by investing into those clinics and sharing in the profits of those clinics.
Business Day	means a day which is a “Business Day” within the meaning given to it in the ASX Listing Rules.
Cash Consideration	means cash consideration under the Scheme of \$5.55 per Greencross Share held on the Scheme Record Date, less the amount of any Special Dividend that may be declared and paid by Greencross before the Scheme is implemented.
Cash Payments	means cash payments equal to \$5.55 per Greencross Share comprising: (a) the Special Dividend; and (b) the Cash Consideration.
CGT	means Australian capital gains tax.
CHES	means the “Clearing House Electronic Subregister System” operated by ASX.
Class A Share	means a fully paid ordinary share in the capital of HoldCo which is designated as an “ORD” and has the rights set out for Class A Shares in the HoldCo Shareholders’ Deed and the HoldCo Constitution.
Class B Share	means a Class B Share in the capital of HoldCo having the rights set out in the HoldCo Shareholders’ Deed and the HoldCo Constitution.
Class B Shareholder	means person who is registered in the HoldCo Share Register as the holder of Class B Shares.
Class C Share	means a Class C Share in the capital of HoldCo having the rights set out in the HoldCo Shareholders’ Deed and the HoldCo Constitution.

Class B Shareholder	means person who is registered in the HoldCo Share Register as the holder of Class C Shares.
Competing Proposal	means a proposed transaction or arrangement (whether by way of takeover, share acquisition, scheme of arrangement, reverse takeover, synthetic merger, capital reconstruction, acquisition of assets, dual listed structure, or otherwise) which, if implemented substantially in accordance with its terms, would result in a Third Party: <ul style="list-style-type: none"> (a) directly or indirectly acquiring or having a right to acquire, or obtaining an economic interest in all or a substantial part of the business, assets or undertakings of the Greencross Group; (b) acquiring Control of the Greencross Group; (c) directly or indirectly acquiring a Relevant Interest in any Greencross Shares, as a result of which the Third Party will have Relevant Interests in 20% or more of the Greencross Shares in aggregate; or (d) otherwise directly or indirectly acquire, or merge with, Greencross.
Conditions Precedent	means the conditions precedent specified in clause 3.1 of the Scheme Implementation Agreement.
Control	has the meaning given to it in the Corporations Act.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Court	means the Supreme Court of New South Wales or Federal Court of Australia or such other court of competent jurisdiction as Greencross and TPG BidCo agree in writing.
Deal	with when used with respect to an item of property (including shares), includes sell, offer for sale, dispose, transfer, deal with, assign, alienate the right to exercise votes attached to, or decrease any economic interest in, or grant or allow to exist any Encumbrance (as defined in the HoldCo Shareholders' Deed), trust, option or other right in relation to the whole or any part of the item of property and agreeing to do any of those things or granting an option or making an offer that permits a person to require the doing of any of those things, and Dealing and Dealt with have the corresponding meaning.
Deed Poll	means a deed poll executed by TPG BidCo and HoldCo in favour of the Scheme Shareholders, set out in Annexure B to the Scheme Implementation Agreement, a copy of which is attached at Appendix C.
EBIT	means earnings before interest and tax, in accordance with the accounting policies and practice applied by Greencross as at the date of this Scheme Booklet, excluding all costs and expenses incurred by Greencross associated with the Scheme process and the Scheme, including all fees payable to external advisers of Greencross.
EBITDA	means earnings before interest, tax, depreciation and amortisation, in accordance with the accounting policies and practice applied by Greencross as at the date of this Scheme Booklet, excluding all costs and expenses incurred by Greencross associated with the Scheme process and the Scheme, including all fees payable to external advisers of Greencross.
Effective	means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective, which is currently expected to be Monday, 11 February 2019.
Election	means a Mixed Election Option 1 or a Mixed Election Option 2.

Election Date	means the last time and date by which Election Forms must be received by the Greencross Registry, which is currently expected to be 7.00pm on Friday, 25 January 2019 or such other date as agreed between TPG BidCo and Greencross in writing.
Election Form	means the form of election under which a Greencross Shareholder is offered the opportunity to make an Election, sent to Greencross Shareholders with this Scheme Booklet.
Eligible Greencross Shareholder	means a Greencross Shareholder that is not an Ineligible Foreign Shareholder.
Encumbrance	means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.
End Date	means the date 6 months after the date of the Scheme Implementation Agreement or such other date agreed in writing between Greencross and TPG BidCo.
Equity Funding	has the meaning given to it in Section 10.4.b.1.
EV	means enterprise value.
Exclusivity Period	means the period commencing on 5 November 2018 and ending on the earliest of: (a) the End Date; (b) the date on which the Scheme Implementation Agreement is terminated in accordance with its terms; and (c) the Implementation Date.
Exit	means: (a) an IPO; (b) a Share Sale (as defined in the HoldCo Shareholders' Deed); or (c) a Trade Sale (as defined in the HoldCo Shareholders' Deed).
Fairly Disclosed	has the meaning given to it in the Scheme Implementation Agreement.
Financial Year	means the financial year in respect of either Greencross or the Greencross Group, being the 12 month period ending on 30 June, 1 July or 2 July (as the case may be) and FY has a corresponding meaning.
Finance Document	has the meaning given to it in Section 10.4.b.2.
FIRB	means the Foreign Investment Review Board.
FIRB Approval	has the meaning given to it in Section 8.1a).
First Court Date	means Wednesday, 19 December 2018.
FY17	means the Financial Year ending 2 July 2017.
FY18	means the Financial Year ending 1 July 2018.
FY18A	means the consolidated audited financial statement of the Greencross Group for the year ended 1 July 2018.
Greencross	means Greencross Limited ACN 119 778 862.
Greencross Board	means the board of directors of Greencross.
Greencross Director	means a director of Greencross.
Greencross Disclosure Letter	means the letter executed by Greencross and given to TPG BidCo on 5 November 2018, immediately before execution of the Scheme Implementation Agreement.
Greencross Due Diligence Material	means the information and documents disclosed or made available by or on behalf of the Greencross Group to TPG BidCo and its Representatives, before 8.00am on 5 November 2018, in the online data room established for the purpose of this Transaction, the index for which is attached to the Greencross Disclosure Letter.

Greencross Group	means Greencross and each of its Subsidiaries and Greencross Group Member means Greencross or one of its Subsidiaries.
Greencross Information	means all information included in this Scheme Booklet and any updates to that information prepared by or on behalf of Greencross, other than the information in Section 12 and the TPG BidCo Information (and any information solely derived from, or prepared solely in reliance on, any such information), and does not include the Independent Expert's Report (or any information solely derived from, or prepared solely in reliance on, information in that Independent Expert's Report) and any other report or letter issued by a Third Party.
Greencross Long Term Incentive Plan	means the "Long Term Incentive Plan" operated by Greencross.
Greencross Performance Rights	means performance rights in respect of the Greencross Shares issued pursuant to the Greencross Long Term Incentive Plan.
Greencross Prescribed Occurrences	means the occurrence of any of the following events: <ul style="list-style-type: none"> (a) Greencross converts all or any of its securities into a larger or smaller number of securities; (b) Greencross or another member of the Greencross Group (other than a wholly-owned Subsidiary of Greencross) resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares; (c) Greencross or another member of the Greencross Group (other than a wholly-owned Subsidiary of Greencross): <ul style="list-style-type: none"> (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act; (d) any member of the Greencross Group issues shares, or grants an option or a performance right over its shares or agrees to make such an issue or grant such an option or a performance right (other than in satisfaction of Greencross Performance Rights referred to in clause 8(b) of the Scheme Implementation Agreement); (e) any member of the Greencross Group issues, or agrees to issue, convertible notes or any other security convertible into shares or debt securities; (f) any member of the Greencross Group agrees to pay, declares or pays a dividend or any other form of distribution of profits or return of capital to its members other than the declaration and payment by a member of the Greencross Group of the Special Dividend or a dividend where the recipient of that dividend is Greencross or a wholly owned Subsidiary of Greencross; (g) any member of the Greencross Group disposes of, or agrees or dispose of, the whole, or a substantial or material part, of its business, assets or shares or acquires any assets comprising material part, of its business, assets; (h) any member of the Greencross Group creates, or agrees to create, any Encumbrance over, or declares itself the trustee of, any part of its business or property securing an indebtedness or performance of an obligation exceeding \$1,000,000, other than in respect of any transaction contemplated by the Scheme Implementation Agreement (including, but not limited to, the payment of the Special Dividend or Bonus Payment or the payment of the total costs of the Greencross Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Greencross Disclosure Letter); (i) an Insolvency Event occurs in relation to any member of the Greencross Group; (j) Greencross or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it;

Greencross Prescribed Occurrences continued	<p>(k) any member of the Greencross Group:</p> <ul style="list-style-type: none"> (i) increases the remuneration of, or pays any bonus or issues any securities to, or otherwise varies the employment arrangements with, any of its Directors or executives; (ii) accelerates the rights of any of its Directors or executives to benefits of any kind (other than any vesting of performance rights granted by the Greencross before 5 November 2018); or (iii) pays or agrees to pay a director or executive a termination payment (including a 'golden parachute'), other than: <ul style="list-style-type: none"> (iv) as provided for in Greencross' redundancy policy or an existing employment or services agreement; (v) any vesting or termination of Greencross Performance Rights in accordance with the Scheme Implementation Agreement; (vi) the payment of cash incentives or bonuses of up to \$1.5 million (in aggregate) to existing executives of the Greencross Group (Bonus Payment); or (vii) as required by law, (l) any member of the Greencross Group enters into, or resolved to enter into, a transaction with any related party of the Greencross (other than a related party that is a member of the Greencross Group), as defined in section 228 of the Corporations Act, other than an event; (m) required by law or Regulatory Authority; (n) permitted or required to be undertaken or procured by the Greencross Group pursuant to the Transaction Documents; (o) in accordance with the terms of: <ul style="list-style-type: none"> (i) the Business Associates Program; or (ii) the Joint Venture Agreements, including the payment by or to a Greencross Group entity (including any dividend or distribution) or the issue of any shares or other securities or the granting of any Encumbrance over any assets; (p) to which TPG BidCo has provided its prior written consent; (q) Fairly Disclosed in the Greencross Due Diligence Material or the Greencross Disclosure Letter; or (r) Fairly Disclosed in any announcement to ASX made by Greencross or any document lodged with ASIC that is publicly available prior to the parties entering into the Scheme Implementation Agreement.
Greencross Registry	means Link Market Services Limited of Level 12, 680 George Street, Sydney, NSW 2000.
Greencross Share	means a fully paid ordinary share in the capital of Greencross.
Greencross Share Register	means the register of members of Greencross maintained by or on behalf of Greencross in accordance with section 168(1) of the Corporations Act.
Greencross Shareholder	means a person who is registered in the Greencross Share Register as the holder of Greencross Shares, excluding any member of the TPG BidCo Group.
Greencross Shareholder Information Line	means the Greencross shareholder information line on 1800 260 668 (within Australia) or +61 1800 260 668 (outside Australia), which is available between 8:30am and 5:30pm, Monday to Friday.
Greencross Warranties	means the warranties made by Greencross set out in clause 12.4 of the Scheme Implementation Agreement.
GST	has the meaning given to it in Section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999 as amended.
HoldCo	means Vermont Aus HoldCo Pty Ltd ACN 626 842 135.
HoldCo Board	means the board of directors of HoldCo from time to time.
HoldCo Constitution	means the constitution of HoldCo.

HoldCo Securityholder	means a holder of a HoldCo Share.
HoldCo Share	means a Class B Share.
HoldCo Shareholders' Deed	means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo on substantially those terms set out in Appendix D to this Scheme Booklet.
HoldCo Share Register	means the register of members of HoldCo maintained by or on behalf of HoldCo in accordance with section 168(1) of the Corporations Act.
Implementation Date	is currently expected to be Wednesday, 27 February 2019 or such other date as Greencross and TPG BidCo agree in writing.
Independent Expert	means Grant Thornton.
Independent Expert's Report	means the report prepared by and from the Independent Expert dated 14 December 2018 and set out at Appendix B (including the initial report and any update, revision, amendment, addendum or supplementary reports to it).
Ineligible Foreign Shareholder	means a Scheme Shareholder whose Registered Address shown in the Greencross Share Register at 7.00pm on the Scheme Record Date (which is currently expected to be 7.00pm on Friday, 22 February 2019) is a place outside Australia and its external territories unless TPG BidCo determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with HoldCo Shares when the Scheme becomes Effective.
Insolvency Event	means in relation to an entity: <ul style="list-style-type: none"> (a) the entity resolving that it be wound up or the making of an application or order for the winding up or dissolution of the entity, other than where the application or order (as the case may be) is set aside within 14 days; (b) a liquidator or provisional liquidator of the entity being appointed; (c) a court making an order for the winding up of the entity; (d) an administrator of the entity being appointed; (e) the entity ceasing, or threatening to cease to, carry on a substantial part of the business which is material to it and its Related Body Corporates, taken as a whole, as at 5 November 2018; (f) the entity being or becoming unable to pay its debts when they fall due; (g) the entity executing a deed of company arrangement; or (h) a receiver, or a receiver and manager, being appointed in relation to the entity, or a substantial part, of the property of the entity.
ITAA 36	means the <i>Income Tax Assessment Act 1936</i> (Cth).
ITAA 97	means the <i>Income Tax Assessment Act 1997</i> (Cth).
Joint Venture Agreements	means the constitutions, governing documents and other agreements relating to the Joint Ventures which are contained in the Greencross Due Diligence Material.
Last Date for Proxy Forms	is currently expected to be 10.00am on Monday, 4 February 2019, or such other date as may be agreed in writing between Greencross and TPG BidCo or as may be required by ASIC or ASX.
Marketable Security	has the meaning given to it in section 9 of the Corporations Act.

Material Adverse Change	<p>means an event, occurrences, change, matter, thing or condition which individually or when aggregated with other such events, occurrences changes, matters, things or conditions has had, or could reasonably be likely to have the effect of:</p> <ul style="list-style-type: none"> (a) a diminution in the consolidated annual EBITDA of the Greencross Group, taken as a whole, by at least \$15,000,000; (b) a diminution in the net assets of the Greencross Group by \$50,000,000 or more, compared to the amounts provided for in the FY18A, other than an event, occurrence or matter; (c) to the extent that it was Fairly Disclosed in the Greencross Due Diligence Materials; (d) to the extent that it was fully and Fairly Disclosed in documents that were publicly available prior to 5 November 2018 from public filings of Greencross with ASX; (e) relating to costs and expenses incurred by Greencross associated with the Scheme process, including all fees payable to external advisers of Greencross and the funding of the same, to the extent such amounts are Fairly Disclosed in the Greencross Disclosure Letter; (f) comprising or resulting from a change in any applicable law, accounting standards or policies of a Regulatory Authority after 5 November 2018; (g) comprising or resulting from any change or disruption to, or fluctuation in, general, economic, business or political conditions, including any change to in foreign exchange rates, interest rates or commodities prices, any change or disruption to, or fluctuation in, existing financial markets, or any act of terrorism, war or natural disaster or the like, in Australia or elsewhere; (h) expressly required or permitted by the Scheme Implementation Agreement or the Scheme (including the payment of the Special Dividend); or (i) acknowledged or consented to in writing by TPG BidCo, including any consequences of such event, occurrence, change, matter, thing or condition.
Maximum Cash Consideration	has the meaning given to it in Section 10.4a).
Maximum Scrip Threshold	means 15% of the total issued capital of HoldCo as at the Implementation Date.
Meeting Record Date	is currently expected to be 7.00pm on Monday, 4 February 2019, or such other date as may be agreed in writing between Greencross and TPG BidCo or as may be required by ASIC or ASX.
MidCo	means Vermont Aus Midco Pty Ltd ACN 630 204 572.
Minimum Scrip Threshold	means 1.5% of the total issued capital of HoldCo as at the Implementation Date.
Mixed Consideration Options	means Mixed Consideration Option 1 and/or Mixed Consideration Option 2, as relevant.
Mixed Consideration Option 1	<p>means:</p> <ul style="list-style-type: none"> (a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus (b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares, held by a Scheme Shareholder who has made a Mixed Election Option 1.
Mixed Consideration Option 2	<p>means:</p> <ul style="list-style-type: none"> (a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus (b) the Scrip Consideration for each Scheme Share, in respect of 75% of the Scheme Shares; (c) held by a Scheme Shareholder who has made a Mixed Election Option 2.

Mixed Election Option 1	means an election by a Greencross Shareholder to receive the Mixed Consideration Option 1 for the Scheme Shares held by that Greencross Shareholder.
Mixed Election Option 2	means an election by a Greencross Shareholder to receive the Mixed Consideration Option 2 for the Scheme Shares held by that Greencross Shareholder.
Notice of Scheme Meeting	means the notice in relation to the Scheme Meeting, as set out at Appendix A.
NPAT	means net profit after tax.
NZX	means NZX Limited or, as the context requires, the financial market operated by it known as the New Zealand Stock Exchange.
Proxy Form	means the Proxy Form for the Scheme Meeting enclosed with this Scheme Booklet.
Registered Addresses	means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in the Greencross Share Register.
Regulatory Authority	means: <ul style="list-style-type: none"> (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.
Related Body Corporate	has the meaning given to it in section 50 of the Corporations Act.
Relevant Interest	has the meaning given to it in the Corporations Act.
Representatives	in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.
Scaleback Mechanism	means the scaleback mechanism set out in clause 5.8 of the Scheme Implementation Agreement.
Scheme	means a scheme of arrangement under Part 5.1 of the Corporations Act between Greencross and the Scheme Shareholders, substantially in the form set out in Annexure A of the Scheme Implementation Agreement or in such other form as Greencross and TPG BidCo agree in writing.
Scheme Booklet	means this document, including each attachment.
Scheme Consideration	means (depending on the Election and subject to the Scaleback Mechanism and the terms of the Scheme): <ul style="list-style-type: none"> (a) Cash Consideration; (b) Mixed Consideration Option 1; or (c) Mixed Consideration Option 2.
Scheme Implementation Agreement	means the Scheme Implementation Agreement between Greencross and TPG BidCo, dated 5 November 2018 and attached as Appendix C.
Scheme Meeting	means the meeting of Greencross Shareholders to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.
Scheme Participant	means a Greencross Shareholder as at the Scheme Record Date.
Scheme Record Date	is currently expected to be 7.00pm on Friday 22, February 2019 or such other time and date agreed in writing between Greencross and TPG BidCo.
Scheme Resolution	means the resolution in relation to the Scheme to be voted on at the Scheme Meeting, as set out in the Notice of Scheme Meeting.

Scheme Share	means a Greencross Share on issue as at the Scheme Record Date.
Scheme Shareholder	means each person registered in the Greencross Share Register as the holder of the Scheme Shares as at the Scheme Record Date.
Scrip Consideration	means such number of HoldCo Shares as is equivalent to \$5.55 minus the actual amount of any Special Dividend that is declared and paid per Scheme Share.
Second Court Date	means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme (which is currently expected to be Monday, 11 February 2019) or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.
Second Court Hearing	means the hearing at which the application to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard.
Security Interest	has the meaning given to it in section 12 of the <i>Personal Property Securities Act 2009</i> (Cth).
Special Dividend	means a dividend in an amount not exceeding \$0.21 per Greencross Share which may be declared and paid by Greencross to Greencross Shareholders between the date of the Scheme Implementation Agreement and the Implementation Date (which will be fully franked subject to the availability of franking credits and which, to the extent franked, will not result in the franking account of Greencross being in deficit after the payment of the dividend).
Special Dividend Payment Date	means the payment date of any Special Dividend declared and paid by Greencross, which is currently expected to be Wednesday, 20 February 2019.
Special Dividend Record Date	means the time and date for determining the entitlements to any Special Dividend that is declared and paid by Greencross, which is currently expected to be 7.00pm on Wednesday, 13 February 2019.
Subsidiary	has the meaning given to it in the Corporations Act.
Superior Proposal	means a bona fide written Competing Proposal, which in the determination of the Greencross Board, acting in good faith and in order to satisfy what the Greencross Board reasonably considers, after having received legal advice from external legal counsel, to be its fiduciary or statutory duties would, if it is completed substantially in accordance with its terms, be more favourable to Greencross Shareholders (as a whole) than the Transaction, taking into account all aspects of the Competing Proposal, including but not limited to: <ul style="list-style-type: none"> • the value and type of the consideration payable to Greencross Shareholders under the Competing Proposal and the tax consequences related to payment of that consideration (as compared to the consideration available under the Transaction); • the conditions of the Competing Proposal, the likelihood of those conditions being satisfied and the level of certainty in respect of the funding required for the Competing Proposal; and • the likely timing required to implement or complete the Competing Proposal.
Swap	means the total return cash settled equity swap described in Section 10.2.a.2.
Syndicated Facilities	has the meaning given to it in Section 10.4.b.2.
Taxation Report	means the taxation report in Section 12.
Tax Conditions	means a condition imposed by the Treasurer under section 74(2) of the Foreign Acquisitions and Takeovers Act 1975 (Cth) in the form of the conditions in the “Taxation Conditions of Certain No Objection Decisions” issued by the Treasurer on 3 May 2016 (or any other replacement or substitute taxation conditions that may be issued by the Treasurer from time to time).
Third Party	means a person other than TPG BidCo, Greencross, or their respective Related Bodies Corporate.
TPG	means the global private investment firm known as “TPG”.
TPG Asia VII	means TPG Asia VII SF Pte Ltd.

TPG Growth IV	means TPG Growth IV SF Pte Ltd.
TPG Asia VII Funds	has the meaning given to it in Section 10.1.
TPG BidCo	means Vermont Aus Pty Ltd ACN 626 845 510.
TPG BidCo Counter Proposal	has the meaning given to it in Section 8.1d).
TPG BidCo Group	means TPG BidCo, HoldCo, MidCo and each of their Subsidiaries and TPG BidCo Group Member means TPG BidCo, HoldCo, MidCo or one of their Subsidiaries.
TPG BidCo Information	means all information regarding the TPG BidCo, the TPG BidCo Group, HoldCo and the Scheme Consideration provided by or on behalf of the TPG BidCo, the TPG BidCo Group, HoldCo or Independent Expert to: <ul style="list-style-type: none"> • include in this Scheme Booklet (and any information solely derived from, or prepared solely in reliance on, such information); • to enable applications for regulatory approvals to be made; • otherwise in compliance with TPG BidCo Group's obligations in the Scheme Implementation Agreement; and • and includes any updates to that information prepared by or on behalf of the TPG BidCo, the TPG BidCo Group and HoldCo and all of the information contained in Sections 10 and 14.
TPG BidCo Warranties	means the warranties made by TPG BidCo set out in clause 12.1 of the Scheme Implementation Agreement.
TPG Growth IV Fund	has the meaning given to it in Section 10.1.
TPG Shareholders	means TPG Asia VII and TPG Growth IV.
Transaction	means the acquisition by TPG BidCo (or a Subsidiary of TPG BidCo) of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.
Transaction Documents	means: <ul style="list-style-type: none"> • the Scheme Implementation Agreement; • the Scheme; and • the Deed Poll.
Treasurer	means the Treasurer of the Commonwealth of Australia.
VWAP	means the volume weighted average price.



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Appendix A – Notice of Scheme Meeting

Appendix A – Notice of Scheme Meeting

Notice of Scheme Meeting

Notice is hereby given that, by an order of the Federal Court of Australia made on Wednesday, 19 December 2018 pursuant to Section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in Greencross Limited (Greencross) will be held at Northside Conference Centre, Cnr Oxley St & Pole Ln, Crows Nest, New South Wales, on Wednesday, 6 February 2019, commencing at 10.00am (**Scheme Meeting**).

The Court has directed that Stuart James, acts as chairman of the meeting.

Item of business – Scheme Resolution

To consider and, if thought fit, to pass the following resolution (**Scheme Resolution**):

“That, pursuant to and in accordance with Section 411 of the Corporations Act, the proposed scheme of arrangement between Greencross and the holders of its fully paid ordinary shares, the terms of which are contained and more particularly described in the Scheme Booklet of which this Notice of Scheme Meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia).”

Dated Wednesday, 19 December 2018

By order of the Court



Vincent Pollaers

Company Secretary

Wednesday, 19 December 2018

Notes

These Notes form part of the Notice of Scheme Meeting. Information on the Scheme is set out in the scheme booklet of which this notice forms part (Scheme Booklet). These notes should be read in conjunction with the Notice of Scheme Meeting. Unless the context requires otherwise, terms used in the Notice of Scheme Meeting and in these notes have the same meaning as set out in the glossary in the Scheme Booklet.

1. Required majorities

In accordance with Section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- A. a majority in number (i.e. more than 50%) of Greencross Shareholders present and voting at the Scheme Meeting (whether in person or by proxy, attorney or, in the case of a body corporate, corporate representative); and
- B. at least 75% of the votes cast on the Scheme Resolution (whether in person or by proxy, attorney or, in the case of a body corporate, corporate representative).

2. Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the meeting is 7:00pm (Sydney time) on Monday, 4 February 2019. This means that any Greencross Shareholders entered on the Greencross Share Register at that time will be entitled to attend and vote at the Scheme Meeting. Voting will be conducted by poll.

3. How to vote

You may vote in person at the Scheme Meeting or appoint a proxy, attorney or, if you are a body corporate, a corporate representative to attend and vote on your behalf.

Voting in person

Eligible Greencross Shareholders may attend the meeting and vote in person. If you intend to attend the meeting in person, you do not need to submit a proxy voting form.

You may still attend the meeting and vote in person even if you have appointed a proxy. You will be provided with a poll voting card on the day of the meeting. If you have previously submitted a proxy voting form, your attendance will suspend your proxy appointment while you are present at the meeting.

Voting by Proxy

A Greencross Shareholder entitled to attend and vote at the Scheme Meeting can vote by proxy. The Proxy Form is enclosed with the Scheme Booklet. A proxy need not be a Greencross Shareholder.

Instructions on how to complete and lodge the Proxy Form are included on the form. Please note that the Proxy Form must be received by the Greencross Registry, whose details are listed below, by no later than 10.00am on Monday, 4 February 2019. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney must be received by the Greencross Registry at the same time as the Proxy Form (unless previously provided to the Greencross Registry).

A proxy will be admitted to the Scheme Meeting upon providing evidence of their name and address at the point of entry to the meeting.

A Greencross Shareholder entitled to attend and cast 2 or more votes at the meeting is entitled to appoint no more than 2 proxies to attend and vote in their stead. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the Greencross Shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the Greencross Shareholder's votes.

If you do not instruct your proxy on how to vote, you will be taken (for all relevant purposes) to have given your proxy discretion as to how to vote and your proxy may vote as he or she sees fit at the Scheme Meeting.

A Greencross Shareholder may appoint the Chairman of the meeting as their proxy by nominating him in the Proxy Form. If a Greencross Shareholder returns their Proxy Form but does not nominate the identity of their proxy, the Chairman of the meeting will automatically be their proxy. If a Greencross Shareholder returns their Proxy Form but their nominated proxy does not attend the meeting, then their proxy will revert to the Chairman of the Scheme Meeting. For resolutions determined on a poll, if a Greencross Shareholder's nominated proxy is either not recorded as attending the meeting or does not vote on the resolution in accordance with the Greencross Shareholder's directions, the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the Greencross Shareholder's proxy for the purposes of voting on the resolution.

The Chairman of the meeting intends to vote all available proxies in favour of the Scheme Resolution.

Voting by proxy through power of attorney

For persons voting by proxy through powers of attorney, the powers of attorney must be received by the Greencross Registry by no later than 10.00am on Monday, 4 February 2019.

Persons attending the Scheme Meeting as an attorney should bring to the Scheme Meeting the original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

Voting by corporate representative

A corporation may elect to appoint a representative in accordance with s250D of the Corporations Act, in which case Greencross will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with Greencross before the meeting or at the registration desk on the day of the meeting.

Jointly held securities

If Greencross Shares are jointly held, either one of the joint Greencross Shareholders is entitled to vote at the Scheme Meeting. If more than one joint Greencross Shareholder votes in respect of jointly held Greencross Shares, only the vote of the Greencross Shareholder whose name appears first in the Greencross Share Register will be counted.

Lodgement of proxies

To vote by proxy, please either:

- A. lodge your proxy online at www.linkmarketservices.com.au and follow the prompts, or
- B. complete and sign the relevant Proxy Form enclosed with this Notice of Scheme Meeting and return the Proxy Form either:
 - by post to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235; or
 - in person to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000; or
 - by facsimile to Link Market Services Limited on facsimile number +61 2 9287 0309,

so that it is received not later than **10.00am on Monday, 4 February 2019**.

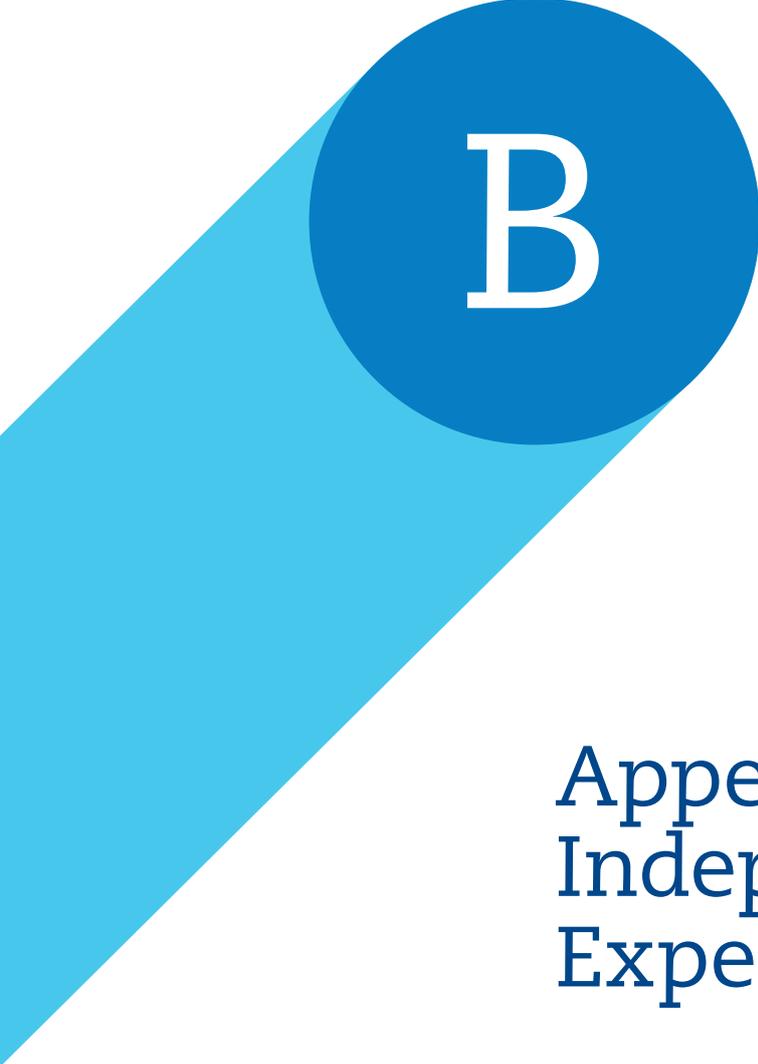
If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

Greencross Shareholders should contact the Greencross Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) on Business Days at any time between 9.00am and 5.00pm on Monday to Friday with any queries regarding the number of Greencross Shares they hold, how to vote at the Scheme Meeting or how to lodge the Proxy Form.

4. Conditions

If the Scheme Resolution is approved at the Scheme Meeting by the requisite majorities, the implementation of the Scheme (with or without modification) will be subject to:

- A. the subsequent approval of the Court under Section 411(4)(b) of the Corporations Act; and
- B. the satisfaction or (if applicable) waiver of all other Conditions Precedent that the Scheme is subject to.



B

Appendix B – Independent Expert’s Report



Greencross Limited

Independent Expert's Report and Financial Services Guide

18 December 2018

Directors
Greencross Limited
5/28 Balaclava Street
Woolloongabba QLD 4102

18 December 2018

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Dear Directors

Introduction

Greencross Limited (“Greencross” or “the Company” or “GXL”) is a retailer of pet food, pet related products and pet accessories in Australia and New Zealand. GXL also operates Australia’s largest Veterinary (“Veterinary” or “Vet”) services business. In addition to selling pet food and accessories, the Company offers a wide range of pet services like grooming, training, insurance, minding and adoption. The Company is listed on the Australian Securities Exchange (“ASX”) and had a market capitalisation of A\$649.3 million¹ as at 27 November 2018.

TPG Capital and its associates (“TPG” or “TPG Bidco”) is a global alternative asset firm with more than US\$100 billion under management across a wide range of asset class including private equity, growth venture, real estate, credit and public equity.

On 5 November 2018, the Company announced that it had entered into a Scheme Implementation Agreement (“SIA”) under which Vermont Aus Pty Ltd (“Bidco”), an entity ultimately owned by TPG Asia VII SF Pte Ltd and TPG Growth IV SF Pte Ltd (together with their affiliates referred to as “TPG”) will acquire 100% of Greencross shares (“GXL shares”) via a scheme of arrangement (“Proposed Scheme” or “Scheme”).

If the Scheme is approved and implemented, GXL Shareholders (other than those who make a valid election for the Mixed Consideration Options described below) will receive cash payments equal to A\$5.55 per GXL Share (“Cash Payments”) comprising of:

- A fully franked dividend of up to A\$0.21 per GXL Share held as at the Special Dividend Record Date² (“Special Dividend³”). The Directors of GXL will make a final decision on the fully franked Special Dividend payment on or shortly before the implementation date for the Proposed Scheme.
- Cash consideration under the Scheme of A\$5.55 per GXL share held as at the Special Dividend Record Date less the Special Dividend (“Cash Consideration”).

¹ Based on a share price of A\$5.39 as at 27 November 2018 and 120,463,450 shares outstanding.

² Currently expected to be on 13 February 2019 at 7pm.

³ Payment of Special Dividend is subject to an ATO class ruling.

We note that those GXL shareholders who are able to realise the full benefit of the franking credits attached to the Special Dividend (if any) will receive up to A\$5.64 value per share if the Special Dividend is paid to the maximum amount.

Subject to the qualifications outlined below, GXL shareholders may have the option to elect to receive the Scheme Consideration in the following ways and based on their choice made on or prior to the Election Date⁴:

- Cash Payment of A\$5.55 per GXL Share including the Special Dividend and Cash Consideration (“All Cash Consideration”); or
- Mixed Consideration Option 1: Cash Consideration of A\$5.55 for each GXL Share in exchange for 50% of their GXL Shares and Class B shares to the value of the Cash Consideration (minus the amount of any Special Dividend declared per GXL Share) in Vermont Aus Holdco Ltd (ACN 626 842 135) (“Holdco”)⁵ for the remainder of their GXL Shares (“Scrip Consideration”); or
- Mixed Consideration Option 2: Cash Consideration of A\$5.55 for each GXL Share in exchange for 25% of their GXL Shares and Class B shares to the value of the Cash Consideration (minus the amount of any Special Dividend declared per GXL Share) in Holdco for the remainder of their shares (“Scrip Consideration”).

The Mixed Consideration options will only operate if elections made would result in GXL Shareholders holding, in aggregate, at least 1.5% of the total issued capital of Holdco. In the event this condition is not satisfied, all GXL Shareholders will receive the All Cash Consideration.

If elections made for the Mixed Consideration would result in Greencross shareholders holding, in aggregate, more than 15% of the total issued capital of Holdco, then a pro-rata scale-back mechanism will apply, limiting the number of Class B shares issued to GXL shareholders to a maximum of 15% of the total shares on issue in Holdco.

The Proposed Scheme is subject to customary conditions precedent as set out in Section 1 of this Independent Expert’s Report (“IER”) including regulatory approvals from the Foreign Investment Review Board (“FIRB”), GXL shareholders and the Court.

The SIA contains customary exclusivity provisions including no shop, no talk restrictions and a notification obligation, subject to Greencross’ director’s fiduciary obligations, and a matching right for Bidco in case the Directors receive a superior proposal. The SIA also details circumstances under which GXL may be required to pay Bidco a reimbursement fee of A\$6.75 million excluding GST (equivalent to 1% of the equity value implied in the Scheme consideration– refer to Section 1 for more details).

Subject to no superior proposal emerging and an independent expert concluding and continuing to conclude that the Scheme is in the best interests of GXL shareholders, the Directors have unanimously recommended that GXL shareholders vote in favour of the Scheme and have advised that all Directors intend to vote all GXL shares held or controlled by them in favour of the Scheme.

⁴ Currently expected to be 25 January 2019 at 7pm.

⁵ Bidco refers to Vermont Aus Pty Ltd, which is an entity ultimately owned by funds managed by TPG Asia VII SF Pte Ltd and TPG Growth IV SF Pte Ltd. Shareholders, who elect for the Mixed Consideration Option, will own Class B shares in the Holdco entity Vermont Aus Holdco Pty Ltd.

Directors hold 6.8% of ordinary share capital. The Directors make no recommendation in relation to the Mixed Consideration options.

Purpose of the report

Whilst there is no legal requirement for the preparation of the IER in conjunction with the Proposed Scheme, the Directors of Greencross have commissioned this IER to assist Greencross shareholders in assessing the merits of the Proposed Scheme.

When preparing this IER, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission (“ASIC”) Regulatory Guide 111 *Contents of expert reports* (“RG 111”) and Regulatory Guide 112 *Independence of experts* (“RG 112”). The IER also includes other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of GXL shareholders.

Grant Thornton Corporate Finance has concluded that the All Cash Consideration is fair and reasonable to the GXL shareholders⁶.

In our valuation assessment, we have considered the All Cash Consideration as the default consideration given that the Mixed Consideration options will only operate if elections made would result in Greencross shareholders holding, in aggregate, at least 1.5% of the total issued capital of Holdco. In the event that this condition is not satisfied, all Greencross shareholders will receive the All Cash Consideration. In addition, all GXL shareholders who do not make an election and all Ineligible Foreign Shareholders⁷ will be deemed to have elected to receive the All Cash Consideration.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Scheme is fair and reasonable to Greencross shareholders and other quantitative and qualitative considerations.

Fairness Assessment – All Cash Consideration

Grant Thornton Corporate Finance has compared the value per Greencross share before the Scheme on a control basis with the All Cash Consideration of A\$5.55 per share. We note that if GXL decides to pay the Special Dividend, the All Cash Consideration of A\$5.55 per share will be reduced on a A\$ for A\$ basis as regulated in the SIA. Given that the Board is yet to make a final decision on the Special Dividend, we have assessed the fairness of the Scheme assuming no Special Dividend payment. However, the outcome for GXL shareholders and our opinion will not change if the Board of GXL decides to pay before implementation of the Scheme the Special Dividend of up to A\$0.21 per share.

⁶ Refer to pages 10 and 11 for a discussion of Grant Thornton Corporate Finance’s position in relation to the Mixed Consideration Options.

⁷ A shareholder whose address shown in the target register on the Scheme Record Date is a place outside Australia and its external territories unless TPG Bidco determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with Holdco Shares when the Scheme becomes effective.. See the Scheme Booklet for further details.

We note that in our valuation assessment, we have not grossed up the value of the All Cash Consideration for the potential value of the franking credits attached to the Special Dividend nor have we considered in our valuation assessment of GXL the value of the accumulated franking credits.

In our opinion, the value of the franking credits does not accrue to GXL per se but they may be valuable under certain circumstances to Australian resident shareholders who can claim an income tax offset. We have considered the potential value of the franking credits attached to the Special Dividend in our reasonableness considerations.

The following table summarises our valuation assessment:

Fairness assessment - All Cash Consideration	Section		
A\$ per share	Reference	Low	High
Fair market value of Greencross shares before the Proposed Scheme	6.1	5.05	5.67
All Cash Consideration	5.1	5.55	5.55
Premium/(discount)		0.50	(0.12)
Premium/(discount) (%)		9.9%	(2.1%)
FAIRNESS ASSESSMENT		FAIR	

Source: GTCF analysis.

The All Cash Consideration is within our assessed valuation range of a Greencross share on a 100% basis. Accordingly, we conclude that the Scheme is **FAIR** to Greencross shareholders.

Greencross shareholders should be aware that our assessment of the value per Greencross share should not be considered to reflect the price at which Greencross shares will trade if the Scheme is not implemented. The price at which Greencross shares will ultimately trade depends on a range of factors, including: the liquidity of Greencross shares; macro-economic conditions; the regulatory and political environment; retail market conditions; interest rates; and the performance of Greencross' business.

We have assessed the fair market value of GXL shares on a control basis adopting the Quoted Security Price Method and the EBITDA Multiple Method as outlined below.

Quoted Security Price Method

The Quoted Security Price Method is based on the efficient market hypothesis which assumes that the share price at any point in time reflects all publicly available information and will change when new information becomes publicly available. We note that in the absence of a takeover or other share offers, the trading share price represents the value at which minority shareholders could realise their portfolio investment. Before relying on the Quoted Security Price Method, we have verified that there is sufficient liquidity in GXL's trading price to utilise this valuation methodology.

We have selected a value range based on the trading price between A\$4.00 and A\$4.20 having regard to the VWAP before 10 October 2018 when GXL responded to press speculation confirming that it had received and it was engaging with a number of parties regarding credible proposals. GXL's share price increased from A\$4.14 on 9 October 2018 to A\$4.88 on 10 October 2018. The Proposed Scheme was announced on 5 November 2018.

We have applied a premium for control of between 30% and 35% to our assessed valuation range based on the trading price. Our assessment of the premium for control is based on specific transactions in the retail and Veterinary sectors and our generic premium for control analysis in the Australian market (refer to section 6.3.4 and Appendix D for details).

In selecting the valuation range of GXL based on the trading price, we have considered the following:

- *Trading update at week 17* – Following the Company's share trading halt pending the announcement of the Proposed Scheme⁸, GXL released a trading update⁹ as at week 17. Whilst revenue growth was strong, the Company indicated that it did not expect the financial benefits of the cost savings initiatives¹⁰ to deliver incremental EBITDA in the first half of FY19. However, the Company had previously confirmed¹¹ annualised cost savings target of A\$10 million to A\$13 million, with A\$5.8 million realised to date. As a result of the trading update, several investment analysts revised downward their FY19 EBITDA forecast. When trading in the Company's shares resumed, the share price was supported by the All Cash Consideration under the Scheme. We are of the opinion, that in the absence of the Scheme, the trading price of GXL would have been materially lower.
- *GXL trading prices at the beginning of 2018* – GXL's share price was trading close to A\$6.50 per share at the beginning of 2018, then it traded between A\$5.00 and A\$5.50 per share until 9 May 2018 when GXL announced an earnings downgrade and that it expected to deliver an underlying FY18¹² EBITDA between A\$97 million and A\$100 million. The previous indirect guidance provided to the market was underlying FY18 EBITDA of A\$108 million¹³. As a result of this announcement, the share price dropped from A\$5.36 on 8 May 2018 to \$3.89 on 10 May 2018 (a fall of 27.4%) and it traded between this level and A\$4.50 until speculation of a possible acquisition of the Company was confirmed by GXL on 10 October 2018. In our valuation assessment based on the trading price, we have considered whether or not the timing of the TPG acquisition was opportunistic and if TPG may be profiting from a temporary weakness in GXL's trading price. We have concluded that this is not the case due to the following:
 - Before the trading update in May 2018, GXL was considered a growth stock and as a result it was benefiting from a higher trading multiple than its competitors and other retailers. Following announcement of the earnings downgrade, whilst the share price reduced significantly, the reduction in the FY18 EBITDA multiple was more modest from 8.9x to 8.3x as set out below.

⁸ Trading in the shares of the Company was suspended on 2 November and the Proposed Scheme was announced on 5 November. On 2 November, the Company held its AGM during which the Chairman and the CEO provided an update on the Company's operations.

⁹ AGM – CEO's Presentation and Trading Update, 2 November 2018.

¹⁰ The Company announced on 9 May 2018 that it had commenced a review of its head office and operating cost base with a targeted reduction of between A\$10 million and A\$13 million in annual operating costs.

¹¹ In the full year result presentation on 20 August 2018.

¹² 12 month financial year ended 1 July 2018.

¹³ GXL indicated in the half year presentation that it was comfortable with FY18 consensus EBITDA which was A\$108 million at that point in time.

Greencross EBITDA multiple analysis	Before Downgrade	After Trading Update	% reduction
Share price (A\$) ¹	5.54	4.30	(22.5%)
Shares on issue as at 31 December 2017 (No.)	117.8	117.8	
Equity value (A\$m)	652.8	505.9	(22.5%)
Net Debt as at 31 December 2017 and non-controlling interests (A\$m) ²	308.2	308.2	
Enterprise value (A\$m)	961.0	814.1	(15.3%)
FY18 Consensus EBITDA (A\$m) ³	108.0	98.6	(8.7%)
FY18 EBITDA Multiple (times)	8.9x	8.3x	(7.2%)

Sources: S&P Global, GTCF Analysis

Notes: (1) Share price based on 3 months VWAP before and after the downgrade; (2) Mid-point of the valuation of the non-controlling interest, refer to section 6.2.3. This is a proxy for the value of the non-controlling interest at the time of the downgrade; (3) EBITDA consensus before the downgrade and after sourced from brokers.

The sharp reduction in the trading price was driven by the actual reduction in the FY18 EBITDA forecast and by the high level of gearing of GXL which exacerbated the movement in the equity value rather than any short-term market over-reaction to the profit downgrade.

- Whilst GXL has not provided earnings guidance for FY19, the current FY19 EBITDA median consensus forecast is A\$99.5 million which indicates that the market is not expecting the stock to return to its historical growth level which accordingly was reflected in the lower EBITDA multiple after the profit downgrade.
- The FY18 EBITDA multiple of GXL set out in the table above was still at a premium to the EBITDA multiple of listed peers (refer to section 6.2.2).
- The Company is facing some headwinds in relation to the performance of the stand-alone vet clinics, the threat from the online segment to its bricks and mortar retail business and the recent entrance of Amazon into the Australian pet segment, which occurred in September 2018.
- **2016 TPG Proposal** – On 27 January 2016, Greencross announced that it had received an indicative highly conditional proposal from a consortium led by TPG to acquire the Company at a price of A\$6.45 per share (“2016 TPG Proposal”)¹⁴. On 15th February 2016, the consortium led by TPG increased their offer price in a conditional non-binding proposal to A\$6.75 per share, payable in cash less the value of any dividend declared or proposed after the date of the proposal. The initial offer was considered by the Board at a price which fundamentally undervalued Greencross and accordingly it was rejected. The second offer was also rejected as the Board was of the view that “this modestly increased price also fundamentally undervalues Greencross”. As part of our valuation assessment, we have considered the 2016 TPG Proposal in the light of the Proposed Scheme to provide some insights and commentary to GXL’s shareholders given that Grant Thornton is assessing the All Cash Consideration as fair but the Board of GXL considered the 2016 TPG Proposal inadequate. In particular, we note the following:

¹⁴ We note that on 15 December 2015, GXL also announced that it noted an article in the Australian Financial Review indicating that an investment bank was seeking to acquire 14.99% of the issued shares and that as a result it had appointed advisers.

- Before the announcement of the 2016 TPG Proposal, GXL was trading around A\$6.50 per share and at a 3 month VWAP of A\$5.92 per share¹⁵. Accordingly, minority GXL shareholders could have realised a substantially equivalent price of the 2016 TPG Proposal by selling their shares on the market, which made the 2016 TPG Proposal not particularly attractive from a premium for control perspective.
- In January 2016, GXL was trading at a forward FY16¹⁶ EBITDA multiple of circa 9.7x¹⁷. This was substantially higher than the EBITDA multiple that GXL was trading at before the announcement of the Proposed Scheme and it reflected significantly higher growth expectations at the time of the 2016 TPG Proposal.
- The 2016 TPG Proposal was highly conditional and subject to due diligence among other things and accordingly, it was not capable of being accepted/implemented.

Based on the above analysis, we have concluded that the 2016 TPG Proposal occurred at a time when the market and the Company were in different circumstances and GXL had significantly different growth prospects which accordingly supports the different views taken by Grant Thornton in relation to the Scheme and by GXL Directors at the time of the 2016 TPG Proposal.

EBITDA Multiple Method

Grant Thornton Corporate Finance has selected the EBITDA Multiple approach to assess the fair market value of Greencross.

We have selected a FY19 EBITDA between A\$97 million and A\$102 million for the purpose of our valuation assessment based on the consensus estimates of investment analysts and a review of other information, including the FY19 forecast.

We have selected an EBITDA multiple applicable to GXL between 9.9x and 10.4x on a control basis which is based on a weighted average blended multiple for the retail business and the Veterinary business units of the Company.

We note that given the lack of listed companies comparable to the Pet Retail division of GXL, we have mainly relied on comparable transactions and have selected a multiple between 9.5x and 10.0x on a control basis. For the Veterinary business, we have considered National Veterinary Care Limited as the most relevant comparable company and have selected a multiple between 11.0x and 11.5x on a control basis. We have blended the EBITDA multiples based on the EBITDA contribution of the two divisions before unallocated corporate costs¹⁸.

¹⁵ In addition, immediately before the announcement on 15 December 2015 that an investment bank was seeking to acquire 14.99% of the issued share, GXL was trading at A\$4.63 per share, however this was mainly due to short-term volatility not driven by any market announcement or general market conditions.

¹⁶ 12 month financial year ended 30 June 2016.

¹⁷ Average of January 2016 daily EV/EBITDA multiple based on the daily enterprise value divided by the brokers' consensus estimate of the next twelve months EBITDA of Greencross sourced from S&P Global.

¹⁸ Based on the divisional reporting in the FY18 accounts, GXL had A\$14.9 million of unallocated corporate costs.

EBITDA Multiple Method - valuation summary	Section		
A\$ '000 (except where stated otherwise)	Reference	Low	High
Assessed FY19 EBITDA	6.2.1	97,000	102,000
Assessed EBITDA Multiple (on a control basis)	6.2.2	9.9x	10.4x
Enterprise value (control basis)		957,875	1,058,250
Less: Net debt as at 30 September 2018 and non-controlling interest	6.2.3-4	(355,267)	(362,517)
Less: Ordinary dividend payment in October 2018	6.2.5	(6,599)	(6,599)
Equity value (control basis)		596,009	689,135
Number of outstanding shares ('000s) (fully diluted)	4.1	121,630	121,630
Value per share (control basis) (A\$ per Share)		4.90	5.67

Sources: S&P Global, GTCF analysis, Mergermarket, Management
Note (1) Underlying EBITDA before unallocated corporate costs.

Fairness Assessment – Mixed Consideration

Whilst the All Cash Consideration is the default option, GXL shareholders can elect to receive securities in Holdco pursuant to the Mixed Consideration. It is to be noted that the Mixed Consideration will only become available if valid applications from GXL shareholders holding at least 1.5% interest in Holdco are made. If the minimum acceptance requirements for the Mixed Consideration are not achieved, GXL shareholders who have elected to receive the Mixed Consideration will receive the All Cash Consideration. GXL shareholders should consider their position in relation to the Proposed Scheme without the expectation that the Mixed Consideration will necessarily eventuate.

In our assessment of the Mixed Consideration, we have considered that parcel shares in an unlisted company like Holdco will have a lower value as they are not as readily marketable. When two investments are substantially comparable, investors tend to place more value on a security that is more liquid. In order to compensate for the lack of marketability and the minority position in Holdco of GXL shareholders electing to receive the Mixed Consideration, it is appropriate in our opinion to apply a discount to the value of an unlisted company. Marketability/liquidity discounts typically range between 10% and 30%.

The size of the marketability discount depends on the following factors:

- *The prospect for liquidity within a known timeframe.* The shorter is the expected holding period for an investment and more certain is the potential prospective transaction or IPO, the lower is the discount. In this regard, we note that private equity investors such as TPG, typically hold their investments for 3 to 5 years and during this period they aim to materially grow the business and streamline the operations in order to maximise their returns on exit. Accordingly, it is unlikely that a liquidity event will eventuate for Holdco and the GXL shareholders electing to receive the Mixed Consideration in the short term.
- *The dividend policy of the company.* A company will usually attract a lower marketability discount if it has a sustainable and consistent dividend policy as the shareholders receive their returns along the way as opposed to at the end when they dispose of their investment. We note, based on the Shareholders' Deed Term Sheet, dividends will be payable at the sole discretion of the Holdco Board.

- *The pool of potential buyers.* The greater is the pool of potential buyers the lower is the level of marketability discount.
- *Capital structure of Holdco.* Class A Shares (currently held by TPG only) and Class B Shares (to be held by GXL shareholders who elect to receive either of the Mixed Consideration Options) will rank equally with respect to voting rights, entitlements on dividend and on winding-up.
- *The level of risk in the industry and in the Company.* Typically a higher level of risk is associated with higher level of marketability discount. The underlying principle is that the potential adverse impact of risk factors is enhanced by the inability to dispose of the investments in a liquid market. Whilst the retail and consumer industry is quite volatile, the Veterinary business is quite defensive even in volatile market conditions.

In our assessment of the marketability discount, we have also considered the following key provisions included in the Shareholders' Deed Term Sheet:

- The ability of Holdco shareholders other than TPG to transfer their shares will be limited and TPG is able to initiate an exit of its investment at any time and without the approval of the other shareholders.
- Typical tag-along and drag-along rights will apply.
- TPG may appoint all the directors of Holdco, including the Chairman.

In our assessment of the Mixed Consideration, we have also applied a minority discount in accordance with the requirements of RG 111. However, we note that based on the tag-along provision in the Shareholders' Deed (which applies if TPG Shareholders wish to sell more than 30% of the shares on issue in Holdco to a third party), Holdco's minority shareholders will be able to exit their investment on terms no less favourable than TPG.

Before reaching our conclusion on the value of the Mixed Consideration, we have also considered the following which have been reflected in our assessment of the applicable discounts:

- We have been advised that it is unknown at this point in time if TPG will charge a management fee to Holdco. This will reduce the profitability of Holdco during the holding period but it will not affect the exit value.
- A typical private equity management remuneration package, including incentive payments, will be put in place. However, the incentive structure should not be dilutive to GXL shareholders electing to receive the Mixed Consideration as it is usually linked to a substantial increase in the value of the investment compared with the entry point of the private equity.
- Holdco does not hold other assets in addition to its investment in GXL if the Proposed Scheme is implemented.
- Holdco does not have other interest bearing debt or contingent liabilities in addition to the debt financing provided to fund the acquisition of GXL that should be considered in our valuation assessment of the Mixed Consideration.

Based on the above discussions, in our opinion, a combined marketability and minority discount between 30% and 35% should be applied to the fair value of a GXL share to assess the value of the Mixed Consideration offered.

The following table summarises our valuation assessment of Mixed Consideration:

Valuation assessment of the Mixed Consideration	Section Reference	Mixed Consideration Weighting	Mixed Consideration	
			Low	High
Marketability and minority discounts applied				
Assessed fair market value of a Greencross Share on a control basis	6.1		5.05	5.67
Marketability and minority discounts			35%	30%
Assessed fair market value of 1 Greencross Share equivalent in Holdco			3.28	3.97
<u>Mixed Consideration Option 1 valuation and fairness assessment</u>				
Cash Component		50%	5.55	5.55
Scrip Component (fair value of 1 Greencross Share equivalent in HoldCo)		50%	3.28	3.97
Assessed fair market value of Mixed Consideration Option 1			4.42	4.76
Assessed fair market value of 1 Greencross share on a control basis	6.1		5.05	5.67
Premium/(discount)			(0.63)	(0.91)
Premium/(discount) (%)			(14.4%)	(19.1%)
<u>Mixed Consideration Option 2 valuation and fairness assessment</u>				
Cash Component		25%	5.55	5.55
Scrip Component (fair value of 1 Greencross Share equivalent in HoldCo)		75%	3.28	3.97
Assessed fair market value of Mixed Consideration Option 2			3.85	4.36
Assessed fair market value of 1 Greencross share on a control basis	6.1		5.05	5.67
Premium/(discount)			(1.20)	(1.30)
Premium/(discount) (%)			(31.2%)	(29.9%)

Source: GTCF analysis.

While no conclusion has been made in relation to the Mixed Consideration Options, if Grant Thornton had assessed the fairness of the Scheme based solely on the Mixed Consideration Options, we would have concluded that the Scheme is not fair to Greencross Shareholders.

Conclusion on the fairness of the Scheme

In forming our opinion in relation to the fairness of the Proposed Scheme, we have considered the following factors:

- The All Cash Consideration is fair.
- The All Cash Consideration is the default consideration option and the Mixed Consideration option may not become available to GXL shareholders in the absence of sufficient elections.
- GXL shareholders not making an election or Ineligible Foreign Shareholders will receive the All Cash Consideration.
- The Mixed Consideration is only provided to those GXL shareholders, who notwithstanding the impact of the lack of liquidity and marketability discussed above, wish to retain an exposure to the underlying business of GXL.

Based on the above discussions, it is our opinion that the Proposed Scheme is fair.

Reasonableness Assessment

In considering the reasonableness of the Scheme, we have assessed the following advantages, disadvantages and other factors.

Advantages

Premium for control

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as the ability to realise synergies, access cash flows, access tax benefits and control of the board of Directors of the company.

The All Cash Consideration of A\$5.55 per Greencross share represents a premium of:

- 34.1% compared with the closing price of Greencross on 9 October 2018¹⁹ of A\$4.14 included.
- 34.7% compared with the 1 week VWAP of Greencross on 9 October 2018 included.
- 44.5% compared with the 1 month VWAP of Greencross on 9 October 2018 included.
- 36.8% compared with the 3 month VWAP of Greencross on 9 October 2018 included.

This premium for control is unlikely to be available to GXL shareholders in the absence of the Scheme or an alternative proposal.

¹⁹ On 10 October the Company announced press speculation and confirmed that it had received and it was engaging with a number of parties regarding credible proposals.

Certainty of the cash consideration (All Cash Consideration only)

Greencross shareholders have the opportunity to receive a certain cash amount at a premium to the trading price of Greencross before the announcement of the Scheme and at a premium to the price that Greencross shares may trade in the short term in the absence of the Scheme or an alternative transaction.

If the Scheme is implemented, Greencross shareholders will no longer be exposed to the ongoing risks associated with holding an investment in Greencross which are summarised below in a non-exhaustive manner:

- The Veterinary business has failed to deliver a performance in FY18 and YTD in line with Management expectations due to disappointing visit numbers in stand-alone General Practise (“GP”) clinics which caused Like for Like (“LFL”) revenue in stand-alone GP clinics to reduce by 2.2%. The Australian Veterinary business underlying EBITDA reduced by A\$5 million to A\$24.6 million in FY18.
- The Veterinary industry is undergoing consolidation and structural changes. While in the past Greencross was the main consolidator of Veterinary practices, in the last few years a number of other parties including Vet Partners and National Veterinary Care have been competing with Greencross. This has resulted in increasing pressure on prices paid for Veterinary practices which could lead to higher acquisition costs for Greencross going forward. In addition, based on the high level of net debt of the Company, it may not be able to continue to grow by acquisitions in the short-term.
- The Company recently announced that the financial benefits of the cost savings initiatives²⁰ will not deliver incremental EBITDA in the first half of FY19 due to lower cost capitalisation and re-investment in strategic initiatives.
- The current economic environment with all-time low interest rates, significant historical growth in house prices until circa 12 months ago, the Consumer Sentiment Index rising by 2.8 percent to 104.3 in November 2018, GDP growth running at above 3% and an unemployment rate of circa 5% are all relevant factors to support a favourable trading environment for the retail division of GXL. However, going forward, the expectations are for interest rates to increase in the medium term on the back of the significant increase in interest rates that has occurred in the US. In addition, house prices have fallen by circa 5% in Australia in the last twelve month period to October 2018. Both these factors may adversely affect the disposable income of Australians and hence force consumers to become more price sensitive, which may have an impact on the retail division.
- As set out in the table below, the Company has historically incurred significant capital expenditure to grow and maintain the business.

²⁰ The Company announced on 9 May 2018 that it had commenced a review of its head office and operating cost base with targeted reduction of between A\$10 million and A\$13 million in annual operating costs.

Capex A\$ '000	FY15	FY16	FY17	FY18
Expansionary Capex	51,381	38,567	57,890	49,024
Underlying capex	24,120	21,712	18,776	25,554
Total	75,501	60,279	76,666	74,578

Source: GXL annual reports.

The expansionary capital expenditure in FY18 was attributable to new stores (A\$11 million), the roll-out of in-store clinics and grooming salons (A\$18 million), acquisition of retail stores and Veterinary clinics (A\$10 million) and other initiatives including the Animal Referral Hospital Joint Venture (“ARH”) (A\$10 million). The Company has announced that the total capital expenditure for FY19 will be A\$50 million with network investment focussed on optimising sales per square meter and piloting smaller formats retail stores to reduce the capital cost and reduce the payback period.

In our opinion, the level of gearing on the balance sheet and the subdued performance in FY18 is affecting the amount of capital that GXL is able to re-invest into the business. If this situation continues in the medium term, it may adversely affect the market positioning of the Company considering that the fleet of existing stores requires continual upgrades plus the capital expenditure required for the omni-channel, including online and loyalty program strategies. The Company is also competing against large supermarkets, specialised pet stores and global online retailers which do not have the same capital management constraints.

- The risk placed by the online competition which is discussed below.
- The risk of a future potential dilutive capital raising which is also discussed below.

Online retail competition

Amazon has recently launched its Pet Retail and marketplace offering in Australia and there are other aggressive online competitors operating in the industry. Whilst the Company’s performance has not been adversely affected so far, there are some risk factors and some learnings from other countries that GXL shareholders should consider. In the UK, which is arguably a more competitive and advanced online market compared with Australia, traditional bricks and mortar Pet Retail businesses are suffering margin compression from online. Pets At Home is the UK’s leading national specialist retailer of pets, pet food and related products. It also operates the UK’s largest network of small animal Veterinary services practices. The company has experienced competition from online generalist retailer, Amazon, who entered the UK pet supplies market in 2010 and an array of online Pet Retailers such as Zooplus, Pet-Supermarket and Fetch.

Over the last three financial years, Pets At Home’s sales have grown at a CAGR of 6.5%, with gross margins reducing from 54.5% in 2016 to 50.7% in 2018. Over the same period, the EBITDA margin reduced from 16.0% to 13.7%. The reduction in gross margin in FY18 was mainly driven by pricing repositioning investments of circa £13 million to be able to better compete with online players. The company also indicated that it expected a further contraction of its gross margin in FY19.

The gross margin contraction, in combination with increasing labour costs resulting from external economic and political factors, has played a significant role in driving Pets At Home’s share price

down from £2.52²¹ per share to £1.16²² per share from the beginning of 2016 to 2018, with the EV/EBITDA multiple compressing from circa 11x to circa 6x over the same period.

The graph below shows Pets at Home's next twelve month ("NTM") EV/EBITDA multiple and the (NTM) gross margin percentage over the last 12 months, demonstrating the correlation between the compression of the multiple and margin.

Pets At Home – EV/EBITDA¹ (NTM) vs Gross Margin² % (NTM)



Sources: S&P Global, GTCF analysis

Notes: (1) EBITDA calculated based on the median of broker consensus forecasts sourced from S&P Global; (2) Gross margin percentage calculated based on the median of broker consensus forecasts sourced from S&P Global.

Whilst GXL is not experiencing any margin compression from online competition and the retail business is performing strongly, GXL shareholders should consider that the online offering in the Pet Retail sector is still in its infancy compared with the UK and it is not inconceivable that GXL may be required to compromise on a proportion of its margin to preserve market share in the future which may have a significant impact on the underlying value.

Risk of future capital raising

Based on a review of GXL's financial performance, the views of investment analysts, benchmarks with listed peers and discussions with Management, we are of the opinion that in the absence of the Proposed Scheme, GXL may be required to raise equity or sell assets in order to reduce the current level of debt.

We have set out below a benchmark of the leverage ratio (net debt/EBITDA) and gearing ratio (net debt/market capitalisation) of GXL and the listed comparable companies.

²¹ Based on average January 2016 share price.

²² Based on average November 2018 share price.

Leverage and gearing analysis							
Company	Mkt cap	Net debt	EV	Net debt ("ND") / EBITDA ¹			ND/MC
	(A\$m)	(A\$m)	(A\$m)	FY16	FY17	FY18	FY18
Greencross Ltd	636	268	931	2.3x	2.2x	2.7x	42.2%
Accent Group Limited	653	35	689	0.1x	0.7x	0.4x	5.3%
JB Hi-Fi Limited	2,722	397	3,119	0.2x	1.3x	1.0x	14.6%
Super Retail Group Limited	1,467	423	1,889	1.6x	1.4x	1.4x	28.8%
Kathmandu Holdings Limited	606	9	614	0.6x	0.1x	0.1x	1.4%
CVS Group plc	1,054	123	1,177	2.8x	2.4x	1.4x	11.7%
National Veterinary Care Ltd	142	22	170	1.9x	1.0x	1.7x	15.6%
Apiam Animal Health Limited	54	26	80	2.4x	3.2x	2.5x	48.1%
Pets at Home Group Plc	1,047	245	1,292	1.3x	1.2x	1.1x	23.4%
Peer statistical analysis (excluding Greencross)							
Min				0.1x	0.1x	0.1x	1.4%
Median				1.5x	1.3x	1.3x	15.1%
Average				1.4x	1.4x	1.2x	18.6%
Max				2.8x	3.2x	2.5x	48.1%

Sources: S&P Global, Annual Reports of peer companies and Greencross
Note (1) Based on underlying EBITDA.

As outlined in the graph above, the leverage and gearing ratios of GXL significantly exceed the listed peers in the retail and Veterinary sectors and this level of debt may not be sustainable for the Company in the long term. Over the last three years, net debt has increased from A\$228 million as at 30 June 2016 to A\$268 million as at 1 July 2018 whereas the underlying EBITDA has remained substantially the same. The current level of debt, in the absence of a marked increase in EBITDA, is likely to curtail the Company's ability to continue to grow via acquisitions and may slowdown the pace of investment in the current fleet of stores.

Assuming an underlying FY19 EBITDA of A\$99.5 million (mid-point of the consensus estimates) and a level of debt substantially in line with 1 July 2018, we have set out below a sensitivity analysis of the capital required to be raised by GXL if it aims to achieve a leverage ratio between 1.5x and 2.0x which is more in line with the other listed peers.

Sensitivity - Leverage	
A\$m	
FY19 underlying EBITDA median of consensus estimates	99.5
GXL net debt as at 30 June 2018	268.2
Implied FY19 net debt to EBITDA ratio	2.7x
Net debt to EBITDA target of 2.0x	
Implied net debt assuming 2.0x net debt / EBITDA ratio	199
Capital raising required to achieve 2.0x net debt to EBITDA ratio	69
Net debt to EBITDA target of 1.5x	
Implied net debt assuming 1.5x net debt / EBITDA ratio	149
Capital raising required to achieve 1.5x net debt to EBITDA ratio	119

Source: GTCF analysis.

The amount of the capital to be raised in conjunction with the purpose of the raising (i.e. to retire existing debt) may require the Company to offer a significant discount to the trading price at the time

of the capital raising. Accordingly, in the absence of the Scheme, GXL shareholders may face dilution²³ when recapitalising the balance sheet.

Ability for GXL shareholders to participate in the future growth opportunities of GXL – Mixed Consideration only

GXL shareholders who elect to receive the Mixed Consideration will receive shares in Holdco and they will continue to be partially exposed to the underlying business of GXL.

GXL has a successful history of growing the business organically and via acquisitions to become the largest specialty pet player in the Australian market. Furthermore, private equity investors, such as TPG, have a typical investment horizon of 3 to 5 years and during this period they aim to materially grow the business and streamline the operations in order to maximise their returns on exit.

The Mixed Consideration, if it becomes available in accordance with the terms of the SIA, will allow GXL shareholders to participate in this potential upside driven by private equity ownership. However, we caution GXL shareholders on the risks of holding parcel shares in a private illiquid company as discussed in our fairness assessment.

Franking credits attached to the Special Dividend

In accordance with the terms of the SIA, GXL may pay a fully-franked Special Dividend of up to A\$0.21 per share. Australian resident shareholders on a lower tax rate can claim an income tax offset and accordingly realise greater value compared with the All Cash Consideration. Those GXL shareholders are better off on a post-tax basis if the Special Dividend is paid compared with the scenario that 100% of the All Cash Consideration is paid as capital gain (nil Special Dividend). The following table summarises the after-tax cash amount from the Special Dividend that certain GXL shareholders could realise depending on their tax position.

Special Dividend - franking credits benefit	Australian resident			Corporate
	45% Marginal rate	30% Marginal rate	0% Tax rate	
A\$				
Special Dividend ¹	0.21	0.21	0.21	0.21
Franking credits	0.09	0.09	0.09	0.09
Gross taxable income	0.30	0.30	0.30	0.30
Tax payable ²	(0.14)	(0.09)	0.00	(0.09)
Tax credit	0.09	0.09	0.09	0.09
Net after tax Special Dividend	0.17	0.21	0.30	0.21

Source: GTCF analysis

Notes: (1) Analysis based on a Special Dividend of A\$0.21 per GXL shareholder; (2) Ignoring Medicare levy and other surcharges.

No brokerage costs

Greencross shareholders will be able to realise their investment in Greencross without incurring any brokerage or stamp duty costs.

²³ Value and/or ownership dilution depending on the structure of the capital raising.

Disadvantages

Shareholders will not be able to participate in the future upside of Greencross (All Cash Consideration only)

If the Scheme is implemented, Greencross shareholders receiving the All Cash Consideration will forgo the opportunity to participate in the future upside potential of the Company and any uplift in current market conditions. If the Scheme is implemented, Greencross shareholders will forgo the benefits that may arise from:

- The co-location initiative, the concept of integrating Veterinary clinics into retail stores, began at the end of FY15. Over the next three years an average of 17 in-store clinics were added annually, with the total number of in-store clinics rising to 54 as of 1 July 2018. This represents 22% of all retail stores having an in-store clinic. Furthermore, Greencross expects to open an additional 10 in-store clinics in FY19²⁴. The maturation process of the in-store clinics can take multiple years, so the return of capital invested through the benefits of increased traffic, basket size and mix, cross referrals and uptake in loyalty programs will only be fully realised in the future.
- The growth for Pet Retail and Veterinary services is estimated at an average growth rate²⁵ of 3.0% and 2.6% per annum, respectively over the next 5 years in Australia. Pet ownership rates and annual expenditures on pets have increased from 2013 to 2016, with the trend expected to continue. Due to factors such as premiumisation of pet foods, supplies and services, as well as pet humanisation, the service offering by Greencross is well positioned for future growth.
- Despite slower than anticipated performance recovery in stand-alone GP practises, the Company anticipates improved performance in the near term with several initiatives²⁶ in place to improve operational performance of the vet division.
- Other benefits accruing to shareholders continuing to hold GXL shares.

Holdco will be an unlisted vehicle (Mixed Consideration only)

If the Proposed Scheme is implemented, Holdco will be an unlisted vehicle. A company listed on a stock exchange like the ASX is subject to listing rule regulations including continuous disclosure and certain investor protections. Investments in Holdco will be perceived to be more risky compared to GXL as Holdco will not be subject to ASX listing rules and hence the same level of transparency may not be maintained.

Furthermore, GXL shareholders should consider that an unlisted company like Holdco will normally have a lower value as it is not as readily marketable. When two investments are substantially comparable, investors tend to place more value on a security that is more liquid.

²⁴ AGM – CEO's Presentation and Trading Update, 2 November 2018.

²⁵ Compound Average Growth Rate.

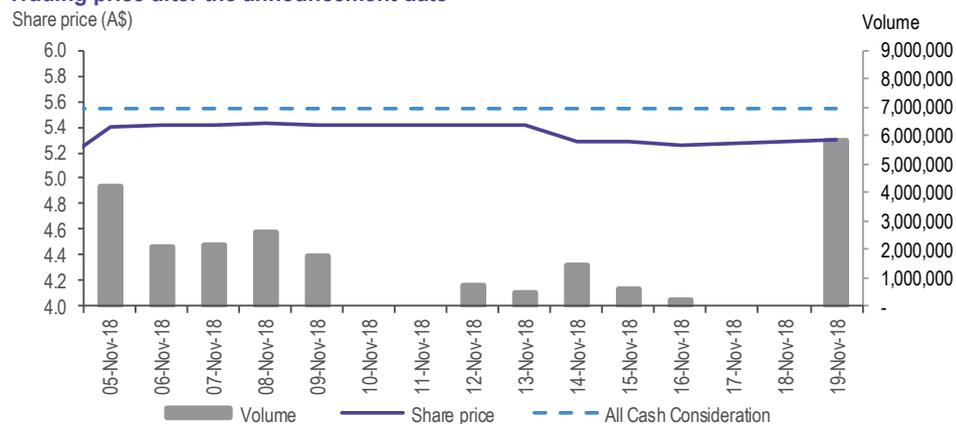
²⁶ Examples are optimisation of clinic labour, extended hours, mobile vet, web/app enhancements and cross-referrals of retail customers.

Other factors

Share price after the announcement

As set out below, following the announcement of the Scheme, the trading price of Greencross has traded substantially in line or slightly below the All Cash Consideration which seems to indicate good support from investors, perceived low risk of the Scheme not being implemented and limited expectations for a superior proposal.

Trading price after the announcement date



Sources: S&P Global, GTCF analysis.

Value of GXL for Holdco and TPG

If the Proposed Scheme is implemented, GXL will be delisted from the ASX and Holdco will realise direct synergies in relation to cost savings on listing fees, ASX compliance costs and Directors' fees. These cost savings are implicitly embedded into our valuation assessment of GXL on a control basis. We do not consider that Holdco or TPG will receive any material special value as a result of the Proposed Scheme.

In addition, we note that Management announced to the market cost saving initiatives of between A\$10 million and A\$13 million in May 2018 which were already incorporated into the trading price of GXL before the announcement of the Proposed Scheme. This may limit the ability of TPG to crystallise significant additional cost savings.

We note that TPG is quite familiar with the industry and the Company given that it was the major shareholder of Mammoth Pet Holdings when it merged with GXL in 2014, and TPG attempted to take GXL private in January 2016 when it submitted an indicative and conditional proposal at A\$6.75 per share. Furthermore, we note that TPG has historically had other investments in the pet sector, including its October 2000 acquisition of Petco Animal Supplies Inc. in the United States which it sold two years later for a substantial profit, and its buyback of Petco Animal Supplies Inc. in 2006 which sold again in 2015 for A\$6.5 million. Additionally its acquisition of Kriser's Feeding Pets for Life LLC, a US-based retail chain providing natural pet food and products, and the launch of Independent Pet Partners in 2017, a US Pet Retail chain.

Prospects of a superior offer

Whilst Greencross has agreed not to solicit any competing proposals or, subject to a fiduciary exception, to participate in discussions or negotiations in relation to any competing proposals, there are no material impediments to an alternative proposal being submitted by potentially interested parties. The transaction process may act as a catalyst for other interested parties and it will provide significant additional information in the Scheme Booklet and Independent Expert's Report to enable such potential acquirers to assess the merits of potential alternative transactions. If a superior proposal emerges before Greencross shareholders cast their vote on the Scheme, the Scheme meeting may be adjourned or Greencross shareholders may vote against it.

Share price in the absence of the Scheme

In the absence of the Scheme or an alternative transaction, all other things being equal, it is likely that GXL shares will trade at prices below the All Cash Consideration, at least in the short-term. In our opinion, the prospect of GXL shares trading above the All Cash Consideration in the short term, based on the current market conditions, is limited.

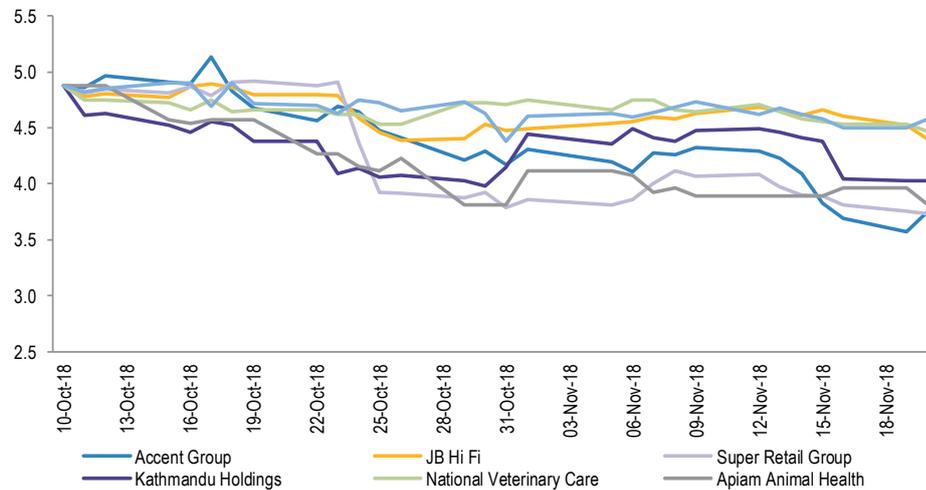
We note that investors' sentiment has been quite volatile lately. Global financial markets come from a strong period of growth which saw at the end of August 2018, the longest bull market in history²⁷. There is consensus between market analysts and commentators that a market correction is required and well overdue. If market conditions deteriorate, the high level of gearing of GXL may cause the trading prices to be more susceptible to large adverse movements.

We note that since 10 October 2018²⁸, the trading prices of certain selected listed peers (refer to section 6.2.2) reduced significantly in conjunction with volatile market conditions. Conversely, the trading in GXL shares has been supported by the Scheme.

²⁷ A bull market generally begins when the market rises 20% from the low at the end of the bear market which was on 9 March 2009 having regard to the S&P500 benchmark in the US. Since then, it has been circa 3,500 days of steady growth with the benchmark index climbing by more than 320%.

²⁸ When GXL responded to press speculation confirming that it had received and it was engaging with a number of parties regarding credible proposals. GXL's share price increased from A\$4.14 on 9 October 2018 to A\$4.88 on 10 October 2018. The Proposed Scheme was announced on 5 November 2018.

Peers' share prices rebased to GXL share price



Source: S&P Global, GTCF analysis.

Reimbursement fee

In the event that a competing superior proposal is announced and completed or the Directors withdraw their recommendation of the Scheme, Greencross will pay to Bidco a reimbursement fee of A\$6.75 million plus GST subject to certain exceptions. The reimbursement fee may also become payable under other circumstances as set out in the Scheme Booklet.

Tax implications

Implementation of the Scheme may crystallise a capital gains tax liability for Greencross shareholders, however the taxation consequences for Greencross shareholders will vary according to their individual circumstances and will be impacted by various factors such as place of residence. Greencross shareholders should read the overview of tax implications of the Scheme set out in the Scheme Booklet and also seek independent financial and tax advice.

Directors' recommendations and intentions

As set out in the Scheme Booklet, as at the date of this Report, the Directors of Greencross have recommended that Greencross shareholders vote in favour of the Scheme subject to the independent expert concluding and not changing its conclusion that the Scheme is in the best interests of Greencross shareholders. The Directors also intend to vote the shares they hold or control in favour of the Scheme.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Scheme is **REASONABLE** to Greencross shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Scheme is **FAIR AND REASONABLE and hence in the BEST INTERESTS** of the Greencross shareholders in the absence of a superior alternative proposal emerging.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each Greencross shareholder to decide based on their own views of value of Greencross and expectations about future market conditions, Greencross' performance, risk profile and investment strategy. If Greencross shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN
Director



JANNAYA JAMES
Director

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Greencross to provide general financial product advice in the form of an independent expert's report in relation to the Proposed Scheme. This report is included in Greencross' Scheme Booklet.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from Greencross a fee of A\$180,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of Greencross in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out

in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Greencross (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Scheme. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority who can be contacted at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Outline of the Scheme

1.1 Key terms of the Scheme

We have set out below some other key terms of the SIA:

- *Special Dividend* – Based on the terms of the SIA, GXL has the discretion to pay a fully franked special dividend of up to a maximum of 21.0 cents per share to its shareholders which will be deducted from the All Cash Consideration and Mixed Consideration.
- *Performance Rights* – As at the date of this report, the Company has 1,166,680 performance rights issued to its executives under a long term incentive plan (“GXL Performance Rights”). Upon certain conditions being achieved, the Performance Rights are convertible into GXL shares on a 1-for-1 basis without the payment of any consideration. Under the terms of the SIA, the Scheme is extended to the Performance Rights converted into GXL shares before the Scheme Record Date. Based on the terms of the SIA, the vesting of the performance rights into GXL shares will be accelerated prior to the Scheme record date.
- *Conditions precedent* – the SIA includes the following conditions precedent:
 - Approval of the Scheme by GXL shareholders.
 - Approval of the Scheme by the Court in accordance with Section 411 of the Corporations Act.
 - FIRB approval.
 - The counterparty of the Animates JV²⁹ has given its consent in writing to the change of control of GXL which would occur as a result of the Scheme
 - The GXL Performance Rights either vest or lapse before the Scheme Record Date.
 - Other conditions precedent customary for a transaction of this type including material adverse changes and prescribed occurrences.
- *Reimbursement Fee* – a reimbursement fee of A\$6.75 million plus GST may become payable by Greencross to Bidco if during the exclusivity period:
 - During the exclusivity period, any of the Greencross Directors withdraws or adversely revises the recommendation to vote in favour of the Scheme, except in limited circumstances set out in the SIA.
 - A Competing Proposal is announced by a third party or made before the Second Court Date and it completes within twelve months from its announcement or the third party acquires a relevant interest in more than 50% of GXL Shares under a transaction that is or has become wholly unconditional or otherwise comes to control GXL or acquires substantially all of the assets of GXL.

²⁹ The joint venture in relation to Animates NZ Holdings Limited of which GXL owns 50%.

- TPG terminates the SIA due to a material breach by Greencross of the terms of the SIA.
- *Others* – other terms common for a transaction of this nature, including customary exclusivity arrangements such as “no shop”, “no talk”, and “no due diligence” and a right for TPG to be notified of and to match any Competing Proposals.

1.2 Shareholders Deed

GXL Shareholders electing to receive the Mixed Consideration will be bound by the terms of the Shareholders Deed. We have been provided a copy of the Shareholders Deed and we have summarised below the key terms:

- Classes of shares and rights attaching – Class A shares are currently held by TPG. The shares paid to GXL shareholders under the Mixed Consideration will be fully paid Class B shares with the following rights attached:
 - One vote per share and rights to dividends that the Holdco Board may in its sole discretion declare pursuant to the dividend policy.
 - Equal rights on an Insolvency Event, as defined in the SIA.
- Board composition – Between 4 directors and 9 Directors all elected by TPG.
- Shareholders resolutions – Subject to limited exceptions (including to comply with applicable law), decisions by shareholders will be reserved to class A Shareholders or the TPG Shareholders (as applicable).
- Dividend policy: Subject to applicable law and the restrictions set out in any banking documents, dividends will be payable as determined at the sole discretion of the Holdco board with all the Directors appointed by TPG. Accordingly, Class B Shareholders will have no ability to influence the dividend policy or dividend payments of Holdco.
- Tag and drag-along rights: In the case that the TPG Shareholders propose to transfer or sell all or a portion of their shares, they have the ability to force GXL shareholders holding Class B shares to participate in the transaction at equal and no less favourable terms. In addition, Class B shareholders will have the right to participate at equal and no less favourable terms in the sale of all or a portion of TPG shares if the TPG Shareholders wish to sell more than 30% of the Holdco Shares on issue, on the terms of the Shareholders Deed.
- Class B shareholders have no ability to initiate the transfer of their shares unless the transfer is to a related entity or a relative of the Class B shareholder, on the terms set out in the Shareholders Deed.

The substance of the terms of the Shareholders Deed is that Class B Shareholders will have very limited ability to influence or participate into the economic, financial and strategic decisions of Holdco which will remain solely with TPG.

Class B Shareholders will also be provided with audited financial reports and directors' reports as Holdco intends to send a copy of these reports to each Class B Shareholder.

2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

While there is no legal requirement for an independent expert's report to be prepared in respect of the Scheme, the Directors of Greencross have requested that Grant Thornton Corporate Finance prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of Greencross shareholders.

2.2 Basis of assessment

In determining whether the Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests of members".

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.

RG111 considers an offer to be "reasonable" if it is fair. An offer may also be reasonable if, despite not being "fair" but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

In our opinion, the most appropriate way to evaluate the fairness of the Scheme is to compare the fair market value of Greencross on a control basis with the All Cash Consideration.

In considering whether the Scheme is in the best interests of Greencross shareholders, we have considered a number of factors, including:

- Whether the Scheme is fair.
- The implications to Greencross shareholders if the Scheme is not approved.
- Other likely advantages and disadvantages associated with the Scheme.
- Other costs and risks associated with the Scheme that could potentially affect Greencross shareholders.

In our assessment of the Mixed Consideration we have compared the fair market value of GXL on a control basis with the value of the Mixed Consideration on a minority basis.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Proposed Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of Greencross and its Directors and all other relevant parties of the Scheme.

2.4 Consent and other matters

Our report is to be read in conjunction with the Scheme Booklet dated on or around 19 December 2018 in which this report is included, and is prepared for the exclusive purpose of assisting Greencross shareholders in their consideration of the Scheme Booklet. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Scheme Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Scheme to Greencross shareholders as a whole. We have not considered the potential impact of the Scheme on individual Greencross shareholders. Individual

shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Scheme on individual shareholders.

The decision of whether or not to approve the Scheme is a matter for each Greencross shareholder based on their views on the value of Greencross and expectations about future market conditions, together with Greencross' performance, risk profile and investment strategy. If Greencross shareholders are in doubt about the action they should take in relation to the Proposed Scheme, they should seek their own professional advice.

2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

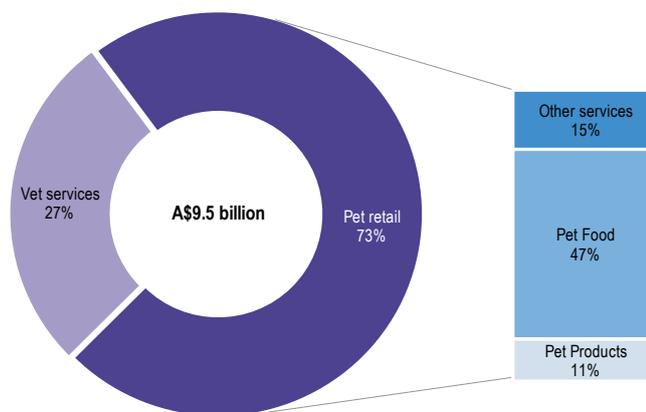
"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

3 Industry overview

3.1 Introduction

The Australia and New Zealand pet market (“ANZ Pet Market”), which includes both the Veterinary industry and the Pet Retail industry, is estimated to generate revenues of A\$9.5 billion³⁰ as at 2017. The industry breakdown is provided in the graph below:

ANZ Pet Market by segment – A\$9.5 billion as at 2017



Source: Greencross company presentation, 16 October 2017.

New Zealand's pet industry, including both Pet Retail and Veterinary services, is estimated to be worth NZ\$1.8 billion in 2015, up from NZ\$1.6 billion in 2011³¹. In 2016, the New Zealand pet industry has been estimated to account for c.17% of the ANZ Pet Market³².

3.1.1 Pet Retail industry

The Pet Retail industry consists of various products and services including pet food, pet products and accessories (i.e. toys), animal health care products³³, pet services (i.e. grooming, washing) and pets.

The Pet Retail industry is regarded as non-cyclical compared with traditional retail with a low level of industry revenue volatility. A considerable portion of revenue is derived from the sale of non-discretionary pet care items, such as food and health care products. Therefore, the industry has proven to be more resilient than traditional retail industries during economic downturns, supported by the recent trend of pet humanisation.

The industry has undergone substantial consolidation with a high level of competition due to low barriers to entry. Supermarkets have maintained a strong presence and several online retailers have entered the market. Traditional brick-and-mortar industry operators are responding by co-locating retail stores with Veterinary clinics as well as expanding their product and service offering.

³⁰ Management estimates based on industry reports, disclosed in company presentation dated 16 October 2017.

³¹ The New Zealand Companion Animal Council Inc, 2016.

³² Management estimates based on industry reports, disclosed in company presentation dated 4 May 2016.

³³ Included in Pet Products in the above chart.

3.1.2 Veterinary services Australia

The Vet industry can be divided into the types of services provided to animal owners, depending on the relative priority and urgency. The industry includes routine services (i.e. check-ups, vaccinations), specialist services (i.e. pathology, oncology), emergency services (i.e. treatment of significant injuries and illness) and other services (i.e. animal sales, kennel services, cremation, burial services and home visits).

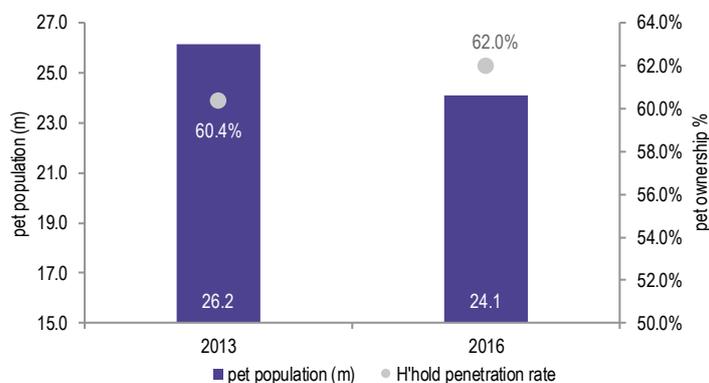
Similar to the Pet Retail industry, the Vet industry has similar characteristics with respect to cyclicity, revenue volatility and pet ownership. Moreover, the industry is highly fragmented and will continue to face industry consolidation with companies like Greencross Limited, VetPartners Pty Ltd and National Veterinary Care Ltd becoming major players through acquisition of additional practises.

In contrast to the Pet Retail industry, the Vet industry is characterised by high barriers to entry due to the significant costs involved in establishing a private Veterinary practise, as well as purchase costs related to highly advanced equipment.

3.2 Key industry drivers

Pet population and ownership – There are over 24 million of pets in Australia³⁴. Between 2013 and 2016 the overall pet population declined by c. 9.0%, while the ownership of pets by Australian households increased over the same time period. In 2016, nearly 62% of the Australian households owned a pet, compared to c. 60% of households in 2013.

Australian pet population vs. Pet ownership rate



Source: Animal Medicines Australia, Pet Ownership in Australia, 2016.

Australia continues to have one of the highest household rates of pet ownership in the world with around 5.7 million of Australia's 9.2 million households having a pet. Only the United States (65%) and New Zealand (64%) have higher pet ownership rates. It is estimated that about 2.3 million Australian households have more than one type of pet. Future predictions are that the overall Australian pet population will marginally increase indicating a longer term stabilisation in pet numbers³⁵.

The increase in urbanisation combined with the current environment of stricter body corporate and Strata regulations represent one of the biggest threats to growing pet ownership in Australia. We note there is

³⁴ Animal Medicines Australia ("AMA"), Pet Ownership in Australia, 2016.

³⁵ IBISWorld reports OD5128 and M6970, 2018.

some movements towards reducing the impact of Strata laws, with some jurisdictions changing Strata laws to allow pet ownership.

Online shopping – Competition from online Pet Retailers is intensifying as more consumers are purchasing Pet Retail products online due to the perceived convenience and lower prices. The online Pet Retail industry is still in its infancy and is gradually evolving as it gains traction in the wider Australian pet industry. The industry is estimated to grow at an average growth rate of 7.8% between 2018 and 2023³⁶.

The nature of Veterinary services cannot simply be undertaken by the online industry. Veterinarians are still the most common source of information on pet health. More pet owners are now turning to the internet for preventive advice³⁷.

In early 2017, it was reported³⁸ that Amazon will “roll out its full retail offering in Australia over the next few years” with both an online retail as well as a “marketplace” offering³⁹. Only a few months later⁴⁰, Amazon officially launched their Australian marketplace with a local online product range of more than 20 consumer categories. In September 2018, Amazon announced their expanded product offering in Australia with the launch of new product category Amazon Pet Supplies. The rise of online player Amazon will pose a significant threat to the Australian Pet Retail industry.

Pet humanisation – A major reason of consumers’ increased pet spend is likely to be the result of the growing “pet humanisation”. Pets are increasingly considered family members, with many pet owners spending more on pet services to ensure that their pets are provided with the best care. Pet owners are also increasingly willing to spend more on Veterinary procedures to prolong their pets’ lives.

Premiumisation – This consumer spending also extends to the purchase of higher margin premium products and specialty pet food. Pet owners have been increasingly concerned about their pets’ food, leading to growth in demand for diet, organic and healthy pet food. This move towards premium pet food products⁴¹ offsets the current moderation in volume growth.

Private label – Pet stores are increasingly offering proprietary private label products, often to build brand loyalty. Private label sales are expected to account for 23% of all Australian retail product sales⁴².

Shift away from supermarkets towards specialty pet stores – The majority of pet food continues to be purchased from supermarkets. However, there has been a shift away from purchasing pet food in supermarkets⁴³. Specialty pet stores are able to offer specific pet food, more personalised advice on product choices and pet welfare concerns as well as other pet services such as grooming and washing.

Increasing household expenditures on pets – Australian households are spending more on Pet Retail products and Veterinary services than before. Below we have provided a segment breakdown of the household spend as well as the development of the average annual household spend per primary animal

³⁶ IBISWorld reports OD5128 and M6970, 2018.

³⁷ AMA, 2016: 47% of pet owners turn to vets for preventive advice (2015: 59%).

³⁸ Australian Financial Review, Amazon breaks silence on Australian retail plans, 20 April 2017.

³⁹ The Sydney Morning Herald, Amazon confirms launch plans, will open retail and market place offering, 13 November 2017.

⁴⁰ ABC News, Amazon Marketplace launches in Australia, 5 December 2017.

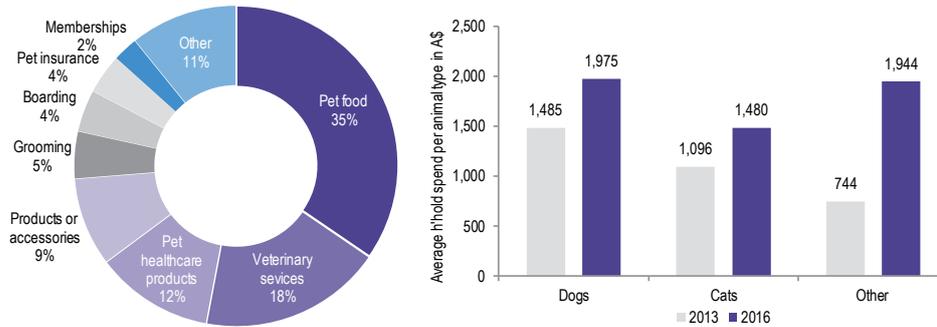
⁴¹ Euromonitor Research, Segmentation in Pet Food is Growing, June 2018.

⁴² IBISWorld reports OD5128 and M6970, 2018.

⁴³ AMA, 2016: 60% of dog owners purchase the majority of pet food through supermarkets (2015: 70%) and 26% of dog owners purchase the majority of pet food through specialty stores (2015: 16%). A similar trend is observable for cat food, with both categories representing the largest pet food categories.

type. In order to maintain the physical condition and maximize longevity, pet health care products have become a recurring expense for pet owners.

Increasing average annual household expenditures on pets



Source: Animal Medicines Australia, 2016.

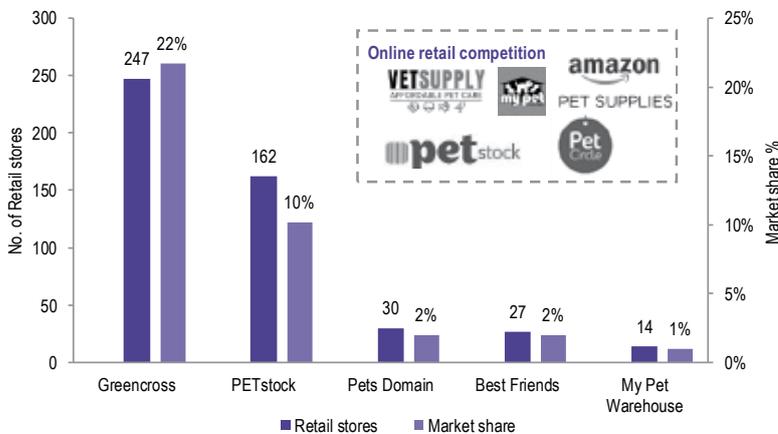
3.3 Competitive landscape

3.3.1 Pet Retail industry

Greencross⁴⁴ and PETstock are the two largest chains in the Australian specialty Pet Retail market. Other mid-tier pet chains include Pets Domain and Best Friends. Pet Retailers compete against a variety of external competitors including supermarkets (i.e. Woolworths, Coles and Aldi), discount department stores (i.e. Big W, Kmart and Target), butchers, online pet stores (i.e. Pet Circle) as well as online marketplaces with a pet supplies product category (i.e. Amazon).

Supermarkets are the largest distribution channel for pet food, representing the largest external threat to specialty pet stores. Online pet sales are currently still limited, but it is anticipated that traditional industry operators will increasingly face competition from online retailers.

ANZ Pet Specialty Retail market participants



Sources: Company websites, IBISWorld, GTCF analysis.

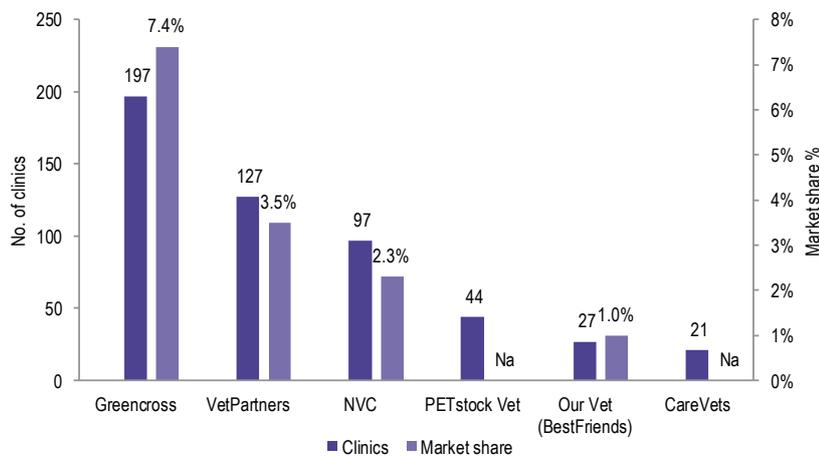
Note: Estimates of market share are derived from IBISWorld as of July/October 2018 and may not be actual and representative and refer to the Australian market.

⁴⁴ Petbarn, City Farmers and Animates.

3.3.2 Veterinary services industry

The Veterinary services industry comprises of several large vet chains: Greencross⁴⁵, VetPartners, and National Veterinary Care. The industry is highly fragmented, with the three largest players having a combined market share of c. 13.2%⁴⁶. Veterinary practises primarily compete with each other on the quality and range of services and facilities provided. New industry players face the challenge of the significant costs involved in establishing a private Veterinary practise.

ANZ Veterinary services market participants



Sources: Company websites, IBISWorld, GTCF analysis

Note: Estimates of market share are derived from IBISWorld as of July/October 2018 and may not be actual and representative and refer to the Australian market.

3.4 Industry outlook

Despite an increasing level of pet spending due to favourable trends such as pet humanisation and premiumisation, operating conditions for Pet Retailers are expected to become more challenging in the near future. Competition is likely to intensify with rival Pet Retail chains, online Pet Retailers and supermarkets. Due to this intensified competition smaller specialist Pet Retailers will struggle to differentiate themselves leading to more companies' exits and further market consolidation as a result.

The emergence of online retailer Amazon will pose a significant threat to the Pet Retail industry. In September 2018, Amazon announced the launch of the new product category Amazon Pet Supplies in Australia. Products include pet food and treats, beds and furniture, toys, grooming products and accessories. Amazon sells both popular and well-known brands, as well as some independent pet care names. The Company is partnering with Australia's leading animal welfare and advocacy body RSPCA.

It seems that the potential near term impact of Amazon is currently softened by certain Australian retailers. In a recent retail survey⁴⁷ executives and senior management from Australian retailers were asked about their expectations for the 2018 Christmas period and beyond. The survey shows that c. 83% of responding Australian retailers are not concerned at all in the near term, predicting that Amazon will have zero impact

⁴⁵ Greencross Vets and Animates Vetcare.

⁴⁶ IBISWorld reports OD5128 and M6970, 2018.

⁴⁷ Big four accounting firm, Retailers' Christmas Survey 2018.

on their Christmas trading performance. A large portion of respondents identified existing competitors as their greatest risk to their business rather than identifying new entrants such as Amazon.

Notwithstanding the above, recent research⁴⁸ demonstrated the significant growth in online shopping. In 2017 Australians spent A\$21.3 billion buying goods online, an increase of 18.7% compared to 2016. Online shopping in Australia now reached 8% of total traditional retail sales at the end of 2017 (2016: 7%). Customers are increasingly buying through channels such as online “marketplaces”⁴⁹. In 2017, marketplaces and discount department stores were favourite destination sites for online shoppers with purchases via marketplaces growing by 74.8% in 2017 alone. Traditional retailers such as Myer have recently opened marketplaces as well, recognising the benefit of increased customer traffic and expansion into other categories.

Traditional bricks-and-mortar Pet Retail companies without Veterinary clinics are likely to shift toward large-format retail stores and “category killer”⁵⁰ superstores as they leverage economies of scale to fend competition from supermarkets⁵¹. Other Pet Retailers with Veterinary clinics will most likely continue pursuing a co-location strategy, where they co-locate their Pet Retail stores and Veterinary clinics as consumers increasingly move towards a preference for a “one-stop-shop” for pet care. Industry operators will also likely pursue an omni-channel approach, with complementary e-commerce channels, subscription based models, customer loyalty programs, home deliveries and click-and-collect options. Retailers will continue driving private label sales to build brand loyalty.

Demand for advanced Veterinary services is forecast to continue growing, driven by a greater uptake in pet humanisation and pet insurance. Veterinary clinics will extend their service offering with Veterinary services that were traditionally reserved for humans and with services that involve advanced medical, surgical and diagnostic procedures. However, Veterinary clinics profitability is forecast to decline due to increased price-competition.

New Zealand’s pet industry will continue to represent an attractive market opportunity on the back of a high level of pet ownership and favourable trends such as pet humanisation and an increase in average spend per animal. Driving growth factors of New Zealand’s Pet Retail industry are premium pet product ranges commanding higher prices and growth in pet treats. In addition, higher pet food sales in terms of volumes and prices are expected, following the increased awareness among consumers of the importance of providing a nutritionally adequate diet to their pets⁵².

Online Pet Retail is expected to grow in 2018 and beyond. The Veterinary industry will face ongoing industry consolidation of practises in New Zealand as well. The Veterinary workforce is expected to increase, supported by a growing number of Veterinary graduates. Moving forward, the Pet Retail and Vet industries are estimated to grow at 3.0% and 2.6% per annum, respectively over the next 5 years⁵³.

⁴⁸ Australia Post, Inside Australian Online Shopping, 2018.

⁴⁹ Market places are central platforms where goods are offered by multiple third parties directly to consumers. Examples of well-known online marketplaces in Australia are Amazon, eBay, Etsy, ASOS, Graysonline, MyDeal.com.au and Alibaba.com.

⁵⁰ A category killer is a retail chain store that is larger in physical space and typically with an extensive selection of merchandise at low prices. It usually has dominance in a certain product category.

⁵¹ IBISWorld reports OD5128 and M6970, 2018.

⁵² The New Zealand Companion Animal Council Inc., 2016.

⁵³ IBISWorld reports OD5128 and M6970, 2018.

4 Profile of Greencross

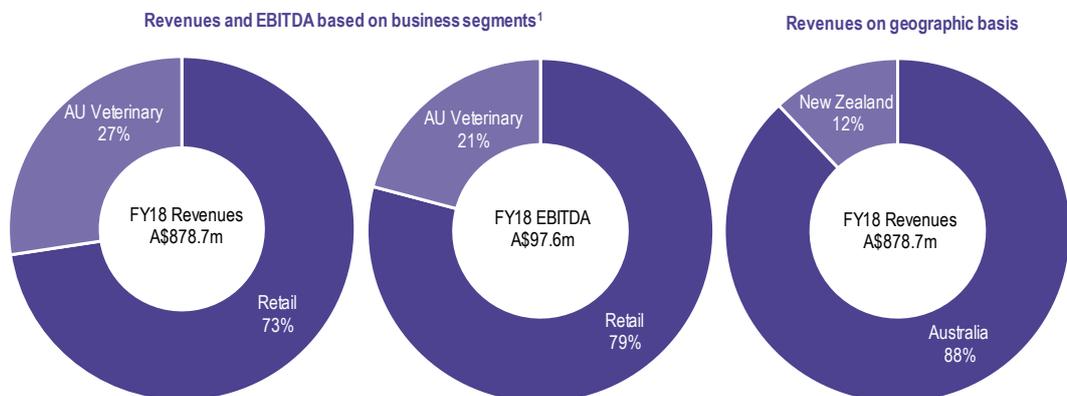
4.1 Introduction

Greencross is Australasia’s leading integrated pet care company through retailing pet food, pet related products and pet accessories, as well as operating Australia’s largest Veterinary services business. The Company has 247 retail stores, 160 GP Veterinary clinics, 37 specialty and emergency centres and 106 grooming salons throughout Australia and New Zealand as at 1 July 2018. Greencross employs over 5,100 team members.

It operates retail outlets through the brands of Petbarn and City Farmers (“City Farmers”) in Australia, and Animates (“Animates”), a 50% joint venture with EBOS Group Limited, in New Zealand. The Veterinary division provides services through the brands of Greencross Vets in Australia and Animates Vetcare in New Zealand for clinics, and through the brands of Animal Emergency Centre, Adelaide Veterinary Specialist and Referral Centre, Melbourne Veterinary Special Centre, Pets Eternal and Veterinary Referral Hospital for specialty and emergency centres. Greencross also entered into a 50.1% owned joint venture with Animal Referral Hospital (“ARH”), one of Australia’s leading specialty and emergency vet practices with 8 locations throughout the country, in 2015.

The following chart shows revenue and EBITDA broken down between the Retail⁵⁴ and Vet divisions, and on a geographic basis. Further information is provided on the breakdown and groupings of the Greencross operating divisions in section 4.2 below.

FY18 Greencross revenues and EBITDA



Source: Company’s FY18 financial report, GTCF analysis
Note: (1) Retail division includes AU retail and NZ operations.

The Company originated as a Veterinary group in 1994, but has developed and diversified through acquisitions and organic growth. Greencross (Veterinary services) merged with Mammoth Pet Holdings Pty Limited (“Mammoth”) (Pet Retail) in January 2014 to become Australian’s largest integrated pet care company. Notable historical initiatives and transactions for the two companies have been summarised below:

⁵⁴ It includes AU retail and NZ operations.

- Mammoth acquired 10 original Petbarn stores in Australia in 2006, and a 50% interest in Animates in New Zealand in 2007. The company launched its Healthy Pets Plus (“HPP”) loyalty program in 2011 and grew Friends for Life (“FFL”) loyalty program to over 1 million members in 2012. Mammoth continued to open new stores to reach 114 retail locations by November 2013.
- Before the merger with Mammoth, Greencross was admitted to the ASX in June 2007 where it continued to grow its Veterinary clinic network through the use of its IPO proceeds, targeting acquisitions of clinics with greater than A\$1m in annual revenue. By November 2013 the Company had 100 clinics throughout Australia.
- Greencross completed the acquisition of City Farmers Retail Pty Ltd in June 2014 adding 42 City Farmers stores and strategically and geographically expanding its Pet Retail presence in Western Australia.
- The Company has remained acquisitive with expansion into the New Zealand Veterinary market in 2015 and continued acquisition of clinics throughout Australia. The retail segment has grown through expansion of the retail footprint and diversity of product offerings.

The following table sets out the store geographic footprint over the last three year period:

Greencross - Stores geographic location			
As at respective year ends	FY16	FY17	FY18
<i>Australia</i>			
Petbarn and City Farmers retail stores	189	200	206
GP clinics ¹	118	131	142
Specialist & emergency centres ²	29	33	37
Grooming salons	47	57	82
Total Australia	383	421	467
<i>New Zealand</i>			
Animates retail stores	32	39	41
GP clinics ¹	8	16	18
Grooming salons	16	23	24
Total New Zealand	56	78	83
Total Greencross's stores	439	499	550

Source: Greencross annual reports FY16-FY18

Notes: (1) Net of closures and relocations; (2) includes specialist centres, accident and emergency hospitals and pet crematoria.

Through the merger of Greencross Veterinary services and Mammoth Pet Retail business, the Company identified the integrated pet care model as a point of differentiation and competitive advantage in the market. The Company focused on the initiatives of co-location (introducing Veterinary clinics within retail stores), dog grooming, training, minding, insurance, pet crematoria, and adoption services, with the goal to provide a one-stop shop experience for pet owners. The following table shows the number of co-location Veterinary clinics over the historical period with percentage of stores that have co-located clinics:

Colocation stores			
	FY16	FY17	FY18
In-store vet clinics at the beginning of the period	3	17	37
New in-store vet clinics	14	20	17
Total in-store vet clinics at the end of the period	17	37	54
% of retail stores with a in-store vet clinics	8%	15%	22%

Source: Greencross annual reports FY16-FY18.

Loyalty programs

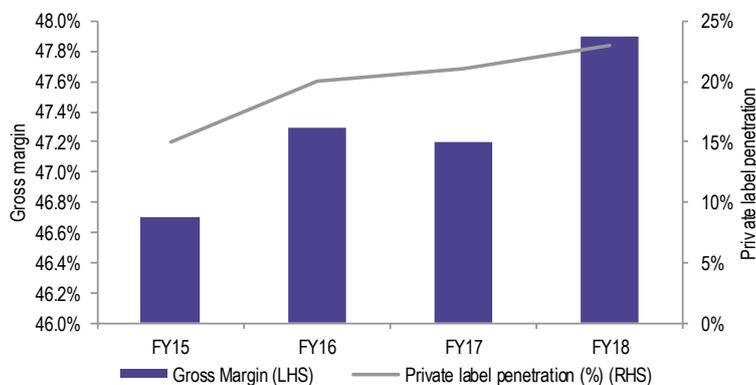
To increase customer retention, spend and cross referrals between vet and retail businesses, Greencross has two loyalty programs, Friends for Life and Healthy Pets Plus. FFL currently has over 1.6 million members across Australia and New Zealand, and experienced a 9% increase in membership in FY18, with HPP having 61,000 members and a 12% increase in membership in FY18. FFL members receive rewards points based on dollar spend and can receive a range of discounts and benefits on retail products and grooming and minding services. HPP members pay an annual membership fee for their dog or cat and receive basic vaccinations, health and dental checks, unlimited Veterinary consultations and discounts on products and services. HPP members spend 2.3x non-HPP members.

The Company has established an eco-system for its members with personalised communications (trigger campaign, reminders and replenishment) linked to powerful data analytics platform further developing the integrated pet care model.

Private label

Greencross also has a strong private label and exclusive brands offering including dog and cat food and treats, accessories and small animal products that have generated more than A\$115 million of revenue and have seen growing penetration. Driven by the Leaps & Bounds label dog and cat food the private label products and exclusive brands have 23% penetration of total Australian retail product sales in FY18. They represent an opportunity to build strong consumer brand loyalty while having a greater degree of control of product margins. As set out in the graph below, there is a strong correlation between the increased penetration of the private labels and increase of gross margin.

Gross margin and private label penetration



Source: GXL annual reports.

Further expansion of the private label revenue is expected to be driven by targeting expansion across multiple product categories and on premium food categories both in the fresh and frozen categories. The Company has flagged that it is currently exploring opportunities to take the private label to Asia.

E-commerce

GXL has historically focused on growing its omni-channel network, through offering an e-commerce platform and click-and-collect functionality, the ability to order products online and pick up in-store (currently available for Petbarn only). In FY18, A\$20 million of retail sales were completed online. This sales channel experienced 70% growth compared with FY17, largely driven by click-and-collect. As Amazon moves into the Australian online Pet Retail market (launched in September 2018) it becomes imperative that the Company provides an online product offering at competitive prices and with increased product diversity in order to defend its market positioning. Additionally it is key that it has differentiating factors from a pure-play online retailer, such as click-and-collect, and utilises its national store network. Greencross is expected to continue to invest into omni-channel and ecommerce platform development, as well as ERP systems to ensure efficient online and in-store functionality over the next few years.

4.2 Business Divisions

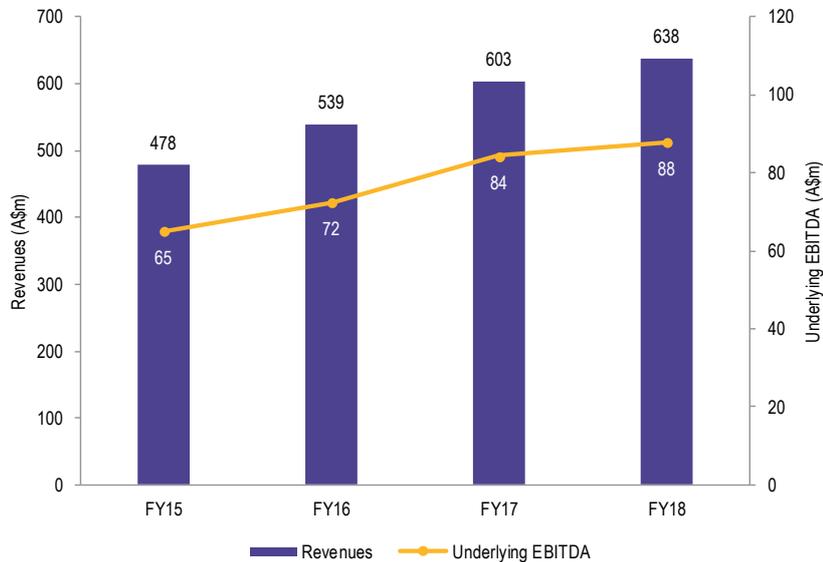
The Company has identified three reporting segments of its business – Retail Australia, Veterinary Australia and New Zealand. The New Zealand division was only segmented in the FY18 annual financial statements and New Zealand retail accounts for the majority of New Zealand revenues. Based on the lack of historical segmented information and the primary nature of New Zealand operations being retail, we have reviewed the business operations having referred to Retail Division, inclusive of New Zealand⁵⁵ (“Retail Division”), and Veterinary Australia (“Veterinary Division”).

Retail

The retail division of the business includes 206 retail stores in Australia under the brands of Petbarn and City Farmers and 41 stores in New Zealand under the brand of Animates. Additionally an e-commerce platform is offered for the Petbarn brand. The following graph shows revenue and EBITDA over the last four fiscal years for the retail division, inclusive of New Zealand:

⁵⁵ 90% retail and 10% Veterinary

Retail division¹ revenues and underlying EBITDA² - Historical performance



Sources: GXL annual reports, GTCF analysis

Note: (1) Retail division includes AU retail and NZ operations (2) FY18 underlying EBITDA before allocation of corporate costs (3) Due to revised disclosure of operating segments in FY18, restated FY17 underlying EBITDA is used in the graph. Comparison between historical years underlying EBITDA may not be a LFL comparison due to revised disclosure.

The Australian retail stores account for A\$532.3 million of revenues or 61% of the group revenues. In FY18, 6 new stores and 25 grooming salons were opened. The Australian retail stores experienced favourable results with revenue growth increasing 5.4%, driven by LFL sales growth of 5.1%, with an additional 70 basis point gross margin improvement from FY17. Underlying EBITDA for FY18 was A\$74.4 million⁵⁶ with an increase of A\$3.5 million or 5% from FY17. This EBITDA increase was driven by LFL stores growth of A\$5.9 million, A\$0.4 million of new store contribution, partially offset by an increase of A\$2.8 million in higher support office labour and IT costs.

Animates in New Zealand, inclusive of Veterinary, accounted for A\$105.6 million of revenues or 12% of the group revenues in FY18, with 41 retail locations and 18 Veterinary clinics. New Zealand opened 2 new stores with in-store vet clinics in FY18.

The New Zealand retail stores and vets experienced favourable results with revenue growth increasing 11%, with LFL sales growth of 5.2%, and an additional 90 basis point gross margin improvement from FY17. However softer EBITDA performance was noted as EBITDA largely remained consistent with FY17 due to corporate cost increases.

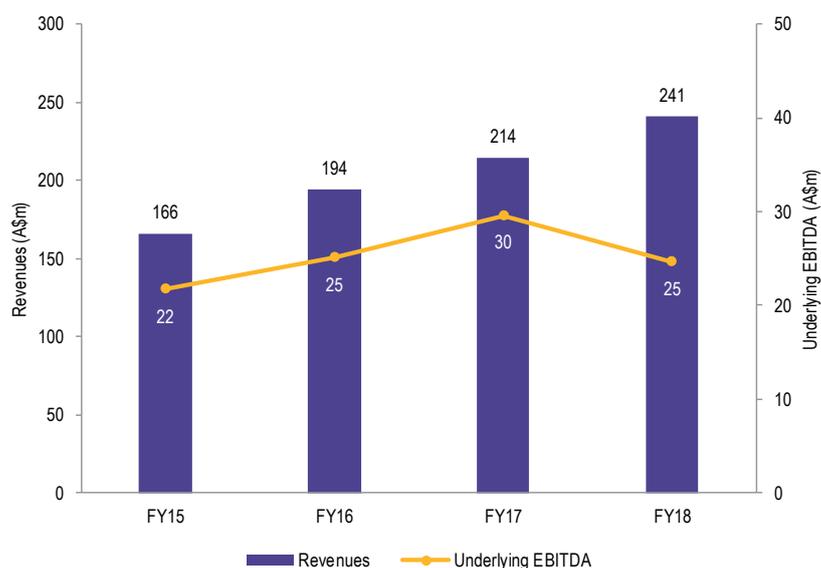
Retail stores that were co-located with Veterinary practices delivered 8.5% LFL retail sales growth in FY18, opposed to stand-alone stores delivering 3.8%, indicating that the integrated model is aiding in increasing sales. In the first 17 weeks of FY19 group retail LFL sales growth is 6.4%. The strong performance of the retail divisions has also been assisted by a robust macroeconomic environment and additional discretionary spending by consumers willing to buy high quality, premium products. The humanisation of pets further drives additional spending on animal clothing and accessories, toys and treats.

⁵⁶ Before the allocation of corporate costs and excluding NZ operations.

Veterinary

The Veterinary division (exclusive of New Zealand Veterinary) has 142 GP clinics in Australia with 37 specialist and emergency centres. It accounted for A\$240.8 million of revenue or 27% of group revenue. The division experienced overall revenue growth of 12%, with 4.3% LFL revenue growth, but weaker than expected underlying EBITDA performance with a decrease from A\$29.6 million in FY17 to A\$24.6 million in FY18. The following graph shows revenue and underlying EBITDA over the last four fiscal years for the Veterinary division:

Veterinary division revenues and underlying EBITDA - Historical performance



Sources: GXL annual reports, GTCF analysis

Note: (1) FY18 underlying EBITDA before allocation of corporate costs. (2) Due to revised disclosure of operating segments in FY18, restated FY17 underlying EBITDA is used in the graph. Comparison between historical years underlying EBITDA may not be a LFL comparison due to revised disclosure.

The focus of the division is to expand the number of in-store clinics, which increased from 28 in FY17 to 43 in FY18, while stand-alone clinics decreased from 103 to 99 locations. The latter were responsible for a significant portion of the underperformance. Stand-alone clinics experienced a 2.2% decrease in LFL sales and a reduction of A\$1.8 million EBITDA compared to FY17. This was driven by lower than expected stand-alone GP clinic foot traffic and higher labour costs. The ARH joint venture experienced higher labour costs resulting in a reduced contribution of A\$2.6 million to the EBITDA in FY18 (A\$1.3m GXL share). As 15 of the in-store clinics were opened throughout the year they are still immature and overall in-store clinics had a negligible EBITDA contribution in FY18. With up to 10 in-store clinic expected to be opened in FY19, we note that they will continue to drag on divisional performance.

In the first 17 weeks of FY19 the stand-alone GP clinics have continued to endure challenging LFL sales performance with a 1.8% decrease from FY18. However, the ARH joint venture is tracking slightly better than expected with the labour cost savings crystallising.

4.3 Financial information

4.3.1 Financial performance

The table below illustrates the Company's audited consolidated statements of comprehensive income for the last three financial years. We note that the reports in A\$.

Consolidated statements of financial performance	FY16	FY17	FY18
A\$ '000	Audited	Audited	Audited
Total revenues	733,672	817,496	878,734
<i>Revenue growth</i>	13.8%	11.4%	7.5%
Cost of sales	(324,949)	(364,509)	(383,989)
Gross profit	408,723	452,987	494,745
<i>Gross profit margin (%)</i>	55.7%	55.4%	56.3%
Operating expenses	(321,583)	(353,208)	(419,939)
Reported EBITDA	87,140	99,779	74,806
<i>Reported EBITDA margin</i>	11.9%	12.2%	8.5%
Depreciation	(17,821)	(23,140)	(27,928)
Reported EBIT	69,319	76,639	46,878
<i>Reported EBIT margin</i>	9.4%	9.4%	5.3%
Finance costs	(15,649)	(13,872)	(14,219)
Profit Before income tax expense	53,670	62,767	32,659
Income tax expense	(15,007)	(15,419)	(8,696)
Net profit/(loss)	38,663	47,348	23,963
<i>Net profit margin</i>	5.3%	5.8%	2.7%
Profit for the period is attributable to:			
Non-controlling interest	4,043	5,293	3,306
Owners of Greencross Limited	34,620	42,055	20,657
	38,663	47,348	23,963

Reconciliation of Underlying EBITDA and Underlying EBIT	FY16	FY17	FY18
A\$ '000	Audited	Audited	Audited
Reported EBITDA	87,140	99,779	74,806
Acquisition and defence cost	3,390	1,803	1,412
Impairment of projects	-	-	10,723
Redundancy and restructuring cost	2,355	1,898	2,734
Integration, range and brand harmonisation	2,450	-	-
Provision for slow moving inventory	-	750	3,025
Impairment of investments, store assets, store network and incidental provision	-	-	4,881
Total non-recurring items	8,195	4,451	22,775
Underlying EBITDA	95,336	104,230	97,581
Underlying EBITDA margin	13.0%	12.7%	11.1%
Depreciation	(17,821)	(23,140)	(26,487)
Underlying EBIT	77,515	81,090	71,094
Underlying EBIT margin	10.6%	9.9%	8.1%

Sources: GXL annual reports

Note (1): The information presented in the table above has been extracted/derived from the audited financial statements.

In relation to the above, we note the following:

- Over the FY16 to FY18 period the business has matured and revenues are growing at a slower pace from 13.8% in FY16 to 7.5% in the most recent fiscal year.
- Gross margin has marginally improved from FY16 to FY18 from 55.7% to 56.3%. As mentioned above, the private label food and accessory products have assisted in driving strong gross margins as penetration of the products has increased.
- Underlying EBITDA has decreased from A\$104.2 million in FY17 to A\$97.6 million in FY18, with the underlying EBITDA margin decreasing from 13.0% to 11.1% over the same period. This is due to poor performance of stand-alone Veterinary clinics, higher labour costs in the ARH joint venture and growth in corporate costs. The additional corporate costs were mainly driven by circa A\$4.2 million of staff costs which were related to a strategic review of IT projects.
- There have been a number of non-recurring items which were adjusted for in the year including acquisition and defence costs, impairment of projects, restructuring costs, provision for slow moving inventory and impairment of investments and specific company assets totalling A\$22.8 million. The most significant normalisation was the add-back of A\$10.7 million of previously capitalised IT project costs which were impaired and expensed in FY18 as a result of the projects being discontinued or the software assets no longer being utilized.
- The Company has focused on a cost-out program since the second half of FY18 and YTD to reduce corporate costs by A\$10 to A\$13 million through the corporate office restructure, realigning retail rosters to demand based rostering, and a consolidation in Practice Managers in clinics for vet labour.
- The company's profit attributable to non-controlling interests relates predominantly to the Company's 50% interest in its New Zealand joint venture business Animates and its 50.1% JV interest in ARH joint venture.

4.3.2 Financial position

The consolidated statement of financial position of Greencross as at 30 June 2016, 2 July 2017 and 1 July 2018 is summarised in the table below:

Consolidated statements of financial position A\$ '000	FY16 Audited	FY17 Audited	FY18 Audited
Current assets			
Cash and cash equivalents	62,583	57,683	45,818
Trade and other receivables	8,575	11,545	12,719
Inventories	92,002	97,503	98,094
Other	1,672	2,187	4,215
Total current assets	164,832	168,918	160,846
Non-current assets			
Other financial assets	292	785	165
Property, Plant and equipment	156,867	187,783	211,654
Intangibles	553,227	578,374	596,116
Deferred tax	11,501	7,296	7,942
Total non-current assets	721,887	774,238	815,877
Total assets	886,719	943,156	976,723
Current liabilities			
Trade and other payables	92,732	100,752	104,564
Borrowings	4,389	679	11,572
Current tax liabilities	5,601	6,963	1,106
Provisions	20,990	21,739	25,435
Total current liabilities	123,712	130,133	142,677
Non-current liabilities			
Borrowings	286,159	292,535	302,416
Derivative financial instruments	1,601	194	129
Provisions	22,249	21,501	20,516
Total non-current liabilities	310,009	314,230	323,061
Total liabilities	433,721	444,363	465,738
Net assets	452,998	498,793	510,985
Equity			
Contributed equity	530,537	552,328	564,103
Reserves	2,208	2,776	2,045
Accumulated losses	(99,350)	(79,178)	(81,490)
Equity attributable to owners to Greencross Limited	433,395	475,926	484,658
Non-controlling interest	19,603	22,867	26,327
Total Equity	452,998	498,793	510,985

Sources: GXL annual reports

Note (1): The information presented in the table above has been extracted/derived from the audited financial statements.

We note the following in relation to Greencross' financial position:

- The reduction of cash from FY16 to FY18 is a result of a reduction in net profit, significant capex expenditures and repayments of debt financing.

- The increase in property, plant and equipment is a result of leaseholds improvements from new store openings, additional in-store Veterinary clinics and stand-alone clinics.
- The increase in intangible assets is as a result of the additional internally generated software of A\$5.9 million and additional goodwill from the Veterinary clinic acquisitions of A\$9 million.
- The gross debt has increased from A\$290.5 million in FY16 to A\$314.0 million in FY18. It is noted that Greencross is significantly leveraged based on a net debt to EBITDA multiple of 2.7x as at FY18 as a result of a decline in earnings, repayment of short-term credit facility and decline in EBITDA. GXL has NZ\$15 million senior facility through the 50% owned subsidiary Animates. In addition, the ARH joint venture, in which GXL has a 50.1% interest, has a secured facility for A\$1.7 million.
- Non-Controlling Interests represent the book value of the equity of the underlying joint ventures not held by GXL.

4.3.3 Cash flow statement

Greencross' cash flow statements for the last three fiscal years are set out below:

Consolidated statements of cash flow	FY16	FY17	FY18
A\$ '000	Audited	Audited	Audited
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	809,595	899,917	967,686
Payments to suppliers and employees (inclusive of GST)	(713,874)	(802,303)	(874,755)
Interest received	337	392	192
Interest and other finance cost paid	(14,284)	(11,027)	(12,788)
Acquisition cost	(2,012)	(1,751)	(1,412)
Income tax paid	(1,126)	(10,241)	(13,310)
Net cash inflow from operating activities	78,636	74,987	65,613
Cash flows from investing activities			
Payments for purchase of business, net of cash acquired	(10,116)	(17,609)	(13,043)
Payments for Property, plant and equipment	(43,024)	(45,639)	(44,791)
Payments for intangibles	(7,139)	(13,418)	(16,744)
Net cash outflow from investing activities	(60,279)	(76,666)	(74,578)
Cash flow from financing activities			
Proceeds from issue of share	252	-	-
Share issue transaction costs	-	(98)	-
Proceeds from borrowings	27,872	-	22,000
Refinance costs	(1,262)	(41)	(170)
Repayment of finance leases	(218)	(322)	(250)
Repayment of borrowings	(1,125)	(737)	(13,290)
Dividends paid	(10,278)	-	(11,190)
Dividends paid to non-controlling interests in subsidiaries	(614)	(2,023)	-
Net cash from/(used in) financing activities	14,627	(3,221)	(2,900)
Net increase/(decrease) in cash and cash equivalents	32,984	(4,900)	(11,865)
Cash and cash equivalents at the beginning of the financial period	29,599	62,583	57,683
Cash and cash equivalents at the end of the financial period	62,583	57,683	45,818

Sources: GXL annual reports

Note (1): The information presented in the table above has been extracted/derived from the audited financial statements.

- The cash flow from the operating activities, while having a strong cash conversion of EBITDA¹ of 96% in FY17 and 101% in FY18, has experienced decreasing cash generation. This is as a result of declining net profit in FY18, in which the cash inflows decreased from A\$78.6 million in FY16 to A\$65.6 million in FY18.
- Underlying capex increased by A\$7 million from FY17 to FY18 due to additional investment in core operating systems, with expansionary capex decreasing from A\$58 million in FY17 to A\$49 million in FY18. The capex spend in FY18 was due to additional retail stores and stand-alone clinic acquisitions, in-store clinics, and ARH joint venture. As a result of the large expansionary capital expenditure, the Company's free cash flow were negative in the last three year period. Management has indicated that total capital expenditure is expected to reduce to A\$50 million in FY19.

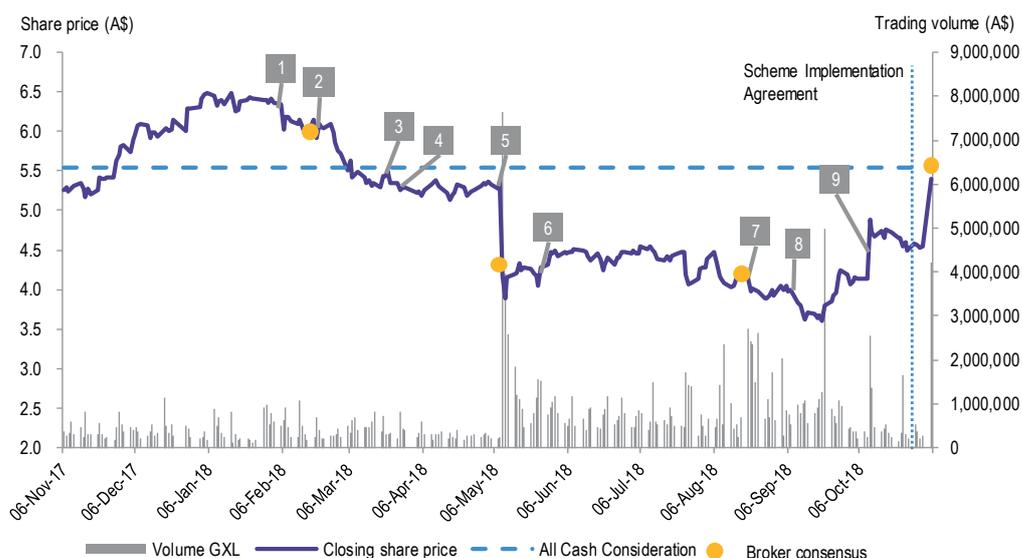
4.4 Share capital structure

As at the date of this report, Greencross had 120,463,450⁵⁷ Greencross shares held publicly and 1,166,680 unlisted Performance Rights issued to senior management. These Performance Rights have been issued to eligible senior employees of the Company under FY18 and FY19 Long-term Incentive Plans (“LTIP’s”) relating to certain performance periods⁵⁸. The rights have a three year vesting period, depending upon the satisfaction of performance criteria. The rights do not confer a right to receive dividends on those rights that are not vested. We note that based on the terms of the SIA, the vesting of the performance rights into Greencross shares may, at the discretion of the Board, be accelerated and completed prior to the Scheme record date.

4.4.1 Share price and market analysis

Our analysis of the daily movements in Greencross’ trading share prices and volume for the period from 5 November 2017 to 5 November 2018 is set out below. We have highlighted both the TPG’s All Cash Consideration (A\$5.55) as well as broker consensus recommendation of the target share price during this time period.

Historical share trading price and volume for Greencross



Source: S&P Global, GTCF analysis.

The following table describes the key events which may have impacted the share price and volume movements shown above.

Event	Date	Comments
1	Feb-18	5 Feb: ASX notice of Greencross announcing the appointing of Simon Hickey as CEO & Managing Director. The Company has flagged a stronger focus on customer experience, loyalty and data. The Company also provided guidance on first half year FY18 results with 9% revenue growth reaching A\$430 million and NPAT of at least A\$24 million. It is confirmed that business continued to perform in line with plan in H2 FY2018 YTD and remains comfortable with market consensus for the FY18 full year result.

⁵⁷ ASX, Appendix 3B, 2 November 2018

⁵⁸ FY18 LTIP: performance period 1 July 2017 to 30 June 2020; FY19 LTIP: performance period 1 July 2018 to 30 June 2021.

2	Feb-18	20 Feb: ASX notice of Greencross announcing their first half year results FY18 jointly with interim ordinary dividend distribution of 10 cents per security.
	Feb-18	26 February – 5 March: Apart from the company's shares going ex-dividend on 27 th February (dividend 10 cents), there is no clear reason why share price has been in decline. There were some news sources reporting that Melbourne direct-to-consumer dog food delivery business Petzyo will launch and will start delivering personalised meals for dogs. Furthermore, several articles were published emphasising that Australian retailers will feel increasing pressure from Amazon's near-term aggressive price strategy. In addition, the share price of competitor National Veterinary Care Ltd ("NVC") fell by 10% after reporting its half-year results. According to NVL management, EBITDA was lower than previously budgeted due to strategic investments (i.e. staff and systems) and higher operational costs. The Company also provided revised FY18 guidance at an EBITDA level, with an underlying EBITDA margin of 16% to 17% compared to previous guidance of 18%.
	Mar-18	16 Mar: ASX notice of becoming a substantial shareholder of Greencross related to investments managed by Global Alpha Management Ltd, representing an interest of 5.13%. 21 Mar: ASX notice of becoming a substantial shareholder of Greencross related to investments managed by Macquarie Group Limited, representing an interest of 5.26%.
3	Mar-18	23 Mar: ASX notice of payment of dividend of 10 cents per share. The price at which shares will be issued pursuant to the Dividend Reinvestment Plan is A\$5.30 per share.
4	Mar-18 – Apr-18	25 Mar: ABC news reported that popular dog food brand Advance Dermocare (owned by Mars) has voluntarily recalled some of its products after a number of dogs fell ill, both in Australia as well as in the United States. This incident was the start of a period in which the Australian pet food industry came under increased criticism and scrutiny, supported by several product recalls of various pet food brands. Many sources emphasised the need for stricter regulation and higher quality of pet food. The traditional pet food manufacturers also faced increased competition from online Pet Retailers such as Pet Circle ⁵⁹ . Early May 2018, Amazon announced their own private label pet food (Wag brand) being sold online in the United States. In September 2018, Amazon announced they will start selling pet food and supplies in Australia as well.
5	May-18	9 May: ASX notice of a trading update. The Company expects FY18 underlying EBITDA between A\$97 million and A\$100 million, representing a significant downgrade to consensus forecasts (\$108 million) and last year's underlying EBITDA (\$104 million). In addition, Greencross expects between A\$16 million and A\$20 million of impairments to be reflected in the FY2018 full year statutory results. The Company also announced provisions for slow-moving inventory of A\$4.0-5.0 million and restructuring cost of A\$1.0-2.0 million. The Company also announces an immediate review of the Company's operating cost base with target cost reductions between A\$10 million and A\$13 million to be implemented by 1 July 2018. Apart from solid performance of the retail division, the Veterinary business failed to deliver the previously budgeted uplift in second half activity largely due to disappointing visitation numbers in stand-alone General Practise clinics and in-store Veterinary clinics.
	May-18	14 May: ASX notice of becoming a substantial shareholder of Greencross related to investments managed by Pental Group Limited, representing an interest of 5.22%. 21 May: ASX notice of change in substantial shareholder of Greencross related to investments managed by Lazard Asset Management Pacific Co. Their interests increases from 5.17% to 6.33%. 25 May: ASX notice of change in substantial shareholder of Greencross related to investments managed by Lazard Asset Management Pacific Co. Their interests increases from 6.33% to 7.72%.
6	May-18	25 May: Australian Financial Review Street Talk rumoured that several private equity companies may be considering an acquisition of Greencross. The share price opened at A\$4.04, representing the lowest point since almost five years ⁶⁰ .
	Jun-18	20 June: ASX notice of change in substantial shareholder of Greencross related to investments managed by Global Alpha Capital Management. Their interests increases from 5.13% to 6.04%. 21 June: ASX notice of ceasing to be a substantial shareholder of Greencross related to investments

⁵⁹ Pet Circle received a capital injection in November 2017 and has significantly increased their marketing efforts since.

⁶⁰ As at 10 May 2018 the share price was A\$3.89, but share price quickly recovered the following day to A\$4.15.

		<p>managed by Pental Group Limited.</p> <p>26 June: ASX notice of becoming a substantial shareholder of Greencross related to investments managed by Wilson Asset Management, representing an interest of 5.20%.</p>
	Jul-18	11 July: public announcement by competitor NVC in which it provides an update for the FY18 result. NVC expected a lower EBITDA margin due to weaker trading conditions with revenue in general clinics being lower than expected.
	Jul-18	24 July: There is no obvious reason why share price reduced significantly. However there is some news about the increasing demand by consumers for more strict pet food regulations, which could have an impact on the pet food industry in general.
	Aug-18	10 Aug: ASX notice of ceasing to be a substantial shareholder of Greencross related to investments managed by Wilson Asset Management Group.
7	Aug-18	20 August: ASX notice of Greencross releasing the Preliminary Final Report with revenue up but profitability down compared to FY17. This was largely the result of disappointing performance of the Veterinary business.
	Aug-18	24 August: ASX notice of change in substantial shareholder of Greencross related to investments managed by Global Alpha Capital Management. Their interests increases from 6.04% to 7.46%.
8	Sep-18	<p>7 September: S&P Dow Jones Indices announces quarterly rebalance of S&P/ASX Indices. Greencross was downgraded from ASX200 to ASX300 index.</p> <p>7 September: ASX notice of change in substantial shareholder of Greencross related to investments managed by Global Alpha Capital Management. Their interests increases from 7.46% to 8.12%.</p>
	Sep-18	20 – 28 September: There is no obvious reason why share price has declined. Greencross appointed for the first time a Chief Information Officer to take control of its tech ecosystem. The movement in share price appears not to be caused by market factors as competitor share prices are moving in different directions. It should be noted that Greencross shares were trading at a 52-week low at A\$3.60 per share, representing an attractive investment opportunity.
	Sep-18	28 September: ASX notice of Greencross releasing Annual Report FY2018.
	Oct-18	2 October: ASX notice of change in substantial shareholder of Greencross related to investments managed by Global Alpha Capital Management. Their interests increases from 8.12% to 9.18%.
9	Oct-18	10 October: ASX notice of Greencross' confirmation that there has been potential interest in the Company. The Company confirmed it has received "non-binding incomplete proposals" and is engaging with a number of parties.
	Oct-18	29 October: ASX notice of change in substantial shareholder of Greencross related to investments managed by Global Alpha Capital Management. Their interests increases from 9.18% to 10.25%.
	Nov-18	2 November: ASX notice of trading halt as well as the Greencross' presentation related to the 2018 Annual General Meeting (CEO presentation) as well as a trading update as at week 17.
	Nov-18	5 November: ASX notice that Greencross has entered into a Scheme Implementation Agreement with entities owned by TPG for a consideration of A\$5.55 dollar per share with various equity alternatives.
	Nov-18	<p>8 November: ASX notice of change in substantial shareholder of Greencross related to investments managed by Matthews International Capital Management LLC. Their interests declined from 9.02% to 7.83%. They further decreased their interests the same day to 6.70%.</p> <p>8 November: ASX notice of becoming a substantial shareholder of Greencross related to investments managed by Credit Suisse Holdings (Australia) Limited. They acquired an interest of 5.23%.</p> <p>13 November: ASX notice of change in substantial shareholder of Greencross related to investments managed by Matthews International Capital Management LLC. Their interests declined from 6.70% to 5.63%.</p> <p>20 November: ASX notice of ceasing to be a substantial shareholder of Greencross related to investments managed by Matthews International Capital Management LLC. Their interest declined from 5.63% to 0.42%.</p> <p>21 November: ASX notice of change in substantial shareholder of Greencross related to investments managed by Lazard Asset Management Pacific Co. Their interests increased from 7.72% to 11.72%.</p>

Source: ASX announcements, GTCF analysis

Note: the dates of the events, related to the notifications of changes in substantial shareholdings, represent dates when lodged to ASX.

The monthly share price performance of Greencross since November 2017 and the weekly share price performance of Greencross over the last 16 weeks is summarised below:

Greencross Limited	Share Price			Average weekly volume '000'
	High \$	Low \$	Close \$	
Month ended				
Oct 2017	5.810	5.190	5.310	2,253
Nov 2017	5.810	5.040	5.810	2,074
Dec 2017	6.310	5.640	6.290	1,911
Jan 2018	6.560	6.180	6.360	1,889
Feb 2018	6.490	5.800	5.870	2,258
Mar 2018	5.860	5.220	5.290	2,261
Apr 2018	5.410	5.110	5.310	1,361
May 2018	5.390	3.840	4.500	6,675
Jun 2018	4.540	4.180	4.480	3,474
Jul 2018	4.590	3.985	4.260	3,809
Aug 2018	4.690	3.810	3.930	5,692
Sep 2018	4.250	3.575	4.240	5,518
Oct 2018	4.890	4.020	4.530	2,723
Week ended				
13 Jul 2018	4.590	4.370	4.390	3,604
20 Jul 2018	4.510	4.320	4.440	3,288
27 Jul 2018	4.540	3.985	4.090	5,501
3 Aug 2018	4.430	4.090	4.390	2,478
10 Aug 2018	4.500	4.080	4.090	5,431
17 Aug 2018	4.330	3.950	4.230	2,922
24 Aug 2018	4.690	3.890	3.980	11,592
31 Aug 2018	4.040	3.810	3.930	4,816
7 Sep 2018	4.100	3.900	4.000	4,444
14 Sep 2018	3.990	3.580	3.710	4,389
21 Sep 2018	3.870	3.575	3.790	9,040
28 Sep 2018	4.250	3.770	4.240	4,199
5 Oct 2018	4.230	4.020	4.130	1,848
12 Oct 2018	4.890	4.060	4.670	4,981
19 Oct 2018	4.860	4.620	4.720	1,922
26 Oct 2018	4.710	4.400	4.500	2,674

Source: S&P Global, GTCF calculations

Note: The share price analysis is based on 2nd November 2018, when the company announced it entered into trading halt prior to the SIA.

We have considered the recent trading share prices of Greencross for the purpose of our valuation of Greencross. Refer to Section 6.3.2 for further details and analysis on the trading price of Greencross.

4.4.2 Substantial shareholders

We have provided in the below table the substantial shareholders of Greencross as at 21 November 2018:

Substantial shareholders of ordinary shares as at 21 November 2018			
Rank	Name	No. of shares	Interest (%)
1	Lazard Asset Management LLC	14,115,893	11.72%
2	Global Alpha Capital Management Ltd.	12,351,041	10.25%
3	Credit Suisse Holdings (Australia) Limited	6,301,146	5.23%
Top 10 shareholders total		61,980,409	51.45%
Remaining shareholders		58,483,041	48.55%
Total ordinary shares outstanding		120,463,450	100.00%

Source: S&P Global, GT CF analysis

5 Valuation methodologies

5.1 Introduction

As discussed in Section 2, our fairness assessment involves comparing the Cash Consideration of A\$5.55 per Greencross share to the fair market value of Greencross shares on a control and fully diluted basis.

Grant Thornton Corporate Finance has assessed the value of Greencross using the concept of fair market value. Fair market value is commonly defined as:

“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets (“DCF Method”).
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (“FME Method”).
- Amount available for distribution to security holders on an orderly realisation of assets (“NAV Method”).
- Quoted price for listed securities, when there is a liquid and active market (“Quoted Security Price Method”).
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

In our assessment of the fair value of Greencross, Grant Thornton Corporate Finance has relied on two

valuation methodologies as outlined below:

- *EBITDA Multiple Method:* Grant Thornton Corporate Finance has selected the EBITDA capitalisation approach to assess the fair market value of Greencross. We have adopted the EBITDA multiple approach due to the following key considerations:
 - EBITDA is a frequently used valuation metric to assess the value of a company as it is not affected by differences in earnings caused by varying capital structures and depreciation and amortisation policies.
 - Investment analysts and other market commentators in the pet care sector typically adopt EBITDA metrics to assess the value of companies.
 - The Company is a mature business with a history of profitability, which is expected to continue over the long term.
 - Availability of transactional evidence and listed comparable companies for the calculation and analysis of implied EBITDA multiples.

The EBITDA capitalisation approach involves the following key processes:

- Selecting an appropriate level of EBITDA, having regard to the historical and budgeted operating results after adjusting for non-recurring items of income and expenditure, and other known factors likely to affect the future operating performance of the business.
 - Determining appropriate EV/EBITDA multiples having regard to the trading multiples of comparable companies and comparable transaction evidence, and the specific circumstances of Greencross.
- *Quoted Security Price Method:* the Quoted Security Price Method is based on the Efficient Market Hypothesis which assumes that the share price at any point in time reflects all publicly available information and will change when new information becomes publicly available. We note that in the absence of a takeover or other share offers, the trading share price represents the value at which minority shareholders could realise their portfolio investment.

We note that we have not applied the DCF Method due to the following:

- Whilst GXL has provided us with a high-level long term projections, they were not approved by the Board and they were based on hypothetical assumptions.
- The business has been affected by significant volatility in the last twelve months and accordingly we considered it difficult to forecast with a reasonable degree of certainty earnings and cash flows in the long-term.

6 Valuation assessment of Greencross shares

6.1 Valuation summary

As discussed in Section 2, we have assessed the fair market value of Greencross shares on a control basis using the EBITDA Multiple Method and Quoted Security Price Method. We have set out in the table below a summary of our assessed valuation range.

Valuation assessment summary	Section Reference	Low	High
A\$ per share			
EBITDA Multiple Method	6.2	4.90	5.67
Quoted Security Price Method	6.3	5.20	5.67
Assessed fair market value per share (control basis) - Average		5.05	5.67

Source: GTCF analysis.

6.2 EBITDA Multiple Method

Set out below is our valuation assessment of Greencross based on the capitalisation of FY19 EBITDA earnings.

EBITDA Multiple Method - valuation summary	Section Reference	Low	High
A\$ '000 (except where stated otherwise)			
Assessed FY19 EBITDA	6.2.1	97,000	102,000
Assessed EBITDA Multiple (on a control basis)	6.2.2	9.9x	10.4x
Enterprise value (control basis)		957,875	1,058,250
Less: Net debt as at 30 September 2018 and non-controlling interest	6.2.3-4	(355,267)	(362,517)
Less: Ordinary dividend payment in October 2018	6.2.5	(6,599)	(6,599)
Equity value (control basis)		596,009	689,135
Number of outstanding shares ('000s) (fully diluted)	4.1	121,630	121,630
Value per share (control basis) (A\$ per Share)		4.90	5.67

Sources: S&P Global, Management, GTCF analysis

Note 1: The cash has been reduced by the fully franked dividend recorded on 28 August 2018 and paid on 12 October 2018 of A\$5.5 cents per share to 119,974,292 outstanding ordinary shares.

6.2.1 FY19 EBITDA of Greencross

Our assessment of the FY19 EBITDA of Greencross adopted for our valuation is an exercise of judgement that takes into consideration a number of factors. In the table below we provide a benchmark with Greencross' historical underlying earnings and broker consensus estimates and below the table we discuss some of the key factors we have considered to arrive at our FY19 EBITDA range.

FY19 EBITDA underlying earnings						Consensus	Consensus
A\$ '000 (except where stated otherwise)	FY14 ¹	FY15	FY16	FY17	FY18	range FY19	extract median
Revenue	445,500	644,454	733,672	817,496	878,734	913,200 - 941,000	931,700
Revenue growth		44.7%	13.8%	11.4%	7.5%	NA	6.0%
Underlying EBITDA	54,317	86,799	95,335	104,231	97,581	93,000 - 108,300	99,500
Underlying EBITDA margin		13.5%	13.0%	12.8%	11.1%	NA	10.7%
EBITDA growth		59.8%	9.8%	9.3%	(6.4%)		2.0%
Grant Thornton adopted FY19 EBITDA			97,000	to	102,000		

Sources: S&P Global, GTCF analysis

Note (1) Pro-forma financials following the merger between Greencross and Mammoth, as if the merger had occurred on 1 July 2014.

As set out above, we have assessed Greencross' EBITDA in the range of A\$97 million to A\$102 million for the purpose of our valuation assessment. The low-end of our range reflects FY18 normalised performance and the high end of the range reflects a greater impact from cost savings initiatives and improved performance in the Veterinary business compared to FY18. We note that the mid-point of the selected FY19 EBITDA is in line with the median of the consensus estimates.

In our assessment of the FY19 EBITDA for Greencross, we have considered the following key factors.

Broker estimates for Greencross

The available broker consensus estimates for Greencross published after the update on the financial performance up to week 17 are set out below.

Broker estimates A\$m	Report Date	FY19F
Revenue		
Broker 1	Nov-18	931.7
Broker 2	Nov-18	929.0
Broker 3	Nov-18	941.0
Broker 4	Nov-18	913.2
Broker 5	Nov-18	918.2
Broker 6	Nov-18	937.9
Broker 7	Nov-18	934.3
Broker consensus (median)		931.7
Growth on FY18		6.0%
EBITDA		
Broker 1	Nov-18	108.3
Broker 2	Nov-18	93.0
Broker 3	Nov-18	100.0
Broker 4	Nov-18	99.5
Broker 5	Nov-18	97.6
Broker 6	Nov-18	104.4
Broker 7	Nov-18	99.1
Broker consensus (median)		99.5
EBITDA Margin		10.7%

Source: Various broker report, (1) Broker 6 is Macquarie Research which was restricted due to involvement in process post AGM.

The available brokers' forecast for Greencross over the last four months reflect the market sentiment on industry outlook – stable in the short to medium term with the risk of online retailers and margin impacts increasing in the medium to long term. We note that the brokers have different opinions on the impacts that new online retailers will have which has resulted in divergent investment recommendations. This highlights the inherent uncertainty in such forecasts. The brokers have also considered the potential benefits arising from Greencross' integrated pet care model and cost savings initiatives with different degrees of conservatism.

FY19 Budget and forecast

Management has provided us with the FY19 Budget and forecasts underlying the business strategy and internal models. Grant Thornton Corporate Finance has considered the FY19 Budget and forecasts for the purpose of our valuation assessment, however in accordance with the requirements of RG111, we have not disclosed them in our report as they do not meet the requirements for presentation of prospective financial information as set out in ASIC RG170. In addition some of the assumptions underlying the FY19 Budget and forecast are hypothetical and the recent financial performance of the business has been volatile which represents further impediment on disclosing forecasted financial information.

Current financial performance

In FY18, Greencross reported an underlying EBITDA of A\$97.6 million for the group, a reduction of 6.3% on FY17 underlying EBITDA of A\$104.2 million, predominantly driven by a A\$5 million⁶¹ reduction in EBITDA from the Veterinary business, due to poor sales in its stand-alone GP businesses. In addition, the Company's underlying EBITDA margins have been on a downward trend since FY15.

As discussed in section 4.3.1, Greencross' new management team has undertaken a review of the Company's cost base and has identified annualised operating cost savings between A\$10 million and A\$13 million. However, in the trading update⁶² as at week 17 at the AGM held on 2 November 2018, the Company indicated that it did not expect the financial benefits of the cost savings initiatives⁶³ to deliver incremental EBITDA in the first half of FY19 due to lower cost capitalisation and re-investment in strategic initiatives.

We have also reviewed the October 18 YTD financial performance of the business and there is nothing that would lead us to believe that our selected FY19 EBITDA range is not reasonable.

Industry trends

The Retail division is performing strongly given positive macroeconomic conditions although competition risks from online entrants is increasing. Strong domestic macroeconomic conditions over the last years coupled with the increasing humanisation of pets trend have supported Greencross' gross margin growth. The Company's premium pet food offering mix has grown as a share of overall food sales and in particular its private label offerings, which generate higher margins, has grown to account for 23% of Australian retail sales in FY18. However, threats posed by new online retailers such as Pet Circle and Amazon and PETstock's e-commerce platform may lead to greater pricing competition and margin pressure for Greencross in the future, as experienced by similar businesses overseas.

⁶¹ Excluding unallocated corporate costs.

⁶² Included in the CEO Presentation for the Annual General Meeting.

⁶³ The Company announced on 9 May 2018 that it had commenced a review of its head office and operating cost base with targeted reduction of between A\$10 million and A\$13 million in annual operating costs.

The Veterinary industry is undergoing consolidation and structural changes. While in the past Greencross was the main consolidator of Veterinary practices, in the last few years a number of other parties including VetPartners and National Veterinary Care have been competing with Greencross. This has resulted in increasing pressure on prices paid for Veterinary practices which could lead to lower returns on capital for Greencross going forward. However, the Company is currently focussed on expanding the number of co-location sites which is expected to generate higher margins in the longer term than established stand-alone GP practices and lead to greater cross-selling opportunities and referrals into the retail business.

In addition, the industry is undergoing significant demographic changes as female Veterinary graduates now make up around 80% of graduates, whereas in the past the Veterinary profession was predominantly male dominated. As a result, employers are having to change their employment practices and provide more flexible arrangements in order to attract and retain qualified vets. Management has indicated that GXL is well versed to face this challenge given it has greater capacity to offer flexible hours and part-time opportunities by sharing veterinarians across different locations.

6.2.2 Assessment of EV/EBITDA Multiple

For the purpose of assessing an appropriate EBITDA Multiple range to value Greencross, we have had regard to:

- The trading multiples of listed comparable companies which have been attributed by share market investors.
- The multiples implied by recent transactions involving comparable companies.

In selecting an appropriate multiple, we have considered the two key business units of Greencross, being Retail and Veterinary and have separately analysed both trading and transaction multiples for the two business units. Our concluded multiple range is a blend of our concluded multiples for both the Retail and Veterinary business units, which we have weighted based on the EBITDA⁶⁴ contributions from each business unit.

⁶⁴ Before corporate overheads.

Trading multiples

Summarised below are the trading multiples of the selected companies having regard to the trading price:

Trading multiples analysis			EV/EBITDA			
Company	Country ¹	Mkt cap ² (A\$m)	FY18 Actual ³	FY19 Forecast ⁴	FY20 Forecast ⁴	FY21 Forecast ⁴
Retail						
Accent Group Ltd	Australia	653	7.6x	7.0x	6.6x	6.2x
JB Hi-Fi Ltd	Australia	2,722	7.6x	7.4x	7.2x	7.1x
Super Retail Group Ltd	Australia	1,467	6.4x	5.9x	5.6x	5.3x
Kathmandu Holdings Ltd	New Zealand	606	7.0x	6.4x	6.1x	5.9x
Pets at Home Plc	United Kingdom	1,047	5.8x	5.8x	5.5x	5.4x
Retail - Median			7.0x	6.4x	6.1x	5.9x
Retail - Average			6.9x	6.5x	6.2x	6.0x
Veterinary						
CVS Group plc	United Kingdom	1,054	13.7x	11.3x	10.8x	10.3x
National Veterinary Care Ltd	Australia	142	13.0x	9.9x	8.1x	7.4x
Apiam Animal Health Ltd	Australia	54	8.2x	6.3x	5.4x	4.7x
Veterinary - Median			13.0x	9.9x	8.1x	7.4x
Veterinary - Average			11.6x	9.2x	8.1x	7.5x
Retail & Veterinary - Median			7.6x	6.7x	6.4x	6.1x
Retail & Veterinary - Average			8.7x	7.5x	6.9x	6.5x

Sources: S&P Global, GTCF analysis

Notes: (1) Country based on headquarters location; (2) Market capitalisation as at 14 November 2018; (3) Underlying EBITDA (i.e. normalised for unusual items); (4) Forecast based on the median of consensus estimates of all recent broker forecasts sourced from S&P Global.

In relation to the comparability of the above assessed multiples, we note the following key considerations:

- The EV/EBITDA multiples presented above reflect the value of underlying companies on a minority basis and do not include a premium for control.
- We have selected two baskets of comparable companies. The first basket consists predominantly of retail companies with operations primarily in Australia and New Zealand (“Retail Peers”). We note that no public company primarily focussed on the Australian retail pet care industry exists, and we have accordingly selected other Australian retail companies which are market leaders in their respective sectors and they have focussed operations. For instance, Kathmandu Holdings Limited (“Kathmandu”) is focused and market leader in the outdoor apparel and equipment sector whereas JB Hi-Fi Limited (“JB Hi-Fi”) has a similar market positioning in the home entertainment and electronics. Whilst Coles, currently part of Wesfarmers Limited (“Wesfarmers”), and Woolworths Group (“Woolworths”) are key competitors of the Company, we have excluded them from the list above due to their considerable scale and diversity of operations in comparison to Greencross.

In addition we have also included Pets At Home, a UK-based pet care retailer, due to its similar product and service offerings as Greencross. We note that while the two companies share a number of similarities in terms of operations, Pets at Home faces a range of UK-specific industry and economic challenges which are different to those faced by Greencross, and other Australian retailers in general.

- The second basket consists of Australian Veterinary businesses, and CVS Group Plc (“CVS”) a UK-based Veterinary services provider (“Veterinary Peers”). We note that National Veterinary Care Ltd (“NVL”) is the most similar to Greencross’ Veterinary business in terms of operations as its portfolio which consists of approximately 100 Australia and New Zealand wide Veterinary clinics focussed on Veterinary services to domestic pets. However, NVL does not have co-located clinics. Apiam Animal Health Limited (“Apiam”), another Australian Veterinary services provider, operates a portfolio of clinics and facilities focussed on rural and farming animals, with farmers likely to be more price sensitive than domestic pet owners in relation to Veterinary services. We note that CVS operates in the UK and in addition to its Veterinary practice division, the company also operates a fast-growing and highly profitable laboratory division focussed on diagnostic services. Its diagnostic services are aimed at domestic animals, exotic animals—with clients including a number of zoos and overseas clients from the likes of China and the Middle East—and farm animals.
- We note that we have included a trading multiple analysis related to Australian healthcare companies in Appendix E. However, we have not relied upon them in our valuation as we consider them not comparable to Greencross.

In order to gather some further insights on the listed peers, we have set out in the table below a summary of the historical and forecast financial performance of Greencross and the selected comparable companies.

KPIs analysis Company	Mkt cap ¹ (A\$m)	Gearing ² FY18	EBITDA Margins ³			Revenues	EPS ⁴	Capex
			FY16	FY17	FY18	3 yrs CAGR 2015-18	2 yrs CAGR 2019-21	as % revenues Mean 2016-18
Greencross Ltd	636	2.7x	13.0%	12.7%	11.1%	10.9%	3.3%	8.7%
Retail								
Accent Group Ltd	653	0.4x	14.6%	12.7%	13.4%	73.0%	7.0%	6.3%
JB Hi-Fi Ltd	2,722	1.0x	5.6%	5.4%	5.1%	23.3%	1.7%	6.0%
Super Retail Group Ltd	1,467	1.4x	7.2%	8.4%	8.5%	4.7%	5.0%	5.6%
Kathmandu Holdings Ltd	606	0.1x	15.2%	15.9%	18.9%	6.7%	5.7%	9.5%
Pets at Home Group Plc	1,047	1.1x	15.0%	15.5%	14.5%	7.2%	1.2%	5.7%
Retail - Median		1.0x	14.6%	12.7%	13.4%	7.2%	5.0%	6.0%
Retail - Average		0.8x	11.5%	11.6%	12.1%	23.0%	4.1%	6.6%
Veterinary								
CVS Group plc	1,054	1.4x	15.0%	15.5%	14.5%	25.1%	7.9%	23.6%
National Veterinary Care Ltd	142	1.7x	10.7%	8.5%	9.2%	37.9%	11.3%	56.1%
Apiam Animal Health Ltd	54	2.5x	16.1%	15.6%	13.7%	7.2%	21.0%	2.3%
Veterinary - Median		1.7x	15.0%	15.5%	13.7%	25.1%	11.3%	23.6%
Veterinary - Average		1.9x	13.9%	13.2%	12.5%	23.4%	13.4%	27.3%
Retail & Veterinary - Median		1.3x	14.8%	14.1%	13.6%	15.3%	6.4%	6.1%
Retail & Veterinary - Average		1.2x	12.4%	12.2%	12.2%	23.1%	7.6%	14.4%

Sources: S&P Global, GTCF analysis, Annual reports of the comparable companies

Notes: (1) Market cap as at 14 November 2018; (2) Based on underlying EBITDA; (3) EPS CAGR calculated based on the median of broker consensus forecasts sourced from S&P Global; (4) National Veterinary Care Ltd Revenue CAGR growth is for 2 years, not 3, as the company only listed in August 2015.; (5) CVS Group plc capex as a % of revenues of 23.6% relates predominantly to the acquisition of 181 Veterinary practices, 3 crematoria, a vet share buying group and an instrumentation business over the FY16 to FY18 period. National Veterinary Care Ltd capex relates primarily to the acquisition of 63 general practice clinics.

Based on our analysis above we note the following for the Retail Peers:

- As mentioned above, the only trading Pet Retailer is Pets At Home, a UK-based company. While it is larger in terms of number of stores, revenues and earnings, it provides similar service offerings as Greencross. However, the company has experienced significant downward pressure on its stock price since May 2018. One of the key factors is increasing labour costs as a result of an undersupply of veterinarians. This was amplified by the result of Brexit, as a significant percentage of veterinarians employed in the UK are from the EU. In addition Pets at Home has taken on a strategy to reposition itself against online retailers by cutting margins to drive in-store traffic. This has decreased the gross margin from 54.2% to 50.7%, with EBITDA dropping 17% year over year. We do not consider that Greencross has experienced similar economic conditions or gross margin pressure, even if there is a risk that it may occur in the future. In addition, as discussed in the executive summary, the EBITDA multiple has contracted significantly over the last few years driven by margin compression.
- As the remaining companies are all sector-specific retailers in Australia or New Zealand, but do not focus on the Pet Retail industry. We found that the products they are selling attract different margins or they are discretionary good versus a consumer staple. Additionally, these companies were in different stages of maturity, with significant variances in year over year growth.
- Based on the items noted above, in our assessment of the EBITDA Multiple applicable to the Retail Division, we have placed greater reliance on the EV/EBITDA multiples of comparable transactions.

In relation to the Veterinary peers, as discussed previously, we consider NVL the most comparable trading peer to Greencross' Veterinary business. Accordingly, we have placed greater emphasis on NVL when deriving our Veterinary EBITDA Multiple range. However, there are a number of key differences between NVL and Greencross which we explore in further detail below:

- *NVL is growing faster than Greencross:* NVL has grown considerably since its IPO in 2015, when it raised c. A\$40 million to acquire 35 vet practices. Since its first full reporting year in FY16, the company has approximately doubled its revenues (CAGR of 37.9%) as a result of growing the number of vet practices from 41 to 63 at 1 July 2018. In comparison, Greencross has grown revenues by c.23.9% (CAGR of 11.3%) over the same period. In our opinion, GXL's high level of gearing has limited its ability to continue to grow strongly via acquisitions. Greencross' FY18 LFL sales growth at its stand-alone GP vet clinics, which account for over half of all vet clinics and sales, fell 2.2% reflecting lower visit numbers. Whereas NVL's FY18 GP clinic LFL sales grew by 2.51%. In September 2018, NVL also acquired an additional 23 vet practices via its acquisition of Pet Doctors Group ("Pet Doctors"), a New Zealand based Veterinary services provider. The acquisition was widely considered EPS-accretive by investment analysts.
- *NVL's margins are higher than Greencross':* NVL has historically generated margins much higher than Greencross. Over the last three years, from FY16 to FY18, NVL has achieved a weighted average underlying EBITDA margin of 17.0% (after corporate overheads), compared to 10.8% for Greencross, after the allocation of corporate overheads in FY17 and FY18⁶⁵. However, we note that the EBITDA margin of GXL has been adversely affected by the immature performance of the co-located clinics. The Company expects that co-located clinics will take up to 4 years to achieve their full run-rate and

⁶⁵ Unallocated corporate overheads were c. A\$14.9 million and A\$9.7 million in FY18 and FY17 respectively, which we have allocated to the Veterinary business according to the proportional revenue contribution of the Veterinary business to overall group revenues in FY17 and FY18. In FY16, underlying EBITDA included the allocation of all corporate overheads at the EBITDA level.

commence generating higher margins as a result of shared costs with the retail business and cross referrals. We note that currently, the majority of co-located clinics are at the immature stage of operations.

- *NVL is less capital constrained than Greencross:* NVL balance sheet offers significant room for growth in comparison to Greencross as it is less capital constrained. As at 1 July 2018, Greencross' net debt to EBITDA was approximately 2.7x, significantly higher than the median of all peers at 1.3x. Meanwhile NVL had a net debt to EBITDA ratio of 1.7x, in line with the median and average of the Veterinary Peers. In order to support its growth ambitions, NVL has undertaken a number of equity raisings in recent years, including an A\$18.0 million placement for the acquisition of Pet Doctors in September 2018, an oversubscribed A\$14.6 million placement to sophisticated investors on 16 June 2017 to support the company's acquisition pipeline and the company's IPO in August 2015.
- *Brokers are forecasting higher EPS growth for NVL than Greencross:* Based on broker consensus forecasts sourced from S&P Global, brokers are forecasting a median EPS growth of 11.3% for NVL, compared to 3.3% for Greencross over the FY19-21 period.

Accordingly, given the higher profitability, greater growth prospects of NVL and less geared balance sheet, we would expect Greencross to attract a lower EBITDA Multiple than NVL after a premium for control has been considered.

Transaction multiples

We have further considered multiples implied by historical transactions involving companies comparable to Greencross. The table on the following page summarises the EV/EBITDA multiples implied by these historical transactions.

In relation to the multiples implied by comparable transactions, we note that:

- The implied transaction multiples may incorporate various levels of control premium and special values paid for by the acquirers. In particular, the multiples may reflect synergies paid which are unique to the acquirers.
- The transactions observed took place during the period between July 2012 and September 2018. Economic and market factors, including competition dynamics and commodity prices may be materially different from those current as at the valuation date. These factors may influence the amounts paid by the acquirers for these businesses.
- The transaction multiples are calculated based on the historical EBITDA of the acquired companies (unless otherwise stated).

The following table summarises the multiples implied by these historical transactions:

Date	Target Company	Country	Bidder Company	Stake (%)	Deal value (A\$m)	EBITDA Multiple
Retail						
Apr-17	Chewy, Inc.	United States	PetSmart, Inc.	100%	4,505	nd
Sep-16	Petsense, Inc.	United States	Tractor Supply Company	100%	151	nd
Apr-16	Agrifarma S.p.A.	Italy	Permira Advisers Ltd.; Permira V	100%	512	10.3x
Nov-15	PETCO Animal Supplies, Inc.	United States	CVC Capital Partners Limited; CPPIB	100%	6,508	10.1x
Dec-14	PetSmart, Inc.	United States	BC Partners	100%	10,368	9.1x
Aug-14	Pet360 Inc.	United States	PetSmart, Inc.	100%	172	nd
Jun-14	City Farmers Retail Pty Ltd	Australia	Greencross Limited	100%	206	10.3x
Jan-14	Mammoth Pet Pty	Australia	Greencross Limited	42%	420	15.0x
Aug-13	City Farmers Retail Pty Ltd	Australia	Quadrant Private Equity Pty Limited	nd	93	nd
Jul-12	Best Friends Stores Pty. Ltd.	Australia	Archer Capital Pty Ltd.	nd	nd	nd
Average						10.9x
Median						10.3x
Veterinary						
Sep-18	Pet Doctors Group	New Zealand	National Veterinary Care Limited	100%	27	7.9x
Aug-18	VetPartners	United Kingdom	BC Partners Limited	100%	1,218	14.0x
Jul-18	Origin Animal	United Kingdom	VetPartners Limited	Majority	97.6	nd
Jun-18	AniCura AB	Sweden	Mars Inc.	100%	3,135.6	nd
Jun-18	Linnaeus Group	United Kingdom	Mars Inc.	100%	nd	nd
Dec-17	PetVet Care Centers	United States	KKR & Co. L.P.	100%	nd	nd
Jun-17	National Veterinary Associates	United States	OMERS Private Equity	Minority	nd	nd
Jan-17	VCA Inc.	United States	Mars Inc.	100%	12,376	18.6x
Dec-16	Independent Vetcare Limited	United Kingdom	EQT Partners AB	100%	nd	nd
Jan-15	PetVet Care Centers	United States	Ontario Teachers' Pension Plan	100%	541.2	11.0x
Jul-14	National Veterinary Associates	United States	Ares Management LP	100%	984.4	13.0x
Jul-14	Independent Vetcare Limited	United Kingdom	Summit Partners LP	100%	182.0	10.0x
Jan-14	Greencross Limited	Australia	Mammoth Pet Holdings	58%	259.3	17.9x
Average						13.2x
Median						13.0x

Sources: S&P Global; GTCF analysis; Mergermarket.

We identified a basket of international Pet Retail transactions, as well as transactions in the Australian market. A number of transactions were private which limited the financial information disclosed and accordingly we have not been able to rely on them for the purpose of our analysis. These included the acquisition of Chewy Inc., Petsense Inc. and Pet360 Inc. in the international markets, and City Farmers Retail by Quadrant Private Equity and Best Friends Stores in the Australian market. All other transactions have been used when deriving our EBITDA multiple range and have been explored in further detail below:

- *Agrifarma S.p.A* – In April 2016, Permira Advisors announced that they acquired Agrifarma, for \$512 million which operates under the name of Arcaplanet. Arcaplanet is the leading Pet Retailer in Italy and at the time of transaction had 147 stores, an ecommerce platform since 2014, and had four private label brands that sold food and accessories. The company only had a retail division, and did not provide Veterinary services. The company was significantly smaller than Greencross, only having revenue of \$200 million in its last fiscal year. However it had experienced 22% revenue growth as it

opened 30 new stores in the year. Arcaplanet was expected to reach \$49.7 million in annual EBITDA in the year of the transaction, implying an EV/EBITDA multiple of circa 10.3x.

- *PETCO Animal Supplies* – In November 2015 CVC Capital Partners and Canada Pension Plan announced that they had acquired PETCO Animal Supplies for \$6.5 billion. PETCO is Pet Retailer in the US, Mexico and Puerto Rico. At the time of the transaction PETCO had over 1,400 stores as well as a leading pet industry e-commerce platform. PETCO also provided pet sitting, dog training, and grooming services. At the time of the transaction, PETCO did not have its own private label brand, or animal hospitals which were introduced in 2016 and 2017, respectively. The company had revenues of \$5,651 million in the most recent fiscal year before the transaction, with underlying annual EBITDA of \$645 million or an EBITDA margin of 11.4%.
- *PetSmart* - In December 2014 BC Partners announced the acquisition of PetSmart for \$10.4 billion. PetSmart is Pet Retailer in the US, Canada and Puerto Rico. PetSmart is the largest retailer in North America with 1,387 stores, 844 Veterinary clinics in-store, revenues of \$8,354 million and 54 thousand employees. PetSmart has similar service offerings to Greencross, such as grooming, training and Veterinary services. The company had EBITDA of \$1,133 million in the most recent fiscal year before the transaction, implying an EBITDA multiple of 9.1x. The major driver for the slightly lower EBITDA multiple compared to other transactions is that in Q1 2014 PetSmart had experienced a reduction in revenue growth of 4%, stagnation in revenue growth in Q2 2014 and a slight increase of 2.6% in revenue growth compared to prior year quarters. On an annual basis EBITDA growth decreased from 20.2% in FY13 to 4.4% in FY14, and further decreased to 1.7% in FY15⁶⁶ prior to acquisition.
- *City Farmers Retail* – In June 2014 Greencross announced that it agreed to acquire City Farmers, a leading Australian Pet Retailer for total consideration of A\$205 million. City Farmers had 42 stores in total with 21 stores in Western Australia. The company did not have Veterinary services, but did provide mobile dog washing and sold similar pet food, supplies and accessories to Petbarn. The total revenue of the company was A\$84 million in FY13, A\$105 million forecasted in FY14 and A\$120 million forecasted in FY15 with synergies of the acquisition⁶⁷. Based on FY13 to FY15, the company was experiencing significant revenue growth of a CAGR of 20%. The underlying EBITDA forecasted for FY15, inclusive of synergies expected to be achieved in the first year, was A\$20 million. City Farmers had a relatively new store offering with 22 stores being less than 2 years old, requiring less sustaining capital expenditure to maintain. Additionally the business was complimentary to Greencross as at the time the GXL was primarily retail focused on Eastern Australia and was looking to expand into Western Australia.
- *Mammoth Pet Holdings* – In January 2014 Greencross merged with Mammoth Pet Holdings by acquiring 100% of the equity in Mammoth in exchange for shares in Greencross, representing 58.25% of the merged entities issued securities. At the time of the transaction Mammoth was a Pet Retailer that operated under the Petbarn name in Australia and Animates in New Zealand. It had 124 stores between the two countries and had annual sales of A\$261 million in the year prior to the transaction. The business was experiencing rapid growth and expansion adding 21 stores in FY12 and 19 in FY13, with sales CAGR from FY11 to FY14 at 22.4%. Additionally, LFL sales growth was 8.5% at the time of the acquisition. EBITDA was A\$26.8 million in FY13, with EBITDA CAGR from FY11 to forecasted FY14 of 25.7%. The transaction was expected to generate significant synergies as it merged a Pet Retailer and Veterinary provider, an integrated service offering which had proven to be successful

⁶⁶ PetSmart press release.

⁶⁷ Greencross press release dated 16 June 2014, "Greencross agrees to acquire City Farmers and lifts FY15 EPS guidance".

internationally and created Australia's leading integrated pet care provider. We note that Mammoth was in a different growth trajectory at the time of the acquisition compared to where GXL is today, there were significant synergistic benefits identified and the deal consideration was based on a 100% scrip consideration.

We note the following in relation to the recent Veterinary transactions which we consider less comparable than the NVL's trading multiple for the purposes of valuation of Greencross' Veterinary business:

- *Pet Doctors Group* – As discussed previously, NVL acquired the New Zealand based Veterinary services provider Pet Doctors Group for a consideration of A\$22.7 million, plus a deferred consideration of A\$4.3 million. The transaction involved the sale of 23 Veterinary clinics located in metro areas throughout New Zealand. In FY18, Pet Doctors achieved an EBITDA margin of 14.3% and 2 year revenue CAGR of 6.1%⁶⁸. The transaction's 7.9x historical FY18 EBITDA Multiple reflects the smaller transaction size and less geographically diversified business operations compared to Greencross.
- *VetPartners* – In August 2018, BC Partners acquired VetPartners for a consideration of c. A\$1.2 billion. The company owns more than 310 clinics across the UK and has added an average of c. 80 clinics annually over the previous three years. We note that the implied historical EBITDA Multiple of 14.0 times is based on an EBITDA figure to the year ending 1 July 2018 which did not include EBITDA contribution from Origin Animal, which was acquired by VetPartners in July 2018 for c. A\$98 million⁶⁹. We would expect for VetPartners to trade at a premium to the Veterinary business of GXL due to its significant growth prospects given the addition of an average of 80 clinics annually over the previous three years (i.e. circa 240 clinics added in the past three years on a portfolio of 310 clinics).
- *VCA Inc.* – In January 2017, Mars acquired VCA, for a consideration of c. A\$12.4 billion. VCA is a leading national animal healthcare company in the United States and Canada with a network of 795 animal hospitals operating in 43 states and five Canadian provinces. In addition to its Animal Hospital division, VCA operated a Veterinary diagnostic laboratory network serving all 50 states and certain areas of Canada. The Animal Hospital and Laboratory divisions accounted for 83% and 14% of revenues respectively in 2016. In FY16, the VCA generated underlying EBITDA of c. A\$667 million and an EBITDA margin of 19.5%. Mars' ownership of VCA, along with three other U.S. platforms has given it a two-thirds share of all corporate-owned Veterinary clinics in the United States. The acquisition allowed Mars the possibility to achieve significant economies of scale and scope and synergies given it already owns a number of other pet care service businesses such as Banfield Pet Hospital, BluePearl, Pet Partners and Wisdom Panel. We note that the considerably larger scale of VCA's operations compared to Greencross, for example the c.30x larger EBITDA, significantly higher EBITDA margin of 19.5% compared to 10.2%⁷⁰ for Greencross (8.5% after allocating corporate overheads⁷¹) and synergies available to Mars make the transaction not particularly comparable to Greencross and therefore we have placed limited reliance on this transaction for the purpose of our valuation.
- *PetVet Care Centers* – Ontario Teachers' Pension Plan ("Ontario Teachers") acquired PetVet Care Centers in January 2015 in a deal worth c. A\$540 million and an implied EBITDA Multiple of 11x. At

⁶⁸ Taken from NVL's A\$18.0m institutional placement presentation to investors dated 12 September 2018.

⁶⁹ We note that the EBITDA of Origin Animal is not publically disclosed.

⁷⁰ Before unallocated corporate costs.

⁷¹ EBITDA margin of 8.5% to the Veterinary business after allocating c.A\$4 million of A\$14.8 million unallocated corporate costs to the Veterinary business in FY18.

the time of the acquisition, PetVet Care Centers operated a network of 19 general practice and 11 specialty hospitals. PetVet's business model focuses on buying Veterinary practices and then providing back-office services such as payroll, marketing, accounting and human resources.

- *National Veterinary Associates* – National Veterinary Associates (“National Vets”), a privately-owned US-based Veterinary services provider, was acquired by Ares Management LP in July 2014 in a deal worth approximately \$980 million and an implied EBITDA Multiple of c.13x. At the time of the deal, National Vets offered a full range of medical and surgical services in more than 240 companion animal Veterinary hospitals across 39 states.
- *Independent Vetcare Limited* – In July 2014, Independent VetCare (“IVC”) was acquired by US-based private equity firm Summit Partners LP. The deal was worth about \$180 million and involved the purchase of just under 100 Veterinary practices across the UK for an implied EBITDA Multiple of 10x. IVC was set up by working vets from a consolidation of three large independent Veterinary groups and enables local practices to retain their independence while centralising administrative functions and support services at the group level.

EV/EBITDA Multiples – conclusion

Based on the analysis of listed comparable companies and comparable transactions, Grant Thornton Corporate Finance has assessed a FY19 EV/EBITDA Multiple range of between 9.9x to 10.4x based on a blended multiple for the Retail and Veterinary Peers. Our blended multiple is based on the weighted underlying EBITDA contribution, before corporate costs, of the Retail and Veterinary Businesses multiplied by the selected EBITDA Multiple as detailed below:

- *Retail Business*: EV/EBITDA Multiple concluded in the range of 9.5x to 10.0x mainly based on the comparable transactions.
- *Veterinary Business*: EV/EBITDA Multiple concluded in the range of 11.0x to 11.5x mainly based on the NVC multiple after the application of a premium for control and taking into account our analysis that the Greencross vet business is expected to trade at a lower multiple than NVC.

6.2.3 Non-controlling interests

The non-controlling interests represents the market value of 50.0% in Animates and 49.9% in ARH not owned by GXL. Both these joint ventures are consolidated into the accounts of GXL and accordingly the selected FY19 EBITDA between A\$97 million and A\$102 million includes the full EBITDA contributions of those businesses.

- Underlying EBITDA of Animates and ARH based on the historical and current financial performance.
- EBITDA multiple which takes into account the different sizes of these JVs compared with GXL.
- Net debt of the joint ventures as at 30 September 2018.

6.2.4 Net debt

We have calculated net debt as at 30 September 2018. We note that the net debt of Animates and ARH are consolidated on 100% basis, but we have also taken them into account in our valuation of the Non-Controlling Interests.

6.2.5 Dividend payment

We have deducted from our valuation assessment the ordinary dividend of A\$5.5 cents per share declared on 20 August 2018 and paid to GXL Shareholders on 12 October 2018. Due to the fact that our net debt position is as at 30 September 2018, we have accounted for the ordinary dividend separately.

6.3 Quoted Security Pricing Method

6.3.1 Liquidity analysis

As a cross check we have also had regard to the trading price of the listed securities on the ASX in the period prior to the announcement of the Proposed Scheme.

In our assessment of the fair market value of Greencross shares, we have had regard to the trading price of the listed securities on the ASX in the period prior to 10 October 2018 when the Company confirmed that it had received and it was engaging with a number of parties regarding credible, non-binding, incomplete proposals. Set out in the table below is a summary of our valuation assessment on a control basis.

Valuation summary - Quoted Security Price Method	Section		
A\$ per share	Reference	Low	High
Assessed value per GXL share based on the trading price (on a minority basis)	6.3.3	4.00	4.20
Estimated control premium	6.3.4	30.0%	35.0%
Assessed value per GXL share based on the trading price (on a control basis)		5.20	5.67

Source: S&P Global, GTCF analysis.

The adopted value of Greencross based on the trading price is an exercise of professional judgement that takes into consideration the depth of the market for the listed securities, volatility of the market price, and whether or not the trading price are likely to represent the underlying value of Greencross. The following sections detail the analysis undertaken in selecting the share price range.

In accordance with the requirements of RG111, we have analysed the liquidity of Greencross shares before relying on them for the purpose of our valuation assessment. We have set out below the monthly trading volume of Greencross shares since November 2017 as a percentage of the total shares outstanding as well as free float shares outstanding⁷².

⁷² Free float Shares excludes those owned by Company employees, individual insiders, related parties and other strategic investors.

Liquidity analysis	Volume traded ('000s)	Monthly VWAP (\$)	Total value of shares traded (\$'000s)	Cumulative		Cumulative	
				Volume traded as % of free float shares	volume traded as % of free float shares	Volume traded as % of total shares	volume traded as % of total shares
Nov-17	9,125	5.38	49,084	9.3%	9.3%	7.7%	7.7%
Dec-17	8,027	6.00	48,164	8.2%	17.5%	6.8%	14.6%
Jan-18	8,312	6.39	53,110	8.5%	26.1%	7.1%	21.6%
Feb-18	9,032	6.14	55,440	9.2%	35.3%	7.7%	29.3%
Mar-18	9,948	5.41	53,869	10.2%	45.5%	8.4%	37.7%
Apr-18	5,716	5.26	30,057	5.7%	51.2%	4.8%	42.5%
May-18	30,707	4.28	131,326	30.8%	82.1%	25.6%	68.1%
Jun-18	14,590	4.42	64,467	14.7%	96.7%	12.2%	80.3%
Jul-18	16,762	4.36	73,107	16.8%	113.5%	14.0%	94.2%
Aug-18	26,184	4.09	107,223	26.3%	139.8%	21.8%	116.0%
Sep-18	22,072	3.84	84,819	22.1%	162.0%	18.4%	134.4%
Oct-18	12,525	4.56	57,167	12.6%	174.6%	10.4%	144.8%
Low				5.7%		4.8%	
Average				14.5%		12.1%	
Median				11.4%		9.4%	
High				30.8%		25.6%	

Source: S&P Global, GTCF analysis

Note: The analysis is based on the period prior to 2 November 2018, when the company announced it entered into trading halt prior to the SIA.

With regard to the above analysis, we note that:

- The level of free float of Greencross shares is c. 83.0%⁷³. From November 2017 to November 2018, c. 175% of the free float shares were traded with an average monthly volume of 14.5% of the total free float shares. This indicates that the stock is liquid, and is well traded by large segments of the market.
- The Company is recognised as a major player in the industry and forms part of the S&P/ASX 300 Index, despite being downgraded from the S&P/ASX 200 benchmark index in September 2018.
- In the absence of a takeover or alternate transactions, the trading price represent the value at which minority shareholders could realise their portfolio investment.
- Greencross complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of Greencross.
- Greencross stock is covered by several investment analysts who provide updates to the market on a regular basis.
- We note that the larger trading volumes in May 2018 were triggered by the financial trading update as at 9 May⁷⁴. The larger trading volumes early October 2018 were triggered by renewed private equity interest in the Company.⁷⁵

⁷³ This comprises of the total shares outstanding (120,463,450) less the shares held by company employees and strategic corporate investors.

⁷⁴ Please refer to Event 5 in the event schedule as noted in the share price analysis section

⁷⁵ Please refer to Event 9 in the event schedule as noted in the share price analysis section.

- As set out in the table below, the free float of Greencross shares is consistent with or higher than most of the listed peers. The average monthly volume traded as percentage of free float shares⁷⁶ of 14.5% is also consistent with or higher than most of the listed peers.

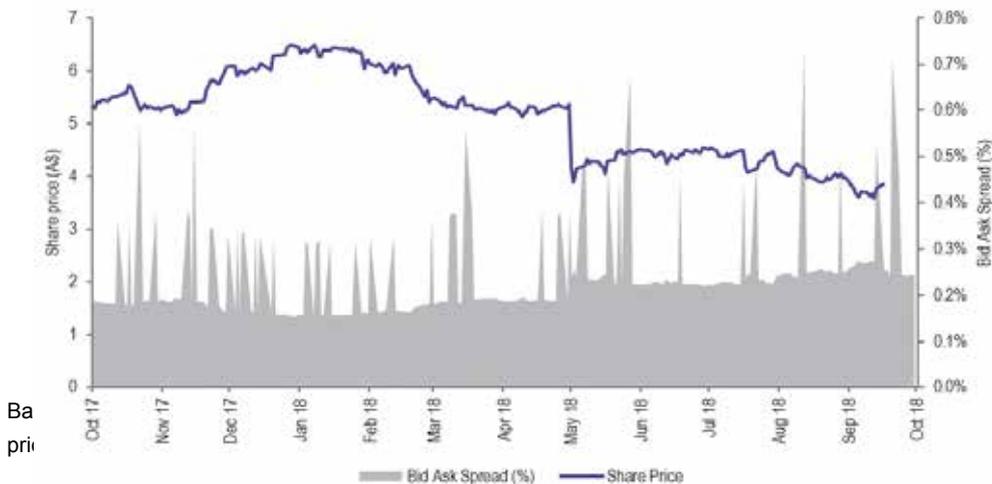
Liquidity analysis peers ²		Free float	Average volume traded as a % of total shares ¹	Average volume traded as a % of free float shares ¹	Cumulative volume traded as a % of total shares	Cumulative volume traded as a % of free float shares
Company	Country	(%)				
Greencross Limited	Australia	83.0%	12.1%	14.5%	202.2%	243.6%
Accent Group Limited	Australia	65.0%	5.2%	8.0%	97.9%	150.6%
JB Hi-Fi Limited	Australia	84.1%	12.2%	14.5%	243.7%	289.8%
Super Retail Group Limited	Australia	68.8%	10.7%	15.5%	209.7%	304.6%
Kathmandu Holdings Limited	New Zealand	78.0%	2.0%	2.5%	38.2%	48.9%
National Veterinary Care Ltd	Australia	81.6%	3.8%	4.6%	77.0%	94.4%
Apiam Animal Health Limited	Australia	44.8%	1.8%	4.0%	39.8%	88.8%
Pets at Home Group Plc	United Kingdom	94.5%	8.9%	9.4%	142.5%	150.8%
Peers - Average		73.8%	6.4%	8.4%	121.3%	161.1%
Peers - Median		78.0%	5.2%	8.0%	97.9%	150.6%

Source: S&P Global, GTCF analysis

Note 1: For the 12 months prior to 2 November 2018, when the company announced it entered into trading halt.

- In addition to the above, where a company's stock is not heavily traded or relatively illiquid, the market typically observes a difference between the 'bid' and 'ask' price for the stock as there may be a difference in opinion between the buyer and seller on the value of the stock. As set out in the graph below, we note that the historical average bid-ask spread has been minimal (0.2%) in the twelve month period before the company confirming takeover interest.

Greencross: Spread between Bid and Ask Price

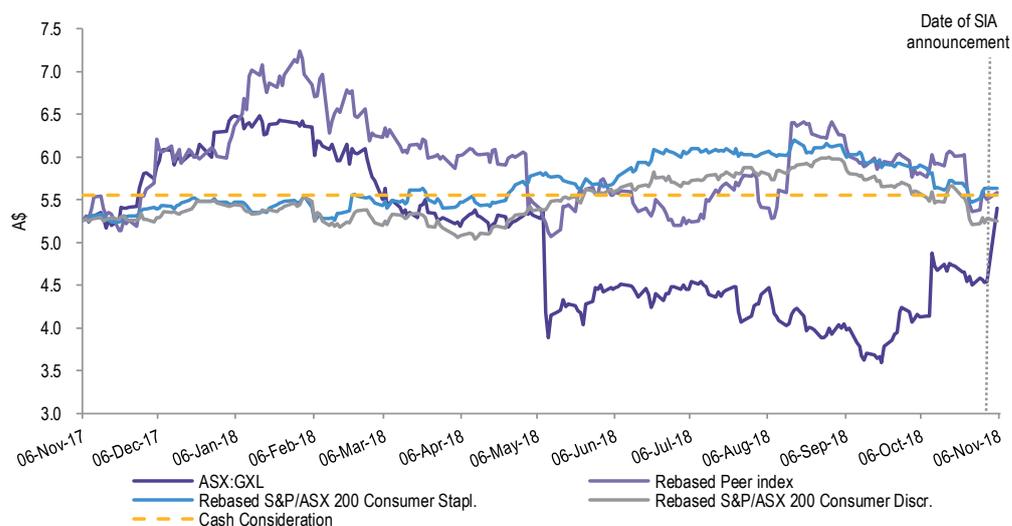


⁷⁶ Based on the past 12 months.

6.3.2 Valuation assessment of Greencross based on trading price

As part of our valuation procedures based on the trading price, we have analysed the performance of Greencross trading price compared with key peers⁷⁷ and the ASX200 Indices⁷⁸. We tried to understand whether or not the timing of the Scheme was opportunistic and if TPG took advantage of a temporary weakness in the trading price, after the EBITDA downgrade on 9 May 2018.

Share price performance (rebased to Company's share price)



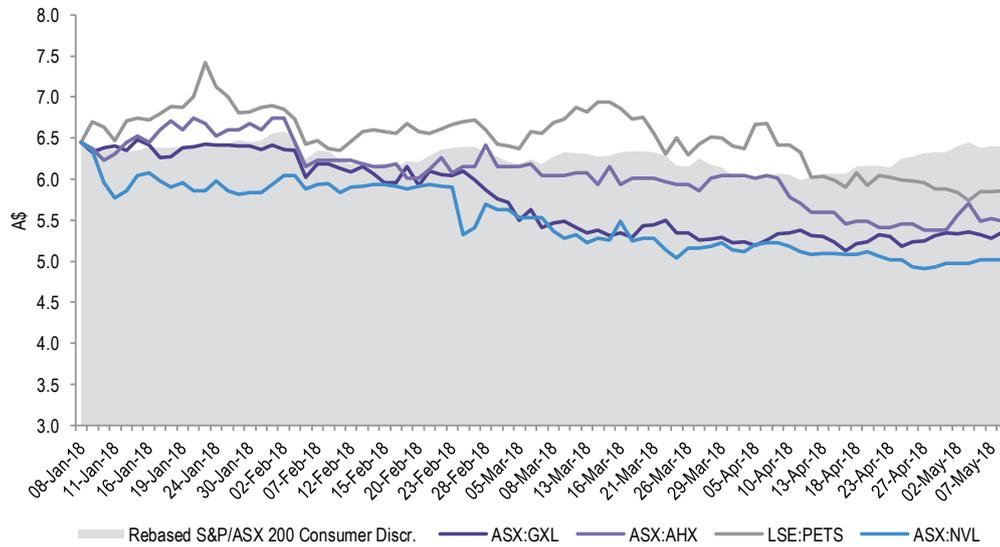
Source: S&P Global, GTCF analysis.

The sharp decline in May 2018 was driven by Management announcing lower EBITDA guidance for FY18. As a result, the stock price reduced from A\$5.36 on 8 May 2018 to A\$3.89 on 10 May 2018 before partially recovering to A\$4.15 the next day. The trading update, amongst other things, reported that the Veterinary business failed to deliver the previously budgeted uplift in second half largely due to disappointing visit numbers in stand-alone GP clinics and in-store clinics. The share price was already affected by downward pressure before this announcement as it was trading close to A\$6.50 at the beginning of 2018. However, as shown in the graph below, the downward trend of Greencross' share price between January 2018 and May 2018 can largely be explained by market movements rather than company specific factors as the industry peers also experienced similar reductions in their trading price.

⁷⁷ Peer index: Accent, JB Hi-Fi, Super Retail Group, Kathmandu, National Veterinary Care, Apiam Animal Health and Pets at Home Group.

⁷⁸ Greencross has been downgraded from the S&P/ASX 200 to S&P/ASX 300 index on September 2018, but we use the former index as the benchmark because the stock has been included in the S&P/ASX 200 index for the majority of the review period.

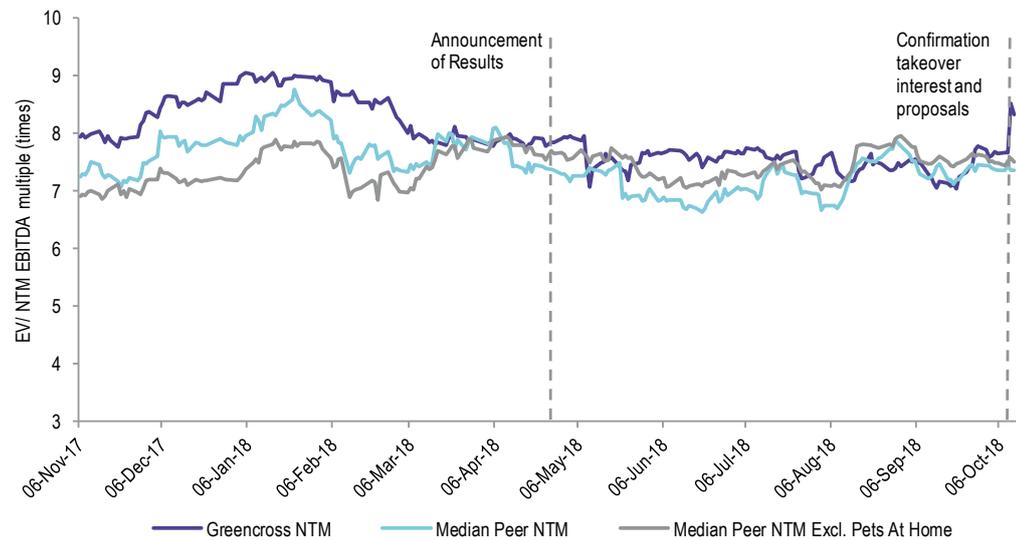
Share price performance (rebased to Company's share price)



Source: S&P Global, GTCF analysis
Note: Industry peers are National Veterinary Care (NVL), Pets at Home (PETS), Apiam Animal Health (AHX).

We have also considered in the graph below, the relative valuation of Greencross compared with several listed peers by reviewing the historical NTM EBITDA multiple⁷⁹ of Greencross compared with the Peer Index.

Rolling NTM EBITDA multiple (between 5 November 2017 – 10 October 2018)



Source: S&P Global, GTCF analysis
Note: Peer index: Accent Group, JB Hi-Fi, Super Retail Group, Kathmandu, National Veterinary Care, Apiam Animal Health and Pets at Home.

As set out in the graph above, notwithstanding the historical volatility, the valuation of GXL has been substantially consistent with the Peer Index. As discussed in the Executive Summary, the sharp reduction

⁷⁹ This is calculated as the daily enterprise value divided by the consensus estimate EBITDA for the next twelve months.

in GXL trading price in May 2018 was mainly driven by the reduction in the consensus forecast EBITDA following the FY18 EBITDA downgrade announced in May 2018. However, the impact on the trading price was exacerbated by the high level of gearing of the Company.

Based on above analysis and the discussion held in the executive summary, we are of the opinion that the timing of the Scheme is not opportunistic and the trading price of Greencross before the announcement of the Scheme represent the fair market value of the Company on a minority basis at that point in time.

6.3.3 Conclusion on the selected valuation range

Set out below is a summary of the VWAP of Greencross shares. The VWAP is calculated at two points in time: prior to the company confirming takeover interest and receiving proposals and prior to the Company entering into trading halt prior to the Scheme Implementation Agreement.

VWAP		Low	High	VWAP
Prior to	10 Oct 2018			
	Prior to confirmation takeover interest and receiving proposals			
1 day		4.080	4.890	4.698
5 day		4.020	4.890	4.512
10 day		3.910	4.890	4.330
1 month		3.575	4.890	3.944
2 month		3.575	4.890	3.999
3 month		3.575	4.890	4.083
4 month		3.575	4.890	4.142
5 month		3.575	4.890	4.164
6 month		3.575	5.410	4.225
9 month		3.575	6.490	4.526
Prior to	02 Nov 2018			
	Prior to entering into trading halt before announcement Scheme			
5 day		4.320	4.610	4.524
10 day		4.320	4.750	4.589
1 month		4.020	4.890	4.577
2 month		3.575	4.890	4.108
3 month		3.575	4.890	4.101
4 month		3.575	4.890	4.158
5 month		3.575	4.890	4.197

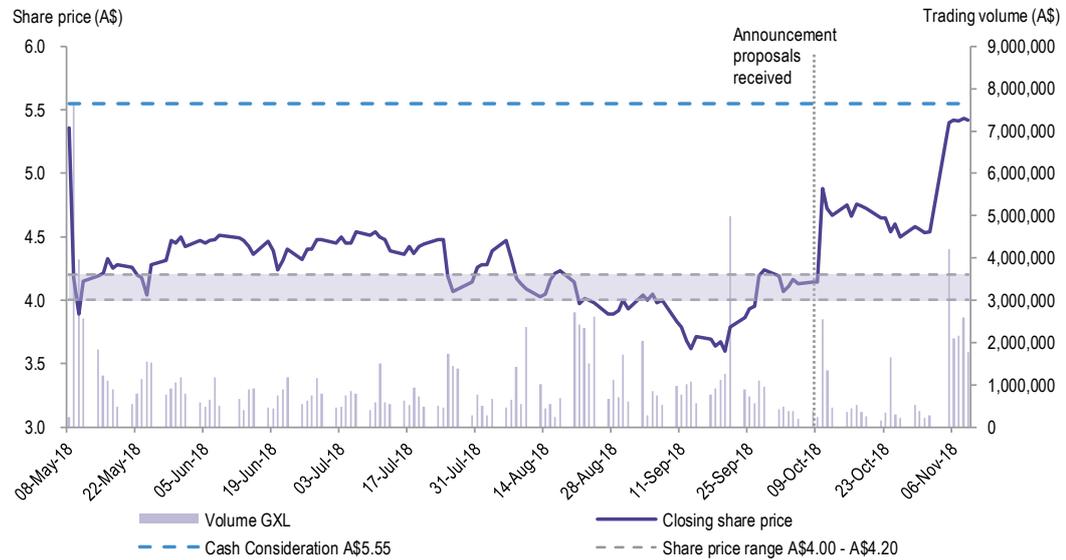
Source: S&P Global, GTCF analysis

Note: We note that while the SIA was formally executed on 5 November 2018, the Company on 9 October 2017 confirmed that was engaging with a number of parties regarding "credible, but non-binding and incomplete proposals".

Based on the analysis undertaken in Sections 6.3.2. and 6.3.3., we have assessed the fair market value of Greencross shares based on the trading price before 9 October 2018 between A\$4.00 and A\$4.20.

We have set out below the historical share price of Greencross shares after the profit downgrade in May 2018 compared with our assessed trading price range.

Closing share price of Greencross (last 18 months)



Source: S&P Global, GTCF analysis.

6.3.4 Premium for control

Evidence from studies suggests that successful takeovers in Australia have completed based on premium for control in the range of 20% to 40%. As shown in the table below we have considered the premium for control paid by acquirers in recent transactions or offered for acquisitions later on aborted or not completed in the Pet Retail, Veterinary services or traditional retail industries. The analysis below indicated a median 5-day control premium paid of c. 33% and a 1-month control premium paid of c. 37%. This analysis should be considered with caution given a number of the selected transactions did not complete.

Indicative control premium assessment - completed transactions and offers announced						Premia to trading price ¹	
Ann. Date	Target	Bidder	Status	Stake %	5-day	1-month	
21/05/2018	BWX Limited	Management, Bain Capital	Not completed	89.6%	43%	33%	
08/02/2017	Specialty Fashion Group Limited	AI-ALFIA HOLDING	Not completed	100.0%	32%	37%	
09/01/2017	VCA Inc.	Mars, Incorporated	Completed	100.0%	33%	40%	
27/01/2016	Greencross Limited	TPG Capital	Not completed	93.1%	26%	16%	
14/12/2014	PetSmart, Inc.	Consortium led by BC Partners	Completed	100.0%	38%	41%	
Median premium					33%	37%	

Source: GTCF analysis

Note 1: The control premium have been calculated based on the share price of the target before market speculation of a potential transaction.

In addition to the above, we note that evidence from studies (see Appendix D) suggests that successful takeovers in Australia have completed based on premium for control in the range of 20% to 40%.

Given the distribution of the control premium in the Australian market in general and in the above transactions in particular, we have applied in our valuation assessment a control premium in the range of c.30 – 35%.

7 Sources of information, disclaimer and consents

7.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Draft Scheme Booklet.
- Annual reports/ consolidated accounts of Greencross for FY14 to FY18.
- FY19 budget pack and minutes of Board meetings.
- Management Projections.
- Press releases and announcements by Greencross on the ASX.
- Management accounts from FY17 to FY18 and for the YTD October 2019.
- Management reports for the last 6 months before the announcement of the Proposed Scheme.
- S&P Global.
- IBISWorld reports OD5128 and M6970.
- Various industry and broker reports.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of Greencross and its advisers.

7.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been prepared to assist the Directors of Greencross in advising the Greencross shareholders in relation to the Proposed Scheme. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Scheme is in the best interest of Greencross shareholders.

Greencross has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance

of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

7.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Scheme Booklet to be sent to Greencross shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and context in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future.

Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Comparable companies

Company	Business description
Accent Group Limited	Accent Group Limited engages in the retail, distribution, and franchise of footwear, apparel, and accessories in Australia and New Zealand. Its brands include The Athlete's Foot, Platypus Shoes, Hype DC, Skechers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, Sperry, Palladium, Stance, and Podium Sports. It operates 446 stores and online sites. The company was formerly known as RCG Corporation Limited and changed its name to Accent Group Limited in November 2017. Accent Group Limited was founded in 1981 and is based in Richmond, Australia.
JB Hi-Fi Limited	JB Hi-Fi Limited, together with its subsidiaries, retails home consumer products. It operates through three segments: JB Hi-Fi Australia, JB Hi-Fi New Zealand, and The Good Guys. The company offers consumer electronics products and services, including televisions, audio equipment, computers, and cameras; telecommunications products and services; music, game, and movie software products, such as CDs, DVDs, Blu-ray discs, and games; musical instruments; and whitegoods, cooking products, heating and cooling products, small appliances, and kitchen accessories. It also provides information technology and consulting services. As of June 30, 2018, the company sold its products through branded retail store network comprising 193 JB Hi-Fi/JB Hi-Fi Home stores in Australia; 15 JB Hi-Fi/JB Hi-Fi Home stores in New Zealand; and 103 The Good Guys stores in Australia, as well as through online. JB Hi-Fi Limited was founded in 1974 and is based in Chadstone, Australia.
Super Retail Group Limited	Super Retail Group Limited operates as a retailer of auto, outdoor, and sports products in Australia, New Zealand, and China. The company offers automotive parts and accessories, handyman items, and tools and equipment to marine and motorbike products, including batteries, car care products, exterior accessories, hand and power tools, in-car navigation systems, in-car stereo equipment, lighting and electrical products, oils, filters and additives, outdoor equipment and accessories, seat covers and interior accessories, spare parts, paints and panels, and performance products. It also provides footwear, fitness and sports equipment, apparel, and related accessories for casual enthusiast and serious competitors; boating, camping, and fishing products, such as lures, rods and reels, tackle boxes, fishing nets, tents, ropes, pegs, cooking equipment, and clothing and hiking gears, as well as boating accessories comprising fishing rod holders, bilge pumps, fishfinders, and others. In addition, the company offers apparel and equipment for mountain climbers, campers, hiker, and others; and fitness equipment, which comprise treadmills, home gyms, exercise bikes, fitness accessories, elliptical cross trainers, free weights, boxing equipment, nutritional supplements, rowers, and home fitness studios for use in home, corporate, and commercial markets. Further, it supplies, delivers, and installs fitness facilities in clubs, gyms, hotels, and schools. The company sells its products under the BCF, Macpac, Rebel, Supercheap Auto, Avanti Fitness, and Workout World brands. It operates 670 stores. The company was formerly known as Super Cheap Auto Group Limited and changed its name to Super Retail Group Limited in 2010. Super Retail Group Limited was founded in 1972 and is headquartered in Brisbane, Australia.
Kathmandu Holdings Ltd	Kathmandu Holdings Limited, together with its subsidiaries, designs, markets, and retails clothing and equipment for travel and adventure in New Zealand, Australia, the United States, and the United Kingdom. It offers a range of apparel, including waterproof jackets, down jackets, thermals, fleece jackets, shirts and pants, merino apparels, and thermals, as well as footwear and socks. The company also provides equipment comprising packs, bags, sleeping bags, tents, travel accessories, and camping accessories. As of July 31, 2018, it operated through 167 stores, as well as 4 online stores. The company was founded in 1987 and is based in Christchurch, New Zealand.
Pets at Home Group Plc	Pets at Home Group Plc, through its subsidiaries, operates as a specialist retailer of pet food, pet related products, and pet accessories in the United Kingdom. The company offers a range of diets for dogs, cats, small mammals, fish, reptiles, and birds. It also provides pet accessories, including collars and leads, feeding bowls, clothing, toys, travel, and training products for dogs and cats; housing, bedding, and enrichment products for small animals; and health and hygiene products for various pet types. In addition, the company offers pet insurance; dog and cat nutrition consultation; pet care advice; and grooming services, such as grooming, bath and blow dry, microchipping, and nail clipping services. Further, it offers Veterinary services under the Companion Care Vets and Vets4Pets names; and operates pet grooming salons under the Groom Room and Barkers names, as well as flea and worm consultation, weight check, water test, workshop, first opinion Veterinary practice, Veterinary surgery, and specialist referral Veterinary center services. As of June 9, 2017, the company offered its products and services through 434 superstores, 438 practices, 4 Veterinary specialist referral centers, 290 grooming salons, and 7 specialist high street based dog stores. It also provides products and services through its Website. Pets at Home Group Plc was founded in 1991 and is based in Handforth, the United Kingdom.
CVS Group plc	CVS Group plc provides Veterinary services in the United Kingdom. The company operates through four segments: Veterinary Practice, Laboratory, Crematoria, and Animed Direct. It operates animal Veterinary practices and complementary Veterinary diagnostic businesses. The company also provides pet cremation and clinical waste collection services for Veterinary practices and directly for pet owners. In addition, it operates Animed Direct, an online pharmacy and retailer that sells prescription drugs, non-prescription drugs, pet food, and other animal-related products. Further, the company is involved in Veterinary goods and services buying club businesses; the provision of burial grounds and recruitment services for Veterinary jobs; and Veterinary instrumentation supply activities. It owns 422 surgeries, 4 diagnostic laboratories, and 7 pet crematoria in the United Kingdom; and 10 surgeries in the Netherlands. CVS Group plc was founded in 1999 and is based in Diss, the United Kingdom.
National Veterinary Care Ltd	National Veterinary Care Limited provides Veterinary services in Australia and New Zealand. It operates a network of clinics that provide services, such as acupuncture, blood tests, chemotherapy, dental radiography, desexing, digital radiography, electrocardiograph, heartworm injections, health exams, and healthy nutrition programs. The company also provides in-house pathology, intensive care hospitalization, microchip identification, nail trimming, orthopedic surgery, senior and palliative care, stem cell therapy, ultrasounds, vaccinations, and weight loss programs. In addition, it offers a range of pet care plans. The company was formerly known as XYZ Vet Pty. Ltd and changed its name to National Veterinary Care Limited in April 2015. National Veterinary Care Limited is headquartered in Ormeau, Australia.

Company	Business description
Apiam Animal Health Ltd	Apiam Animal Health Limited, a vertically integrated animal health company, provides Veterinary products and services to production and companion animals in Australia. It operates through three segments: Dairy and Mixed, Feedlots, and Pigs. The company engages in the Veterinary wholesale, warehousing, logistics, and other ancillary activities. Its products and services include systems to assist in herd health programs; production advisory services; consulting services and products to assist in the prevention of animal diseases; technologies to manage compliance with legislative requirements on pharmaceutical use; and advice and services in respect of animal welfare compliance, as well as on-farm delivery of products. The company also provides third party auditing services for industry quality assurance programs; ancillary services, such as the sale and/or delivery of genetics and associated products; on-farm and online training programs for clients; and payroll and transport services. In addition, it retails animal health products; and develops technology for animal health management. The company offers its services through production animal and mixed animal Veterinary clinics. Apiam Animal Health Limited was founded in 1998 and is based in Bendigo, Australia.
Ramsay Health Care Limited	Ramsay Health Care Limited provides health care services to public and private patients. The company's health care services comprise day surgery procedures and complex surgeries, as well as psychiatric care and rehabilitation services. It operates approximately 235 hospitals and day surgery facilities with approximately 25,000 beds in Australia, the United Kingdom, France, Indonesia, Malaysia, Maldives, and Italy. The company was founded in 1964 and is based in Sydney, Australia.
Sonic Healthcare Limited	Sonic Healthcare Limited, a healthcare company, provides medical diagnostic services, and administrative services and facilities to medical practitioners. The company operates through Laboratory, Imaging, and Other segments. It offers laboratory medicine/pathology and radiology/diagnostic imaging services to clinicians, hospitals, community health services, and their patients. The company also provides general practice, occupational health services, remote health services, community and home nursing services, primary care research programs, health assessment technologies, hospital avoidance programs, and clinical trials and chronic disease management programs. In addition, it operates 238 primary care clinics. Sonic Healthcare Limited operates in Australia, the United States, Germany, and internationally. The company was formerly known as Sonic Technology Australia Limited and changed its name to Sonic Healthcare Limited in November 1995. Sonic Healthcare Limited is headquartered in Macquarie Park, Australia.
Healthscope Limited	Healthscope Limited provides healthcare services in Australia and New Zealand. The company operates through Hospitals Australia and Pathology New Zealand segments. It operates 43 private hospitals, including 30 acute hospitals, 7 mental health hospitals, and 6 rehabilitation hospitals with approximately 5,000 inpatient beds. The company also provides human pathology services under the Labtests, Southern Community Laboratories, and Northland Pathology brands; and Veterinary and analytical pathology services under the Gribbles brand. The company was formerly known as Healthscope Hospitals Holdings Pty. Ltd. and changed its name to Healthscope Limited in July 2014. Healthscope Limited was founded in 1985 and is headquartered in Melbourne, Australia.
Primary Health Care Limited	Primary Health Care Limited provides various services and facilities to general practitioners, dentists, physiotherapists, specialists, and other healthcare professionals in Australia. It operates through three segments: Pathology, Medical Centres, and Imaging. The company offers diagnostic imaging services, such as X-ray, ultrasound, computerized tomography, mammography, MRI, positron emission tomography, interventional radiology, and nuclear medicine services; and medical laboratory and pathology services. It also operates medical centers that provide nursing support, pathology, radiology, dental, physiotherapy, and allied health services; and IVF services, eye and skin specialists, skin cancer checks, and consultant specialist doctors. The company operates 70 medical centers. Primary Health Care Limited was incorporated in 1994 and is based in St Leonards, Australia.
Virtus Health Limited	Virtus Health Limited provides various healthcare services in New South Wales, Queensland, Victoria, Tasmania, Denmark, the United Kingdom, Ireland, and Singapore. It provides fertility care and related specialized diagnostics, as well as day hospital services. The company offers in-vitro fertilization (IVF) services, including ovulation induction, intrauterine insemination, intracytoplasmic injection, GIFT, blastocyst culture, frozen embryo transfer, egg and semen freezing and storage, testicular biopsy, and support and counseling services, as well as donor egg, embryo, and sperm services. It also provides endocrinology, andrology, preimplantation genetic, and cytogenetic diagnostic services; and gynecological and obstetric ultrasound scanning and procedures. In addition, the company offers day hospital procedures, such as IVF, endoscopy, gynaecology, urology, dental, ophthalmic, cosmetic surgery, and plastic surgery. As of August 21, 2018, it operated through a network of 126 fertility specialists. The company was founded in 2008 and is headquartered in Greenwich, Australia.
Integral Diagnostics Limited	Integral Diagnostics Limited, a healthcare services company, provides diagnostic imaging services to general practitioners, medical specialists, and allied health professionals and their patients in Australia. The company provides its services through a network of 53 sites under the Lake Imaging, South Coast Radiology, and Global Diagnostics brands in Victoria, Queensland, and Western Australia, as well as through specialist Radiology Group, and Trinity MRI and Cavendish Radiology in Auckland, New Zealand. Integral Diagnostics Limited is headquartered in North Melbourne, Australia.
Pacific Smiles Group Limited	Pacific Smiles Group Limited, together with its subsidiaries, owns and operates dental centers under the Pacific Smiles Dental and nib Dental Care brand names in Eastern Australia. The company provides general dentistry services, including check-ups, teeth cleaning, fillings, and extractions; dental treatments, such as crowns, bridges, fillings, and extractions; advanced dentistry comprising dental implants; and specialist dentistry, such as orthodontics, prosthodontics, endodontics, and periodontics, as well as other treatments under general anaesthetic and intravenous sedation. It operates 70 Pacific Smiles Dental and 10 nib Dental Care centers in Queensland, New South Wales, Victoria, and the Australian Capital Territory. Pacific Smiles Group Limited was incorporated in 2002 and is headquartered in Greenhills, Australia.

Company	Business description
Abano Healthcare Group Limited	Abano Healthcare Group Limited provides healthcare and medical services. It operates through Dental and Diagnostics segments. The company offers a range of general and specialist dental works, including restorative and cosmetic dental services; and scanning services, including MRI, CT, PET CT, and ultrasound scanning, as well as mammography and interventional radiology services. As of May 31, 2018, it operated approximately 225 dental practices in New Zealand and Australia. The company was formerly known as ElderCare New Zealand Limited and changed its name to Abano Healthcare Group Limited in August 2003. Abano Healthcare Group Limited was incorporated in 1961 and is based in Auckland, New Zealand.
1300SMILES Limited	1300SMILES Limited provides dental and management services in Australia. It enables the delivery of services to patients by offering the use of dental surgeries, practice management, and other services to self-employed dentists who carry on their own dental practices. The company also provides services in the areas of marketing, administration, billing and collections, and facilities certification and licensing to participating dentists; and support staff, equipment, and facilities, as well as sources various consumable goods. In addition, it offers general, restorative, cosmetic, preventive, and children's dentistry services, as well as orthodontics services. The company serves dentists ranging from new graduates to experienced dental professionals. It owns and operates approximately 31 full-service dental facilities in Queensland, Sydney, and Adelaide. The company was founded in 2000 and is headquartered in Townsville, Australia.

Source: S&P Global.

Appendix C – Comparable transactions' target company descriptions

Target Company	Business description
Best Friends Stores Pty. Ltd.	Best Friends Stores Pty. Ltd. operates pet stores. It offers grocery and premium foods, collars, leads and harnesses, scratching posts and litter trays, grooming tools, aquariums, fish food, cages and aviaries, seeds and feeders, toys, terrariums and accessories, reptile foods, hutches and cages, seeds, hay products, beds, crates, kennels, cat caves, and chews for dogs, cats, fish, birds, reptiles, kittens, puppies, and small pets. The company also provides flea and worming treatments, puppy pre-schooling, feline adoption program, dog grooming, Veterinary, and pet adoption services. Best Friends Stores Pty. Ltd. was founded in 2007 and is based in Geelong, Australia.
City Farmers Retail Pty Ltd	City Farmers Retail Pty Ltd owns and operates pet care retail stores that sell bulk pet, garden, and pool supplies. Its stores' offer pet supplies for dogs, cats, birds, fish, reptiles, and small animals, as well as gift cards; and garden and pool products, such as plant protection products, plant care products, pest control products, mulches and soils, seeds and seedlings, tools, and pool products. The company also provides dog wash, pet insurance, and other services. It also sells products online. City Farmers Retail Pty Ltd was founded in 1991 and is based in Chatswood, Australia. It has stores in Perth, Brisbane, Melbourne, and Sydney, Australia. As of June 17, 2014, City Farmers Retail Pty Ltd operates as a subsidiary of Greencross Limited.
Chewy, Inc.	Chewy, Inc. sells dog and cat food, treats, and supplies. The company offers food and treats, such as dry food, wet food, freeze dried food, and prescription food for dogs and cats; supplies, including bowls and feeders, flea and tick, health and wellness, toys, grooming, training and behaviour, leashes and collars, beds, and crates and gear for dogs and cats; cleaning and putty for dogs; and litter and accessories for cats. It also offers water care, filters and media, cleaning and maintenance, and health and wellness products for tropical freshwater, goldfish, marine fish, and bottom feeders; cages and accessories, litter and nesting, perches and toys, and grooming and health products for parrot and hook bill, parakeet, finch and canary, and cockatiel and cockatoo; habitats and accessories, bedding and litter, beds, hideouts and toys, harnesses and carriers, and grooming and health products for small pets comprising rabbits, hamsters, guinea pigs, and gerbils; and habitat accessories, heating and lighting, cleaning and maintenance, substrate and bedding, and health and wellness products for reptiles comprising turtles, frogs and newts, lizards, and hermit crabs. It serves customers online. The company was formerly known as Chewy.com, LLC. Chewy, Inc. was founded in 2011 and is based in Dania Beach, Florida with warehouses in the United States. As of May 31, 2017, Chewy, Inc. operates as a subsidiary of PetSmart, Inc.
PETCO Animal Supplies, Inc.	PETCO Animal Supplies, Inc. operates as a specialty retailer of pet food, supplies, and services. Its pet-related products include food, supplies, grooming products, toys, novelty items, and vitamins, as well as fishes, birds and other small animals, and Veterinary supplies. The company also offers pet services that include grooming, obedience training, day care and overnight boarding, and vaccinations and other Veterinary services. It markets its products through independent pet supply stores and national specialty retailers. As of May 16, 2017, the company operated approximately 1,500 stores in the United States, Mexico, and Puerto Rico. PETCO Animal Supplies was founded in 1965 and is headquartered in San Diego, California. PETCO Animal Supplies, Inc. operates as a subsidiary of Petco Holdings, Inc.
PetSmart, Inc.	PetSmart, Inc., together with its subsidiaries, operates as a specialty retailer of products, services, and solutions for pets in the United States, Puerto Rico, and Canada. The company offers consumables, such as pet food, treats, and litter; and hard goods, which include pet supplies and other goods comprising collars, leashes, health care supplies, grooming and beauty aids, toys, apparel, and pet beds and carriers, as well as aquariums and habitats, accessories, décor, and filters for fish, birds, reptiles, and other small pets. It also provides fresh-water fish, small birds, reptiles, and small pets; and pet services, such as dog training, pet grooming, and pet adoption services. In addition, the company operates PetSmart PetsHotels that offer boarding for dogs and cats; provides personalized pet care, temperature controlled rooms and suites, daily specialty treats and play time, and day camp services for dogs; and operates Veterinary hospitals, which offer services comprising routine examinations and vaccinations, dental care, a pharmacy, and surgical procedures. As of October 26, 2018, it operated approximately 1,600 pet stores in the United States, Canada, and Puerto Rico, as well as 200 in-store PetSmart PetsHotels dog and cat boarding facilities. The company also offers its products through digital resources for pet parents, including PetSmart.com, PetFoodDirect.com, Pet360.com, petMD.com, and Pawculture.com, as well as AllPaws, an online pet adoption platform. PetSmart, Inc. was founded in 1986 and is based in Phoenix, Arizona. As of March 12, 2015, PetSmart, Inc. was taken private. PetSmart, Inc. is a subsidiary of Argos Holdings Inc.
Pet360 Inc.	Pet360 Inc. operates as an online retailer of pet care supplies. It offers crates and kennels, food items, leashes and collars, pet grooming products, bowls and feeders, cans, toys, beds, litters, pharmaceutical products, scratching items and furniture, Veterinary diets, and vitamins and supplements. The company also provides health and wellness products, odour control products, cages and accessories, ferrets, hamsters and gerbils, hays, healthcare items, hutches and coops, toys, starter kits, foggers, oral preventatives, shampoos, and heartworm prevention items. In addition, it offers information and advice on pet care. The company offers its products for dogs, cats, small animal, and birds. Pet360 Inc. was founded in 1997 and is based in Plymouth Meeting, Pennsylvania. As of September 29, 2014, Pet360 Inc. operates as a subsidiary of PetSmart, Inc.
Petsense, Inc.	Petsense, Inc. owns and operates a chain of small format pet supply stores in the United States. The company offers pet products, such as dog and cat foods, shampoos, harnesses, leashes, collars, bowls, fountains, beds, blankets, toys, scratchers, brushes, wipes, litter boxes, and apparel. Additionally, it provides grooming, pet vaccination, and training services. Petsense, Inc. was founded in 2005 and is based in Scottsdale, Arizona. As of September 29, 2016, Petsense, Inc. operates as a subsidiary of Tractor Supply Company.
Agrifarma S.p.A.	Agrifarma S.p.A., doing business as Arcaplanet, owns and operates shops that offer pet food and care products. It also offers its products online. The company distributes products for farm management. Agrifarma S.p.A. was founded in 1997 and is based in Chiavari, Italy.

Target Company	Business description
Mammoth Pet Pty	Mammoth Pet Holdings Pty Limited is a private Australian company with investments in pet specialty retail chains in Australia and New Zealand. It owns and operates 100 pet supplies superstores throughout Australia (or an estimated market share of 4% by revenues) trading under the "Petbarn" brand name and 50% economic interest in Animates NZ Holdings Limited (owner and operator of 24 specialty retail supplies superstores in New Zealand trading under the "Animates" brand name and is the leading retailer in New Zealand). By number of stores, Petbarn and Animates are the leaders in the pet specialty retail markets in Australia and in New Zealand. Mammoth Pet Holdings Pty Limited operates as a subsidiary of Greencross Limited and was acquired on 31 January 2014 by Greencross.
Pet Doctors	Pet Doctors owns and operates a chain of Veterinary clinics that provides pet care services for dogs and cats/kiwi pets, and their owners in New Zealand. The company offers services in the areas, such as pet care advices, client information, pet loss dealings, flea advices, stem cell therapies, wellness programs, and puppy preschool programs; age and life stage services; and healthy skin, teeth, and eyes services. It also provides online information, online ordering, and delivery of various pet foods, accessories, and Veterinary products. The company was founded in 2005 and is based in Auckland, New Zealand with vet clinics in Auckland, Hamilton, Wellington, Palmerston North, and Christchurch, New Zealand. As of October 2, 2018, Pet Doctors operates as a subsidiary of National Veterinary Care Ltd.
VetPartners UK Holdings Ltd.	VetPartners UK Holdings Ltd. provides Veterinary care services to clients and patients in the United Kingdom. The company was founded in 2015 and is based in York, United Kingdom. The group includes small animal, equine and farm animal practises. It currently has more than 2,900 employees working in over 260 sites across the UK and from Leeman House in York.
Original Animal	UK-based company engaged in providing Veterinary services
Anicura Ab	AniCura AB operates a family of animal hospitals and clinics that specialize in Veterinary care for companion animals. The company offers a range of medical services, including preventive and basic health care, as well as advanced diagnostics, internal medicine, intensive care, surgery, ophthalmology, neurology, odontology, dermatology, and orthopedics for dogs, cats, and other pets. It also provides rehabilitation, physiotherapy, and dietary advice, as well as pet food and care products. The company serves pet owners and referring veterinarians across Europe. AniCura AB was founded in 2011 and is based in Danderyd, Sweden. It has animal hospitals and clinics in Sweden, Norway, Denmark, Germany, Austria, and the Netherlands
Linnaeus Group Limited	Linnaeus Group Limited, through its subsidiaries, provides Veterinary services for pets. It offers Veterinary centres for small animals in the areas of orthopedics, ophthalmology, neurology, soft tissue surgery, internal medicine, cardiology, dermatology, and oncology, as well as first opinion Veterinary services. The company also operates Veterinary Cardiorespiratory Centre, a referral practice that specializes in the diagnosis and treatment of heart and lung conditions in dogs and cats. In addition, it offers primary care and referral services. Linnaeus Group Limited was founded in 2014 and is headquartered in Solihull, United Kingdom. As of June 8, 2018, Linnaeus Group Limited operates as a subsidiary of Mars Petcare US, Inc.
National Veterinary Associates, Inc.	National Veterinary Associates, Inc. owns and operates companion animal Veterinary hospitals and boarding facilities in the United States and Canada. It offers a range of medical and surgical services. The company was founded in 1996 and is based in Agoura Hills, California. It has locations Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Florida, Georgia, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Mississippi, North Carolina, New Hampshire, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and West Virginia; and British Columbia, Canada. National Veterinary Associates, Inc. operates as a subsidiary of NVA Holdings, Inc.
VCA Inc.	VCA Inc. operates as an animal healthcare company in the United States and Canada. It operates in two segments, Animal Hospital and Laboratory. The Animal Hospital segment offers general medical and surgical services for companion animals, as well as specialized treatments comprising diagnostic, internal medicine, oncology, neurology, endocrinology, ophthalmology, dermatology, and cardiology services; and sells related retail and pharmaceutical products. It also provides specialty pet products, including pet food, vitamins, therapeutic shampoos and conditioners, flea collars and sprays, and other accessory products; and additional services, such as grooming, bathing, and boarding services. In addition, this segment performs various pet wellness programs, such as health examinations, diagnostic testing, routine vaccinations, spaying, neutering, and dental care. As of December 31, 2016, it operated or managed 795 animal hospitals. The Laboratory segment offers testing and consulting services used by veterinarians in the detection, diagnosis, evaluation, monitoring, treatment, and prevention of diseases and other conditions affecting animals. This segment serves animal hospitals, animal practices, universities, and other government organizations. It operated a network of 61 Veterinary diagnostic laboratories. VCA Inc. also sells digital radiography and ultrasound imaging equipment, related computer hardware, software, and ancillary services to the Veterinary market, as well as provides education and training, consulting, and mobile imaging services; and franchises pet services, including dog day care, overnight boarding, grooming, and other ancillary services at pet care facilities. The company was formerly known as VCA Antech, Inc. and changed its name to VCA Inc. in June 2014. VCA Inc. was founded in 1986 and is headquartered in Los Angeles, California. As of September 12, 2017, VCA Inc. operates as a subsidiary of Mars, Incorporated.
Independent Vetcare Limited	Independent Vetcare Limited, trading as Pet Drugs Online, owns and operates Veterinary practices in the United Kingdom. It also provides off-site training services, including wet lab sessions, seminars, annual congress attendance, and online resource membership. The company was founded in 2011 and is based in Bath, United Kingdom.
PetVet Care Centers, Inc.	PetVet Care Centers, Inc. provides veterinarian services for Veterinary clinics and Veterinary practices. It manages Veterinary hospitals; and offer marketing, finance and accounting, payroll, computers/IT, human resources, legal, purchasing, and recruitment solutions. The company was incorporated in 2012 and is based in Westport, Connecticut.



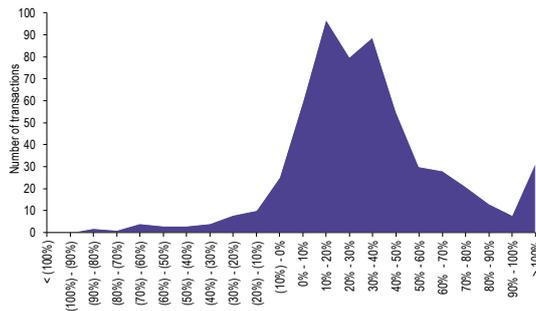
Target Company	Business description
Greencross Limited	<p>Greencross Limited, an integrated pet care company, provides Veterinary services in Australia and New Zealand. It operates in three segments: Retail, Veterinary, and New Zealand. The company engages in the retail of pet food, pet related products, and pet accessories, as well as provision of a range of pet services, including grooming, dog washing, obedience training, pet adoption, hotel, and pet insurance services through a network of stores and an online platform. It also owns and operates a network of Veterinary clinics, such as general practices comprising Veterinary practices that offer consultations and related diagnostics capabilities, and general practice medical and surgical treatment options; emergency centers, which provide animal hospital facilities for afterhours care and treatment of sick pets; and specialty centers that offer Veterinary care across various specialist services that include medicine, surgery, pathology, radiology, dermatology, cardiology, ophthalmology, and dentistry, as well as pathology labs and pet crematoria. The company operates Veterinary clinics under the Greencross Vets, Vepalabs, AEC - Animal Emergency Centre, Pets Eternal, Adelaide Veterinary Specialist and Referral Centre, Melbourne Veterinary Specialist Centre, and Veterinary Referral Hospital brands; and retail stores under the Petbarn, Animates, and City Farmers brands. As of August 20, 2018, it operated approximately 440 retail stores and Veterinary clinics. The company was founded in 1994 and is based in Woolloongabba, Australia.</p>

Source: S&P Global.

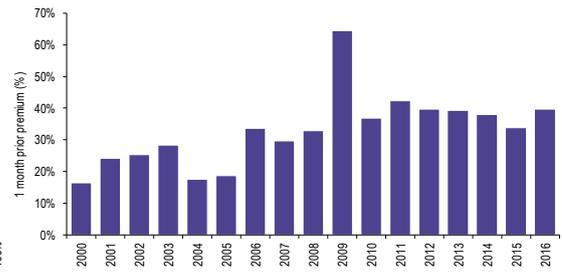
Appendix D – Premium for control study

Evidence from studies indicates that premium for control on successful takeovers has frequently been in the range of 20% to 40% in Australia, and that the premium vary significantly for each transaction.

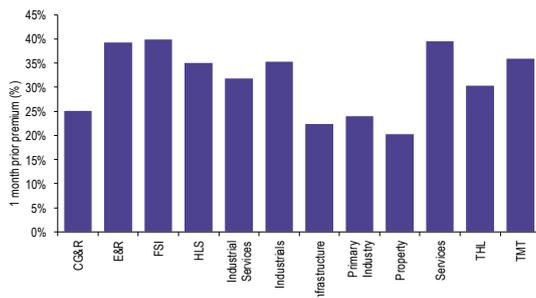
1 Month Prior Control Premium



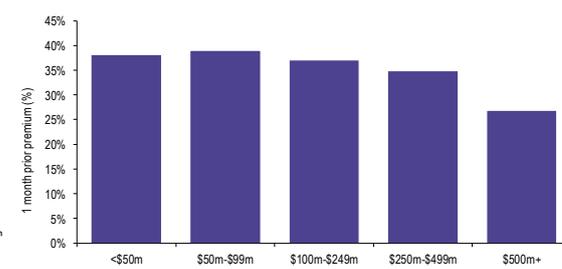
Control premium per completion date



Control premium per industry



Control premium and size



	Control premium
Average	34.33%
Median	29.34%

Source: GTCF analysis.

Appendix E – Trading multiples healthcare

Trading multiples analysis - Health care companies			EV/EBITDA	
Company	Country ¹	Mkt cap ² (A\$m)	FY18	FY19
			Actual ³	Forecast ⁴
Ramsay Health Care Limited	Australia	11,088	12.1x	9.6x
Sonic Healthcare Limited	Australia	9,246	13.1x	11.5x
Healthscope Limited	Australia	4,057	15.6x	14.2x
Primary Health Care Limited	Australia	1,550	10.7x	8.1x
Virtus Health Limited	Australia	411	9.6x	8.3x
Integral Diagnostics Limited	Australia	427	12.4x	8.6x
Pacific Smiles Group Limited	Australia	199	11.2x	8.6x
Abano Healthcare Group Limited	New Zealand	179	9.0x	7.6x
1300SMILES Limited	Australia	145	11.6x	9.7x
Median			11.6x	8.6x
Average			11.7x	9.6x

Sources: S&P Global, GTCF analysis

Notes: (1) Country based on headquarters location; (2) Market capitalisation as at 14 November 2018; (3) Underlying EBITDA (i.e. normalised for unusual items); (4) Forecast based on the median of consensus estimates of all recent broker forecasts sourced from S&P Global.

Appendix F – Glossary

2016 TPG Proposal	Indicative conditional proposal from TPG at a price of A\$6.75 per Greencross share
A\$	Australian Dollar
ACCC	Australian Competition and Consumer Commission
Accent	Accent Group Limited
All Cash Consideration	Cash payment of A\$5.55 per GXL Share including the Special Dividend and Cash Consideration
AGM	Annual general meeting
AMA	Animal Medicines Australia
Animates JV or Animates	50% joint venture holding in respect of Animates NZ Holdings Pty Ltd
ANZ Pet Market	The Pet Retail and Veterinary services industries in Australia and New Zealand
APES	Accounting Professional and Ethical Standards
APES110	Code of ethics for professional accountants
APES225	Accounting Professional and Ethical Standard 225 "Valuation Services"
Apiam	Apiam Animal Health Limited
ARH	Animal Referral Hospital
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Tax Office
Bidco	Vermont Aus Pty Ltd (ACN 626 845 510)
CAGR	Compounded Annual Growth Rate
Cash Consideration	Consideration under the Scheme of A\$5.55 per GXL held as at the Special Dividend Record Date less the Special Dividend
Cash Payment	A fully franked dividend of up to A\$0.21 per GXL Share held as at the Special Dividend Record Date; and The consideration under the Scheme of A\$5.55 per GXL held as at the same date less the Special Dividend
City Farmers	City Farmers Retail Pty
Class B share	Class B Share in the capital of HoldCo having the rights set out in the HoldCo constitution and HoldCo shareholders agreement
Corporations Act	Corporations Act 2001
CVS	CVS Group Plc
CY	Calendar year
DCF	Discounted Cash Flow
DCF Method	Discounted Cash Flow and the estimated realisable value of any surplus assets
EBITDA Multiple	Enterprise Value divided by unaudited Underlying EBITDA
Effective Date	The date when a copy of the Court order approving the Scheme is lodged with ASIC.
Election Date	12 February 2019 or such other date as agreed between TPG and Greencross in writing
EV	Enterprise Value
FFL	Friends For Life loyalty program
FIRB	Foreign Investment Review Board
FME Method	Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets
FSG	Financial Services Guide
FY16	12 month financial year ended 30 June 2016
FY17	12 month financial year ended 2 July 2017

FY18	12 month financial year ended 1 July 2018
FY19	12 month financial year ending in 30 June or early July 2019
Gearing Ratio	Net debt to EBITDA ratio
GP	General Practise
Greencross Management	Senior management and directors of Greencross
Greencross or the Company or GXL	Greencross Limited (ACN 119 778 862)
Greencross share or GXL share	1 outstanding ordinary share in Greencross Limited
Greencross shareholder	An individual/ entity beneficially holding Greencross share(s)
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
GXL Performance Rights	Performance rights in respect of the Greencross shares issued pursuant to the Greencross Long Term Incentive Plan or the Greencross Short Term Incentive Plan
Holdco	Vermont Aus Holdco Pty Ltd (ACN 626 842 135)
HPP	Healthy Pets Plus loyalty program
IER or Report	Independent Expert Report
Implementation Date	22 February 2019 or such other date as Greencross and TPG agree in writing
IVC	Independent Vetcare Limited
JB Hi-Fi	JB Hi-Fi Limited
Kathmandu	Kathmandu Holdings Limited
LFL	Like for Like means comparing to a similar period in another year, adjusted for new or divested business.
LTIP or STIP	Incentive plans, operated by Greencross, that refers to performance periods FY18: 1 July 2017 to 30 June 2020 and FY19: 1 July 2018 to 30 June 2021
Mammoth	Mammoth Pet Holdings Pty Limited
Mixed Consideration	Mixed Consideration Option 1 together with Mixed Consideration Option 2
Mixed Consideration Option 1	Cash Consideration of A\$5.55 per GXL for each GXL Share in exchange for 50% of their GXL the Greencross Shares; and Class B shares in Vermont Aus Holdco Ltd (ACN 626 842 135) ("Holdco") for the remainder of their GXL Shares ("Scrip Consideration")
Mixed Consideration Option 2	Cash Consideration of A\$ 5.55 for each GXL Share in exchange for 25% of their GXL Shares; and Class B shares in Holdco for the remainder of their shares ("Scrip Consideration")
National Vets	National Veterinary Associates
NTM	Next twelve months
NAV Method	Amount available for distribution to security holders on an orderly realisation of assets
NVL or NVC	National Veterinary Care Limited
Ontario Teachers	Ontario Teachers' Pension Plan
pa	Per annum
Special Dividend	A fully franked dividend of up to A\$0.21 per GXL Share held as at the Special Dividend Record Date
Pet Doctors	Pet Doctors Group
Pet Retail industry	Industry including the sale of pet food, pet products and accessories, animal health care products, pet services and pets
Pets at Home	Pets at Home Group Plc
Quoted Security Price Method	Quoted price for listed securities, when there is a liquid and active market

Retail Peers	Comparable companies in the (pet) retail sector, including: Accent, JB Hi-Fi, Super Retail Group, Kathmandu, and Pets at Home
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of experts"
RG60	ASIC Regulatory Guide 60 "Scheme of arrangement"
RG74	ASIC Regulatory Guide 74 "Acquisitions agreed to by shareholders"
Scheme Booklet	The Scheme Booklet, including each attachment
Scheme Implementation Agreement or SIA	Scheme Implementation Agreement dated 5 November 2018 entered into between Greencross and TPG
Scheme or Proposed Scheme	Scheme of Arrangement, under part 5.1 of the Corporations Act, between Greencross and the Scheme Shareholders, substantially in the form set out in the Scheme Implementation Agreement or in such other form as Greencross and TPG agree in writing
Scrip Consideration	Such number of HoldCo Shares as is equivalent to \$5.55 minus the actual amount of any Special Dividend that is declared and paid per Scheme Share
Special Dividend Record Date	Currently expected to be on 14 February 2019.
Super Retail Group	Super Retail Group Limited
TPG or TPG Bidco	Vermont Aus Pty Ltd (ACN 626 845 510) and, where relevant, any subsidiary of that entity where elected pursuant to the terms of the Scheme Implementation Agreement
Underlying EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation. This excludes any exceptional, non-income or non-comparable income or costs that are not relevant to the long term performance of the respective company.
Vet	Veterinary
Veterinary or Vet industry	Industry including Veterinary services such as routine services, planned services, emergency services and other services.
Veterinary Peers	Comparable companies in the Veterinary services sector, including: CVS, National Veterinary Care and Apiam Animal Health
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
Wesfarmers	Wesfarmers Limited
Woolworths	Woolworths Group



C

Appendix C – Scheme Implementation Agreement

Scheme Implementation Agreement

Greencross Limited
Target

Vermont Aus Pty Ltd
Bidder

Clayton Utz
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Level 15, 1 Bligh Street Sydney NSW 2000 Australia
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Scheme implementation agreement

Date

Parties

Greencross Limited ACN 119 778 862 of Unit 6, Eastern Valley Way, Chatswood, NSW 2067 (**Target**)

Vermont Aus Pty Ltd ACN 626 845 510 of Level 31, 101 Collins Street, Melbourne, Victoria 3000 (**Bidder**)

Background

- A. Bidder proposes that it will acquire all of the Target Shares pursuant to a scheme of arrangement under section 411 of the Corporations Act between Target and the holders of Target Shares.
- B. Target has agreed to propose the Scheme and issue the Explanatory Memorandum at the request of Bidder, and Target and Bidder have agreed to implement the Scheme on the terms and conditions of this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement:

Aggregate Cash Consideration means the aggregate of the Cash Consideration payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

Aggregate Scrip Consideration means the aggregate number of HoldCo Shares payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

All Cash Consideration means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.

Animates JV means the joint venture in respect of Animates NZ Holdings Limited.

ARH JV means the joint venture in respect of Veterinary Holdings Pty Ltd.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

Bidder Announcement means, if applicable, an announcement by Bidder, a draft of which has been provided to Target on or before the date of this agreement.

Bidder Board means the board of directors of Bidder.

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Bidder Group means Bidder and each of its Subsidiaries.

Bidder Indemnified Parties means Bidder and its Related Bodies Corporate and their respective directors, officers and employees.

Bidder Information means such information regarding Bidder Group, HoldCo and the Scheme Consideration that is provided by or on behalf of the Bidder Group or HoldCo to Target or the Independent Expert:

- (a) to enable the Explanatory Memorandum to be prepared and completed in compliance with all applicable laws;
- (b) to enable applications for regulatory approvals to be made; and
- (c) otherwise in compliance with Bidder's obligations under clause 4.4.

Bidder Warranties means the warranties made by Bidder set out in clause 12.1.

Bonus Payment has the meaning given in paragraph (k)(vi) of the definition of Target Prescribed Occurrence.

Business Associates Program means the program established by the Target Group to enable veterinarians, practice managers and other employees of veterinary clinics operated as part of the Target Group to share in the financial performance of the veterinary clinics in which they work, including by investing into those clinics and sharing in the profits of those clinics.

Business Day means a day which is a "Business Day" within the meaning given in the Listing Rules.

Cash Consideration means an amount of \$5.55 for each Scheme Share minus the actual amount of the Permitted Dividend that is declared and paid per Scheme Share.

Change of Control Rights has the meaning given in clause 6.2.

Class B Share means a Class B Share in the capital of HoldCo having the rights set out in the HoldCo Constitution and HoldCo SHA.

Competing Proposal means a proposed transaction or arrangement (whether by way of takeover, share acquisition, scheme of arrangement, reverse takeover, synthetic merger, capital reconstruction, acquisition of assets, dual listed structure, or otherwise) which, if implemented substantially in accordance with its terms, would result in a Third Party:

- (a) directly or indirectly acquiring or having a right to acquire, or obtaining an economic interest in all or a substantial part of the business, assets or undertakings of the Target Group;
- (b) acquiring Control of the Target Group;
- (c) directly or indirectly acquiring a Relevant Interest in any Target Shares, as a result of which the Third Party will have Relevant Interests in 20% or more of the Target Shares in aggregate; or
- (d) otherwise directly or indirectly acquire, or merge with, Target.

Condition means each condition specified in clause 3.1.

Confidentiality Agreement means the Mutual Confidentiality Agreement between Target and Bidder dated 20 September 2018.

Control has the meaning given in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Supreme Court of New South Wales or such other court of competent jurisdiction as Target and Bidder agree in writing.

Debt Commitment means the financing commitments pursuant to the Debt Commitment Letters.

Debt Commitment Letters means the executed commitment letters and accompanying term sheets from certain banks or other financial institutions addressed to Bidder and dated on or about the date of this agreement.

Debt Documents means definitive agreements related to the Debt Financing and the Debt Commitment Letters.

Debt Financing means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letters.

Deed Poll means a deed poll to be executed by Bidder in favour of the Scheme Shareholders, substantially in the form set out in Annexure B or in such other form as Target and Bidder agree in writing.

EBITDA means earnings before interest, tax, depreciation and amortisation, in accordance with the accounting policies and practice applied by Target as at the date of this agreement, excluding all costs and expenses incurred by Target associated with the Scheme Process and the Scheme, including all fees payable to external advisers of Target.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

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

Election means a Mixed Election Option 1 or a Mixed Election Option 2.

Election Date means 7.00pm on the date which is at least three Business Days prior to the Record Date or such other date as agreed between Bidder and the Target in writing.

Election Form means the form of election under which a Target Shareholder is offered the opportunity to make an Election.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date 6 months after the date of this agreement or such other date agreed in writing between Target and Bidder.

Equity Commitment Letters means the binding, executed commitment letters provided before the date of this agreement addressed to Bidder and agreed to and accepted by Bidder.

Exclusivity Period means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the date this agreement is terminated in accordance with its terms; and
- (c) the Implementation Date.

Explanatory Memorandum means the explanatory memorandum to be prepared by Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of this agreement and to be dispatched to the Target Shareholders.

Fairly Disclosed has the meaning given in clause 1.4(j).

Financing Arrangements has the meaning given to that term in clause 12.4(a)(x).

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

FY18 Accounts means the consolidated audited financial statement of Target Group for the year ended 30 June 2018.

HoldCo means Vermont Aus Holdco Pty Ltd (ACN 626 842 135).

HoldCo Constitution means the constitution of HoldCo.

HoldCo SHA means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo on substantially those terms set out in the term sheet in Annexure C to this agreement.

HoldCo Share means a fully paid Class B Share in the capital of HoldCo to be provided to Scheme Shareholders under the Scheme.

Implementation Date means the date which is 5 Business Days after the Record Date or such other date as Target and Bidder agree in writing.

Impugned Amount has the meaning given in clause 10.8.

Independent Expert means the independent expert to be engaged by Target to express an opinion on whether the Scheme is in the best interests of the Target Shareholders.

Independent Expert's Report means the report (including the initial report and any update, revision, amendment, addendum or supplementary reports to it) prepared by and from the Independent Expert for inclusion in the Explanatory Memorandum, stating whether or not, in the opinion of the Independent Expert, the Scheme is in the best interests of the Target Shareholders and setting out the reasons for that opinion.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Target Share Register at 7.00 pm on the Record Date is a place outside Australia and its external territories unless Bidder determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with HoldCo Shares when the Scheme becomes Effective.

Insolvency Event means in relation to an entity:

- (a) the entity resolving that it be wound up or the making of an application or order for the winding up or dissolution of the entity, other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of the entity being appointed;
- (c) a court making an order for the winding up of the entity;
- (d) an administrator of the entity being appointed;

- (e) the entity ceasing, or threatening to cease to, carry on a substantial part of the business which is material to it and its Related Body Corporates, taken as a whole, as at the date of this agreement;
- (f) the entity being or becoming unable to pay its debts when they fall due;
- (g) the entity executing a deed of company arrangement; or
- (h) a receiver, or a receiver and manager, being appointed in relation to the entity, or a substantial part, of the property of the entity.

Joint Venture means each of the following entities:

- (a) ARH JV;
- (b) Pet Mart Limited;
- (c) Pet Smart Limited;
- (d) Animates JV; and
- (e) any Subsidiary of any of the entities listed in (a) to (d) above,

(together, the **Joint Ventures**).

Joint Venture Agreements means the constitutions, governing documents and other agreements relating to the Joint Ventures which are contained in the Target Due Diligence Material.

Listing Rules means the official listing rules of the ASX.

Material Adverse Change means an event, occurrences, change, matter, thing or condition which individually or when aggregated with other such events, occurrences changes, matters, things or conditions has had, or could reasonably be likely to have the effect of:

- (a) a diminution in the consolidated annual EBITDA of the Target Group, taken as a whole, by at least \$15,000,000; or
- (b) a diminution in the net assets of the Target Group by \$50,000,000 or more,

compared to the amounts provided for in the FY18 Accounts, other than an event, occurrence or matter:

- (c) to the extent that it was Fairly Disclosed in the Target Due Diligence Materials;
- (d) to the extent that it was fully and Fairly Disclosed in documents that were publicly available prior to the date of this agreement from public filings of Target with ASX;
- (e) relating to costs and expenses incurred by Target associated with the Scheme Process, including all fees payable to external advisers of Target and the funding of the same, to the extent such amounts are Fairly Disclosed in the Target Disclosure Letter;
- (f) comprising or resulting from a change in any applicable law, accounting standards or policies of a Regulatory Authority after the date of this agreement;
- (g) comprising or resulting from any change or disruption to, or fluctuation in, general, economic, business or political conditions, including any change to in foreign exchange rates, interest rates or commodities prices, any change or disruption to,

or fluctuation in, existing financial markets, or any act of terrorism, war or natural disaster or the like, in Australia or elsewhere;

- (h) expressly required or permitted by this agreement or the Scheme (including the payment of the Permitted Dividend); or
- (i) acknowledged or consented to in writing by Bidder, including any consequences of such event, occurrence, change, matter, thing or condition.

Maximum Cash Consideration means a cash amount equal to the Cash Consideration Value multiplied by the total number of Scheme Shares.

Maximum Scrip Threshold means 15% of the total issued capital of HoldCo as at the Implementation Date.

Minimum Scrip Threshold means 1.5% of the total issued capital of HoldCo as at the Implementation Date.

Mixed Consideration Option 1 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 1.

Mixed Consideration Option 2 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of 75% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 2.

Mixed Election Option 1 means an election by a Target Shareholder to receive the Mixed Consideration Option 1 for the Scheme Shares held by that Target Shareholder.

Mixed Election Option 2 means an election by a Target Shareholder to receive the Mixed Consideration Option 2 for the Scheme Shares held by that Target Shareholder.

Permitted Dividend means a dividend in an amount not exceeding \$0.21 per Target Share paid by Target to Target Shareholders between the date of this agreement and Implementation Date (which will be fully franked subject to the availability of franking credits and which, to the extent franked, will not result in the franking account of the Target being in deficit after the payment of the dividend).

Permitted Encumbrance means an encumbrance granted by:

- (a) a Joint Venture after the date of this agreement over assets of the relevant Joint Venture not exceeding \$2,000,000 (in aggregate in relation to all Joint Ventures);
- (b) any Target Company in the ordinary course of business over its assets not exceeding \$1,000,000 (in aggregate), including title retention arrangements; or
- (c) to secure any indebtedness incurred in respect of any Transaction contemplated by this agreement (including, but not limited to, the payment of the Permitted Dividend

or Bonus Payment or the payment of the total costs of the Target Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Target Disclosure Letter).

Policy means the Target Group directors and officers insurance policy in effect at the date of this agreement.

PPSR means the register of security interests maintained in accordance with the *Personal Property Securities Act 2009* (Cth).

Recommendation has the meaning in clause 7.1(a)(i).

Record Date means 7.00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

Regulator's Draft has the meaning given in clause 4.3(h).

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Regulatory Guides means all regulatory guides published by ASIC and in force at the date of this agreement.

Regulatory Review Period means the period from the date on which Target provides the Regulator's Draft to ASIC in accordance with clause 4.3(h) to the date on which ASIC provides a letter indicating whether or not it proposes to appear to make submissions, or will intervene to oppose the Scheme, when the application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Representatives means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

Scaleback Mechanism means the scaleback mechanism set out in clause 5.8.

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

Scheme Consideration means (depending on the Election and subject to the Scaleback Mechanism and the terms of the Scheme):

- (a) All Cash Consideration;
- (b) Mixed Consideration Option 1; or
- (c) Mixed Consideration Option 2.

Scheme Meeting means the meeting of Target Shareholders to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

Scheme Share means a Target Share on issue as at the Record Date.

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

Scrip Consideration such number of HoldCo Shares as is equivalent to \$5.55 minus the actual amount of any Permitted Dividend that is declared and paid per Scheme Share.

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

Security Interest has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

Share Registry means Link Market Services Limited of Level 12, 680 George Street, Sydney, NSW 2000.

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

Superior Proposal means a bona fide written Competing Proposal, which in the determination of the Target Board, acting in good faith and in order to satisfy what the Target Board reasonably considers, after having received legal advice from external legal counsel, to be its fiduciary or statutory duties would, if it is completed substantially in accordance with its terms, be more favourable to Target Shareholders (as a whole) than the Transaction, taking into account all aspects of the Competing Proposal, including but not limited to:

- (a) the value and type of the consideration payable to Target Shareholders under the Competing Proposal and the Tax consequences related to payment of that consideration (as compared to the consideration available under the Transaction);
- (b) the conditions of the Competing Proposal, the likelihood of those conditions being satisfied and the level of certainty in respect of the funding required for the Competing Proposal; and
- (c) the likely timing required to implement or complete the Competing Proposal.

Target Announcement means an announcement by Target a draft of which has been provided to Bidder on or before the date of this agreement.

Target Board means the board of directors of Target.

Target Due Diligence Material means the information and documents disclosed or made available by or on behalf of the Target Group to Bidder and its Representatives, before 8.00am on the date of this agreement, in the online data room established for the purpose of this Transaction, the index for which is attached to the Target Disclosure Letter.

Target Disclosure Letter means the letter executed by Target and given to Bidder immediately before execution of this agreement.

Target Group means Target and each of its Subsidiaries.

Target Indemnified Parties means Target and its Related Bodies Corporate and their respective directors, officers and employees.

Target Information means all information included in the Explanatory Memorandum, other than the Bidder Information, the Independent Expert's Report and any other report or letter issued by a Third Party.

Target Long Term Incentive Plan means the Long Term Incentive Plan operated by Target.

Target Payment means \$6,750,000 (excluding GST).

Target Performance Rights means performance rights in respect of Target Shares issued pursuant to the Target Long Term Incentive Plan or the Target Short Term Incentive Plan.

Target Prescribed Occurrence means the occurrence of any of the following events:

- (a) Target converts all or any of its securities into a larger or smaller number of securities;
- (b) Target or another member of the Target Group (other than a wholly-owned Subsidiary of Target) resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;
- (c) Target or another member of the Target Group (other than a wholly-owned Subsidiary of Target):
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any member of the Target Group issues shares, or grants an option or a performance right over its shares or agrees to make such an issue or grant such an option or a performance right (other than in satisfaction of Target Performance Rights referred to in clause 8(b));
- (e) any member of the Target Group issues, or agrees to issue, convertible notes or any other security convertible into shares or debt securities;
- (f) any member of the Target Group agrees to pay, declares or pays a dividend or any other form of distribution of profits or return of capital to its members other than the declaration and payment by a member of the Target Group of the Permitted Dividend or a dividend where the recipient of that dividend is Target or a wholly-owned Subsidiary of Target;
- (g) any member of the Target Group disposes of, or agrees or dispose of, the whole, or a substantial or material part, of its business, assets or shares or acquires any assets comprising material part, of its business, assets;
- (h) any member of the Target Group creates, or agrees to create, any Encumbrance over, or declares itself the trustee of, any part of its business or property securing an indebtedness or performance of an obligation exceeding \$1,000,000, other than in respect of any transaction contemplated by this Agreement (including, but not limited to, the payment of the Permitted Dividend or Bonus Payment or the payment of the total costs of the Target Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Target Disclosure Letter);
- (i) an Insolvency Event occurs in relation to any member of the Target Group;
- (j) Target or any of its Subsidiaries adopts a new constitution or modifies or repeals its constitution or a provision of it;

- (k) any member of the Target Group:
- (i) increases the remuneration of, or pays any bonus or issues any securities to, or otherwise varies the employment arrangements with, any of its directors or executives;
 - (ii) accelerates the rights of any of its directors or executives to benefits of any kind (other than any vesting of performance rights granted by the Target before the date of this agreement); or
 - (iii) pays or agrees to pay a director or executive a termination payment (including a 'golden parachute'),
- other than:
- (iv) as provided for in the Target's redundancy policy or an existing employment or services agreement;
 - (v) any vesting or termination of Performance Rights in accordance with this agreement;
 - (vi) the payment of cash incentives or bonuses of up to \$1.5 million (in aggregate) to existing executives of the Target Group (**Bonus Payment**); or
 - (vii) as required by law,
- (l) any member of the Target Group enters into, or resolved to enter into, a transaction with any related party of the Target (other than a related party that is a member of the Target Group), as defined in section 228 of the Corporations Act,
- other than an event:
- (m) required by law or Regulatory Authority;
 - (n) permitted or required to be undertaken or procured by the Target Group pursuant to the Transaction Documents;
 - (o) in accordance with the terms of:
 - (i) the Business Associates Program; or
 - (ii) the Joint Venture Agreements,
 including the payment by or to a Target Group entity (including any dividend or distribution) or the issue of any shares of other securities or the granting of any Encumbrance over any assets;
 - (p) to which Bidder has provided its prior written consent;
 - (q) Fairly Disclosed in the Target Due Diligence Material or the Target Disclosure Letter; or
 - (r) Fairly Disclosed in any announcement to the ASX made by Target or any document lodged with ASIC that is publicly available prior to the parties entering into this agreement.

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

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

Target Shares means fully paid ordinary shares in the capital of Target.

Target Short Term Incentive Plan means the Short Term Incentive Plan operated by Target.

Target Warranties means the warranties made by Target set out in clause 12.4.

Tax means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax (including royalty withholding tax), impost or withholding obligation of whatever nature, whether direct or indirect, (including any tax payable under a country's foreign source income attribution or anti-tax-deferral rules) by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction but excluding any stamp duty payable on any transfer of the Target Shares.

Tax Conditions means a condition imposed by the Treasurer under section 74(2) of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in the form of the conditions in the "Taxation Conditions of Certain No Objection Decisions" issued by the Treasurer on 3 May 2016 (or any other replacement or substitute taxation conditions that may be issued by the Treasurer from time to time).

Third Party means a person other than Bidder, Target, or their respective Related Bodies Corporate.

Timetable means the indicative timetable in relation to the Scheme set out in Schedule 1, or such other indicative timetable as Target and Bidder agree in writing.

Transaction means the acquisition by Bidder (or a Subsidiary of Bidder) of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.

Transaction Documents means:

- (a) this agreement;
- (b) the Scheme; and
- (c) the Deed Poll.

Transaction Implementation Committee means a committee to be made up of:

- (a) representatives of each of Target and Bidder;
- (b) representatives from each of the legal advisers of Target and Bidder; and
- (c) such other persons as the parties may agree from time to time.

Treasurer means the Treasurer of the Commonwealth of Australia.

Voting Intention has the meaning in clause 7.1(a)(ii).

1.2 Best and reasonable endeavours

Any provision of this agreement which requires a party to use best endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation to:

- (a) pay any money or to provide any financial compensation, or any other incentive to or for the benefit of any person in the form of an inducement or consideration except for payment of:

- (i) any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
- (ii) immaterial expenses or costs, including costs of advisers, to procure the relevant thing (except, in each case, in circumstances that are commercially onerous or unreasonable in the context of this agreement); or

- (b) commence or defend any legal action or proceeding against any person,

except, in each case, where that provision expressly specifies otherwise and, for the avoidance of doubt, that party will not breach the relevant provision requiring the use of best or all endeavours where the party does not procure that the thing is performed or occurs or does not occur as a result of matters outside the control or influence of the party.

1.3 Business Day

If the day on which any act to be done under this agreement is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this agreement expressly specifies otherwise.

1.4 Interpretation

In this agreement headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments, and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;

- (j) a reference to an event, matter or circumstance being "**Fairly Disclosed**" to a party means disclosed to that party or any of its Representatives in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Representatives) experienced in transactions similar to the Transaction and experienced in business similar to any business conducted by the Target Group (if disclosed by Target) or the Bidder Group (if disclosed by Bidder), to identify the nature and scope of the relevant event, matter or circumstance on the Target Group or the Bidder Group (as applicable);
- (k) a reference to **\$** or **dollar** is to Australian currency;
- (l) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this agreement;
- (m) a reference to a date or time is to that date or time in Sydney, Australia; and
- (n) this agreement (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

2. Obligations in relation to Scheme

2.1 Target to propose Scheme

- (a) Target agrees to propose the Scheme on and subject to the terms and conditions of this agreement.
- (b) Bidder agrees to assist Target to propose the Scheme on and subject to the terms and conditions of this agreement.

2.2 Bidder may elect a Subsidiary

- (a) Target agrees that Bidder may elect, under this clause 2.2, a wholly-owned Subsidiary of Bidder to acquire all of the Target Shares under the Scheme by giving written notice to Target of that relevant Subsidiary of Bidder on or before the First Court Date.
- (b) Bidder warrants that if it elects a wholly-owned Subsidiary to acquire all of the Target Shares pursuant to clause 2.2(a), Bidder and the wholly-owned subsidiary will both enter into the Deed Poll and Bidder will continue to be bound by this agreement and the Confidentiality Agreement.
- (c) For the avoidance of doubt, Bidder warrants that if it elects a wholly-owned Subsidiary to acquire all of the Target Shares pursuant to clause 2.2(a), it will ensure the wholly-owned subsidiary completes the acquisition in accordance with the terms of this agreement and the Deed Poll.

3. Conditions precedent

3.1 Conditions

Subject to this clause 3, the Scheme will not become Effective and the obligations of the parties to implement the Scheme (including under clause 4), are not binding, until each of the conditions listed in the first column of the following table are either satisfied or waived in accordance with clause 3.5:

Condition	Right to benefit & waive	Responsibility to satisfy
<p>(a) (FIRB approval) before 5.00 pm on the Business Day before the Second Court Date, the Treasurer has either:</p> <p>(i) provided written notice that there is no objection under the <i>Foreign Acquisition and Takeovers Act 1975</i> (Cth) to the Scheme, being either unconditional or subject only to:</p> <p style="margin-left: 40px;">A. Tax Conditions; or</p> <p style="margin-left: 40px;">B. conditions which are reasonably acceptable to Bidder; or</p> <p>(ii) become precluded from exercising any power to make an order under the <i>Foreign Acquisition and Takeovers Act 1975</i> (Cth) in relation to the Scheme.</p>	None	Bidder
<p>(b) (No Material Adverse Change) no Material Adverse Change occurs or becomes known to the Target between the date of this agreement and 8.00am on the Second Court Date.</p>	Bidder	Target
<p>(c) (No restraint) no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any Regulatory Authority or any other legal restraint preventing any of the transactions contemplated by this agreement is in effect as at 8.00 am on the Second Court Date.</p>	Target and Bidder	Target and Bidder
<p>(d) (Animates JV) by 8.00am on the Second Court Date, the counterparty to the Animates JV has given (and has not withdrawn) its consent in writing to the change of control which will occur as a result of the Transaction either without qualification or on terms and conditions which are acceptable to Bidder, acting reasonably.</p>	Bidder	Target and Bidder
<p>(e) (Target Prescribed Occurrence) no Target Prescribed Occurrence has occurred or becomes known to Bidder between the date of this agreement and 8.00 am on the Second Court Date;</p>	Bidder	Target
<p>(f) (Target Shareholder approval) Target Shareholders approve the Scheme by the majorities required under section</p>	None	Target and Bidder

411(4)(a)(ii) of the Corporations Act;		
(g) (Court approval) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;	None	Target and Bidder
(h) (Target Warranties) at all times on and before 8.00 am on the Second Court Date, the Target Warranties are true and correct in all material respects as at the time they are given; and	Bidder	Target
(i) (Bidder Warranties) at all times on and before 8.00 am on the Second Court date, the Bidder Warranties are true and correct as at the time they are given.	Target	Bidder
(j) (Employee incentive arrangements) Target has taken all necessary steps by 8.00 am on the Second Court Date to ensure that all outstanding Target Performance Rights vest or lapse before the Record Date, as contemplated by clause 8.	Bidder	Target

3.2 General obligations in relation to Conditions

Without prejudice to any other obligations of the parties under this agreement, in respect of any given Condition:

- (a) if one party is specified in the third column of the table in clause 3.1 opposite that Condition, that party must use its best endeavours to procure that that Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require);
- (b) if both parties are specified in the third column of a table in clause 3.1 opposite that Condition, both parties must, to the extent that it is within their respective control or influence, use their best endeavours to procure that that Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require); and
- (c) each party must, to the extent that it is within its respective control or influence, use its best endeavours to procure that there is no occurrence that would prevent the Condition being satisfied.

3.3 Obligations in relation to regulatory approvals

Without limiting clause 3.2, to the extent that clause 3.2 requires a party to use best endeavours to procure that a regulatory approval is obtained, that party must:

- (a) as soon as practicable prepare and lodge, each notice or application required to be given by that party for the purposes of procuring that the regulatory approval is obtained and take all procedural steps it is responsible for as part of such approval process, including responding to requests for information at the earliest practicable time, and use best endeavours to obtain such approvals as soon as practicable after the date of this agreement;

- (b) keep the other party informed of progress in relation to each such regulatory approval and of any material matters raised by, or conditions or other arrangements proposed by, or to, any Regulatory Authority which relate to any such regulatory approval; and
- (c) provide copies of all material documents provided to and received from each relevant Regulatory Authority in relation to each such regulatory approval (including before the date of this agreement), on a confidential basis, to the other party,

provided that:

- (d) in relation to subparagraph (d), the party applying for the approval may withhold or redact information or documents if and to the extent that they are confidential to a Third Party;
- (e) nothing in this clause 3.3 or any other provision of this agreement requires a party to disclose materially commercially sensitive information to the other party; and
- (f) where any information or document is withheld or redacted for the reasons set out in subparagraph (g) and (h), the party applying for the approval must provide the other party with as much detail about the relevant information or document (and any other relevant circumstances) as is reasonably possible without disclosing information or documents that are confidential to a Third Party or materially commercially sensitive to the disclosing party.
- (g) subject to clause 3.1(a), nothing in this clause 3.3 or any other provision of this agreement requires a party to agree to any conditions or to provide any written undertakings to a Regulatory Authority which are not reasonably acceptable to that party.

The other party must provide the applicant for a regulatory approval with all assistance and information reasonably requested by the applicant in connection with the application for and obtaining the approval.

3.4 Notice in relation to satisfaction of Conditions

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) in relation to any Condition, promptly notify the other party in writing upon becoming aware of the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence that the Condition has been satisfied; and
- (c) in relation to any Condition, promptly notify the other party in writing of a breach or non-fulfilment of a Condition or any occurrence or event that will prevent a Condition from being satisfied and where a party is entitled to waive that Condition upon receipt or delivery of such a notice (as applicable) that party must notify the other party in accordance with clause 3.5 as soon as possible, (in any event before 5.00 pm on the Business Day before the Second Court Date) as to whether the party waives the breach or non-fulfilment of the Condition resulting from the occurrence or event.

If there occurs a breach or non-fulfilment of a Condition or any occurrence or event that will prevent a Condition from being satisfied, the parties will consult in good faith for 5 Business Days to determine whether an alternative solution can be agreed.

3.5 Waiver of Conditions

- (a) A Condition is only for the benefit of:
 - (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, that party; or
 - (ii) if both parties are specified in the second column of the table in clause 3.1 opposite that Condition, both parties.
- (b) A Condition may be waived and may only be waived:
 - (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, by that party by written notice to the other party; or
 - (ii) if both parties are specified in the second column of the table in clause 3.1 opposite that Condition, by written agreement between the parties.
- (c) The Conditions in clauses 3.1(a), (f) and (g) cannot be waived.
- (d) A party entitled to waive or to agree to waive a Condition under this clause 3.5 may do so in its absolute discretion subject to the provision of written notice to the other party.
- (e) Any waiver of a Condition by a party who is entitled to do so pursuant to clause 3.5(b) is only effective if such waiver is given on or prior to 8.00 am on the Second Court Date.
- (f) A party that waives or agrees to waive a Condition is not prevented from bringing a claim against any other party in respect of any breach of this agreement that caused that Condition not to be satisfied.
- (g) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.

3.6 Termination on failure of Conditions

- (a) If any event occurs which would, or in fact does, prevent a Condition in clause 3.1 being satisfied by the date specified for its satisfaction in this agreement and that Condition is not waived by Target or Bidder or both (as applicable) in accordance with clause 3.5, the parties must consult in good faith to:
 - (i) determine whether the Transaction may proceed by way of alternative means or method;
 - (ii) change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by Target and Bidder (being a date no later than 5 Business Days before the End Date);
 - (iii) extend the relevant date to a date no later than 5 Business Days before the End Date; or

- (iv) extend the End Date.
- (b) If the parties are unable to reach an agreement under clause 3.6(a), within 5 Business Days of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that Condition is waived by Target or Bidder or both (as applicable) in accordance with clause 3.5, either party may terminate this agreement without liability (except under clause 10, if applicable) to the other party because of that termination, unless the relevant occurrence or the failure of the Condition to be satisfied, or of the Scheme to become Effective, arises out of a breach by the terminating party.
- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination, on termination of this agreement, no party shall have any rights against or obligations to any other party under this agreement except for those rights and obligations which accrued prior to termination.
- (d) If the Condition in clause 3.1(f) (Target Shareholder approval) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If approval is given, the Condition in clause 3.1(f) (Target Shareholder approval) is deemed to be satisfied for all purposes.

4. Implementation of Scheme

4.1 Scheme

- (a) Target must propose a Scheme to Target Shareholders, pursuant to which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration subject to and on the terms and conditions set out in this agreement.
- (b) Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder (such consent not to be unreasonably withheld or delayed).

4.2 Timetable

Each party must:

- (a) use its best endeavours;
- (b) commit reasonable necessary resources; and
- (c) procure that its officers and advisers work in good faith and in a timely and cooperative fashion with the other party,

to perform its obligations as set out in this clause 4 in accordance with the Timetable.

4.3 Target's obligations

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

- (a) **(Explanatory Memorandum)** as soon as practicable after the date of this agreement, prepare the Explanatory Memorandum (excluding the Bidder Information and the Independent Expert's Report) in accordance with all applicable laws and in particular the requirements of the Corporations Act, the Listing Rules and the Regulatory Guides;
- (b) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Explanatory Memorandum (other than the Bidder Information and the Independent Expert's Report);
- (c) **(Directors' Recommendation)** include a statement in the Explanatory Memorandum and the Announcement setting out (on the basis of statements made to Target by each Target director) the Recommendation and Voting Intention of each of the Target directors in accordance with clause 7.1;
- (d) **(Review of Bidder Information)** as soon as practicable after receiving a draft of the Bidder Information pursuant to clause 4.4(a), review and provide comments on the form and content of the Bidder Information to Bidder and liaise with Bidder to finalise the Bidder Information for inclusion in the Explanatory Memorandum;
- (e) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Memorandum;
- (f) **(Provide draft Explanatory Memorandum to Bidder)** provide drafts of the Explanatory Memorandum (including, to the extent available, the Independent Expert's Report no later than 2 Business Days prior to provision of the Regulator's Draft (as defined below) to ASIC) to Bidder, consult with Bidder in relation to the content of those drafts, (acting reasonably and in good faith) take into account any comments from Bidder and its Representatives on those drafts and obtain prior written approval from Bidder for the form and content in which the Bidder Information appears in the Explanatory Memorandum (accepting that any review of the Independent Expert's Report by Bidder is to be limited to review for factual accuracy of those parts that include information relating to Bidder and Target makes no representation as to the extent to which the Independent Expert will receive or consider those comments);
- (g) **(Approval of draft Explanatory Memorandum)** procure that a meeting of the Target Board is convened to approve the draft Explanatory Memorandum to be provided to ASIC for its review;
- (h) **(ASIC review)** as soon as reasonably practicable provide an advanced draft of the Explanatory Memorandum (**Regulator's Draft**) to ASIC, for its review and approval for the purposes of section 411(2) of the Corporations Act, and to Bidder and:
 - (i) liaise with ASIC as necessary during the Regulatory Review Period; and
 - (ii) keep Bidder reasonably informed of any matters raised by ASIC in connection with the Explanatory Memorandum or the Scheme and use reasonable endeavours to consult with Bidder to resolve any such matters;
- (i) **(Section 411(17)(b) statement)** apply to ASIC for the production of:
 - (i) a letter stating that ASIC does not intend to appear before the Court on the First Court Date; and
 - (ii) a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;

- (j) **(Court documents)** consult with Bidder in relation to the content of the documents required for the purposes of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith comments on, and suggested amendments to, those documents from Bidder and its Representatives;
- (k) **(First Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting;
- (l) **(Approval of Explanatory Memorandum)** procure that a meeting of the Target Board is convened to approve the Explanatory Memorandum for registration with ASIC and dispatch to Target Shareholders;
- (m) **(Register Explanatory Memorandum)** request that ASIC register the explanatory statement included in the Explanatory Memorandum in relation to the Scheme be registered in accordance with section 412(6) of the Corporations Act;
- (n) **(Dispatch and compliance with Court orders)** take all reasonable steps necessary to comply with the orders of the Court including, as required, dispatching the Explanatory Memorandum to Target Shareholders, provided that, before dispatch, Target must obtain the written consent of Bidder to the inclusion of Bidder Information in the Explanatory Memorandum, in the form and context in which it appears (such consent not to be unreasonably withheld or delayed);
- (o) **(Update Explanatory Memorandum)** until the date of the Scheme Meeting, promptly update the Explanatory Memorandum if it becomes aware of:
- (i) any information that is required to be disclosed to Target Shareholders in the Explanatory Memorandum under any applicable law, which has not already been disclosed to Target Shareholders; or
 - (ii) any information included in the Explanatory Memorandum that is or has become misleading or deceptive in any material respect or contains any material omission,
- and provide such further or new information as is required to ensure that the information is no longer misleading or deceptive in any material respect or contains any material omissions.
- (p) **(Convene Scheme Meeting)** convene and hold the Scheme Meeting to seek the Target Shareholder's agreement to the Scheme in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act.
- (q) **(Court approval application)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or where clause 3.6 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act) and subject to all other Conditions (other than the Condition in clause 3.1(g)) being satisfied or waived in accordance with this agreement, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (r) **(Representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act.
- (s) **(Promotion)** participate in efforts reasonably requested by Bidder to promote the merits of the Scheme, including meeting with key Target shareholders or Bidder shareholders at the reasonable request of Bidder and providing Bidder with such

information and assistance that Bidder reasonably requests to enable it to promote the merits of the Scheme;

- (t) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(g)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to Bidder by 5.00 pm on the Business Day prior to the Second Court Date;
- (u) **(Lodge copy of Court order)** if the Scheme is approved by the Court, lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act before 5:00pm on the Business Day on which such office copy is received (or such later date as is agreed between the parties in writing);
- (v) **(ASX listing)** not do anything to cause the Target to cease to be admitted to the ASX or the Target Shares to cease to be quoted for trading (and not permanently suspended) on ASX, until the close of business on the Business Day after the Implementation Date;
- (w) **(Implementation of Scheme)** if the Scheme becomes Effective:
 - (i) apply to ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date;
 - (ii) close the Target Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and the Deed Poll;
 - (iii) provide to Bidder, or procure that the Share Registry provides to Bidder, all necessary information about the Scheme and the Scheme Shareholders that Bidder reasonably requires in order for Bidder to provide, or procure the provision of, the Scheme Consideration in accordance with the Scheme;
 - (iv) subject to Bidder paying the Scheme Consideration in accordance with its obligations under clause 5, on the Implementation Date (or as soon as practicable thereafter) register all transfers of Scheme Shares to Bidder in accordance with the Scheme; and
 - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme, in accordance with all applicable laws and regulations; and
- (x) **(Other things necessary)** promptly do all other things contemplated by or reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

4.4 Bidder's obligations

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

- (a) **(draft of Bidder Information)** prepare and provide to Target a draft of Bidder Information as soon as reasonably practicable after the date of this agreement and consult with Target in relation to the content of drafts of Bidder Information and (acting reasonably and in good faith) take into account any comments from Target and its Representatives on those drafts;

- (b) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to Bidder Information;
- (c) **(final form of Bidder Information)** provide to Target the Bidder Information in a form appropriate for inclusion in the Explanatory Memorandum;
- (d) **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Explanatory Memorandum;
- (e) **(assistance with Explanatory Memorandum)** promptly provide all assistance and information reasonably requested by Target or its Representatives in connection with the preparation of the Explanatory Memorandum (including any supplementary disclosure to Target Shareholders) and any documents required to be filed with the Court in respect of the Scheme;
- (f) **(review Explanatory Memorandum)** review the drafts of the Explanatory Memorandum provided by Target and provide comments on those drafts promptly and in good faith;
- (g) **(Approval of Bidder Information)** as soon as reasonably practicable after receipt of the draft Explanatory Memorandum from Target, and in any event, before a draft of the Explanatory Memorandum is lodged with ASIC, and again before the Explanatory Memorandum is dispatched to Target Shareholders, confirm in writing to Target:
 - (i) Bidder's consent to the inclusion of the Bidder Information in the Explanatory Memorandum in the form and context in which it appears in the Explanatory Memorandum; and
 - (ii) the accuracy and completeness of the Bidder Information, in the form and context in which it appears in the Explanatory Memorandum, including that it is not misleading or deceptive in any material respect and does not contain any material omission and is in a form appropriate for dispatch to the Target Shareholders (subject to the approval of the Court);
- (h) **(Update the Bidder Information)** until the date of the Scheme Meeting, promptly inform Target if it becomes aware of:
 - (i) any information that is required to be disclosed to Target Shareholders in the Bidder Information under any applicable law, which has not already been disclosed to Target Shareholders; or
 - (ii) any information included in the Explanatory Memorandum that is or has become misleading or deceptive in any material respect or contains any material omission,

and provide such further or new information as is required to ensure that the information is no longer misleading or deceptive in any material respect or contains any material omissions.
- (i) **(promote merits of Transaction)** participate in efforts reasonably requested by Target to promote the merits of the Transaction and the Scheme Consideration, including meeting with key Target Shareholders at the reasonable request of Target;
- (j) **(Deed Poll)** by no later than the Business Day prior to the First Court Date, execute the Deed Poll and deliver the executed Deed Poll to Target;

- (k) **(Representation)** procure that, if requested by Target, it is represented by counsel at the Court hearings convened for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act, at which, through its counsel and, if requested by the Court, Bidder will undertake to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;
- (l) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause (g)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to Target by 5:00 pm on the Business Day prior to the Second Court Date;
- (m) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration on the Implementation Date in accordance with clause 5 and the terms of the Scheme and Deed Poll; and
- (n) **(Share transfer)** if the Scheme becomes Effective, accept the transfer of the Scheme Shares as contemplated by clause 4.3(w)(iv) and execute any instruments of transfer required to effect the transfer of the Scheme Shares; and
- (o) **(Other things necessary)** promptly do all other things contemplated by or reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

4.5 Dispute as to Explanatory Memorandum

If, after a reasonable period of consultation, the parties, each acting reasonably and in good faith, are unable to agree on the form or content of the Explanatory Memorandum, then:

- (a) if the disagreement relates to the form or content of Bidder Information (or any information solely derived from, or prepared solely in reliance on, Bidder Information), Target will, acting in good faith, make such amendments to that information in the Explanatory Memorandum as Bidder may require (acting reasonably and in good faith); and
- (b) if the disagreement relates to the form or content of the Target Information (or any information solely derived from, or prepared solely in reliance on, information provided by or on behalf of Target, or extracted from announcements made by Target to ASX regarding the Target Group), Target will, acting in good faith, decide the final form of that information in the Explanatory Memorandum.

4.6 Reconstitution of Target Board

With effect on and from the Implementation Date, but subject to Bidder having provided the Scheme Consideration in accordance with this agreement, Target must:

- (a) cause the appointment to the Target Board and to the boards of each Subsidiary of Target those persons nominated by Bidder in writing to Target, subject to those persons being appointed having provided to Target duly executed consents to act as directors of the relevant companies; and
- (b) procure that all Target directors and the directors of each subsidiary of Target (other than, in each case, those appointed pursuant to clause 4.6(a)) resign from the Target Board and the board of each subsidiary of Target,

in each case, in accordance with the Target constitution, the Corporations Act and the Listing Rules.

4.7 Responsibility statement

The Explanatory Memorandum will contain a responsibility statement to the effect that:

- (a) Bidder is responsible for the Bidder Information contained in the Explanatory Memorandum and, to the maximum extent permitted by law, Target will not be responsible for any Bidder Information and will disclaim any liability for Bidder Information appearing in the Explanatory Memorandum; and
- (b) Target is responsible for the Target Information contained in the Explanatory Memorandum and, to the maximum extent permitted by law, Bidder will not be responsible for any Target Information and will disclaim any liability for Target Information appearing in the Explanatory Memorandum.

4.8 Removal of Target from official list of ASX

If directed by Bidder in writing, Target must take all steps necessary for Target to be removed from the official list of ASX on the day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date, and any one or more of Target and Bidder must satisfy any conditions reasonably required by ASX for it to act on that request.

4.9 Court representation

- (a) Bidder is entitled to separate representation at all Court proceedings relating to the Scheme at its own cost; and
- (b) Target must support any application by Bidder for leave of the Court to be represented, or the separate representation of Bidder, at any hearing held by the Court in relation to the Scheme whether following a request by Target or otherwise.

4.10 Appeal process

- (a) If the Court refuses to make orders directing Target to convene the Scheme Meeting or approving the Scheme, Target and Bidder must:
 - (i) consult with each other in good faith as to whether to appeal the Court's decision; and
 - (ii) appeal the Court's decision (and Bidder must provide, or procure that a nominee of Bidder provides, all reasonable assistance), except to the extent that:
 - A. the parties agree otherwise; or
 - B. an independent senior counsel advises that, in their opinion, an appeal would have no reasonable prospect of success before the End Date,

in which case either party may terminate this agreement (and such termination will be in accordance with termination event in clause 14.2(a) or 14.3(a) (as applicable)).

4.11 HoldCo documentation

The parties must use their best endeavours to work together in good faith from the date of this agreement to finalise and agree the form and terms of the following as soon as possible after the date of this agreement but in any event by 8.00am on the First Court Date:

- (a) the HoldCo SHA;

- (b) the HoldCo Constitution; and
- (c) documents ancillary to the HoldCo SHA, HoldCo Constitution or which are customary and reasonable to facilitate the Transaction.

5. Scheme Consideration

5.1 Bidder undertakings in relation to Scheme Consideration

Bidder undertakes to Target (in the Target's own right and separately as trustee for each of the Scheme Shareholders) that, if the Scheme becomes Effective, in consideration for the transfer to Bidder of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Bidder will:

- (a) accept that transfer;
- (b) provide, or procure the provision to, each Scheme Shareholder the Scheme Consideration in accordance with:
 - (i) subject to clause 5.2 and any application of the Scaleback Mechanism, any Election made by that Scheme Shareholder as contemplated by clause 5.3;
 - (ii) clause 5.4 and 5.5; and
 - (iii) the terms of the Scheme;
- (c) on the Implementation Date:
 - (i) pay, or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Aggregate Cash Consideration; and
 - (ii) subject to clause 5.2, procure the allotment of the Aggregate Scrip Consideration to applicable Scheme Shareholders (subject to any applicable scaleback in accordance with the Scaleback Mechanism),

in each case in accordance with the terms of the Scheme.

5.2 Minimum Scrip Number not reached

If the Aggregate Scrip Consideration is less than the Minimum Scrip Threshold:

- (a) Bidder is not required to:
 - (i) comply with any valid Elections; or
 - (ii) issue any Scrip Consideration to any Scheme Shareholders;
- (b) each Scheme Shareholder who gives a valid Election will be entitled to receive the All Cash Consideration for the Scheme Shares they hold; and
- (c) Bidder must, instead of complying with clauses 5.1(b) and 5.1(c)(ii), by no later than 12 pm on the Implementation Date, pay or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Maximum Cash Consideration and will, by doing so, satisfy its obligations under clauses 5.1(b) and 5.1(c)(ii).

5.3 Election mechanism

- (a) Each Target Shareholder (other than Ineligible Foreign Shareholders) will be entitled to make an Election. All Elections take effect in accordance with the Scheme to the extent any Target Shareholder who makes an Election qualifies as a Scheme Shareholder.
- (b) Target must ensure that the Explanatory Memorandum is accompanied by an Election Form.
- (c) The Election Form must state to the effect that:
 - (i) subject to clause 5.3(c)(iv), an Election must be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form before the Election Date;
 - (ii) an Election will apply to all of the Target Shares of the Target Shareholder as at the Election Date;
 - (iii) once made, an Election may be varied, waived or revoked before the Election Date by notice in writing to the Target; and
 - (iv) in the manner considered appropriate by Bidder and the Target (acting reasonably), a Target Shareholder who holds one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Target Shares (subject to providing to Bidder and the Target any substantiating information they reasonably require), and if it does so will be treated as a separate Target Shareholder in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holding), provided that if, at the Election Date, it holds fewer Target Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Target Shares notified the Target whether the Target Shares sold relate to any such separate Election (and if so, which separate Election the Target Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Target Shares (or will be treated in any other manner that Bidder and the Target agrees is fair to the Target Shareholder in all the circumstances acting reasonably).
- (d) The Target must ensure that, to the extent reasonably practicable, persons who acquire Target Shares after the date of the dispatch of the Explanatory Memorandum and until the Election Date are sent an Election Form upon those persons requesting one from the Target.
- (e) In order to facilitate the issue of the Scrip Consideration (if applicable), the Target must provide, or procure the provision, to Bidder, details of any Election made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.
- (f) The parties agree that the terms and conditions that will be stated on the Election Form will include the following:
 - (i) Ineligible Foreign Shareholders may not make an Election and that any purported Election by such persons will be of no effect. Clause 5.7 will

apply to any Target Shareholder who makes an Election but who qualifies as an Ineligible Foreign Shareholder;

- (ii) if a Target Shareholder does not make a valid Election, that Target Shareholder will receive All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder;
- (iii) Target Shareholders who make a valid Election agree to become members of HoldCo from the Implementation Date and become bound by the HoldCo Constitution and HoldCo SHA, pursuant to the Scheme;
- (iv) Target Shareholders who make a valid Election must provide, before the Election Date, the information and documents described in the Election Form as being required by Bidder or Target; and
- (v) if the Aggregate Scrip Consideration is less than the Minimum Scrip Number, Target Shareholders who make valid Elections will receive the All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder,

and such other terms and conditions as Bidder reasonably requires to be stated on the Election Form.

5.4 All Cash Consideration

- (a) If a Target Shareholder:
 - (i) is an Ineligible Foreign Shareholder; or
 - (ii) does not make a valid Election,
 that Target Shareholder will be entitled to receive the All Cash Consideration for the Scheme Shares held by them.
- (b) All Target Shareholders will receive the All Cash Consideration for the Scheme Shares held by them if the provisions of clause 5.2 apply.
- (c) Where a calculation of Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent:
 - (i) where the entitlement is to half a cent or more, the fractional entitlement will be rounded up to the nearest whole cent; and
 - (d) where the entitlement is to less than half a cent, the fractional entitlement will be rounded down to the nearest whole cent.

5.5 Scrip Consideration

If a Target Shareholder makes a valid Election and clause 5.2 does not apply:

- (a) the Target Shareholder will be entitled to receive the Scheme Consideration relevant to their Election (subject to the Scaleback Mechanism and the terms of the Scheme); and
- (b) if the number of HoldCo Shares to which that Target Shareholder is entitled is not a whole number:
 - (i) where the entitlement is to half a HoldCo Share or more, the number of HoldCo Shares will be rounded up to the nearest whole number; and

- (ii) where the entitlement is to less than half a HoldCo Share, the number of HoldCo Shares will be rounded down to the nearest whole number.

5.6 Share splitting

If Bidder and the Target are of the opinion that a number of Scheme Shareholders and/or other persons (who, to avoid doubt, may include other Scheme Shareholders) have, before the Election Date, been party to a shareholding splitting or division or an acquisition of Scheme Shares in an attempt to obtain, or which provides, an advantage by reference to the rounding as contemplated by clause 5.5(b)(i), Bidder may give notice to those Scheme Shareholders prior to the Implementation Date:

- (a) setting out the names and registered address of all of those Scheme Shareholders;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after the notice has been so give, the Scheme Shareholder specifically identified in the notice will, for the purposes of the Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

5.7 Ineligible Foreign Shareholders

Bidder has no obligation to provide, and will not provide, under the Scheme any Scrip Consideration to Ineligible Foreign Shareholders, regardless of the Election made by those persons, but must pay the All Cash Consideration to each Ineligible Foreign Shareholder for the Scheme Shares they hold in accordance with the Scheme.

5.8 Scaleback Mechanism

If:

- (a) the Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election on or before the Election Date; and
- (b) the Aggregate Scrip Consideration exceeds the Maximum Scrip Threshold,

then

- (c) the Scheme Shareholder is entitled to receive Scrip Consideration as calculated in accordance with the following formula:

$$A = (B \times \text{Scrip Consideration}) \times \left(\frac{C}{D}\right)$$

where:

A = the number of HoldCo Shares to be received by the Scheme Shareholder pursuant to the Scheme;

B = if the Scheme Shareholder:

- (a) has made a Mixed Election Option 1 Election, a number equal to 50% of the Scheme Shares held by the Scheme Shareholder; or

(b) has made a Mixed Election Option 2 Election, a number equal to 75% of the Scheme Shares held by the Scheme Shareholder;

C = the number of HoldCo Shares equal to the Maximum Scrip Threshold; and

D = the Aggregate Scrip Consideration; *plus*

- (d) the Scheme Shareholder is entitled to receive the All Cash Consideration Value for:
- (i) each Scheme Share they hold; *less*
 - (ii) the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive Scrip Consideration as calculated in accordance with clause 5.8(c) above.

6. Conduct of business

6.1 Conduct of Target's business

- (a) From the date of this agreement up to and including the Implementation Date, Target must procure that each member of the Target Group:
- (i) conducts its businesses and operations in the ordinary and usual course and substantially consistent (subject to any applicable laws, regulations and licence conditions) with the manner in which each such business and operation is conducted prior to the date of this agreement including using all reasonable endeavours to preserve its current business organisation, the services of its current officers and its current relationship with third parties (including Regulatory Authorities, rating agencies, customers, suppliers, licensors, licensees and others having material business dealings with it);
 - (ii) conducts its businesses and operations substantially in accordance with all applicable laws and regulations;
 - (iii) uses all reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice; and
 - (iv) use all reasonable endeavours to comply in all material respects with all contracts to which a Target Group member is a party;
- (b) ensure that no member of the Target Group:
- (i) disposes of any securities, business, asset, interest in a joint venture, entity or undertaking, the value of which exceeds \$1,000,000, to any person other than another entity within the Target Group, excluding any disposal approved by the Target Board prior to the date of this agreement that has been disclosed in the Target Due Diligence Material;
 - (ii) acquires any securities, business, assets, interest in a joint venture, entity or undertaking, the price of which exceeds \$2,000,000, from another person other than another entity within the Target Group, excluding any acquisition, capital expenditure or project expenditure

approved by the Target Board that has been disclosed in the Target Due Diligence Material;

(iii) incurs any indebtedness, or provides any financial accommodation (irrespective of what form that financial indebtedness or accommodation takes), exceeding \$1,000,000 (individually or in aggregate), excluding any borrowing under its existing bank facilities or any indebtedness approved by the Target Board that has been disclosed in the Target Due Diligence Material or any indebtedness incurred in respect of any transaction contemplated by this Agreement (including, but not limited to, the payment of the Permitted Dividend or Bonus Payment or the payment of the total costs of the Target Group incurred in relation to the Transaction not exceeding the amount Fairly Disclosed in the Target Disclosure Letter);

(iv) either:

- A. enters into a new employment contract with a potential employee of the Target Group (other than to replace an employee who has ceased to be an employee of the Target Group); or
- B. enters into a new employment contract or amend (other than as part of any annual salary review conducted in the ordinary course) an employment contract with an existing employee of the Target Group,

in respect of which the total employment costs payable to that existing or potential employee is in excess of \$150,000 per annum;

(v) enters into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this agreement;

(vi) settles any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount exceeds \$500,000;

(vii) enters into a joint venture or strategic partnership with any person where the contractually committed investment by the Target Group exceeds \$1,000,000;

(viii) makes a commitment to capital expenditure in excess of \$5,000,000 (individually or in aggregate); and

(ix) authorises, commits or agrees to do any of the matters set out above;

(c) ensure that no Target Prescribed Occurrence occurs,

except to the extent that any action undertaken by Target relates to any matter or event:

(d) that is in accordance with the terms of:

- (i) the Business Associates Program; or
- (ii) the Joint Venture Agreements,

including the payment by or to a Target Group entity (including any dividend or distribution) or the issue of any shares of other securities or the granting of any Encumbrance over any assets;

- (e) that is required to be done or procured by Target or another member of the Target Group pursuant to, or which is otherwise expressly permitted by, the Transaction Documents;
- (f) for which Bidder has provided its prior written consent (such consent not to be unreasonably withheld or delayed);
- (g) which arises as a result of court or Regulatory Authority order, injunction or undertaking or is otherwise required in order to comply with any applicable law or regulation;
- (h) which has been Fairly Disclosed to ASX prior to the date of this agreement;
- (i) which is Fairly Disclosed in the Target Due Diligence Material or the Target Disclosure Letter; or
- (j) which is in accordance with contractual rights and obligations that existed at the date of this agreement, provided such rights and obligations have been Fairly Disclosed in the Target Due Diligence Material.

6.2 Permitted Dividend and Bonus Payment

Target must consult in good faith with Bidder in relation to the funding of the Permitted Dividend and Bonus Payment (including to determine the most cost effective manner to fund the Permitted Dividend and Bonus Payment).

6.3 Change of control provisions

- (a) As soon as practicable after the date of this agreement, Target and Bidder must seek to identify all change of control or unilateral termination rights in material leases and material contracts to which Target or a Target Group member is party which may be triggered by or exercised in response to the implementation of the Transaction (**Change of Control Rights**). In respect of the Change of Control Rights under those leases and contracts:
 - (i) Target and Bidder will jointly prepare a plan detailing the steps to be taken to address the Change of Control Rights (which, among other things, will have due regard to applicable legal restrictions) and then Target will initiate contact, with Bidder's assistance including joint discussions if required, with the relevant landlords and counterparties and request that they provide any consents or confirmations required or appropriate in relation to the Change of Control Rights;
 - (ii) Target must use all reasonable endeavours to ensure that notification is made to, or consent is sought from, all counterparties to leases and contracts with Change of Control Rights identified pursuant to (a) above;
 - (iii) Target must consult with Bidder in good faith in relation to the method and content of communications with each COC Contract counterparty that is to receive a notification or request for consent;
 - (iv) Target must use its, and must procure that its directors and employees use their, all reasonable endeavours to diligently procure consents from counterparties to COC Contracts in the manner contemplated by the terms of the relevant COC Contract and in accordance with arrangements agreed under clause 6.3(a)(i);
 - (v) Bidder must not contact any landlords or counterparties without Target present or without Target's prior written consent (which is not to be unreasonably withheld or delayed);

- (vi) Target must cooperate with, and provide reasonable assistance to, Bidder to obtain such consents or confirmations in respect of the Change of Control Rights as expeditiously as possible, including by promptly providing any information reasonably required by counterparties in relation to change of control consents and making representatives available, where necessary and reasonable, to meet with landlords or counterparties to deal with issues arising in relation to the matter;
 - (vii) Bidder must take all reasonable action necessary to comply with any reasonable requirement of the landlords and counterparties that are necessary to obtain the relevant consents or confirmations in respect of the Change of Control Rights, including providing any information reasonably required and providing any bank guarantees or such other forms of guarantee or securities as landlords and counterparties may reasonably require on terms and conditions substantially the same as the existing arrangements and make officers and employees available, where necessary and reasonable to meet with any landlords or counterparties to deal with any issues arising in relation to the matter; and
 - (viii) if Target has used all reasonable endeavours as required by this clause 6.2, a failure by a Target Group member to obtain any Third Party consent or confirmation, or the exercise of a termination right, will not constitute a breach of this agreement by Target.
- (b) Nothing in this clause 6.2 or any other provision of this agreement requires Bidder to agree to any new conditions or to provide any new guarantees or security to a COC Contract counterparty which are not reasonably acceptable to Bidder.

6.4 Access

- (a) Between the date of this agreement and the Implementation Date, Target must use reasonable endeavours to provide Bidder and its officers and advisers with reasonable, non-disruptive access during normal business hours and on reasonable notice to Target's officers and senior executives, as well as any documents, records and other information of the Target, which Bidder reasonably requires for the purposes of:
- (i) understanding the Target's financial position (including its cash flow and working capital position), trading performance and management control systems (including information technology and data);
 - (ii) implementation of the Scheme;
 - (iii) preparing for carrying on the business of the Target Group following implementation of the Scheme; and
 - (iv) any other purpose which is agreed in writing between the parties.
- (b) Nothing in this clause 6.4 requires Target to provide Bidder or its advisers with any document, record or information:
- (i) concerning Target's directors' consideration of the Transaction; or
 - (ii) which would breach any obligation of confidentiality to any third party or any applicable privacy law.
- (c) The parties acknowledge and agree that nothing in this clause 6.4 requires Target to provide any document, record or information that is different or in addition to the

documents, records or information Target provides to its Board and senior executive in the usual and ordinary course.

- (d) Target will provide reasonable assistance to Bidder for the purposes of satisfying Target's obligations under this clause 6.4, but nothing in this clause 6.4 requires Target to provide access to its people, documentation or information or to take any other action which would significantly disrupt the usual and ordinary course of Target's business and operations.

6.5 Transaction Implementation Committee

- (a) The parties must establish a Transaction Implementation Committee as soon as reasonably practicable after the date of this agreement and work together in good faith to consult with each other and plan to:
 - (i) implement the Transaction in accordance with this agreement; and
 - (ii) ensure the smooth transition of the management of the business and the affairs of the Target Group to Bidder following the implementation of the Scheme, including to coordinate the matters set out in this clause 6.
- (b) At meetings of the Transaction Implementation Committee, the Target must report to the Bidder on the quantum of Transaction costs it has incurred (as against the estimate of those Transaction costs which has been Fairly Disclosed in the Target Disclosure Letter). Such reports must be provided at least fortnightly.

6.6 Existing financing and security

- (a) The Target must cooperate with, and undertake all steps reasonably required or requested in connection with any repayment of existing debt of the Target Group as may be required in connection with the Transaction, including:
 - (i) liaising with Bidder in good faith in relation to the using of the existing cash reserves of the Target for this purpose;
 - (ii) issuing prepayment notices in relation to existing Target Group debt facilities and closing out any hedging positions;
 - (iii) using all reasonable endeavours to procure deeds of release, discharges of real property mortgages and registrations on the PPSR from secured parties in relation to any security interest granted by a member of the Target Group in favour of that party and procuring the return of any title documents held by a secured party.
- (b) Bidder agrees to reimburse the Target for reasonable fees, costs and expenses reasonably incurred in complying with this clause 6.6 on provision of written evidence of the payment of such fees, costs and expenses.

6.7 Bidder financing obligations

- (a) Bidder must use commercially reasonable efforts (including enforcing its rights under the Debt Commitment Letters) to obtain the proceeds of the Debt Financing on the terms and conditions described in the Debt Commitment Letters on or prior to the Implementation Date, including by using reasonable efforts to:
 - (i) maintain in effect the Debt Commitment Letters;
 - (ii) negotiate definitive agreements with respect to the Debt Financing on other terms which do not:

- A. reduce the aggregate amount of the Debt Financing such that the aggregate funds available to Bidder on the Implementation Date would not be sufficient to satisfy Bidder' obligations hereunder; or
 - B. impose new or additional conditions precedent (other than conditions precedent that have already been satisfied at the time they are so added) or adversely modify any existing conditions precedent to the receipt of the Debt Financing; and
- (iii) satisfy on a timely basis all conditions precedent to funding of the Debt Financing.
- (b) Bidder must give Target prompt written notice of:
- (i) any termination or repudiation of the Debt Commitment Letters of which Bidder has knowledge; or
 - (ii) any breach or default of any of the Debt Commitment Letters by any party thereto of which Bidder has knowledge that could reasonably be expected to materially and adversely affect the ability or likelihood of Bidder to consummate the transactions contemplated by this deed in accordance with the Timetable.
- (c) Bidder will not, without the prior written consent of Target:
- (i) permit any material amendment or modification to, or any waiver of any provision or remedy under any of the Debt Commitment Letters which is materially prejudicial to the Bidder's ability to comply with its obligations under this agreement, the Scheme and the Deed Poll; or
 - (ii) terminate any of the Debt Commitment Letters.
- (d) Notwithstanding anything in this clause 6.7, the Bidder may in its sole discretion reduce the amount of Debt Financing under "Facility A" (as that term is defined in the Debt Commitment Letters) provided that the Bidder furnishes to the Target one or more additional equity commitment letters (on the same terms as the Equity Commitment Letters) for the amount of the relevant reduction in Debt Financing, provided that any such funds have sufficient funds to pay such relevant amounts.
- (e) In the event that any portion of the Debt Financing becomes unavailable, regardless of the reason, Bidder will:
- (i) promptly notify Target of such unavailability and the reason, and
 - (ii) use reasonable efforts to obtain alternative debt financing (in an amount sufficient, when taken together with the available portion of the Debt Financing, to perform its obligations hereunder) from the same or other sources, and on terms which do not include any conditions to the consummation of such alternative financing that are more onerous than the conditions contained in the Debt Commitment Letters.

7. Recommendation, intentions and announcements

7.1 Target Board Recommendation and Voting Intention

- (a) Target must ensure that the Target Announcement and the Explanatory Memorandum state that each Target director:

- (i) recommends that Target Shareholders vote in favour of the resolution to approve the Scheme (**Recommendation**); and
- (ii) intends to cause any Target Shares in which they have a Relevant Interest to be voted in favour of the resolution to approve the Scheme (**Voting Intention**),

which statements must not be qualified in any way other than by words to the effect of “in the absence of a Superior Proposal” and “subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of Target Shareholders”.

- (b) Notwithstanding any other provision of this agreement, the parties acknowledge and agree that each Target director may, in each Target director’s absolute discretion, as part of the Recommendation and Voting Intention:
 - (i) recommend the Cash Consideration and the Scrip Consideration;
 - (ii) recommend the Cash Consideration only and make no recommendation in respect of, or recommend against, the Scrip Consideration;
 - (iii) make no recommendation at all in relation to whether Target Shareholders should elect to receive the Scrip Consideration,

and, for the avoidance of doubt, Target will not have failed to comply with its obligations under this clause 7 merely because any one or more of the Target directors acts in accordance with clause.
- (c) Bidder acknowledges that, subject to the other terms of this agreement, each Target director may publicly (or otherwise) withdraw, change or in any way qualify their Recommendation or Voting Intention if:
 - (i) there is a Superior Proposal; or
 - (ii) the Independent Expert concludes in the Independent Expert’s Report (either in the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of the Target Shareholders.

7.2 Confirmation

Target represents and warrants to Bidder that each Target director has confirmed, and Target must use its reasonable endeavours to ensure that each Target director maintains, and does not withdraw, change or in any way qualify their Recommendation or Voting Intention, other than in the circumstances referred to in clause 7.1(c)(i) or 7.1(c)(ii).

7.3 Announcements

- (a) Immediately after the execution of this agreement:
 - (i) Target must issue the Target Announcement to the ASX; and
 - (ii) Bidder must issue the Bidder Announcement.
- (b) Subject to clause 7.3(c), any further public announcement or public disclosure made by Target or Bidder in relation to the Transaction or any other transaction the subject of this agreement, the Deed Poll, the Scheme, may only be made in a form approved by Target and Bidder in writing (acting reasonably). Each party must use all reasonable endeavours to provide such approval as soon as practicable and such approval must not be unreasonably withheld, conditioned or delayed.

- (c) Where the Target is required by applicable law, Listing Rules or the requirements of any Regulatory Authority to make any announcement or to make any disclosure in relation to the Transaction or any other transaction the subject of this agreement, the Deed Poll, the Scheme, it may do so to the extent legally required and only then after it has used all reasonable endeavours, to the extent practicable in the circumstances, to notify and consult with the other party prior to making the relevant announcement or disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

8. Performance Rights

As at 8.00 am on the Second Court Date, Target must put in place arrangements so that, subject to the Scheme becoming Effective:

- (a) all Target Performance Rights outstanding as at the date of this agreement will either vest or have lapsed before the Record Date; and
- (b) the number of Target Performance Rights that will vest by no later than the Record Date will not exceed 1,166,680.

9. Exclusivity arrangements

9.1 No existing discussions

- (a) Target represents and warrants that, other than the discussions with Bidder and its Representatives in respect of the Transaction, as at the date of this agreement, it is not currently in negotiations or discussions in respect of any Competing Proposal with any person and it has not directed any of its Representatives to commence or continue any such negotiations or discussions (whether directly or indirectly).
- (b) From the date of this agreement, Target must promptly enforce the terms of any confidentiality agreement entered into with any person (other than Bidder or its Representatives) in relation to any Competing Proposal in the 12 months before the execution of this agreement, and must promptly request, or must procure that the relevant Target Group company requests, the return or destruction of the Target Group's confidential information in accordance with the terms of that confidentiality agreement, and terminate their access to the Target Group's confidential information under that confidentiality agreement.

9.2 No shop

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

9.3 No talk and no due diligence

Subject to clause 9.4, during the Exclusivity Period, Target must not, and must ensure that its Representatives do not, except with the prior written consent of Bidder, directly or indirectly:

- (a) enter into, continue or participate in any negotiations or discussions with, or accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding with, any Third Party in relation to, or which may reasonably be expected to lead to a Competing Proposal; or

- (b) make available to any Third Party, or permit any Third Party to receive, any non-public information relating to any member of the Target Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of a Competing Proposal, or a proposal which may reasonably be expected to lead to a Competing Proposal (including without limitation providing such information for the purposes of the conduct of due diligence investigations in respect of the Target); or
- (c) communicate to any person an intention to do anything referred to in this clause 9.3.

9.4 Limitation to no talk and no due diligence

Target, its Related Bodies Corporate and their Representatives may undertake any action that would otherwise be prohibited by clauses 9.3 and 9.5 in relation to an actual, potential or proposed bona fide Competing Proposal which:

- (a) was not solicited by it and was not otherwise brought about as a result of any breach by it of its obligations under this clause 9;
- (b) is or is reasonably likely to be a Superior Proposal; and
- (c) the Target Board, acting in good faith and after having considered written advice from the Target Board's external legal advisers, determines that not undertaking that act would be likely to involve a breach of the Target directors' fiduciary or statutory duties.

9.5 Notification of approaches

During the Exclusivity Period, Target must promptly notify Bidder in writing as soon as reasonably practicable, and in any event within 24 hours, if it, or any of its Representatives, receives or becomes aware of any:

- (a) approach or proposal, whether written or otherwise, made to Target or any of its Representatives in connection with a bona fide Competing Proposal received by Target or its Representatives, including the fact that such approach or proposal has been made or Competing Proposal has been received, the identity of the party making the approach or proposal (and if different, details of the proposed bidder or acquirer) and the material terms and conditions of the Competing Proposal; or
- (b) provision by Target or any of its Representatives of any non-public information relating to Target or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of the person formulating, developing or finalising a current or future a bona fide Competing Proposal.

9.6 Matching right

During the Exclusivity Period:

- (a) Target must use reasonable endeavours to procure that none of its directors publicly recommend a Competing Proposal, unless:
 - (i) Target has provided Bidder with written notification of the material terms and conditions of the Competing Proposal; and
 - (ii) Target has given Bidder at least two Business Days after the provision of the information referred to in paragraph 9.6(a)(i) to provide an irrevocable offer to Target that is more favourable as a whole to Target

Shareholders than the terms of the relevant Competing Proposal
(**Bidder Counter Proposal**).

- (b) Target must use reasonable endeavours to procure that its directors, within 72 hours of receiving the Bidder Counter Proposal, consider any Bidder Counter Proposal in good faith and, if the Target directors determine, acting in good faith and having taken the advice from its legal and financial advisers, that the terms and conditions of the Bidder Counter Proposal taken as a whole are more favourable to Target Shareholders than those of the relevant Competing Proposal, Target and Bidder must each use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Bidder Counter Proposal as soon as reasonably practicable, and Target must use reasonable endeavours to procure that each of its directors makes a public statement recommending the Bidder Counter Proposal to Target Shareholders.

9.7 Normal provision of information

Nothing in this clause 9 prevents Target from:

- (a) providing information to its Representatives;
- (b) providing information to any Regulatory Authority;
- (c) providing information to its auditors, advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information to its advisers acting in that capacity in connection with the Transaction or a Competing Proposal;
- (e) providing information to be required to be provided by law, Listing Rules or any Regulatory Authority; or
- (f) making presentations to brokers, portfolio investors, analysts and other Third Parties in the ordinary course of business or for the purposes of promoting the Transaction.

10. Reimbursement of Costs

10.1 Background to Target Payment

- (a) The parties each acknowledge that, if they enter into this agreement and the Scheme is subsequently not implemented, Bidder will incur significant costs, including those set out in clause 10.4.
- (b) In these circumstances, Target has agreed that provision be made for the payment outlined in clause 10.2, without which Bidder would not have entered into this agreement or otherwise agreed to implement the Scheme.
- (c) Target and the Target Board believe, having taken advice from their advisers, that the implementation of the Scheme will provide benefits to Target Shareholders and that it is appropriate for Target to agree to the payment referred to in clause 10.2 in order to secure Bidder's participation in the Transaction.

10.2 Target Payment

Target must pay the Target Payment to Bidder if:

- (a) during the Exclusivity Period, any of the Target directors withdraws or adversely revises their Recommendation, unless:

- (i) the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Target Shareholders; or
- (ii) Target is entitled to terminate this agreement pursuant to clause 14.3(b)(i) and has given the appropriate termination notice to Bidder;
- (b) a Competing Proposal is announced or made before the the Second Court Date (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the Third Party or an Associate of that Third Party:
 - (i) completes a Superior Proposal; or
 - (ii) acquires a Relevant Interest in more than 50% of the Target Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control Target or acquires substantially all of the assets of Target; or
- (c) Bidder becomes entitled to terminate this agreement under clauses 14.2(b)(i) and Bidder terminates this agreement on the basis of such entitlement.

10.3 Timing

- (a) A demand by Bidder for payment of the Target Payment under clause 10.2 must:
 - (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account into which the party is to pay the Target Payment.
- (b) Target must pay the Target Payment into the account nominated by Bidder, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Bidder is entitled under clause 10.2 to the Target Payment.

10.4 Basis of Target Payment

The Target Payment has been calculated to reimburse Bidder for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction; and
- (d) out of pocket expenses incurred by Bidder and Bidder's employees, advisors and agents in planning and implementing the Transaction,

and the parties agree that:

- (e) the costs actually incurred by Bidder will be of such a nature that they cannot all be accurately ascertained;

- (f) the Target Payment is a genuine and reasonable pre-estimate of those costs; and
- (g) both parties have received advice from their respective legal advisors on the operation of this clause 10.

10.5 No payment if Scheme becomes Effective

No Target Payment is payable if the Scheme becomes Effective. To the extent that any amount has already been paid under this clause 10 and the Scheme becomes Effective, such amount must be immediately refunded to Target.

10.6 Target Payment payable once

Where the Target Payment becomes payable to Bidder under clause 10.2 and is actually paid to Bidder, Bidder cannot make any claim against Target for payment of any subsequent Target Payment.

10.7 Other claims

Where an amount becomes payable to Bidder under clause 10.2 and is actually paid to Bidder (or is payable, but no demand is made under clause 10.3), Bidder cannot make any claim (other than a claim under this clause 10) against Target which relates to the event that gave rise to the right to make a demand under clause 10.3, unless the claim arises from the fraud of the Target or a wilful breach by Target of this agreement.

10.8 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Target Payment required to be paid under clause 10.2 (**Impugned Amount**):

- (a) is unlawful;
 - (b) involves a breach of directors' duties; or
 - (c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,
- then,
- (d) the requirement to pay the Target Payment does not apply to the extent of the Impugned Amount; and
 - (e) if Bidder has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.

10.9 Regulatory Intervention

If any Regulatory Authority (including ASIC or the Takeovers Panel) or a court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the Target Payment including as to the amount or circumstances in which it is to be paid, then:

- (a) the parties will accept this determination and amend this agreement to that extent; and
- (b) it will not result in a breach of this agreement or termination of the transactions contemplated by it.

11. Liability of directors, officers and employees

11.1 Liability of directors, officers and employees

To the maximum extent permitted by law, each party releases all rights against, and agrees that it will not make any claim against, the respective past or present directors, officers and employees of each of the other party and the other party's Related Bodies Corporate in relation to:

- (a) information provided to the first party in relation to the Transaction;
- (b) any breach of any representations, covenants and warranties of the other party in this agreement; or
- (c) a failure to provide information,

except to the extent that the relevant director, officer or employee has not acted in good faith or has engaged in fraud or wilful misconduct.

11.2 Directors and officers insurance

Bidder acknowledges that Target will:

- (a) arrange for the cover provided under the Policy for a further period until the End Date; and
- (b) by no later than the Implementation Date, arrange for the cover provided under the Policy to be amended so as to provide run off cover in accordance with the terms of the Policy for a 7 year period from the Implementation Date, and pay all premiums required so as to ensure that insurance cover is provided under the Policy on those terms until the end of that 7 year period.

11.3 Obligations in relation to directors and officers insurance

From the Implementation Date, Bidder must procure that Target does not:

- (a) vary or cancel the Policy; or
- (b) unless required under the Policy, commit any act or omission that may prejudice any claim under the Policy as extended pursuant to clause 11.2(b) above.

11.4 Directors and officers indemnities

- (a) Without limiting any other term of this agreement, from the Effective Date for the Scheme, Bidder undertakes to Target that it will, in respect of each deed of indemnity, access and insurance (**Relevant Deed**) made by a Target Group entity (**Relevant Entity**) in favour of a director, officer or employee of Target or its Related Bodies Corporate, whether past or present, (**Indemnified Party**) from time to time procure that:
 - (i) the Relevant Entity complies with the Relevant Deed; and
 - (ii) to the extent that the Relevant Entity ceases to exist after the Implementation Date, each Indemnified Party has the benefit of a deed from Bidder on terms no less favourable to the Indemnified Party than those contained in the Relevant Deed as at the Effective Date.
- (b) This clause 11.4 applies to the maximum extent permitted by the Corporations Act and will be read down accordingly.

11.5 Compliance with law and benefit

- (a) Clause 11.1 is subject to any restriction under the Corporations Act and will (if and to the extent required) be read down accordingly.
- (b) The parties agree that:
 - (i) Target holds the benefit of this clause 11 to the extent it relates to each of Target, its Related Bodies Corporate and their respective past or present directors, officers and employees as trustee for them, and, as such, each such Target Indemnified Party may enforce this clause 11 against Bidder; and
 - (ii) Bidder holds the benefit of this clause 11 to the extent it relates to each Bidder Indemnified Party as trustee for them, and, as such, each such Bidder Indemnified Party may enforce this clause 11 against Target.

12. Representations, warranties and indemnities

12.1 Representations and warranties by Bidder

Bidder represents and warrants to Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) that:

- (a) on each date from the date of this agreement until (and including) the Second Court Date:
 - (i) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
 - (ii) the execution and delivery by Bidder of the Transaction Documents to which Bidder is party has been properly authorised by all necessary corporate action and Bidder has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
 - (iii) the Transaction Documents to which Bidder is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:
 - A. the constitution or equivalent constituent documents of Bidder or any of its Subsidiaries; or
 - B. any writ, order or injunction, judgment, law, rule, obligation or regulation to which Bidder or any of its Subsidiaries is party, or by which Bidder or any of its Subsidiaries is bound; and
 - (iv) other than as expressly contemplated by clause 3, no shareholder or Regulatory Authority approvals are required to be obtained by Bidder Group in order for it to execute and perform the Transaction Documents to which it is a party;
- (b) on each date from the date of this agreement until (and including) the Implementation Date, no Insolvency Event has occurred in relation to Bidder or any other member of the Bidder Group, nor has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this agreement;
- (c) on the First Court Date and the Second Court Date:

- (i) Bidder Information has been prepared and included in the Explanatory Memorandum in good faith and on the understanding that Target and the Target Indemnified Parties have relied on that information for the purposes of considering and approving the Target Information in the Explanatory Memorandum and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
 - (ii) Bidder Information complies in all material respects with relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides), and includes all information regarding Bidder, its Related Bodies Corporate and the Scheme Consideration that is required by the Corporations Act, Regulatory Guides and Listing Rules to be included in the Explanatory Memorandum;
 - (iii) Bidder Information (other than to the extent that it consists of information relating to the Target Group that was provided by or on behalf of Target, or has been extracted from announcements made by Target to the ASX regarding the Target Group) in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission;
 - (iv) Bidder has complied with its obligations under clause 4.4(h); and
 - (v) all information provided by or on behalf of Bidder to the Independent Expert is not misleading or deceptive in any material respect and does not contain any material omission and has been prepared and provided in good faith and on the understanding that the Independent Expert have relied on the information for the purposes of preparing the Independent Expert's Report;
- (d) on each date from the date of this agreement until (and including) the Implementation Date, neither Bidder nor any of its associates has any agreement, arrangement or understanding with any Target Shareholder under which that Target Shareholder (or an associate of that Target Shareholder) would be entitled to receive consideration for their Target Shares different from the Scheme Consideration or under which the Target Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal;
 - (e) on each date from the date of this agreement until (and including) the Implementation Date, neither Bidder nor any of its associates has any agreement, arrangement or understanding with any director, officer or employee of Target relating in any way to the Transaction or operations of Target after the Effective Date;
 - (f) as at 8:00am on the Second Court Date, Bidder will have sufficient cash amounts (whether from internal cash resources or external or external financial commitments, or a combination of both) available to it on an unconditional basis (other than conditions relating to the approval of the Court and related procedural matters or documentary requirements which, by their terms or nature, can only be satisfied or performed after the Second Court Date), to ensure that the Scheme Consideration is paid to Scheme Shareholders in accordance with the terms of this agreement, the Scheme and the Deed Poll;
 - (g) on issue, each HoldCo Share will be fully paid and free from all Encumbrances;
 - (h) on both the First Court Date and on the Implementation Date, the HoldCo SHA will include provisions to apply on and from the Implementation Date which are substantially in accordance with those set out in the term sheet contained in Annexure C, provided that the HoldCo SHA may have additional provisions which,

to the extent that they are material for disclosure in relation to the HoldCo Shares, will also be disclosed in the Bidder Information;

- (i) the Equity Commitment Letters have each been duly executed by the parties to them and constitute legally binding obligations on those parties that are enforceable in accordance with their respective terms, and the Equity Commitment Letters have not been terminated;
- (j) each Debt Commitment Letter:
 - (i) is a true and complete copy executed by all parties thereto;
 - (ii) has not been terminated, modified or rescinded, and no event has occurred which with notice, lapse of time or both, would result in a default under that Debt Commitment Letter;
 - (iii) is enforceable in accordance with its terms and Bidder is not in default thereunder;
 - (iv) provides a Debt Commitment of an amount sufficient (when aggregated with the amounts available under the Equity Commitment Letters) to satisfy all of Bidder's payment obligations under this deed, as and when those payment obligations become due, including paying the Scheme Consideration on the Implementation Date and any expenses of Bidder in connection with the consummation of the transactions contemplated hereby, and for any proposed repayment or refinancing of any outstanding indebtedness of the Target Group in connection with the transactions contemplated hereby (including, but not limited to, the payment of the Permitted Dividend or Bonus Payment); and
- (k) any statement of opinion or belief contained in Bidder Information is honestly held and there are reasonable grounds for holding the opinion or belief.

12.2 Bidder warranty certificate

Bidder must provide to Target by 8.00am on the Second Court Date a certificate signed by a director of Bidder and made in accordance with a resolution of the Bidder Board stating, as at that date, that the representations or warranties given by Bidder in clause 12.1 remain true and correct or, if any such representation or warranty is not true and correct as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or incorrect.

12.3 Bidder indemnity

- (a) Bidder acknowledges and agrees that in entering into this agreement Target and the Target Indemnified Parties have relied on the Bidder Warranties.
- (b) Bidder indemnifies Target (on its own behalf and separately as trustee for each of the Target Indemnified Parties) against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Bidder Warranties.

12.4 Representations and warranties by Target

Target represents and warrants to Bidder (on its own behalf and separately as trustee for each of Bidder Indemnified Parties) that:

- (a) on each date from the date of this agreement until (and including) the Second Court Date:

- (i) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
- (ii) the execution and delivery by Target of the Transaction Documents to which Target is party has been properly authorised by all necessary corporate action and Target has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
- (iii) the Transaction Documents to which Target is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:
 - A. the constitution or equivalent constituent documents of Target or any of its Subsidiaries; or
 - B. any writ, order or injunction, judgment, law, rule, obligation or regulation to which Target or any of its Subsidiaries is party, or by which Target or any of its Subsidiaries is bound; and
- (iv) other than as expressly contemplated by clause 3, no shareholder or Regulatory Authority approvals are required to be obtained by the Target Group in order for Target to execute and perform the Transaction Documents to which it is a party;
- (v) as far as the Target is aware, it has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and as at the date of this agreement is not withholding any information (other than the fact of its discussions and negotiations with Bidder relating to the Transaction and the subject matter of this agreement) from ASX under Listing Rule 3.1A that has not been fully and fairly disclosed in the Target Due Diligence Material;
- (vi) the Target has prepared, compiled and made available to Bidder and its Representatives the Target Due Diligence Material in good faith and has not intentionally:
 - A. withheld from the Due Diligence Material any information in its possession which is not already in the public domain; and
 - B. which would reasonably be expected to be material to the financial position or financial performance of business of the Target Group;
- (vii) as far as Target is aware, the Target Group has all material licences, permits and approvals necessary for it to conduct its business in the manner in which it is conducted as at the date of this agreement and is in material compliance with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign Regulatory Authorities having jurisdiction over them, where non-compliance would or would reasonably be likely to, have a material adverse financial impact on the Target Group as a whole;
- (viii) as at the date of this agreement there are 120,463,450 Target Shares on issue, and Target has not issued (and is not required to issue) any other securities or instruments or rights which are still outstanding (or may become outstanding) and which may convert to Target Shares other than the 1,166,680 Target Performance Rights referred to in clause 8(b);

- (ix) it has disclosed in good faith in the Target Disclosure Letter the amount of the total costs of the Target Group incurred in relation to the Transaction which are paid or payable to Third Parties;
 - (x) no outstanding calls or demands have been made under, or in respect of, any of the financing or security arrangements to which any member of the Target Group is a party or by which any member of the Target Group (or any assets thereof) is bound (such arrangements being the **Financing Arrangements**);
 - (xi) there is no existing or unremedied material breach of, nor any material default, event of default, cancellation event, review event, prepayment event or similar material event currently subsisting under, any Financing Arrangements;
 - (xii) there is no material change to the accounting policies which apply to a member of the Target Group (other than any change in policy required by a change in the accounting standards applicable to the Target Group as at the date of this agreement);
- (b) on the First Court Date and the Second Court Date:
- (i) the Target Information has been prepared and included in the Explanatory Memorandum in good faith and on the understanding that Bidder and the Bidder Indemnified Parties have relied on that information for the purposes of considering and approving the Bidder Information in the Explanatory Memorandum and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
 - (ii) the Target Information (as well as any Bidder Information to the extent that it consists of information relating to the Target Group that was provided to Bidder by or on behalf of Target, or has been extracted from announcements made by Target to the ASX regarding the Target Group) does not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission; and
 - (iii) the Target Information complies in all material respects with relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides);
- (c) on the Implementation Date, there are no Encumbrances (other than Permitted Encumbrances) over all or any of the Target Group's present or future assets or revenues;
- (d) on each date from the date of this agreement until (and including) the Implementation Date, no Insolvency Event has occurred in relation to Target, nor has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this agreement; and
- (e) any statement of opinion or belief contained in Target Information is honestly held and there are reasonable grounds for holding the opinion or belief.

12.5 Qualification of Target Warranties

The Target Warranties and the indemnity under clause 12.7, are subject to matters which:

- (a) expressly required or permitted by this agreement or the Scheme;

- (b) have been Fairly Disclosed in the Target Due Diligence Material, Target Disclosure Letter or Target's announcements to the ASX regarding the Target Group prior to the date of this agreement;
- (c) would be disclosed in a search of ASIC records in relation to Target prior to the date of this agreement; or
- (d) are within the actual knowledge of Bidder or its Representatives.

Any representations and warranties given pursuant to clause 12.4, subject to Target's awareness, knowledge or belief are given by reference to the actual awareness, knowledge or belief of Simon Hickey and Lucas Barry.

12.6 Target warranty certificate

Target must provide to Bidder by 8.00am on the Second Court Date a certificate signed by a director of Target and made in accordance with a resolution of the Target Board stating, as at that date, that the representations or warranties given by Target in clause 12.4 remain true and correct or, if any such representation or warranty is not true and correct as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or incorrect.

12.7 Target indemnity

- (a) Target acknowledges and agrees that in entering into this agreement Bidder and the Bidder Indemnified Parties have relied on the Target Warranties.
- (b) Target indemnifies Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Target Warranties.

12.8 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 12.

12.9 Status of representations and warranties

Each representation and warranty in this clause 12:

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

12.10 Status and enforcement of indemnities

- (a) Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

12.11 Timing of representations and warranties

Each representation and warranty made or given under clauses 12.1 or 12.4 is given at the date of this agreement, the date the Explanatory Memorandum is dispatched to Target Shareholders and as at 8.00 am on the Second Court Date, unless that representation or warranty is expressed to be given only at a particular time, in which case, it is given only at that time.

13. Confidentiality and communications

13.1 Confidentiality Agreement

Each party acknowledges and agrees that they continue to be bound by the Confidentiality Agreement after the date of this agreement in respect of all information received by it from the other party on, before or after the date of this agreement and that the terms of this agreement will prevail over the terms of the Confidentiality Agreement to the extent of any inconsistency.

13.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this agreement.

13.3 Disclosure on termination of agreement

The parties agree that, if this agreement is terminated under clause 14, any party may disclose:

- (a) the fact that this agreement has been terminated, where such disclosure is required by the Listing Rules or is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed; and
- (b) the fact that this agreement has been terminated to ASIC.

14. Termination and remedies

14.1 Limited termination events

This agreement may only be terminated by either party in the circumstances contemplated by clauses 14.2 and 14.3, or if the parties agree in writing to terminate this agreement.

14.2 Termination by Bidder

Bidder may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to Target if:
 - (i) Target is in material breach of any of clause of this agreement, (including the Target Warranties or in relation to a Target Prescribed Occurrence), provided that Bidder is only entitled to terminate if it has given notice to Target setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day one Business Day before the Second Court Date) from the time such notice is received by Target; or

- (ii) any Target director publicly changes or withdraws their Recommendation or Voting Intention or publicly recommends a Competing Proposal, for any reason, whether or not permitted to do so under this agreement.

14.3 Termination by Target

Target may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to Bidder if:
 - (i) as at the time before 8.00 am on the Second Court Date, Bidder is in material breach of any clause of this agreement (including the Bidder Warranties) provided that Target is only entitled to terminate if it has given notice to Bidder setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the day one Business Day before the Second Court Date) from the time such notice is received by Bidder; or
 - (ii) a majority of Target directors publicly change or withdraw their Recommendation or Voting Intention or publicly recommend a Competing Proposal, for any reason, whether or not permitted to do so under this agreement; or
 - (iii) the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Target Shareholders, and does not change or withdraw those statements or recommendations once made.

14.4 Effect of termination

If this agreement is terminated:

- (a) the provisions of this agreement shall cease to have effect except for the provisions of clauses 1, 10, 11, 13, 14.4, 14.5 and 15 to 17 (inclusive), 19.1 to 19.6 (inclusive), 19.8 to 19.11 (inclusive) and 20 which will survive termination; and
- (b) subject to any rights or obligations arising under or pursuant to those clauses referred to in clause 14.4(a) which will survive termination, no party shall have any rights against or obligations to any other party under this agreement, except for those rights and obligations accrued prior to termination of the agreement.

14.5 Termination

Where a party has a right to terminate this agreement, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this agreement.

14.6 Remedies

The parties acknowledge that damages may not be a sufficient remedy for breach of this agreement. Specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach or threatened breach of this agreement by any party, notwithstanding the ability of the other party to terminate this agreement or seek damages for such a breach or threatened breach or to demand payment of the Target Payment or Bidder Payment (as the case may be).

14.7 Target's limitation of liability

Notwithstanding any other provision of this agreement and other than in the case of fraud or wilful default, the maximum liability of Target to Bidder under or in connection with this agreement will be the amount of the Target Payment and no further damages, fees, expenses or reimbursements of any kind will be payable by Target under or in connection with this agreement.

15. Notices

15.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post or email;
- (b) must be in writing and in English;
- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
 - (i) if to Target:
 - Address: Unit 6, Eastern Valley Way, Chatswood, NSW 2067
 - Email: shickey@gxlt.com.au
 - Attention: Simon Hickey
 - (ii) if to Bidder:
 - Address: Level 31, 101 Collins Street
101 Collins Street
Melbourne VIC 3000
 - Email: jthickins@tpg.com
 - Attention: Joel Thickins
- (d) with a copy in each case to:
 - Email: pcook@gtlaw.com.au
rbassil@gtlaw.com.au
- (d) (in the case of personal service or post) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (e) (in the case of email) must state that the email is a communication under this agreement; and
- (f) must be delivered by hand or posted by prepaid post to the address or sent by email to the email address, of the addressee, in accordance with this clause 15.1.

15.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of delivery by hand) on delivery; and
- (d) (in the case of email) unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 15.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

16. GST

16.1 Interpretation

- (a) Except where the context suggests otherwise, and subject to clause 16.1(b), terms used in this clause have the meanings given to those terms by the *A New Tax System (Goods and Services Tax) Act 1999* (as amended from time to time).
- (b) "Input tax credit" has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* and a reference to an input tax credit entitlement of an entity includes an input tax credit for an acquisition made by that entity but to which another member of the same GST group is entitled.
- (c) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause.
- (d) Any consideration for a supply that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to that supply for the purpose of this clause.

16.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

16.3 GST payable

- (a) If GST is payable in relation to a taxable supply made under or in connection with this agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must, subject to clause 16.1(d), pay an additional amount to the Supplier equal to the amount of that GST at the same times as other consideration is to be provided for that supply.

- (b) No payment of any amount pursuant to clause 16.3(a) is required until the Supplier has provided a valid tax invoice to the Recipient.
- (c) Where additional amounts are payable between parties to this agreement pursuant to clause 16.3(a), amounts so payable, to the extent they are equivalent in amount, shall be set off against each other as if paid and each party shall be obliged only to provide the tax invoice referred to in clause 16.3(b) no later than the time at which any consideration is to be first provided for that supply.
- (d) If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 16.3(a) then the Supplier must promptly issue an adjustment note to the Recipient and will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 16.3(a).

17. Non-resident CGT withholding

If Bidder is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay amounts to the Australian Taxation Office (**ATO**) in respect of the acquisition of Target Shares from any foreign resident entities (with the meaning given in section 14-210 of Subdivision 14-D) that hold an indirect Australian real property interest (for the purposes of section 14-200(1)(c)(ii) of Subdivision 14-D) (**10% Holders**), Bidder is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to such 10% Holders and remit such amounts to the ATO. The aggregate sum payable to those 10% Holders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those 10% Holders.

18. Entire agreement

The Transaction Documents and the Confidentiality Agreement constitute the entire agreement between the parties in relation to their subject matter and supersede all previous agreements and understandings between the parties in relation to their subject matter.

19. General

19.1 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

19.2 Amendments

This agreement may only be varied by a document signed by or on behalf of each party.

19.3 Assignment

- (a) Subject to clause 19.3(b) below, a party may not assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of the other party.
- (b) Bidder may assign, grant a security interest over, novate or otherwise transfer by way of security, any of its rights or obligations under this deed to a financier or financiers (or a security agent or security trustee thereof) without the prior written consent of Target solely for the purpose of obtaining finance or providing security in connection with the Transaction.

19.4 Consents

Unless this agreement expressly provides otherwise, a consent under this agreement may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

19.5 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing each Transaction Document.

19.6 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

19.7 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

19.8 No merger

A party's rights and obligations do not merge on completion of any transaction contemplated by this agreement.

19.9 Severance

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be deemed to be severed to the extent that it is void or to the extent of violability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

19.10 Stamp duties

Bidder must pay all stamp duties and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause.

19.11 Waivers

Without limiting any other provision of this agreement, the parties agree that:

- (a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement;
- (b) a waiver given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party; and
- (c) no waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

20. Governing law, jurisdiction and service of process

20.1 Governing law

This agreement is governed by the law applying in New South Wales, Australia.

20.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 20.2(a).

Schedule 1 Timetable

Event	Date
Send Explanatory Memorandum to ASIC	Late November to early December
First Court Date	Mid December
Scheme Meeting	Late January to early February
Second Court Date	Early to mid February
Effective Date	Early to mid February
Implementation Date	Mid to late February

Executed as an agreement.

Executed by Greencross Limited ACN 119 778 862 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

Executed by Vermont Aus Pty Ltd ACN 626 845 510 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

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Annexure A Scheme

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Scheme of arrangement made under section 411 of the Corporations Act

Parties Greencross Limited ACN 119 778 862 of Unit 6, Eastern Valley Way, Chatswood, NSW 2067 (Target)

Each person registered as a holder of fully paid ordinary shares in the capital of the Target on the Record Date

Background

- A. The Target and the Bidder have entered into the Implementation Agreement, pursuant to which, amongst other things, the Target agreed to propose this scheme to Target Shareholders and each of the Target and the Bidder agreed to take certain steps to give effect to this scheme.
- B. If the scheme becomes Effective, the Bidder or HoldCo will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this scheme, and the Bidder will acquire all Scheme Shares and Target will enter Bidder in the Share Register as the holder of the Scheme Shares with the result that Target will become a wholly owned subsidiary of Bidder.

Operative provisions 1. Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Aggregate Cash Consideration means the aggregate of the Cash Consideration payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

Aggregate Scrip Consideration means the aggregate number of HoldCo Shares payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Date and the terms of the Scheme).

All Cash Consideration means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

Bidder means Vermont Aus Pty Ltd ACN 626 845 510 of Level 31, 101 Collins Street, Melbourne, Victoria 3000.

Business Day means a day which is a "Business Day" within the meaning given in the Listing Rules.

Cash Consideration means an amount of \$5.55 for each Scheme Share minus the actual amount of the Permitted Dividend that is declared and paid per Scheme Share.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited, a wholly-owned subsidiary of ASX.

Class B Share means a Class B Share in the capital of HoldCo having the rights set out in the HoldCo Constitution and HoldCo SHA.

Corporations Act means the Corporations Act 2001 (Cth).

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

Deed Poll means a deed poll to be executed by Bidder in favour of the Scheme Shareholders, substantially in the form set out in Annexure B to the Implementation Agreement or in such other form as Target and Bidder agree in writing.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

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

Election means a Mixed Election Option 1 or a Mixed Election Option 2.

Election Date means 7.00pm on the date which is at least three Business Days prior to the Record Date or such other date as agreed between Bidder and the Target in writing.

Election Form means the form of election under which a Target Shareholder is offered the opportunity to make an Election.

Encumbrance means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means the date 6 months after the date of the Implementation Agreement or such other date agreed in writing between Target and Bidder.

Explanatory Memorandum means the explanatory memorandum prepared by Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of the Implementation Agreement and dispatched to the Target Shareholders.

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

HoldCo means Vermont Aus Holdco Pty Ltd (ACN 626 842 135).

HoldCo Constitution means the constitution of HoldCo.

HoldCo SHA means the shareholders' deed in respect of the affairs of HoldCo to be entered into by the shareholders of HoldCo on substantially those terms set out in Appendix D to the Explanatory Memorandum.

HoldCo Share means a fully paid Class B Share in the capital of HoldCo to be provided to Scheme Shareholders under the Scheme.

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

Implementation Date means the date which is 5 Business Days after the Record Date or such other date as Target and Bidder agree in writing.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Target Share Register at 7.00 pm on the Record Date is a place outside Australia and its external territories unless Bidder determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with HoldCo Shares when the Scheme becomes Effective.

Implementation Agreement means the scheme implementation agreement dated 5 November 2018 between Target and Bidder.

Listing Rules means the official listing rules of the ASX.

Maximum Scrip Threshold means 15% of the total issued capital of HoldCo as at the Implementation Date.

Minimum Scrip Threshold means 1.5% of the total issued capital of HoldCo as at the Implementation Date.

Mixed Consideration Option 1 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 50% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of the other 50% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 1.

Mixed Consideration Option 2 means:

- (a) the Cash Consideration for each Scheme Share, in respect of 25% of the Scheme Shares; plus
- (b) the Scrip Consideration for each Scheme Share, in respect of 75% of the Scheme Shares,

held by a Scheme Shareholder who has made a Mixed Election Option 2.

Mixed Election Option 1 means an election by a Target Shareholder to receive the Mixed Consideration Option 1 for the Scheme Shares held by that Target Shareholder.

Mixed Election Option 2 means an election by a Target Shareholder to receive the Mixed Consideration Option 2 for the Scheme Shares held by that Target Shareholder.

Permitted Dividend means a dividend in an amount not exceeding \$0.21 per Target Share paid by Target to Target Shareholders between the date of the Implementation Agreement and Implementation Date (which will be fully franked subject to the availability of franking credits and which, to the extent franked, will not result in the franking account of the Target being in deficit after the payment of the dividend).

Record Date means 7.00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

Registered Addresses means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in the Target Share Register.

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Representatives means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

Scaleback Mechanism means the scaleback mechanism set out in clause 5.8.

Scheme Consideration means (depending on the Election and subject to the Scaleback Mechanism and the terms of the Scheme):

- (a) All Cash Consideration; (b)
Mixed Consideration Option 1; or
- (c) Mixed Consideration Option 2.

Scheme Meeting means the meeting of Target Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

Scheme Share means a Target Share on issue as at the Record Date.

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

Scrip Consideration such number of HoldCo Shares as is equivalent to \$5.55 minus the actual amount of any Permitted Dividend that is declared and paid per Scheme Share.

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

Security Interest has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

Share Registry means Link Market Services Limited of Level 12, 680 George Street, Sydney, NSW 2000.

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

Target Board means the board of directors of Target.

Target Group means Target and each of its Subsidiaries.

Target Long Term Incentive Plan means the Long Term Incentive Plan operated by Target.

Target Performance Rights means performance rights in respect of Target Shares issued pursuant to the Target Long Term Incentive Plan or the Target Short Term Incentive Plan.

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

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

Target Shares means fully paid ordinary shares in the capital of Target.

Target Short Term Incentive Plan means the Short Term Incentive Plan operated by Target.

Transaction means the acquisition by Bidder (or a Subsidiary of Bidder) of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.

1.2 Business Days

If the day on which any act to be done under this scheme is a day other than a Business Day, that act must be done on or by the next Business Day except where this scheme expressly specifies otherwise.

1.3 Listing rules are law

A listing rule or business rule of a financial market or securities exchange will be regarded as a law for the purposes of this scheme.

1.4 General rules of interpretation

In this scheme headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this scheme, and a reference to this scheme includes all schedules, exhibits, attachments and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a

provision of either includes consolidations, amendments, re-enactments and replacements;

- (j) a reference to an event, matter or circumstance being "**Fairly Disclosed**" to a party means disclosed to that party or any of its Representatives in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Representatives) experienced in transactions similar to the Transaction and experienced in business similar to any business conducted by the Target Group (if disclosed by Target) or the Bidder Group (if disclosed by Bidder), to identify the nature and scope of the relevant event, matter or circumstance on the Target Group or the Bidder Group (as applicable);
- (k) a reference to **\$** or **dollar** is to Australian currency;
- (l) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this agreement;
- (m) a reference to a date or time is to that date or time in Sydney, Australia; and
- (n) this scheme (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

2. Preliminary matters

2.1 Target

- (a) The Target is a public company limited by shares, incorporated in Australia and registered in the State of Queensland.
- (b) The Target is admitted to the official list of ASX and Target Shares are officially quoted on the ASX.
- (c) As at 5 November 2018, the Target had the following securities on issue:
 - (i) 120,463,450 Target Shares; and
 - (ii) 1,166,680 Target Performance Rights.

2.2 Bidder

The Bidder is a proprietary company limited by shares, incorporated in Australia and registered in the State of Victoria.

2.3 HoldCo

HoldCo is a proprietary company limited by shares, incorporated in Australia and registered in State of Victoria.

2.4 Implementation Agreement

The Bidder and the Target have agreed, by executing the Implementation Agreement, to implement this scheme (among other things).

2.5 Deed Poll

The Bidder and HoldCo have agreed, by executing the Deed Poll, to perform their respective obligations under this scheme, including the obligation to provide or procure the provision of

the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme.

3. Conditions precedent

3.1 Conditions

- (a) This scheme is conditional on and will have no force or effect until each of the following conditions is satisfied:
- (i) all the conditions precedent in clause 3.1 of the Implementation Agreement having been satisfied or waived (other than the conditions precedent which cannot be waived) in accordance with the terms of the Implementation Agreement by 8.00am on the Second Court Date;
 - (ii) the Implementation Agreement or Deed Poll not having been terminated in accordance with its terms before 8.00am on the Second Court Date;
 - (iii) approval of this scheme by the Court under section 411(4)(b) of the Corporations Act, including with such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the Target and the Bidder, having been satisfied; and
 - (iv) the orders of the Court made under section 411(4)(b) (and if applicable, section 411(6)) of the Corporations Act approving this scheme coming into effect, under section 411(10) of the Corporations Act.
- (b) The scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date unless Target and Bidder otherwise agree in writing.

3.2 Certificate in relation to conditions

The Target and the Bidder must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not as at 8.00am on the Second Court Date all the conditions precedent in clause 3.1 of the Implementation Agreement (other than the condition precedent in clause 3.1(g)) have been satisfied or waived (other than the conditions precedent which cannot be waived) in accordance with the terms of the Implementation Agreement.

3.3 Conclusive evidence

The giving of a certificate by the Target and the Bidder under clause 3.2 will be conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4. Implementation

4.1 Lodgement of Court orders

The Target must lodge with ASIC an office copy of any Court orders under section 411(10) of the Corporations Act approving this scheme by 5.00pm on the Business Day on which such office copy is received (or such later date as is agreed between the parties in writing).

4.2 Consequences of this scheme becoming Effective

If this scheme becomes Effective:

- (a) it will override the constitution of the Target, to the extent of any inconsistency;
- (b) the Bidder or HoldCo must (pursuant to their respective obligations under the Deed Poll) provide or procure the provision of the Scheme Consideration in the matter contemplated by this scheme;
- (c) subject to the provision of the Scheme Consideration as contemplated by clause 4.2(b), all the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date) will be transferred to the Bidder; and
- (d) the Target will enter the name of the Bidder in the Target Share Register in respect of all the Scheme Shares.

4.3 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by this scheme and the Bidder or HoldCo providing the Target with written confirmation of that, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by the Target or its officers as agent and attorney of the Scheme Shareholders under clause 8.5 or otherwise) by:
 - (i) the Target delivering to the Bidder a duly completed and executed share transfer form to transfer all of the Scheme Shares to the Bidder; and
 - (ii) the Bidder duly executing such transfer form and delivering it to the Target for registration; and
- (b) as soon as practicable after receipt of the transfer form in accordance with clause 4.3(a)(ii), the Target must enter the name of the Bidder in the Target Share Register in respect of all the Scheme Shares.

4.4 Reconstitution of Target Board

With effect on and from the Implementation Date, but subject to Bidder having provided the Scheme Consideration in accordance with this scheme, Target must:

- (a) cause the appointment to the Target Board and to the boards of each Subsidiary of Target those persons nominated by Bidder in writing to Target, subject to those persons being appointed having provided to Target duly executed consents to act as directors of the relevant companies; and
- (b) procure that all Target directors and the directors of each subsidiary of Target (other than, in each case, those appointed pursuant to clause 4.4(a) resign from the Target Board and the board of each subsidiary of Target,

in each case, in accordance with the Target constitution, the Corporations Act and the Listing Rules.

4.5 Suspension of trading

Suspension of trading on ASX in Target Shares will occur from the close of trading on ASX on the Effective Date.

4.6 Removal of Target from official list of ASX

If directed by Bidder in writing, Target must take all steps necessary for Target to be removed from the official list of ASX on the day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date, and any one or more of Target and Bidder must satisfy any conditions reasonably required by ASX for it to act on that request.

5. Scheme Consideration

5.1 Bidder undertakings in relation to Scheme Consideration

Bidder undertakes to Target (in the Target's own right and separately as trustee for each of the Scheme Shareholders) that, if the Scheme becomes Effective, in consideration for the transfer to Bidder of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Bidder will:

- (a) accept that transfer;
- (b) provide, or procure the provision to, each Scheme Shareholder the Scheme Consideration in accordance with:
 - (i) subject to clause 5.2 and any application of the Scaleback Mechanism, any Election made by that Scheme Shareholder as contemplated by clause 5.3;
 - (ii) clause 5.4 and 5.5; and (iii) the terms of the Scheme;
- (c) on the Implementation Date:
 - (i) pay, or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme Shareholders, an amount in cleared funds equal to the Aggregate Cash Consideration; and
 - (ii) subject to clause 5.2, procure the allotment of the Aggregate Scrip Consideration to applicable Scheme Shareholders (subject to any applicable scaleback in accordance with the Scaleback Mechanism),

in each case in accordance with the terms of the Scheme.

5.2 Minimum Scrip Number not reached

If the Aggregate Scrip Consideration is less than the Minimum Scrip Threshold:

- (a) Bidder is not required to:
 - (i) comply with any valid Elections; or
 - (ii) issue any Scrip Consideration to any Scheme Shareholders;
- (b) each Scheme Shareholder who gives a valid Election will be entitled to receive the All Cash Consideration for the Scheme Shares they hold; and
- (c) Bidder must, instead of complying with clauses 5.1(b) and 5.1(c)(ii), by no later than 12 pm on the Implementation Date, pay or procure the payment of, to a trust account operated by or on behalf of Target, to be held on trust for Scheme

Shareholders, an amount in cleared funds equal to the Maximum Cash Consideration and will, by doing so, satisfy its obligations under clauses 5.1(b) and 5.1(c)(ii).

5.3 Election mechanism

- (a) Each Target Shareholder (other than Ineligible Foreign Shareholders) will be entitled to make an Election. All Elections take effect in accordance with the Scheme to the extent any Target Shareholder who makes an Election qualifies as a Scheme Shareholder.
- (b) Target must ensure that the Explanatory Memorandum is accompanied by an Election Form.
- (c) The Election Form must state to the effect that:
 - (i) subject to clause 5.3(c)(iv), an Election must be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form before the Election Date;
 - (ii) an Election will apply to all of the Target Shares of the Target Shareholder as at the Election Date;
 - (iii) once made, an Election may be varied, waived or revoked before the Election Date by notice in writing to the Target; and
 - (iv) in the manner considered appropriate by Bidder and the Target (acting reasonably), a Target Shareholder who holds one or more parcels of Target Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Target Shares (subject to providing to Bidder and the Target any substantiating information they reasonably require), and if it does so will be treated as a separate Target Shareholder in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holding), provided that if, at the Election Date, it holds fewer Target Shares than it held at the time it made the Election, then, unless it has at the time of any sale of Target Shares notified the Target whether the Target Shares sold relate to any such separate Election (and if so, which separate Election the Target Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Target Shares (or will be treated in any other manner that Bidder and the Target agrees is fair to the Target Shareholder in all the circumstances acting reasonably).
- (d) The Target must ensure that, to the extent reasonably practicable, persons who acquire Target Shares after the date of the dispatch of the Explanatory Memorandum and until the Election Date are sent an Election Form upon those persons requesting one from the Target.
- (e) In order to facilitate the issue of the Scrip Consideration (if applicable), the Target must provide, or procure the provision, to Bidder, details of any Election made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.

- (f) The parties agree that the terms and conditions that will be stated on the Election Form will include the following:
- (i) Ineligible Foreign Shareholders may not make an Election and that any purported Election by such persons will be of no effect. Clause 5.7 will apply to any Target Shareholder who makes an Election but who qualifies as an Ineligible Foreign Shareholder;
 - (ii) if a Target Shareholder does not make a valid Election, that Target Shareholder will receive All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder;
 - (iii) Target Shareholders who make a valid Election agree to become members of HoldCo from the Implementation Date and become bound by the HoldCo Constitution and HoldCo SHA, pursuant to the Scheme;
 - (iv) Target Shareholders who make a valid Election must provide, before the Election Date, the information and documents described in the Election Form as being required by Bidder or Target; and
 - (v) if the Aggregate Scrip Consideration is less than the Minimum Scrip Number, Target Shareholders who make valid Elections will receive the All Cash Consideration in respect of the Scheme Shares held by that Target Shareholder,

and such other terms and conditions as Bidder reasonably requires to be stated on the Election Form.

5.4 All Cash Consideration

- (a) If a Target Shareholder:
- (i) is an Ineligible Foreign Shareholder; or (ii) does not make a valid Election,
- that Target Shareholder will be entitled to receive the All Cash Consideration for the Scheme Shares held by them.
- (b) All Target Shareholders will receive the All Cash Consideration for the Scheme Shares held by them if the provisions of clause 5.2 apply.
- (c) Where a calculation of Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent:
- (i) where the entitlement is to half a cent or more, the fractional entitlement will be rounded up to the nearest whole cent; and
 - (ii) where the entitlement is to less than half a cent, the fractional entitlement will be rounded down to the nearest whole cent.

5.5 Scrip Consideration

If a Target Shareholder makes a valid Election and clause 5.2 does not apply:

- (a) the Target Shareholder will be entitled to receive the Scheme Consideration relevant to their Election (subject to the Scaleback Mechanism and the terms of the Scheme); and

- (b) if the number of HoldCo Shares to which that Target Shareholder is entitled is not a whole number:
- (i) where the entitlement is to half a HoldCo Share or more, the number of HoldCo Shares will be rounded up to the nearest whole number; and
 - (ii) where the entitlement is to less than half a HoldCo Share, the number of HoldCo Shares will be rounded down to the nearest whole number.

5.6 Share splitting

If Bidder and the Target are of the opinion that a number of Scheme Shareholders and/or other persons (who, to avoid doubt, may include other Scheme Shareholders) have, before the Election Date, been party to a shareholding splitting or division or an acquisition of Scheme Shares in an attempt to obtain, or which provides, an advantage by reference to the rounding as contemplated by clause 5.5(b)(i), Bidder may give notice to those Scheme Shareholders prior to the Implementation Date:

- (a) setting out the names and registered address of all of those Scheme Shareholders;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after the notice has been so give, the Scheme Shareholder specifically identified in the notice will, for the purposes of the Scheme, be taken to hold all those Scheme Shares and each of the other Scheme Shareholders whose names are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

5.7 Ineligible Foreign Shareholders

Bidder has no obligation to provide, and will not provide, under the Scheme any Scrip Consideration to Ineligible Foreign Shareholders, regardless of the Election made by those persons, but must pay the All Cash Consideration to each Ineligible Foreign Shareholder for the Scheme Shares they hold in accordance with the Scheme.

5.8 Scaleback Mechanism

If:

- (a) the Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election on or before the Election Date; and
- (b) the Aggregate Scrip Consideration exceeds the Maximum Scrip Threshold,

then

- (c) the Scheme Shareholder is entitled to receive Scrip Consideration as calculated in accordance with the following formula:

$$A = (B \times \text{Scrip Consideration}) \times \left(\frac{C}{D}\right)$$

where:

A = the number of HoldCo Shares to be received by the Scheme Shareholder pursuant to the Scheme;

B = if the Scheme Shareholder:

(a) has made a Mixed Election Option 1 Election, a number equal to 50% of the Scheme Shares held by the Scheme Shareholder; or

(b) has made a Mixed Election Option 2 Election, a number equal to 75% of the Scheme Shares held by the Scheme Shareholder;

C = the number of HoldCo Shares equal to the Maximum Scrip Threshold; and

D = the Aggregate Scrip Consideration; *plus*

- (d) the Scheme Shareholder is entitled to receive the All Cash Consideration Value for:
- (i) each Scheme Share they hold; *less*
 - (ii) the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive Scrip Consideration as calculated in accordance with clause 5.8(c) above.

6. Provision of Scheme Consideration

6.1 Provision of Aggregate Cash Consideration

- (a) The obligation of the Bidder to provide, or procure the provision of, the Aggregate Cash Consideration to Scheme Shareholders will be satisfied by the Bidder:
- (i) paying, or procuring the payment of, before 12.00 noon on the Implementation Date, an amount in cleared funds at least equal to the Aggregate Cash Consideration into a trust account operated by or on behalf of the Target, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will be to the Bidder's account; and
 - (ii) providing the Target with written confirmation of that payment.
- (b) Within 5 Business Days after the Implementation Date and subject to compliance with clause 6.1(a) by the Bidder, the Target must pay from the account referred to in clause 6.1(a) to each Scheme Shareholder such amount of cash as is due to that Scheme Shareholder under clause 6.1(a) as Cash Consideration in respect of all that Scheme Shareholder's Scheme Shares.
- (c) The amount referred to in clause 6.1(b) must be paid by the Target doing any of the following at its election:
- (i) sending (or procuring the Share Registry to send) that amount to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the trust account referred to in clause 6.1(a); or
 - (ii) if the Scheme Shareholder has a payment direction (including a direction used for the payment of dividends) for a bank account with any

Australian ADI (as defined in the Corporations Act) recorded in the Target Share Register on the Record Date, depositing (or procuring the Share Registry to deposit) that amount into that account.

- (d) The Target may cancel a cheque issued under clause 6.1(c)(i) if the cheque:
- (i) is returned to the Target; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent,
- provided that, during the period of one year commencing on the Implementation Date, on request from a Scheme Shareholder, the Target must reissue a cheque that was previously cancelled under this clause 6.1(d).
- (e) If there is any surplus in the amount held by the Target in the trust account, that surplus must be repaid by the Target to the Bidder following the satisfaction of the Target's obligations under this clause 6.1.
- (f) Subject to clause 6.1(d), in the event that a cheque is sent to the Scheme Shareholder's Registered Address by the Target for the purpose of clause 6.1(c)(i) is returned to the sender and no account has been notified for the purposes of clause 6.1(c)(ii), or a deposit into such an account is rejected or refunded, Target may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target to be held on trust by Target for the Scheme Shareholder until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation (except that any interest accruing on the amount will be for the account of Bidder after the deduction of any costs, expenses or applicable taxes). An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Target must maintain records of the amount paid, the people who are entitled to the amounts and any transfer of the amounts.
- (g) If any amount is required under any law or by any government or any governmental, semi-governmental or judicial entity or authority to be:
- (i) withheld from an amount payable under clause 6.1(b) and paid to that entity or authority; or
 - (ii) retained by the Target out of an amount payable under clause 6.1(b),
- its payment or retention by the Target (or the Share Registry) will constitute the full discharge of the Target's obligations under clauses 6.1(b) and 6.1(c) and 6.4(b) with respect to the amount so paid or retained until, in the case of clause 6.1(g)(ii), it is no longer required to be retained.

6.2 Provision of Aggregate Scrip Consideration

- (a) Subject to clauses 5.2, 5.3, 5.6 and 5.7, the obligation of the Bidder or HoldCo to provide, or procure the provision of, the Aggregate Scrip Consideration to Scheme Shareholders in accordance with this scheme and the Implementation Agreement, will be satisfied by the Bidder or HoldCo procuring:
- (i) before 12.00 noon on the Implementation Date, the allotment of HoldCo Shares to each applicable Scheme Shareholder in accordance with the terms of the Scheme and the Election of that Scheme Shareholder; and
 - (ii) that the name and address of each such Scheme Shareholder is entered

into the HoldCo Share Register on the Implementation Date in respect of the HoldCo Shares to which it is entitled under this scheme (either directly or through a custodian as contemplated in the HoldCo SHA).

- (b) in the case of joint holders of Scheme Shares, the HoldCo Shares to be provided under this scheme will be provided to and registered in the names of the joint holders.
- (c) HoldCo may elect that a Scheme Shareholder who receives Scrip Consideration pursuant to this scheme will have those HoldCo Shares registered in the name of a custodian nominated by HoldCo in accordance with the terms of a custody agreement as specified by HoldCo where:
 - (i) the allotment of the Aggregate Scrip Consideration would otherwise result in there being more than 50 registered shareholders in HoldCo; or
 - (ii) subject to the consent of Target (not to be unreasonably withheld or delayed), the allotment of the Aggregate Scrip Consideration would result in there being less than 50 registered shareholders in HoldCo.

6.3 Status of HoldCo Shares

The Bidder or HoldCo shall procure that within 5 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing or stating, as applicable, the number of HoldCo Shares to be provided to the Scheme Shareholder pursuant to this scheme.

6.4 Joint holders

In the case of any Scheme Shares held in joint names:

- (a) any HoldCo Shares comprised in the Scheme Consideration are to be registered in the names of the joint holders;
- (b) any cheque required to be sent under this scheme will be made payable to the joint holders and sent at the sole discretion of the Target, either to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders (unless the joint holders have nominated a bank account under clause 6.1(c)(ii), in which case the amount must be deposited directly to the nominated bank account of the joint holders);
- (c) any other document required to be sent under this Scheme will be forwarded at the sole discretion of the Target, either to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders.

7. Dealings in Target Shares

7.1 Dealings in Target Shares by Target Shareholders

To establish the identity of the Scheme Shareholders, dealings in Target Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares by no later than 7.00pm on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of

those dealings are received by no later than 7.00pm on the Record Date at the place where the Target Share Register is kept,

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

7.2 Target Share Register

- (a) The Target must maintain the Target Share Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been provided to the Scheme Shareholders and the Target Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) The Target must register valid registrable transmission applications or transfers of the kind referred to in clause 7.1(b) by no later than 7.00pm on the Record Date (provided that for the avoidance of doubt nothing in this clause 7.2(b) requires the Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a Marketable Parcel).
- (c) The Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after 7.00pm on the Record Date.
- (d) From 7.00pm on the Record Date until the earlier of registration of the Bidder in respect of all Scheme Shares under clause 4.3(b) or the End Date, no Target Shareholder may deal with Target Shares in any way except as set out in this scheme and any attempt to do so will have no effect and Target may disregard any such dealing.

7.3 Information to be made available to the Bidder

- (a) The Target must provide, or procure the provision, to Bidder, details of any Election made by a Target Shareholder, on the Business Day after the Election Date, including the name and address of each Target Shareholder who has made a valid Election and the number of HoldCo Shares that HoldCo must issue to that Target Shareholder to meet its obligations under the Scheme in accordance with that Target Shareholder's Election and subject to the Scaleback Mechanism.
- (b) As soon as practicable after the Record Date and in any event at least 2 Business Days before the Implementation Date, the Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder are available to the Bidder in the form the Bidder reasonably requires.

7.4 Effect of share certificates and holding statements

- (a) Each entry which is current on the Target Share Register as at 7.00pm on the Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (b) Upon the Scheme Consideration being provided to the Scheme Shareholders in accordance with this Scheme, all certificates and statements of holding for Target Shares will cease to have any effect as documents of title in respect of those shares (other than statements of holding in favour of the Bidder and its successors in title).

8. General scheme provisions

8.1 Consent

If the Court proposes to approve this scheme subject to any alterations or conditions, the Target may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which the Bidder has consented.

8.2 Binding effect of the scheme

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

8.3 Agreement of Scheme Shareholders

Each Scheme Shareholder:

- (a) agrees to the transfer of their Target Shares in accordance with terms of this scheme and agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this scheme;
- (b) acknowledges that this scheme binds the Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against this scheme at the Scheme Meeting);
- (c) who is issued HoldCo Shares under this scheme agrees to become a shareholder of HoldCo in respect of those HoldCo Shares and to be bound by the HoldCo Constitution and the HoldCo SHA; and
- (d) who is an Ineligible Foreign Shareholder agrees and acknowledges that the payment to it of an amount in accordance with clause 5.7 constitutes the satisfaction in full of its entitlement to the Scheme Consideration.

8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to the Target and the Bidder, and appointed and authorised the Target as its attorney and agent to warrant to the Bidder that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to the Bidder under this scheme will, on the date they are transferred to the Bidder, be fully paid;
 - (ii) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to the Bidder under this scheme will, on the date they are transferred to the Bidder, be free from all Encumbrances and third party rights or interests of any kind; and
 - (iii) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to the Bidder;
 - (iv) it has no existing right to be issued any Target Shares, options exercisable into Target Shares, Target Performance Rights, Target convertible notes or any other Target securities, other than, in the case of any Scheme Shareholder who is also a holder of Target Performance

Rights, the right to be issued Target Shares on the vesting of those Target Performance Rights (if applicable) before the Record Date, in accordance with their terms.

- (b) The Target undertakes that it will provide such warranty to the Bidder as agent and attorney for each Scheme Shareholder.

8.5 Authority given to the Target

Upon this scheme becoming Effective, each Scheme Shareholder without the need for any further act:

- (a) irrevocably appoints the Target and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
 - (i) enforcing the Deed Poll against the Bidder and HoldCo; and
 - (ii) executing any document necessary to give effect to this scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares,

and the Target accepts such appointment; and
- (b) will be deemed to have authorised the Target to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement this scheme, including executing, as agent and attorney of each Scheme Shareholder, a share transfer or transfers in relation to Scheme Shares as contemplated by clause 8.5(a).

8.6 Appointment of sole proxy

Upon the Scheme Consideration being provided to the Scheme Shareholders and until the Target registers the Bidder as the holder of all Target Shares in the Target Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed the Bidder as its attorney and agent (and directed the Bidder in such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of the Target, exercise the votes attaching to the Scheme Shares registered in their name and sign any Target Shareholders' resolutions, whether in person, by proxy or by corporate representative;
- (b) undertakes not to otherwise attend or vote at any of those meetings or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than as pursuant to clause 8.6(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), the Bidder and any director, officer, secretary or agent nominated by the Bidder under clause 8.6(a) may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

8.7 Title to Target Shares

Upon the Scheme Consideration being provided to the Scheme Shareholders and until the Target registers the Bidder as the holder of all Target Shares in the Target Share Register, the Bidder will be beneficially entitled to all of the Scheme Shares transferred to it under the Scheme.

9. General

9.1 Stamp duties

The Bidder and HoldCo must pursuant to their obligations under the Deed Poll:

- (a) pay all stamp duties and any related fines and penalties in respect of the transfer of the Scheme Shares to the Bidder and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnify each Scheme Shareholder against any liability from a failure to comply with clause 9.1(a).

9.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this scheme is sent by post to the Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the place where the Target's Share Registry is kept.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Further acts and documents

The Target must do all further acts (on its own behalf and on behalf of each Scheme Shareholder) and execute and deliver all further documents required by law or necessary to give effect to this scheme and the transactions contemplated by it.

9.4 No liability when acting in good faith

Neither Target nor Bidder (nor any director, officer or secretary of any of those companies) will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10. Governing law and jurisdiction

10.1 Governing law

This scheme is governed by the law applying in New South Wales.

10.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Commonwealth courts having jurisdiction in that state and the courts competent to

determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this scheme; and

- (b) waives any objection it may have now or in the future to the venue of any proceedings, and any claim it may have now or in the future that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 10.2(a).

Annexure B Deed Poll

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Deed poll dated

- By** **Vermont Aus Pty Ltd ACN 626 845 510** of Level 31, 101 Collins Street, Melbourne, Victoria 3000 (**Bidder**)
- Vermont Aus Holdco Pty Ltd ACN 626 842 135** of Level 31, 101 Collins Street, Melbourne, Victoria 3000 (**HoldCo**)
- In favour of** **Each person registered as a holder of fully paid ordinary shares in the capital of Greencross Limited ACN 119 778 862** of Unit 6, Eastern Valley Way, Chatswood, NSW 2067 (**Target**) on issue as at the Record Date (**Scheme Shareholders**)

Background

- A. On 5 November 2018, the Target and the Bidder entered into a scheme implementation agreement (**Implementation Agreement**) to provide for the implementation of the Scheme.
- B. The effect of the Scheme will be to transfer all Scheme Shares to the Bidder in exchange for the Scheme Consideration.
- C. Each of Bidder and HoldCo enter into this deed poll to covenant in favour of the Scheme Shareholders to perform its respective obligations to provide or procure the provision of the Scheme Consideration in accordance with the Scheme.

It is declared as follows

1. Definitions and interpretation

1.1 Definitions

In this deed poll:

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between the Target and its shareholders, in substantially the same form as set out in Annexure A to the Implementation Agreement or in such other form as Target and Bidder agree in writing.

1.2 Terms defined in the Scheme

Capitalised words and phrases defined in the Scheme and not in this deed poll have the same meaning in this deed poll as in the Scheme unless the context requires otherwise.

1.3 Interpretation

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme form part of this deed poll as if set out in full in this deed poll, except that references to "scheme" in those clauses will be taken to be references to "deed poll".

1.4 Nature of this deed poll

The Bidder and HoldCo acknowledge that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

2. Condition precedent

2.1 Condition

The respective obligations of the Bidder and HoldCo under clause 3 are subject to the Scheme becoming Effective.

2.2 Termination

The respective obligations of the Bidder and HoldCo under this deed poll will automatically terminate and this deed poll will be of no further force or effect if:

- (a) the Implementation Agreement is terminated in accordance with its terms prior to the Court approving the Scheme; or
 - (b) the Scheme is not Effective by the End Date,
- unless the Bidder and the Target otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition to and without prejudice to any other rights, powers or remedies available to it:

- (a) the Bidder and HoldCo are released from their respective obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against the Bidder and HoldCo in respect of any breach of this deed poll which occurs before it was terminated.

3. Provision of the Scheme Consideration

3.1 Undertaking

Subject to clause 2, each of the Bidder and HoldCo undertake in favour of each Scheme Shareholder:

- (a) to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) to undertake or procure the undertaking of all other actions attributed to either Bidder or HoldCo under the Scheme.

3.2 Status of HoldCo Shares

The Bidder and HoldCo undertake in favour of each Scheme Shareholder that the HoldCo Shares which are provided to Scheme Shareholders in accordance with the Scheme will be duly issued, fully paid and free from any Encumbrances and will have the rights attaching to them as set out in the HoldCo SHA.

4. Warranties

Each of the Bidder and HoldCo warrants to each Scheme Shareholder that:

- (a) it is a company properly incorporated and validly existing under the laws of the country or jurisdiction of its incorporation;

- (b) it has the legal right and full corporate power and capacity to execute, deliver and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll constitutes (or will when executed constitute) valid legal and binding obligations of it and is enforceable against it in accordance with its terms;
- (e) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets (or any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in this paragraph);
- (f) the execution, delivery and performance of this deed poll by it does not and will not result in a breach of or constitute a default under:
 - (i) any agreement to which it is a party;
 - (ii) any provision of the constitution or articles of association (as applicable); or
 - (iii) any law or regulation or any order, judgment or determination of any court or Regulatory Authority by which it is bound.
- (g) as at the date of this deed poll and so far as it is aware, no regulatory action of any nature has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this deed poll.

5. Continuing obligations

This deed poll is irrevocable and remains in full force and effect until the Bidder and HoldCo have fully performed their respective obligations under it or the earlier termination of this deed poll under clause 2.

6. General

6.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) may be given by personal service, post or email;
- (b) must be in writing and in English;
- (c) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):
 - (i) if to Target:

Address: Unit 6, Eastern Valley Way, Chatswood, NSW
2067

Email: shickey@gx ltd.com.au

Attention: Simon Hickey

(ii) if to Bidder or to HoldCo:

Address: Level 31, 101 Collins
101 Collins Street
Melbourne VIC 3000

Email: jthickins@tpg.com

Attention: Joel Thickins

with a copy in each case to:

Email: pcook@gtlaw.com.au
rbasil@gtlaw.com.au

- (d) (in the case of personal service or post) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (e) (in the case of email) must state that the email is a communication under this agreement; and
- (f) must be delivered by hand or posted by prepaid post to the address or sent by email to the email address, of the addressee, in accordance with this clause 6.1.

6.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement is taken to be received by the addressee:

- (a) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
- (c) (in the case of delivery by hand) on delivery; and
- (d) (in the case of email) unless the party sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 6.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

6.3 Governing law

This deed poll is governed by and must be construed according to the law applying in New South Wales.

6.4 Jurisdiction

Each of Bidder and HoldCo irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.4(a).

6.5 Amendments

This deed poll may be amended only by another deed poll entered into by the Bidder and Holdco, and then only if the amendment is agreed to by the Target in writing and the Court indicates that the amendment would not preclude approval of the Scheme.

6.6 Waiver

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed poll by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (b) A waiver or consent given by a party under this deed poll is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this deed poll operates as a waiver of another breach of that term or of a breach of any other term of this deed poll.

6.7 Further acts and documents

The Bidder and Holdco must do all further acts and execute and deliver all further documents required by law or necessary to give effect to this deed poll and the transactions contemplated by it.

6.8 Assignment

The rights of each Scheme Shareholder under this deed poll are personal and cannot be assigned, novated or otherwise transferred without the prior written consent of the Bidder.

6.9 Stamp duties

The Bidder and Holdco must:

- (a) pay all stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnify each Scheme Shareholder against any liability arising from a failure to comply with clause 6.9(a).

6.10 Cumulative rights

The rights, powers and remedies of the Bidder, HoldCo and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

Executed and delivered as a deed poll.

Executed by Vermont Aus Pty Ltd ACN 626 845 510 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

Executed by Vermont Aus Holdco Pty Ltd ACN 626 842 135 in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Signature of company secretary/director

Full name of director

Full name of company secretary/director

Annexure C HoldCo SHA (term sheet)

Shareholders' Deed term sheet

Definitions, interpretation

1. Defined terms

In this term sheet:

- BidCo** means Vermont Aus Pty Ltd (ACN 626 845 510).
- Board** means the board of directors of HoldCo from time to time.
- Class A Shareholder** means a holder of Class A Shares.
- Class B Shareholder** means a holder of Class B Shares.
- Class C Shareholder** means a holder of Class C Shares.
- Class A Shares** means an ordinary share in the capital of HoldCo which is designated as a Class A Share and has the rights set out in the Shareholders' Deed and the Constitution.
- Class B Shares** means an ordinary share in the capital of HoldCo which is designated as a Class B Share and has the rights set out in the Shareholders' Deed and the Constitution.
- Class C Shares** has the meaning given to that term in item 21.
- Constitution** means the constitution of HoldCo.
- Corporations Act** means the *Corporations Act 2001* (Cth).
- Greencross** means Greencross Limited (ACN 119 778 862).
- Group** means HoldCo and each of its Subsidiaries.
- HoldCo** or the **Company** means Vermont Aus Holdco Pty Ltd (ACN 626 842 135).
- Implementation Date** has the meaning given to that term in the SIA.
- Insolvency Event** has the meaning given to that term in the SIA.
- Management Equity Plan** means the management equity plan to be established by the Company under which the Company may issue securities to managers of the Company.
- Management Shareholder** means a holder of Class C Shares.
- Scheme** has the meaning given to that term in the SIA.
- Shareholder** means a holder of Class A Shares, Class B Shares or Class C Shares in HoldCo (as the context requires).
- Shareholders' Deed** means the long form shareholders' deed to be prepared by HoldCo and the TPG Investors based on the terms of this term sheet.
- Shares** means Class A Shares, Class B Shares or Class C Shares (as the context requires).
- SIA** means the scheme implementation agreement between BidCo and Greencross dated on or about the date of this term sheet.

Shareholders' Deed term sheet

Simple Majority means

- (a) in the case of Shareholders, Shareholders that together hold more than 50% of the total voting rights of all Shareholders present (in person or by proxy) at the meeting of Shareholders or sign the relevant written resolution (as the case may be and entitled to vote on the resolution concerned; and
- (b) in the case of directors, directors that together hold more than 50% of the total voting rights of all directors who attend the relevant Board meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution.

Special Majority Resolution means a majority of votes cast by Class A Shareholders.

Subsidiary has the meaning given to it in the Corporations Act.

TPG Investors means TPG Asia VII SF Pte. Ltd and TPG Growth IV SF Pte. Ltd and any other TPG funds.

2. Objectives

The primary objectives of the Group are to:

- (a) operate, carry on and grow the business of the Group; and
- (b) maximise the sustainable value off the Group in line with the direction and strategy of the Group as determined by the Board from time to time in accordance with the Shareholders' Deed.

3. Precedence of the Shareholders' Deed

Where the Shareholders' Deed and the Constitution deal with the same or a similar topic differently:

- (a) the Shareholders' Deed will prevail in relation to that topic to the extent of any inconsistency; and
- (b) if a Shareholder gives the Company a notice specifying the difference and requesting an amendment to the Constitution that will remove the difference, each Shareholder must take all necessary steps to amend the Constitution to make the Constitution consistent with the Shareholders' Deed.

Incorporation of HoldCo

4. Jurisdiction of incorporation Australia

5. Company type Private, unlisted company.

101 shares on issue as at the date of the SIA:

- (a) 100 shares held by TPG Asia VII SF Pte. Ltd; and
- (b) 1 share held by TPG Growth IV SF Pte. Ltd.

Shares

6. Classes, rights attaching The share capital of HoldCo will be divided into two classes of ordinary shares – Class A Shares and Class B Shares. Both classes of shares will have the following rights:

- (a) one vote per share;
- (b) equal rights to dividends that the HoldCo board may declare pursuant to item 22;

Shareholders' Deed term sheet

- (c) equal rights on an Insolvency Event; and
 (d) generally all of the rights attaching to ordinary shares.

7. Class A Shares

Class A Shares are only to be held by TPG.

Fully paid ordinary shares that rank equally with each other Class A Share.

Any Class B Share acquired by a Class A Shareholder will automatically be re-classified as a Class A Share.

8. Class B Shares

Class B Shares – to be offered as “Scrip Consideration” under the Scheme.

Fully paid ordinary shares that rank equally with each other Class B Share.

Board matters

9. Board Composition and voting

The Board must consist of a minimum of 4 directors and a maximum of 9 directors.

Class A Shareholders may appoint all directors to the Board and may also appoint and remove the Chair of the Board, in both cases by written notice to HoldCo.

The Chair will have a casting vote.

The directors of HoldCo vote in the same proportions as the shareholdings of their appointing Shareholder(s).

Quorum for the board of HoldCo is 2 directors. No business may be transacted at any meeting unless a quorum is present at the commencement of the meeting.

The Board must meet at least 12 times a year (unless otherwise determined by the Board).

10. Board decision-making

All decisions are to be made by a simple majority of the board.

Shareholder matters

11. Shareholder reserved matters

The following will require a Special Majority Resolution:

- (a) material change in the nature of the business of the Group;
- (b) adoption or amendment of the Constitution;
- (c) making amendments to the Shareholders' Deed that materially adversely affects the rights of Class B Shareholders (unless otherwise permitted under the terms of the Shareholder's Deed);
- (d) variation of class rights;
- (e) selective capital reduction or share buy-back;

Shareholders' Deed term sheet

- (f) winding up; and
- (g) related party transactions.

12. Voting Each Shareholder is entitled to that number of votes which is equivalent to the number of fully paid Class A or Class B Shares it holds.

Dealing with Shares

13. No obligation to provide further funding No Shareholder is obliged to provide any further funding (by way of debt or equity, guarantee or otherwise) to the Group.

14. Issues of new shares

The Board may resolve to issue new Shares provided that those Shares are offered to all Shareholders pro rata to their existing shareholding. In the event that a Class B Shareholder or Management Shareholder does not take up its entitlement within the relevant acceptance period specified in the Shareholders' Deed, TPG may give notice to those Shareholders that it wishes to subscribe for the Shares not taken up by those Shareholders (in which case those new Shares will be issued to TPG as Class A Shares).

For any new issue of Shares, HoldCo must first offer any new Shares on a pro rata basis to all existing Shareholders, except in the following circumstances:

- (a) emergency funding (provided that the emergency funding is followed by an ability for Shareholders to top up their shareholding to retain their relevant proportion);
- (b) issue of shares to Class A Shareholders to provide funding to meet transaction costs in connection with the Scheme;
- (c) issue of Class B Shares in connection with the Scheme consideration;
- (d) issue of Class C Shares or other securities in connection with the Management Equity Plan (including on exercise of any options) or dividend reinvestment plan;
- (e) as consideration for a bona fide, arm's length acquisition or merger; or
- (f) in connection with an IPO.

Class A Shareholders, but not Class B Shareholders, may take up any shares not taken up by other Shareholders.

15. Disposal and encumbrances

No disposal of shares is permitted except:

- (a) within a Shareholder's corporate group/affiliate; or
- (b) pursuant to a drag-along notice under item 16; or
- (c) pursuant to a compulsory transfer/selective buyback under the "Small Holdings" mechanism in item 20.

Management Shareholders may not deal with any of its Shares other than to transfer the Shares to an affiliate, with the consent of the Board or pursuant to a drag, tag or IPO.

Shareholders' Deed term sheet

- 16. Drag-along rights** If the Class A Shareholder proposes to transfer/sell all or a proportion of its Shares (including by way of IPO), the Class B Shareholders will have no rights of pre-emption in respect of the shares held by the Class A Shareholders, and the Class A Shareholders may give a drag-along notice to the Class B Shareholders requiring that they also transfer all or an equivalent proportion of their Shares on the same or no less favourable terms and conditions.
- 17. Tag-along rights** If the Class A Shareholder proposes to transfer/sell all or a proportion of its Shares (including by way of IPO) and does not give a drag-along notice, the Class B Shareholders must be invited to transfer/sell all or an equivalent proportion of their Shares on the same or no less favourable terms and conditions.
- 18. IPO facilitation** The Class A Shareholder may commence an IPO process at its election. Where the Class A Shareholder commences IPO preparation and give notice, the Class B Shareholders must execute all documents and take all actions necessary to facilitate the IPO, including agreeing to escrow restrictions on no less favourable terms than those agreed to by the Class A Shareholder. Each Class B Shareholder will appoint the Company as its attorney to undertake all such actions on its behalf.
- 19. Non-compete** While any Class C Shareholder holds shares, they will be subject to non-compete obligations in Australia and New Zealand for a maximum period of 5 years.
- 20. Small Holdings** After a standstill period of 2 years, with respect to Small Holdings, the Company may issue a notice to Class B Shareholders with Small Holdings:
- (a) requesting the compulsory transfer of those Class B Shares to Class A Shareholders; or
 - (b) that the Company is conducting a selective share buy-back in relation to all Small Holdings,
- and all Class A Shareholders and Class B Shareholders agree to take any action and sign any documents as may be required to give effect to the compulsory transfer for the selective share buy-back, as applicable. As part of the Shareholders' Deed, all Class B Shareholders will grant a power of attorney in favour of the Company for the purposes of facilitating this action.
- A **Small Holding** is a shareholding of less than \$1,000 in HoldCo (based on the value implied on the Implementation Date).

Management Shareholders

- 21. Management Equity Plan** If the Scheme becomes effective, the Company may invite managers to participate in the Management Equity Plan and become Management Shareholders. Eligible managers invited to participate will be issued **Class C Shares** – being securities issued by HoldCo designated as Class C Shares.

Other provisions

- 22. Dividend policy** Subject to applicable law and the restrictions set out in any banking documents from time to time, dividends will be payable as determined at the sole discretion of the HoldCo board from time to time.
- 23. Information** Class B Shareholders will have statutory information/access rights to books and records of HoldCo.

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Shareholders' Deed term sheet**24. Bare trust**

The Shareholders' Deed will contain provisions to facilitate the Board's right to appoint an independent third party trustee as nominee to hold the Class B Shares and/or Class C Shares on bare trust for the relevant Shareholders so that the number of registered Shareholders in HoldCo stays below 50 members.

The restrictions on dealing in the Shareholders' Deed will apply to dealings in a Shareholder's beneficial interest in those Shares and any dealings in the legal title to those Shares by the custodian. A Shareholder who holds their Shares beneficially will not be permitted to transfer legal title to those Shares without the consent of the Board.

Shareholders will be entitled to receive any dividends in respect of the Shares which are held on trust.

General**25. Confidentiality** Customary confidentiality provisions.**26. Power of attorney** The Shareholders' Deed will include a customary power of attorney granted to the Company for the purposes of actions such as the drag, tag and leaver provisions (where the Shareholder has defaulted in its obligations).**27. Amendment or variation** For so long as TPG is a Class A Shareholder, the Shareholders' Deed may be amended by the Board without Shareholder approval. Each party to the Shareholders' Deed is bound by any variation of the Shareholders' Deed made pursuant to this clause and notified to that party.**28. Governing law** Governed by NSW law.



D

Appendix D – HoldCo Shareholders’ Deed

Project Clarinet Shareholders' Deed

**Vermont Aus HoldCo Pty Ltd
ACN 626 842 135**

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Date:

Parties

- 1 **Vermont Aus HoldCo Pty Ltd** (ACN 626 842 135) of Level 31, 101 Collins Street, Melbourne Victoria 3000 (the **Company**)
- 2 The persons listed in Schedule 1 (each, a **TPG Shareholder**)

Recitals

- A As at the date of this deed, TPG Shareholders hold 100% of the Shares in the Company. The Shares held by TPG are Class A Shares.
- B TPG intends for the Company to (through a wholly owned Subsidiary) acquire and hold 100% of the issued shares in the Target by way of scheme of arrangement under Part 5.1 of the Corporations Act (**Scheme**).
- C If the Scheme becomes effective, TPG will subscribe for additional Class A Shares in the Company to finance the payment of consideration offered to Target shareholders under the Scheme, provide funding to meet transaction costs in connection with the Scheme, and to repay all or selected indebtedness of the Target.
- D The consideration offered to Target shareholders under the Scheme includes Class B Shares in the Company.
- E Following implementation of the Scheme, Managers of the Company and its Subsidiaries may be invited to participate in any Management Equity Plan under which Class C Shares in the Company may be issued.
- F This deed sets out provisions which regulate the holdings of Shareholders, and the management, control and financing of the Group.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

1.3 Effectiveness of deed

This deed comes into effect on the Implementation Date.

1.4 Precedence of this deed

Where this deed and the Constitution deal with the same or a similar topic differently:

- (a) this deed prevails in relation to that topic; and
- (b) if a Shareholder gives the Company a notice specifying the difference and requesting an amendment to the Constitution that will remove that difference, each Shareholder must take all necessary steps to amend the Constitution to make the Constitution consistent with this deed.

1.5 Capital Structure

- (a) As at the date of this deed, the only Shareholders in the Company are the TPG Shareholders.
- (b) Prior to the Implementation Date of the Scheme, the TPG Shareholders will subscribe for additional Class A Shares in the Company pursuant to clause 10.3(b) and the terms of the Scheme.
- (c) Each Class B Share issued under the Scheme will rank equally in all respects with each other Class B Share.
- (d) Any Shares (including any Class B Shares) acquired by TPG Shareholders will be automatically re-classified as Class A Shares.

1.6 Objectives

The primary objectives of the Company are to:

- (a) operate, carry on and grow the business of the Group; and
- (b) maximise the sustainable value of the Group in line with the direction and strategy of the Group as determined by the Board from time to time in accordance with this deed.

2 Business and management of the Company

2.1 Function of the Board

The function of the Board is to govern the management of the Group. Subject to clause 2.4 and the Corporations Act, the Board may do all things necessary or desirable in connection with this function including:

- (a) determining the overall business strategy and direction for the Group;
- (b) reviewing and approving annual business plans and budgets; and
- (c) determining any other matter in relation to the Group.

2.2 Delegation and management

- (a) The Board will be responsible for the day-to-day management and operation of the Business.
- (b) The Board may delegate to senior management of a Group Company matters which are part of the day-to-day management of the Group. The Board may, in its absolute discretion and at any time, amend, revoke or replace any delegation made to senior management.

2.3 Business Plan and Budget

The Company must ensure that the Group conducts its Business in each Financial Year in accordance with the Business Plan and Budget approved and adopted by the Board for that Financial Year, or as may be amended by the Board from time to time. Any material deviation from or variation to the Business Plan must have prior approval of the Board.

2.4 Reserved matters

The Company must not do nor commit to do, and must procure that no Group Company does or commits to do, and the parties must use all voting rights and any other powers of control available to them (whether as a shareholder, through a director or otherwise) to procure that no Group Company does, or commits to do a thing listed in Schedule 3 without Board Approval.

2.5 Compliance program

As soon as reasonably practicable after the implementation of the Scheme, the Board will approve and adopt a compliance program for the Company and the Company must adhere to such compliance program.

3 Board

3.1 Minimum and maximum number of Directors

The Board must consist of a minimum of four Directors and a maximum of nine Directors.

3.2 Appointment of Directors

- (a) The TPG Shareholders may appoint, remove and replace all Directors to the Board and may also appoint and remove the Chairperson of the Board, in both cases by providing written notice to the Company.
- (b) No other Shareholder or Class C Shareholder has the right to appoint, remove or replace any Director.

3.3 Directors' interests

- (a) A Director is not disqualified from holding any office or place of profit with TPG or any of TPG's Affiliates or Related Parties. To avoid doubt, a Director may:
 - (i) be or become a director of or otherwise hold office or a place of profit in any entity promoted by TPG or in which TPG may be interested; and
 - (ii) contract or make any arrangement with TPG or any of TPG's Affiliates or Related Parties.

- (b) A Director who has a material personal interest in a matter that relates to, or may affect, the Business (including a potential dealing or dispute between a Group Company and the Shareholder that appointed the Director (or a Related Party of the Shareholder), but excluding any matter in respect of which all Shareholders are affected in substantially the same way) must give the other Directors notice of that interest. The relevant Director may participate in Board discussions however decisions of the Board in relation to any such matters shall be determined by a majority decision of the Directors who are not conflicted.

3.4 Directors acting in interests of nominating Shareholder

Subject to applicable law, a Director:

- (a) may disclose to their nominating Shareholder(s) any information obtained in the Director's capacity as a Director; and
- (b) may act in the interests of their nominating Shareholder(s), the funds managed or advised by their nominating Shareholder(s) or its Affiliates and their direct and indirect investors, if any, and a Director will not be in breach of their duties to the Company or any Group Company solely because the Director has regard to or acts in the interests of their nominating Shareholder(s), the funds managed or advised by their nominating Shareholder(s) or their Affiliates, or their direct and indirect investors, if any.

3.5 Voting entitlements of Directors

- (a) Each Director is entitled to one vote.
- (b) The Chairperson will have a casting vote.

3.6 Alternate Directors

Each Director may appoint an alternate to represent him or her at meetings of the Board. That person may be appointed by notice in writing to the Company signed by the appointor and that person need not be approved by resolution of the Directors. An alternate director will be entitled to attend and vote at meetings of the Board and to be counted in determining whether a quorum is present, without the need for such alternate to be approved by the Board.

3.7 Observer

The Board may from time to time appoint and remove any person as an observer to the Board. An observer has the right to be notified of and attend Board meetings (and receive copies of all Board papers), but does not have the right to vote nor the right to be counted in a quorum.

3.8 Directors' expenses

- (a) The Company may pay (at its discretion) any Director's fees.
- (b) The Company will reimburse all reasonable travel, accommodation or similar third party costs and expenses incurred by Directors in attending to the Business of the Group, including attending Board meetings, site visits and major meetings with suppliers or joint venture partners.

3.9 Directors and officers insurance

The Company must, to the fullest extent permitted by law, purchase and maintain insurance for each Director against any liability incurred by the Director as an officer of any Group Company including liability for negligence, and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal on policy terms approved by the Board.

4 Board meetings

4.1 Meetings

- (a) The Board must meet at least 4 times a year, unless otherwise determined by the Board.
- (b) A Director may convene a meeting of the Board at any time by notice to the other Directors that is given in accordance with the Constitution.

4.2 Quorum

- (a) The quorum for a meeting of the Board (**Board Meeting**) is at least two Directors.
- (b) No business may be transacted at any Board Meeting unless a quorum is present for the duration of the meeting.
- (c) If a quorum is not present within 60 minutes of the time set for the meeting, the meeting is adjourned to the same time and place two Business Days later and notice reconvening the adjourned meeting must be promptly given to all Directors.

4.3 Board Decisions

Subject to applicable law and the terms of this deed, all actions or resolutions of the Board will be made by the affirmative vote of a Simple Majority Resolution.

4.4 Circulating resolutions of Directors

The Directors may pass a resolution without a Directors' meeting being held if all of the Directors entitled to vote on the resolution sign the same document (or a copy of the same document) containing a statement that they are in favour of the resolution set out in the document. The resolution is passed when the last Director signs the document.

4.5 Board Reserved Matters

The Company must not do nor commit to do and must procure that no Group Company does or commits to do, and the parties must use all voting rights and any other powers of control available to them (whether as a shareholder, through a director or otherwise) to procure that no Group Company does, or commits to do, a thing listed in Schedule 3 without the prior approval of the Board.

5 Meetings and Resolutions of Shareholders

5.1 Shareholder approvals

The Company may not, and must ensure that each Group Company does not take any action or pass any resolution in respect of any of the following matters unless the action or resolution has been approved by a Special Majority Resolution:

- (a) **(Business)** the making of any material change in the nature of the Business;
- (b) **(Constitution)** the making of any amendment to its Constitution or the modification or abrogation of any rights attached to any class of shares whether issued or unissued;
- (c) **(Amendment to Shareholders' Deed)** the making of any amendment to this deed that materially adversely affects the rights of Shareholders in one or more classes of voting Shares under this deed (other than to a minor extent or in a way which impacts holders of all classes of voting Shares equally);
- (d) **(variation to class rights)** any variation, cancellation or modification to the rights attached to any shares of the Company (unless otherwise specifically permitted by the terms of this deed);
- (e) **(Winding up)** the making of an application or the commencement of any proceedings or the taking of any other steps for the winding up, dissolution, deregistration or appointment or administrator of a Group Company, or the entering into by a Group Company of an arrangement, compromise or composition with or assignment for the benefit of its creditors, a class of them or any of them;
- (f) **(Buy-back)** any buy-back, redemption, cancellation, reduction of capital or purchase by the Company of shares which is not undertaken on a pro rata basis; and
- (g) **(Related party transactions)** any transaction that would if the Company were a public company be a transaction with a related party of the Company under the Corporations Act that involves a single transaction or a series of similar transactions with an aggregate value of \$500,000 or more, unless the transaction:
 - (i) would be one covered by section 210 of the Corporations Act; is in the ordinary course of the Business; or
 - (ii) is otherwise permitted by the provisions of this deed (for the avoidance of doubt, the Company has entered into fee agreements on terms which are commercial and arms' length with TPG or its Affiliates in respect of the on-going monitoring of their investment in the Company, transactions on which TPG has provided management and/or advisory services and transactions contemplated under the SIA and these fees will be excluded from the operation of this clause 5.1(g)).

Subject to the Corporations Act, any action or resolution in respect of any matter other than the matters set out in this clause 5.1 will be made by the affirmative vote of a Simple Majority Resolution.

5.2 Quorum

- (a) A quorum for a meeting of Shareholders is constituted by the presence of the TPG Shareholders.
- (b) No business may be transacted at any meeting of Shareholders unless a quorum is present at the commencement of the meeting, except for the adjournment of the meeting.
- (c) If there is not a quorum at a meeting of Shareholders within thirty minutes after the time specified in the notice of meeting, the meeting will stand adjourned to the same day in the following week at the same time and place. If within thirty minutes after the time appointed for the adjourned meeting a quorum is not constituted, the Shareholders present will form the quorum.

5.3 Voting by Shareholders

- (a) Subject to any voting rights prescribed by the Corporations Act, Class C Shares are non-voting shares.
- (b) Each Shareholder is entitled to that number of votes which is equivalent to the number of fully paid up Shares held by it.
- (c) If the number of Shareholders who are required to approve a matter sign and date a document (or two or more documents which are in identical terms) which was sent to all Shareholders (other than a Class C Shareholder) and contains a statement to the effect that they are in favour of the matter set out in the document, then the matter is taken to have been approved (as of the date of the last signature required to reach the number of Shareholders required to approve such matter).

6 TPG Representative

6.1 TPG Representative

When this deed provides that:

- (a) any power may be exercised by;
- (b) any decision may be made by;
- (c) any action may be performed by;
- (d) any notice may be given by; or
- (e) any consent may be given by,

TPG, then, and unless the context otherwise requires, that power may be exercised by, that decision may be made by, that action may be performed by, that notice may be given by and that consent may be given by (for and on behalf of all the TPG Shareholders) any combination of TPG Representatives whose appointing TPG Shareholders hold Shares which together represent a majority of the total number of Shares held by all TPG Shareholders.

6.2 Dealing with Shares

- (a) Where a clause in this deed refers to "TPG" acquiring or being offered Shares (including clauses 11.2(c) and 16), the TPG Shareholders may elect as between themselves which TPG Shareholder or Affiliates will acquire those Shares.
- (b) In clause 13.2(b), the reference to the proportion of Shares being sold or Dealt with is a reference to the proportion of Shares held by all of the TPG Shareholders in aggregate.

6.3 Provision of information to TPG

Any information or notice that is to be provided to "TPG" under this deed is to be provided to each TPG Shareholder.

7 Management Equity Plan

- (a) If the Scheme becomes effective, the Board may adopt a Management Equity Plan and may invite Managers of any Group Company to participate in the Management Equity Plan.
- (b) The Board must at all times ensure that, unless approved by Special Majority Resolution, the maximum number of Class C Shares granted under the Management Equity Plan does not exceed 10% of the total number of Shares in the Company (on a fully diluted basis as if each Option had been exercised).
- (c) For the avoidance of doubt, the issue of Class C Shares granted under the Management Equity Plan will dilute the economic interest (and rights to distributions) of the Shareholders and the existing Management Shareholders (if any) in the Company.

8 Audit and reporting obligations

8.1 Information to TPG

- (a) The Company must promptly deliver to, or as directed by TPG, such financial and other information relating to the Group as TPG may request, including any information required by any financiers or prospective financiers of the Company or the Group.
- (b) The Company must provide to each Class A Shareholder, upon request, full access to:
 - (i) inspect the assets of the Group;
 - (ii) inspect and take copies of documents relating to the Business or the Group; and
 - (iii) discuss the affairs, finances and accounts of the Group with the Group's officers, employees, agents, representatives or contractors and the Auditor.

8.2 Information to Shareholders

The Company must provide a copy of the latest Audited Financial Statements of the Group on request by a Shareholder, within a reasonable time of the request.

9 Distributions to Shareholders

9.1 Decision to pay Dividend

Subject to the Corporations Act, a decision to pay and the amount of any Dividend will be at the sole discretion of the Board.

9.2 Entitlement to Dividend

Each Shareholder (as at the relevant record date) will be entitled to receive its Relevant Proportion of any Dividend declared by the Board.

9.3 Dividend to be made on a pro rata basis

The Company may not make or pay any dividend or other distribution to Shareholders in a class, unless such dividend or other distribution is made on a pro rata basis to all Shareholders in that class.

10 Issue of Shares

10.1 No obligation to provide further funding

Except as otherwise provided in this deed, no Shareholder is obliged to provide any further funding (by way of debt or equity, guarantee or otherwise) to the Group.

10.2 New Shares

The Company must not issue any Shares unless the issue is:

- (a) a permitted issue, as set out in clause 10.3; or
- (b) a pro rata issue, as set out in clause 11.

10.3 Permitted issues

The Company may issue Shares if the issue is approved by the Board and is:

- (a) **(emergency funding)** to TPG, or an Affiliate of TPG, if the Board determines (acting reasonably), after having first considered other means of financing, that an injection of funds:
 - (i) is appropriate in order to ensure that a Group Company does not breach (or ceases to breach, or is prevented from breaching, where the Board reasonably believes that a breach is reasonably likely to occur) a covenant or condition of its external finance facilities;
 - (ii) is otherwise required by its external financiers; or
 - (iii) is necessary to ensure that a Group Company does not become insolvent,

provided that, if approved by TPG in its sole discretion, the process set out in clause 11 is followed after such injection of funds to give all other Shareholders the opportunity to either subscribe for, or acquire from one or more of the TPG Shareholders, Shares on the same terms, to maintain their Relevant Proportion;

- (b) **(Class A Shares in connection with Scheme)** the issue of Class A Shares to any of the TPG Shareholders to provide funding to meet transaction costs in connection with the Scheme or to finance the payment of cash consideration under the Scheme to Target shareholders or to repay debts of the Target in place prior to implementation of the Scheme, such Class A Shares to be issued at an issue price equal to the implied value of Class B Shares issued pursuant to the Scheme and clause 10.3(c);
- (c) **(Class B Shares in connection with Scheme)** the issue of Class B Shares pursuant to the Scheme in consideration for the transfer of Target shares to a Group Company;
- (d) **(Manager)** an issue of Class C Shares to a Manager (or an Affiliate of a Manager) pursuant to any Management Equity Plan or to the dividend reinvestment plan established under clause 9.3;
- (e) **(acquisitions/mergers)** an issue of Shares (including, for the avoidance of doubt, Shares in a new class of Shares) at Fair Value in respect of the bona fide, arm's length acquisition of, or merger with, a company, or the acquisition of a company, business or assets, by a Group Company; and
- (f) **(IPO)** an issue of Shares pursuant to an IPO.

10.4 No requirement to prepare disclosure document

Any person's rights to be offered Shares and / or to subscribe for Shares (whether under this clause 10 or otherwise) are subject to those rights not requiring the Company to issue a disclosure document (including a prospectus) or a product disclosure statement, undertake any registration or filing with any Government Agency or take any comparable action, whether under Chapter 6D or Chapter 7 of the Corporations Act or any comparable legislation in any other jurisdiction, unless the Company (with the Board's approval) agrees otherwise. For the avoidance of doubt, neither the Company nor any other party will be in breach of this document if it fails to offer any Shares to any person, or give any notice which would constitute an offer of any Shares to any person, in circumstances where such offer or issue of Shares would require the taking of any action described in this clause 10.

10.5 Schedules

Notwithstanding clause 25.1 of this deed, following any issuance of Shares in accordance with this deed, the Company may (without the consent or approval of any other party to this deed) amend Schedule 1 as necessary to document the details of any new Shareholder and the Shares issued.

11 Pro rata issue of Shares

11.1 Pro rata offer to Shareholders

- (a) The Board may resolve to issue Shares (other than an issue in accordance with clause 10.3), that those Shares are offered to all Shareholders in accordance with this clause 11.
- (b) For the avoidance of doubt, this clause 11 does not apply to Class C Shares.

11.2 Basis of issue

The Company must ensure that the issue is conducted on the following basis:

- (a) the Company must serve notice on each Shareholder (**Issue Notice**) specifying:
 - (i) terms of issue;
 - (ii) the issue price per new Share;
 - (iii) the total number of new Shares to be issued;
 - (iv) the number and type of new Shares for which the Shareholder would need to subscribe to maintain its Relevant Proportion;
 - (v) the date on which acceptance of the offer must be received by the Company, which shall be no earlier than 3 Business Days after the date of the Issue Notice (**Initial Acceptance Period**); and
 - (vi) the date on which subscription monies for the new Shares must be paid to the Company (being not less than 5 Business Days after the date of the Issue Notice);
- (b) the issue must be for cash and the new Shares are offered on the same terms to each Shareholder on a pro rata basis in their Relevant Proportions in accordance with this clause 11;
- (c) in the event a Shareholder (**Non-contributing Shareholder**) does not take up its entitlement within the Initial Acceptance Period, TPG may give notice to the Company and the Non-contributing Shareholder that it wishes to subscribe for those new Shares not taken up, in which case TPG may subscribe for the new Shares not taken up by the Non-contributing Shareholder (in which case those new Shares will be issued to one or more TPG Shareholders as Class A Shares);
- (d) the Company may issue any new Shares that are not subscribed for by Shareholders in accordance with clauses 11.2(a) to 11.2(c) to any Shareholder or Shareholders or any Third Party or Third Parties approved by the Board within 60 Business Days of the date of service of the Issue Notice on terms no more beneficial to the subscriber than those set out in the Issue Notice; and
- (e) if the Company does not issue the new Shares within 60 Business Days of the date of service of the Issue Notice, it may not issue those new Shares without first complying again with clause 11.2.

12 Dealing with Shares

12.1 Restrictions on Dealing

A Shareholder must not Deal with some or all of its Shares unless:

- (a) the provisions of clause 23 are complied with; and
- (b) the Dealing is expressly permitted or provided for in clauses 12, 13, 14, 15, 16 or 17 of this deed.

12.2 Permitted Transfers

Subject to clause 12.3, provided that the requirements of clause 25 are complied with, the following Dealings may be effected without obtaining approval by a Special Majority Resolution of Shareholders:

- (a) **(Sale by TPG)** A TPG Shareholder may sell or Deal with some or all of its Shares at any time provided that where a Transfer is to a Buyer it complies with clause 14.
- (b) **(Permitted Transferee)** A Shareholder may Transfer all or any of its Shares to a person who is, at the time of Transfer, a Permitted Transferee of that Shareholder.

12.3 Ceasing to be Permitted Transferee

If a person to whom Shares are Transferred under clause 12.2 (**Holder**) ceases to be a Permitted Transferee of the transferor (**Transferor**), unless otherwise permitted by the Board, the Holder must immediately upon ceasing to be a Permitted Transferee:

- (a) Transfer its entire legal and beneficial interest in the relevant Shares back to the Transferor; or
- (b) Transfer its entire legal and beneficial interest in the relevant Shares to another Permitted Transferee of the Transferor.

13 Drag rights

13.1 Right to give Drag Notice

Subject to clause 13.2 and clause 13.3, if TPG wishes to sell all or a proportion of its Shares to a Buyer it may give a Drag Notice to each Shareholder and Class C Shareholder (if applicable) (**Dragged Shareholder**) (with a copy to the Company).

13.2 Contents of Drag Notice

A Drag Notice must state:

- (a) the identity of the proposed Buyer (except where the identity of the Buyer is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO);
- (b) the number of Shares proposed to be sold by TPG and the percentage of the total number of Shares held by TPG proposed to be sold (in each case, a **Drag Proportion** of the relevant class of Shares, as applicable);
- (c) the sale price for each Share (except where the sale price is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO, in which case a minimum sale price must be specified or where the sale price is unknown due to the proposed sale being by way of IPO, in which case a price range must be specified) (**Drag Price**) to be sold by TPG (which need not be cash consideration) and any other terms of the proposed sale by TPG to the Buyer (**Drag Sale Terms**); and
- (d) that TPG requires the Dragged Shareholder to sell the Drag Proportion of the Shareholder's Shares (**Dragged Shares**) to the Buyer at the Drag Price per Share and on terms no less favourable to the Shareholder than the terms contained in the Drag Sale Terms.

13.3 Effect of Drag Notice

If a Drag Notice is given (and has not been withdrawn pursuant to clause 13.3(d)), then:

- (a) each Dragged Shareholder must sell its Dragged Shares to the Buyer on the terms stated in the Drag Notice;
- (b) the parties must do all things and execute such documentation as is reasonably necessary or is reasonably required by TPG to effect the proposed sale to the Buyer, subject to the sale agreement complying with the provisions of clause 13.3(d);
- (c) TPG must not complete the proposed sale to the Buyer unless at the same time, the Buyer offers to buy all the Dragged Shares of Dragged Shareholders on the terms stated in the Drag Notice; and
- (d) TPG may require each Dragged Shareholder (and their Relevant Representative, if applicable) to give reasonable representations, warranties, indemnities and restrictive covenants having regard to the market standard for transactions of that nature, under any agreements relating to the purchase of such Dragged Shares, the Business or the Group, provided that any such representations, warranties, indemnities and restrictive covenants are given on an equivalent basis to those given by the Class A Shareholder.

13.4 Withdrawal of Drag Notice

- (a) A Drag Notice may be withdrawn by TPG at any time by written notice to each holder of Dragged Shares (with a copy to the Company).
- (b) If the Drag Notice is withdrawn, TPG must give each Dragged Shareholder an Invitation to Tag in respect of the Shares proposed to be sold, as contemplated by clause 14.1.

13.5 Power of attorney

Each Dragged Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.6 to perform its obligations under this clause 13.

14 Tag along rights

14.1 Invitation to Tag

Subject to clause 14.2 and 14.3, if TPG intends to sell more than 30% of the Shares on issue in HoldCo to a Buyer in a single transaction or series of related transactions and has not (if applicable) issued a Drag Notice pursuant to clause 13 (or has withdrawn such Drag Notice), it must give an Invitation to Tag to each Shareholder and Class C Shareholder (if applicable) (**Tagged Shareholders**) (with a copy to the Company).

14.2 Contents of Invitation to Tag

An **Invitation to Tag** must state:

- (a) the identity of the proposed Buyer (except where the identity of the Buyer is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO);

- (b) to the extent applicable, the maximum number of Shares TPG wishes to sell to the Buyer (**Maximum Tag Threshold**);
- (c) the number of Shares proposed to be sold by TPG (**TPG Sale Shares**) and the percentage of the total number of Shares held by TPG proposed to be sold (in each case, a **Tag Proportion** of the relevant class of Share, as applicable);
- (d) the sale price for each Share (except where the sale price is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO, in which case a minimum sale price must be specified or where the sale price is unknown due to the proposed sale being by way of IPO, in which case a price range must be specified) (**Tag Price**) to be sold by TPG (which need not be cash consideration) and any other terms of the proposed sale by TPG to the Buyer (**Tag Terms**);
- (e) that the Tagged Shareholder has an option (**Tag Option**) to direct the TPG to include in the sale to the Buyer the Tag Proportion of the Tagged Shareholder's Shares (the **Tagged Shares**), at the Tag Price per Share and on terms no less favourable to the Tagged Shareholder than the terms contained in the Tag Terms. Any securities to be issued to TPG and the Tagged Shareholders as consideration for any Transfer of Shares under this clause 14 must be the same class, including with the same economic and voting rights; and
- (f) the period during which the Tag Option may be exercised, which must not be less than 10 Business Days from the date of the Invitation to Tag.

14.3 Exercise of a Tag Option

- (a) A Tag Option may be exercised by notice in writing to TPG (with a copy to the Company) within the exercise period stated in the Invitation to Tag.
- (b) Subject to clause 14.3(c), any exercise of a Tag Option must be for all Tagged Shares and is irrevocable. Unless the Tagged Shareholders agree otherwise, TPG may not sell any of its Shares to the Buyer pursuant to the offer to which the Invitation to Tag relates if the Buyer does not agree to purchase the Tag Proportion of each Tagged Shareholder's Shares.
- (c) Where, following the exercise of the Tag Option, the sum of the Tagged Shares and the TPG Sale Shares would exceed the Maximum Tag Threshold, TPG may elect in its sole discretion to reduce the number of the TPG Sale Shares (which, for the avoidance of doubt, will result in a reduction of the Tag Proportion as set out in the Invitation to Tag).

14.4 Effect of exercise of Tag Option

If a Tagged Shareholder exercises its Tag Option:

- (a) the Tagged Shareholder must sell all Tagged Shares to the Buyer on the terms stated in the Invitation to Tag;
- (b) the parties must do all things and execute such documentation as is reasonably necessary or is reasonably required by TPG to effect the proposed sale to the Buyer, subject to the sale agreement complying with the provisions of clause 14.4(d);
- (c) TPG must not complete the proposed sale to the Buyer unless at the same time, the Buyer offers to buy all the Tagged Shares of each Tagged Shareholder for

which a valid notice of exercise has been provided on the terms stated in the Invitation to Tag; and

- (d) TPG may require each Tagged Shareholder (and their Representative) to give reasonable representations, warranties, indemnities and restrictive covenants under any agreements relating to the purchase of such Tagged Shares, the Business or the Group, provided that
 - (i) such representations, warranties, indemnities and restrictive covenants are given on an equivalent basis to those given by TPG;
 - (ii) such representations, warranties, indemnities and restrictive covenants are given on a several (but not joint) basis; and
 - (iii) the liability of each Tagged Shareholder (and its Representative, if applicable) arising from a breach of any such representations and warranties is limited to the proportion of the consideration actually received by the Tagged Shareholder (and its Representative, if applicable).

14.5 Power of attorney

Each Tagged Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.6 to perform its obligations under this clause 14.

15 IPO

15.1 IPO

- (a) If the Board (at the direction of the TPG Shareholders, in their sole discretion) wishes to pursue an IPO, each Shareholder will, as considered necessary or desirable by the Board in connection with the IPO:
 - (i) act in good faith to sell down or retain on the IPO such interests in the Company (or the entity being listed) as the underwriters, joint lead managers and financial advisers recommend as being desirable in order to maximise the success of the IPO;
 - (ii) give all reasonable undertakings and enter into any reasonable escrow arrangements in relation to their Shares as may reasonably be required by the relevant Shares Exchange or underwriters or brokers to the IPO (provided such escrow arrangements are no less favourable than those agreed to by the Class A Shareholders);
 - (iii) if recommended by the underwriters, joint lead managers or financial adviser in relation to the IPO, do all things reasonably necessary to effect a change in the number and mix of Shares issued by the Company (or its Subsidiary);
 - (iv) assist the Company in preparing a prospectus or similar disclosure document;
 - (v) do all things reasonably necessary to obtain requisite Shares Exchange and shareholder approvals for the IPO;
 - (vi) enter into an underwriting or offer management agreement or similar agreement on market terms;

- (vii) provide all reasonable assistance for marketing activities, including road shows; and
- (viii) take all actions reasonably required by the Company in order to effect a buyback, exchange or conversion of some or all of its Shares (which may involve the exchange of Shares in the Company for securities in a different entity which is to be listed),

in each case to achieve an IPO on the terms and structure identified by the Board.

- (b) Without limiting clause 15.1(a), each Shareholder acknowledges and agrees that an IPO may not necessarily involve all Class C Shareholders having the right or ability to realise cash for its Shares as part of the IPO and, to the extent that an IPO does allow it to realise cash for some or all of its Shares, it may not be on the same terms as TPG (including any escrow restrictions).

15.2 Company's obligations

Without limiting the generality of clause 15.1, the Company must:

- (a) pay the costs of preparing the prospectus (or other relevant offer document), advisory fees, underwriting commissions (if any), expenses of due diligence investigations, Securities Exchange fees, fees of the relevant regulatory authorities, legal fees, expert's fees, printing expenses and postage expenses; and
- (b) use its best endeavours to satisfy all terms and conditions of admission to listing imposed by the Securities Exchange.

15.3 Power of attorney

In consideration of each Shareholder entering into this deed, a Shareholder that has received a notice from the Board requiring an action contemplated under clause 15.1 in connection with the IPO irrevocably appoints the Company to be its attorney in accordance with clause 25.6 to perform its obligations under clause 15.1.

16 Compulsory transfer

16.1 Compulsory acquisition

- (a) At any time after the end of the date which is two years after the effective date of the Scheme, TPG Shareholders (**Acquiring Shareholders**) may give written notice (**Compulsory Acquisition Notice**) to the Company stating that they wish to acquire any or all of the Small Holdings of other Shareholders (**Remaining Shareholders**) at Fair Value and setting out any other terms applying to the acquisition (including the proposed settlement date).
- (b) If there is more than one Acquiring Shareholder, each Acquiring Shareholder must acquire its pro rata share of the Shares held by the Remaining Shareholders (unless otherwise agreed by the Acquiring Shareholders).
- (c) Subject to clause 16.1(d) following delivery of the Compulsory Acquisition Notice to the Company:
 - (i) the Acquiring Shareholders must pay or transfer to the Company the amount or other consideration representing the price payable by the Acquiring

Members for the Remaining Shares in accordance with the terms set out in the Compulsory Acquisition Notice;

- (ii) the Company must, upon receipt of the consideration under clause 16.1(c)(i) register the Acquiring Members as the holders of the Remaining Shares; and
 - (iii) the Company must deposit proceeds received under 16.1(c)(i) into a separate bank account (which proceeds are held on trust by the Company for the Remaining Members) and must remit the proceeds to the Remaining Members as soon as practicable.
- (d) The Acquiring Shareholders may agree that, instead of the Acquiring Shareholders acquiring the Shares held by the Remaining Shareholders, the Company will acquire those Shares by way of buy back or cancellation, as directed by the Company by notice to the Remaining Shareholders.

16.2 Other remedies

The rights and remedies contained in this clause are in addition to and not to the exclusion of any other rights or remedies that a party may have against a party in default of this deed.

16.3 Authorisations

The parties must do all things necessary to ensure that the Company may acquire any Shares as contemplated by this clause 16.

17 Nominee arrangements

17.1 Interpretation

In this clause the following definitions apply unless the context otherwise requires:

Expense means any liability, cost, expense, loss or damage.

Nominee Indemnity Provision means clauses set out in the Nominee Deed in relation to the matters set out in clauses 17.9(d) and 17.9(e) of this Deed.

Obligations means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Nominee under or in respect of this document or the Nominee Deed.

Overhead Cost means overhead expenses, including rent, office maintenance and salaries.

Relevant Trust has the meaning given in clause 17.9(b).

17.2 Proprietary company status

Despite any other provision in this Deed, but subject to clause 17.2(e):

- (a) the Company must not take any action (including to issue, redeem, or buy-back Shares), if, following such action, the Company would not continue to qualify as a proprietary company under section 45A of the Corporations Act;

- (b) a Shareholder must not (nor may it attempt to) Transfer all or any of its Shares, and must ensure that its interest in Shares held through a holding trust or other interposed vehicle is not Transferred, if, following such Transfer, the Company would not continue to qualify as a proprietary company under section 45A of the Corporations Act;
- (c) the Company may, in its sole discretion, including after becoming aware of any actual or pending event or circumstances that could result in the Company ceasing to qualify as a proprietary company under section 45A of the Corporations Act:
 - (i) notify all of the Shareholders of such event or circumstances (if applicable); and
 - (ii) appoint a Nominee to hold the Class B Shares of all Class B Shareholders (and if required or desirable at the sole discretion of the Company, to hold the Class C Shares of all of the Management Shareholders);
- (d) following appointment of a Nominee under clause 17.2(c)(ii), each relevant Class B Shareholder and each Management Shareholder:
 - (i) must comply with the directions of the Company; and
 - (ii) agrees to irrevocably appoint the Company as its attorney in accordance with clause 25.6,

for the purposes of facilitating the transfer of its Shares to the Nominee in accordance with this clause 17 and arranging execution of the Nominee Deed by the Company on behalf of each relevant Class B Shareholder and each relevant Management Shareholder; and
- (e) clauses 17.2(a) and 17.2(c) have no application to any Transfer of Shares in connection with implementation of an Exit Event (excluding paragraph (b) of that definition).

17.3 General

- (a) The parties acknowledge that following appointment of a Nominee under clause 17.2, some parties to this Deed:
 - (i) have rights and obligations under this Deed as Shareholders; but
 - (ii) do not hold legal title to Shares and are instead Beneficial Holders in relation to Shares held by the Nominee as bare trustee on their behalf as contemplated by the Nominee Deed.
- (b) The provisions in this clause 17 (subject to any changes reasonably required by the Nominee and accepted by the Company) apply in these cases.
- (c) To the extent that the provisions of this clause 17 require amendment under clause 17.3(b) following appointment of a Nominee, the Board may amend this clause 17 (and make any additional necessary consequential changes to this Deed) without the approval of a Special Majority Resolution.

17.4 Beneficial Holders

- (a) Where a Shareholder is a Beneficial Holder, then for the purposes of any references in this Deed to the Shareholder's Shares, or to Shares held by the

Shareholder (or any similar expression), the Shareholder is to be regarded as holding its Beneficial Shares. For the avoidance of doubt (but without limitation):

- (i) in the context of any requirement that an act be approved by Shareholders holding at least a given percentage of all Shares, Shareholders who are Beneficial Holders are to be treated as holding their Beneficial Shares; and
 - (ii) a requirement that a Shareholder maintain a minimum shareholding applies in relation to a Shareholder who is a Beneficial Holder by reference to the number of its Beneficial Shares;
- (b) The Nominee is not itself to be regarded for the purposes of this Deed as a 'Shareholder' in respect of, or to otherwise hold, Shares which it holds as bare trustee for Beneficial Holders.
- (c) Clauses 17.4(a) and 17.4(b) do not apply in relation to clauses 4 and 9. The parties recognise that the Nominee, as registered owner of the Shares it holds on behalf of the Beneficial Holders, is the person legally entitled to voting rights and dividends in respect of those Shares and that the Nominee is to be regarded as the relevant 'Shareholder' (to the exclusion of the relevant Beneficial Holders) for the purposes of clauses 4 and 9. However, the parties acknowledge:
- (i) instructions may be given by each Beneficial Holder to the Nominee under the Nominee Deed in relation to voting and other dealings in respect of the Beneficial Holder's Beneficial Shares; and
 - (ii) directions may be given by each Beneficial Holder to the Nominee in relation to dividends as provided in clause 17.7 below.
- (d) Obligations on Shareholders who are Beneficial Holders to exercise voting rights or take other steps as registered holder of Shares are to be interpreted as obligations to ensure that the Nominee takes the relevant steps (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder, acting under power of attorney, or otherwise).
- (e) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.
- (f) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.

17.5 Dealings in Shares

- (a) Clause 12 applies to a Shareholder who is a Beneficial Holder so that (for the avoidance of doubt) restrictions on Dealings with the Shareholder's Shares include any dealings in its beneficial interest in its Beneficial Shares and any dealings in the legal title to those Shares by the Nominee (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder acting under power of attorney, or otherwise).
- (b) Where this Deed contemplates the sale, purchase or transfer of some or all of a Shareholder's Shares, the relevant provisions apply in relation to a Shareholder

who is a Beneficial Holder so that references to the sale, purchase or transfer of the Shareholder's Shares are to be construed as references to:

- (i) the sale, purchase or transfer by the Shareholder of its beneficial interest in its Beneficial Shares; and
- (ii) (without limiting clause 17.6 below in circumstances where the Nominee is to retain legal title to the relevant Shares) the Shareholder procuring the concurrent transfer of legal title in those Beneficial Shares by the Nominee,

and obligations on Shareholders who are Beneficial Holders to offer Shares for sale, purchase, or transfer are to be construed in a corresponding manner.

- (c) In the context of a transferor who is a Beneficial Holder, the relevant Share transfer form must be executed by the Nominee as registered holder.
- (d) Where this Deed permits any party to issue, transfer or sell Shares to any person, that includes permission to issue, transfer or sell Shares to the Nominee as bare trustee for the relevant person.
- (e) The restrictions on transfer in this Deed do not apply to prevent the transfer of bare legal title in Shares held by the Nominee as bare trustee for Beneficial Holders to a replacement trustee, as contemplated by the Nominee Deed.
- (f) Each Class B Shareholder and Management Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.6 on default by it of performance of its obligations under this clause 17.5.

17.6 Legal title to remain with Nominee

- (a) A Shareholder who is a Beneficial Holder must not without the consent of the Board direct the Nominee to Transfer (or otherwise procure the Transfer of) legal title to any of its Beneficial Shares to itself.
- (b) Unless the Board agrees otherwise in writing, a Shareholder who is a Beneficial Holder may transfer Shares to a Permitted Transferee under clause 12.2 on the basis that the Nominee is directed to hold legal title to the relevant Shares as bare trustee on behalf of the transferee (ie the Shareholder may only transfer the beneficial interest in its Beneficial Shares without a transfer of legal title).
- (c) Each party who is a Beneficial Holder irrevocably directs the other parties that if the Beneficial Holder becomes entitled to receive any additional Shares, whether by way of issue or transfer (and whether under this Deed or otherwise), then unless the Company has consented to another holding arrangement in relation to the relevant transaction, the issue or transfer must be made in favour of the Nominee on the basis that the securities are to be held by the Nominee as bare trustee for the Beneficial Holder.
- (d) In relation to issues of Shares:
 - (i) an offer to a Shareholder who is a Beneficial Holder to participate in an issue of Shares or other equity securities on the basis that legal title to the relevant Shares will be issued to the Nominee as bare trustee for the Beneficial Holder will not be regarded for that reason alone as being on different terms from the terms offered to other Shareholders in circumstances where other Shareholders will receive legal and beneficial ownership; and

- (ii) clauses 10 and 11 apply in relation to an issue of Shares to the Nominee as bare trustee for a Beneficial Holder by reference to the ability of the Company to make an offer of the beneficial interest in the Shares to the relevant Beneficial Holder.
- (e) Each party who is a Beneficial Holder must give all necessary directions to the Nominee to ensure compliance with this clause 17.6.
- (f) Each Class B Shareholder and Management Shareholder irrevocably appoints the Company as its attorney in accordance with clause 25.6 on default by it of performance of its obligations under this clause 17.6.

17.7 Dividends

- (a) The parties acknowledge that the Nominee Deed entitles each Shareholder who is a Beneficial Holder to act as the Nominee's attorney in relation to the matters stated in the Nominee Deed, including giving directions to the Company in respect of the payment of dividends.
- (b) Each Shareholder who is a Beneficial Holder directs the Company to pay dividends in respect of Shares which are that Shareholder's Beneficial Shares directly to the Shareholder as Beneficial Holder. This clause does not affect the right of any party to change the direction from time to time.

17.8 Indemnity and liability of Nominee

- (a) Pursuant to the terms of the Nominee Deed, the Nominee must, to the maximum extent permitted by law, and notwithstanding any other provision of this Deed, act on the direction of the Beneficial Holders under a power of attorney or otherwise, to the intent that each Beneficial Holder exercises day-to-day control over the operation of the trust under which its Beneficial Shares are held.
- (b) Each party who is a Beneficial Holder agrees to be bound by the terms of the Nominee Deed which contemplate that the Beneficial Holder:
 - (i) indemnifies the Nominee under any Expense which the Nominee pays, suffers, incurs or is liable for arising out of or in connection with; and
 - (ii) covenants with the Nominee not to claim, sue or take any action against the Nominee in relation to,
 - (iii) anything done by the Nominee at the direction of or on behalf of the Beneficial Holder, or by reason of the Beneficial Holder's Beneficial Shares being registered in the name of the Nominee.
- (c) The indemnity and covenant in clause 17.8(b) does not apply to:
 - (i) any Expense which arises as a result of the Nominee's (or any of its officers', employees', or agents') fraud, negligence, dishonesty, wilful misconduct, breach of any of its obligations under this Deed or the Nominee Deed or breach of trust; or
 - (ii) the Overhead Costs of the Nominee, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a subcustodian, nominee or other delegate of such a custodian of the Nominee; or

- (iii) the extent that the Nominee is entitled to recover and is actually indemnified for any such Expenses or Overhead Costs by the Company under the terms of the Nominee Deed or from the assets of the relevant trust under the terms of the Nominee Deed.
- (d) Each party acknowledges that the Nominee is obliged to act in accordance with the directions of the Beneficial Holders in relation to their respective Beneficial Shares. Any breach of this Deed that arises out of the Nominee complying with a direction given by a Beneficial Holder in relation to that Beneficial Holder's Beneficial Shares (Directed Breach) is to be construed for all purposes as a breach by the relevant Beneficial Holder and not by the Nominee, and, without limitation:
 - (i) the Nominee is released from any claim, action, demand, suit or proceeding for damages, debt, specific performance or any other remedy in respect of any Directed Breach; and
 - (ii) each party (other than the Nominee) covenants to claim, sue or take any action against the Nominee in respect of any Directed Breach.
- (e) Each indemnity given by a Beneficial Holder in this clause 17.8:
 - (i) is an additional, separate and independent obligation of the Beneficial Holder and no one indemnity limits the generality of any other indemnity; and
 - (ii) survives termination of this Deed and the Nominee Deed.

17.9 Limitation of Nominee's liability

- (a) This limitation of the Nominee's liability applies despite any other provisions of this deed and extends to all Obligations of the Nominee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
- (b) Subject to clauses 17.9(g) and 17.9(h), the Nominee will be bound by this document only in its capacity as trustee of each trust created under the Nominee Deed (each a Relevant Trust) and in no other capacity.
- (c) Subject to clauses 17.9(g) and 17.9(h) the parties (other than the Nominee) acknowledge that the Nominee incurs the Obligation solely in its capacity as trustee of each Relevant Trust and that the Nominee will cease to have any Obligation under this document which arises after the time the Nominee ceases to be a legal holder of the relevant Beneficial Shares as trustee of the Relevant Trust.
- (d) Subject to clauses 17.9(g) and 17.9(h), the Nominee will not be liable to pay or satisfy any Obligations except to the extent that the Nominee is actually indemnified under the Nominee Indemnity Provisions or to the extent that and at the time the Nominee would, if the Nominee exercised its entitlement to be indemnified in respect of that liability under the Nominee Indemnity Provisions.
- (e) Subject to clauses 17.9(g) and 17.9(h), the parties (other than the Nominee) may enforce their rights against the Nominee arising from the non-performance of the Obligations only to the extent of the Nominee's right to be indemnified under the Nominee Indemnity Provisions.
- (f) Subject to clauses 17.9(g) and 17.9(h), if a party (other than the Nominee) does not recover all money owing to it arising from the non-performance of the Obligations, it may not seek to recover the shortfall by:

- (i) bringing proceedings against the Nominee in its personal capacity or
 - (ii) applying to have the Nominee put into administration or wound up or applying to have a receiver or similar person appointed to the Nominee or proving in the administration or winding up of the Nominee.
- (g) Subject to clauses 17.9(g) and 17.9(h), each part (other than the Nominee) waives its rights and releases the Nominee from any personal liability whatsoever, in respect of any loss or damage:
- (i) which it may suffer as a result of any:
 - (A) breach by the Nominee of any of its Obligations;
 - (B) or non-performance by the Nominee of the Obligations; and
 - (ii) which cannot be paid or satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions.
- (h) The parties acknowledge that the whole of this document is subject to this clause 17.9 and that the Nominee shall in no circumstances be required to satisfy any liability of the Nominee arising under, or for non-performance or breach of any Obligations out of any funds, property or assets other than the proceeds of the indemnities given under the Nominee Indemnity Provisions as and when they are available to the Nominee to be applied in exoneration for such liability provided that, subject to clause 17.9(h), if the liability of the Nominee arising under, or for non-performance or breach of any Obligations is not fully satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions due to the negligence, breach of any obligations under the Nominee Deed or breach of trust (excluding any negligence or breach that arises as a result of any fraud, dishonesty, or wilful misconduct) by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts, the Nominee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability, but will not be liable to pay an amount that is greater than the amount that the Nominee would have been able to recover under the Nominee Indemnity Provisions in relation to the relevant liability if its right to be indemnified under the Nominee Indemnity Provisions had not been prejudiced.
- (i) Clause 17.9(b) to 17.9(h) do not apply to any damages suffered by or amounts owing to another party which result from a breach or non-performance of an Obligation by the Nominee to the extent that those damages or amounts owing are not satisfied because the right of the Nominee to be indemnified under the Nominee Indemnity Provisions is prejudiced as a result of any fraud, dishonesty, or wilful misconduct by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts.
- (j) The parties (other than the Nominee) agree that no act or omission of the Nominee (including any related failure to satisfy any Obligations) will constitute fraud, negligence, breach of trust, breach of any obligations under the Nominee Deed, dishonesty or wilful misconduct of the Nominee or of any of its officers, employees or agents for the purposes of this clause 17.9 to the extent to which the act or omission was caused or contributed to by any failure of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee or agent of the Nominee) to fulfil its obligations relating to the Relevant Trusts or by any other act or omission of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee, or agent of the Nominee).

- (k) No attorney, agent, or other person appointed in accordance with this document has authority to act on behalf of the Nominee in a way which exposes the Nominee to any personal liability (except in accordance with the provisions of clause 17.9) and no act or omission of such a person will be considered fraud, negligence, dishonesty, wilful misconduct, breach of any obligations under the Nominee Deed or breach of trust by the Nominee or an officer, agent or employee of the Nominee for the purposes of this clause 17.9.

17.10 Indemnity from Beneficial Holders

- (a) If the Company suffers, incurs or is liable to the Nominee for any Expenses arising out of or in connection with any Shares held by the Nominee on behalf of a Beneficial Holder, subject to clause 17.10(b), the relevant Beneficial Holder must indemnify the Company against those Expenses.
- (b) The Company agrees with each Beneficial Holder that it will meet the Nominee's out-of-pocket expenses and any internal costs of the Nominee relating to actions and directions by the Beneficial Holder in relation to its Beneficial Shares in the ordinary course. This does not apply in relation to Expenses that would have been incurred in comparable circumstances by the Beneficial Holder had it been the registered holder of the relevant Shares.
- (c) For the avoidance of doubt, clause 17.10(b) does not apply in relation to:
 - (i) any taxes or duties in relation to any Shares or dealings in Shares; or
 - (ii) any expenses or liabilities arising in connection with any action or direction by a Beneficial Holder which is in breach of any legal or contractual obligation (including a breach of this Deed),
- (d) nor is it intended to require the Company to meet Expenses incurred as a result of actions or directions by a Beneficial Holder that are unreasonable or otherwise outside the ordinary course (for example persistent requests for copies of the register of Beneficial Holders or other documents beyond what would reasonably be expected).

18 Confidential Information

18.1 Disclosure of Confidential Information

- (a) A party may not disclose any Confidential Information to any person except:
 - (i) with the prior written consent of the Board, unless the Confidential Information relates only to certain Shareholder(s) (or an Affiliate), in which case with the prior written consent of the party to whom the Confidential Information relates;
 - (ii) on a confidential basis to its Representatives, or to an existing or proposed debt or equity financier (or its advisers) to a Shareholder, and to any of their respective directors, employees and professional advisers who have a need to know (and only to the extent that each has a need to know) and provided they are aware that the Confidential Information must be kept confidential on the same terms as required of a Shareholder;
 - (iii) if it is required to do so by an applicable law or regulation or the listing rules of any Security Exchange;

- (iv) to an Affiliate of the Shareholder;
- (v) that the Class A Shareholder may disclose Confidential Information:
 - (A) as part of an IPO; or
 - (B) to a prospective buyer of Shares or a buyer of the Business who gives an appropriate confidentiality deed poll for the benefit of the Company.
- (b) A party who has received Confidential Information from another under this deed must not use it except for the purpose of exercising its rights or performing its obligations under this deed.

18.2 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 18.1 must use all reasonable endeavours to ensure that each recipient of the information complies in all respects with the disclosing party's obligations under this clause 18 as if the recipient were a party to this deed.

18.3 Ceasing to hold Shares

- (a) If a Shareholder ceases to hold Shares, it must immediately destroy or deliver to the Company all documents or other materials containing or referring to the Confidential Information that are in its power or control.
- (b) The rights and obligations of a Shareholder under this clause 18 continue to apply to a Shareholder even after it ceases to hold Shares.

19 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with subparagraph (e)(i) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 19(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice within the same month where reasonably practicable and, in any event, no later than 14 days after the time of payment of the Additional Amount.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 19(b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and

- (iii) the Supplier must notify the Recipient of the refund, credit or further amount within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed:
 - (i) if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred before the Additional Amount is calculated; and
 - (ii) no Additional Amount is payable under clause 19(b) in respect of a Supply to which section 84-5 of the GST Law applies.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term in this clause that is capitalised and not defined in this deed has the same meaning as in the GST Law.

20 Representations and warranties

20.1 Capacity representations and warranties

Each Shareholder severally represents and warrants that:

- (a) they have full power and authority to enter into and perform their obligations under this deed;
- (b) they have taken all necessary action to authorise the execution, delivery and the performance of this deed; and
- (c) this deed constitutes their legal, valid and binding obligations, enforceable in accordance with the deed's terms.

20.2 Continuing obligation

The representations and warranties given under clause 20.1 are continuing obligations for the term of this deed.

21 Term

21.1 Commencement

This deed comes into effect on the date of this deed and, subject to clause 21.2, remains in effect until:

- (a) with respect to a Shareholder, the Shareholder has transferred all of their Shares in a manner contemplated by this deed;
- (b) with respect to a Relevant Manager, when none of the Relevant Manager's Affiliates holds any Shares, and such cessation has occurred in a manner permitted by this deed;
- (c) the parties agree to terminate this deed;
- (d) the Company goes into liquidation;
- (e) if required by applicable law, listing rules or TPG, completion of an IPO occurs; or
- (f) all Shares on issue are held by one person.

21.2 Certain provisions continue

The termination of this deed with respect to a party does not affect:

- (a) any obligation of that party which accrued prior to that termination and which remains unsatisfied; and
- (b) clauses 17 or 20 or any other provision of this deed which is expressed to come into effect on, or to continue in effect after, termination of this deed.

22 Limitation of liability – trustee

- (a) A Trustee enters into this deed only in its capacity as trustee of the relevant trust and in no other capacity. A liability arising under or in connection with this letter is limited to and can be enforced against a Trustee only to the extent to which it can be satisfied out of assets of the relevant trust out of which the Trustee is actually indemnified for the liability. This limitation of the Trustee's liability applies despite any other provision of this document or any other document and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this letter.
- (b) The parties other than a Trustee may not sue a Trustee in any capacity other than as trustee of the relevant trust, including seeking the appointment of a receiver (except in relation to property of the relevant trust), a liquidator, an administrator or any similar person to that Trustee or prove in the liquidation, administration or arrangement of or affecting that Trustee (except in relation to property of the relevant trust).

- (c) No attorney, agent, receiver or receiver and manager appointed in accordance with this deed has authority to act on behalf of a Trustee in a way which exposes that Trustee to any personal liability.
- (d) A Trustee is not obliged to do or refrain from doing anything under this deed (including, without limitation, incur any liability) unless that Trustee's liability is limited in the same manner as set out in clauses 22(a) to 22(c).
- (e) Notwithstanding the provisions of clause 22(a) to 22(c) a Trustee is liable under this deed to the extent that it is precluded from being indemnified out of the assets of the relevant trust in respect of that liability or the amount of such an indemnity are limited as a result of a fraudulent act or omission of the Trustee.
- (f) Each Trustee represents and warrants in favour of each other party that as at the date of this deed or the date of accession to this deed by that Trustee (as the case may be):
 - (i) the Trust was validly created and in existence;
 - (ii) it was validly appointed as trustee of the Trust and is the only trustee of the Trust;
 - (iii) so far as it is aware, no action has been taken to replace or remove it as trustee of the Trust or to terminate the Trust;
 - (iv) it has the power under the terms of the relevant trust deed to enter into and perform its obligations under this deed; and
 - (v) it has the right to be indemnified out of the assets of the Trust other than to the extent of fraud, negligence or breach of trust on its part.

23 Accession Deed Poll

23.1 New Shareholder

The Company may only issue Shares to a person not a party to this deed if the person (**New Shareholder**) has executed and delivered to the Company an Accession Deed Poll (except for an issue in connection with an IPO). If the New Shareholder is a Manager or an Affiliate of a Manager, the Manager must also execute and deliver to the Company an Accession Deed Poll as a Relevant Manager of the New Shareholder.

23.2 Transferee

A Shareholder who wishes to Deal with its Shares must ensure that the proposed transferee executes and delivers an Accession Deed Poll to the Company (except in the case of an IPO or where the proposed transferee is already a Shareholder).

24 Notices and other communications

- (a) A notice, consent or other communication under this deed:
 - (i) must be in legible writing and in English;

- (ii) must be addressed to the Shareholder to whom it is to be given to the postal address or email address as notified by that Shareholder for the purposes of this clause;
 - (iii) must be signed by the sender (if an individual) or an authorised representative of the sender;
 - (iv) must be either:
 - (A) delivered by hand or sent by pre-paid ordinary mail (by airmail if sent to or from a place outside Australia) to the party's address; or
 - (B) sent by email to the Shareholder's email address; and
 - (v) is deemed to be received by the party in accordance with clause 24(b).
- (b) A notice, consent or other communication under this deed is deemed to be received:
- (i) if delivered by hand, when delivered to the Shareholder;
 - (ii) if sent by post, on the 3rd Business Day after the date of postage, or if to or from a place outside Australia, on the 7th Business Day after the date of postage; or
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 5 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,
- whichever happens first,
- but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (Shareholder's time) it is deemed to be received at 9.00 am on the following Business Day.
- (c) Notices sent by email need not be marked for attention in a particular way and are taken to be signed by the named sender.

25 General

25.1 Variation and waiver

Subject to applicable laws and clause 5.1(c), for so long as TPG a Shareholder, this deed may be amended by the Board without Shareholder approval. Each party is bound by any variation of this deed made pursuant to this clause and notified to the party.

25.2 No merger

The warranties, undertakings and indemnities in this deed do not merge on termination of this deed.

25.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party to give effect to the provisions of this deed and the transactions contemplated by it.

25.4 Entire agreement

This deed and the Constitution constitute the entire agreement of the parties about the subject matter and supersede all previous agreements, understandings and negotiations on that subject matter.

25.5 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed.

25.6 Powers of attorney

- (a) Each appointment of an attorney by a Shareholder or Relevant Manager under clauses 13.5, 14.5, 15.3, 17.2(d)(ii) and 17.5(f) (**Appointor**) is made on the following terms:
- (i) the Appointor irrevocably appoints the Company as its attorney to complete and execute such instruments and resolutions for and on its behalf as the attorney thinks necessary to give effect to any of the transactions contemplated by the relevant clause;
 - (ii) the Appointor agrees to ratify and confirm whatever the attorney lawfully does, or causes to be done, under the appointment;
 - (iii) the Appointor agrees to indemnify the attorney against all Claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of Claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and
 - (iv) the Appointor agrees to deliver to the Company on demand any power of attorney, instrument of transfer or other instruments as the Company may require for the purposes of any of the transactions contemplated by the relevant clause.
- (b) Whenever an Appointor appoints an attorney under clauses 13.5, 14.5, and 15.3, it hereby appoints the Company as its agent as follows:
- (i) the Company will hold the purchase moneys on trust for the Appointor;
 - (ii) receipt by the Company of the purchase moneys will be good discharge of the buyer's obligation to the Appointor and the buyer will not be bound to see to the application of it; and
 - (iii) the Company must pay the purchase moneys to the Appointor on surrender of the relevant share certificates or other instruments of ownership (as appropriate for Shares other than shares),

and if the relevant default relates to the provision of share certificates, the Appointor indemnifies the buyer against any Claims, demands and costs arising in any way in connection with the non-provision of those share certificates.

26 Governing law

26.1 Governing law

This deed is governed by the law in force in New South Wales.

26.2 Jurisdiction

Each party submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

Schedule 1 TPG Shareholders

Column 1	Column 2	Column 3
Name	Notice details	Class A Shares
TPG Asia VII SF Pte. Ltd	Address: No. 15-01 UOB Plaza, 1 80 Raffles Place Singapore Email: fwoo@tpg.com Attention: Francis Woo With a copy to vwong@tpg.com and nkay@tpg.com	100
TPG Growth IV SF Pte. Ltd	Address: No. 15-01 UOB Plaza, 1 80 Raffles Place Singapore Email: fwoo@tpg.com Attention: Francis Woo With a copy to vwong@tpg.com and nkay@tpg.com	1
TOTAL		101

Schedule 2 Dictionary

1 Dictionary

In this deed:

Accession Deed Poll means a deed poll in the form of 0.

Accounting Standards means:

- (a) accounting standards approved under the Corporations Act and its requirements about the preparation and contents of account; and
- (b) Australia's equivalent to the International Financial Reporting Standards as approved by the Australia Accounting Standards Board.

Additional Amount has the meaning given in clause 19(b).

Affiliate means:

- (a) with respect to any person, any other person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first person;
- (b) with respect to TPG (without limiting the foregoing), means an Investor Advisor and an Investor Affiliate; and
- (c) with respect to any other Shareholder or a Management Shareholder that is an individual, also includes:
 - (i) any Family Company or Family Trust of that individual;
 - (ii) any self-managed superannuation fund for that individual, the trustee of which is that individual, that individual and their spouse, or a Family Entity of that individual; and
 - (iii) a Relative of the individual.

Amount Incurred has the meaning given in clause 19(e).

Appointor has the meaning given in clause 25.6(a).

Audited Financial Statements means the audited consolidated profit and loss account, consolidated balance sheet and statement of cash flow.

Auditor means the auditor of the Group approved by the Board from time to time.

Beneficial Holders means a person on whose behalf the Nominee holds Shares as bare trustee.

Beneficial Shares in relation to a Beneficial Holder, means the Shares held by the Nominee as bare trustee for that Beneficial Holder.

Board means all or some of the Directors acting as the board of the Company.

Board Approval means a resolution of the Directors which is approved by the Directors present and voting (who are not disqualified from voting on that resolution) who between them hold more than one half of the total number of votes that may be exercised by all of the Directors who are not disqualified from voting on that resolution and who are present and voting on that resolution.

Board Meeting has the meaning in clause 4.2.

Board Reserved Matters includes all of the matters set out in Schedule 2.

Budget means a budget, included consolidated profit and loss account, balance sheet and cash flow statement for the Group.

Business means the business of the Group.

Business Day means a day other than a Saturday, Sunday or public holiday in New South Wales.

Business Plan means the one year programme current from time to time for the conduct of the Business during the current Financial Year, including the Budget for that Financial Year.

Buyer means a buyer (or a proposed buyer) of Shares who is a Third Party in relation to the seller (or proposed seller) of those Shares.

CEO means the person appointed as the chief executive officer of the Company from time to time.

CFO means the person appointed as the chief financial officer of the Company from time to time.

Chairperson means the person appointed as Chairperson of the Board under clause 3.2(a) of this deed.

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Class A Share means an ordinary share in the capital of the Company which is designated as an ORD Share and has the rights set out in this deed.

Class A Shareholder means a holder of Class A Shares.

Class B Share means a share in the capital of the Company which is designated as a Class B Share and has the rights set out in this deed.

Class C Share means a share in the capital of the Company which is designated as a Class C Share and has the rights set out in this deed.

Class C Shareholder means a holder of Class C Shares.

Confidential Information means all confidential information exchanged between the Shareholders relating to the Business or other affairs of the Group, the Shareholders or the Managers including the terms of this deed, but excludes any information that:

- (a) is in, or becomes part of, the public domain other than through breach of this deed or an obligation of confidence owed to a Group Company; or

- (b) was already known to it at the time of disclosure by the Company or a Shareholder, other than as a result of a breach of an obligation of confidentiality; or
- (c) a party acquires from a source other than the Company or a Shareholder, where the source is entitled to disclose it.

Consideration has the meaning given in clause 19(a).

Constitution means the constitution of the Company from time to time.

Control has the meaning in section 50AA of the Corporations Act, and **Controlled** has a corresponding meaning.

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

Deal with when used with respect to an item of property (including Shares), includes sell, offer for sale, dispose, transfer, deal with, assign, alienate the right to exercise the votes attached to, or decrease any economic interest in, or grant or allow to exist any Encumbrance, trust, option or other right in relation to the whole of any part of the item of property and agreeing to do any of those things or granting an option or making an offer that permits a person to require the doing of any of those things, and **Dealing** and **Dealt with** has a corresponding meaning.

Directors means all or some of the directors of the Company from time to time.

Drag Notice means a notice given in accordance with clause 13.2.

Drag Price has the meaning given in clause 13.2.

Drag Sale Terms has the meaning given in clause 13.2.

Dragged Shares has the meaning given in clause 13.2.

Dragged Shareholder has the meaning given in clause 13.2.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit à prendre, easement or any other security arrangement or any other arrangement having the same effect or any agreement to create any of them.

Exit Event or **Exit** means:

- (a) an IPO; or
- (b) a Share Sale; or
- (c) a Trade Sale.

Fair Value means fair value as determined by the Board in good faith.

Family Company means a body corporate which:

- (a) the individual (either alone or with their spouse) Controls and where all of the shares in the body corporate are owned, legally and beneficially, by the individual and/or Relatives of the individual and/or trustees of a Family Trust of the individual; or

(b) is otherwise associated with the individual and approved by the Board.

Family Trust means a trust which:

- (a) the individual Controls (either alone or with their spouse) and where all the beneficiaries or potential beneficiaries are the individual and/or Relatives of the individual and/or charities; or
- (c) is otherwise associated with the individual and approved by the Company (with Board approval).

Financial Year means the 12-month period starting on 1 July and ending on 30 June each year (or other dates as the Board approves).

Government Agency means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity. It includes ASIC and ASX (and any other stock exchange).

Group means the Company and each of its Subsidiaries and each of its or their interests in joint ventures or other entities (including trusts), from time to time.

Group Company means a member of the Group from time to time.

GST has the same meaning as in the GST Law.

GST Group has the same meaning as in the GST Law.

GST Law has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the *A New Tax System (Goods and Services Tax) Regulations 1999* (Cth).

Implementation Date has the meaning given to that term in the SIA.

Initial Acceptance Period has the meaning given in clause 11.2(a)(vi).

Investor Advisor means any management entity or general partner that from time to time provides investment advice, whether directly or indirectly, to TPG or any of its Affiliates.

Investor Affiliate means:

- (a) any partnership, limited partnership, venture capital limited partnership, trust, managed investment scheme, limited liability company or body corporate or other fund or entity of which any Investor Advisor or any person assuming the rights and obligations of such Investor Advisor, is the manager, trustee, responsible entity, general partner or investment advisor (**Investor Fund**);
- (b) any person Controlled by or under common Control with an Investor Fund; and
- (c) any partner, limited partner, unitholder, shareholder, trustee, responsible entity or custodian of any of the entities, funds, trusts or other things set out in any of paragraphs (a) and (b) above,

but does not include a Group Company or any other portfolio companies in which TPG has a minority interest.

Invitation to Tag means in respect of the Shareholders, an invitation in the form contemplated by clauses 14.1 and 14.2.

Involved includes direct or indirect involvement as a principal, agent, partner, employee, shareholder, unitholder, director, trustee, beneficiary, manager, contractor, subcontractor, consultant, advisor or financier.

IPO means an initial public offering of shares in the Company, shares in any Subsidiary or shares in a company of which the Company is or will be a wholly owned subsidiary in conjunction with an application for the quotation of those shares on the Shares Exchange.

Issue Notice has the meaning given in clause 11.2(a).

Management Equity Plan means any management equity plan adopted by the Board from time to time under which the Company may issue Class C Shares to Managers of the Company.

Management Shareholder means a holder of Class C Shares with respect only to their holding of Class C Shares that is:

- (a) a Manager;
- (b) an Affiliate of a Manager; or
- (c) a person that the Board agrees in writing to treat as a "Management Shareholder",

and who is or becomes a party to this Deed as a "Management Shareholder" by executing an Accession Deed.

Manager means a person that is:

- (a) invited by the Board to participate in a Management Equity Plan; and
- (b) an employee, executive director or non-executive director of any Group Company at the time the Manager (or any Affiliate of the Manager) becomes a Management Shareholder,

and who is or becomes a party to this Deed as a "Manager" by executing an Accession Deed Poll.

New Shareholder has the meaning given in clause 23.1.

Nominee means an independent third party trustee company appointed by the Company under clause 17.2 to hold Class B Shares on bare trust pursuant to the terms of the Nominee Deed and clause 17.

Nominee Deed means the nominee deed to be entered between the Company and the Nominee, substantially in the form set out in Schedule 4 (subject to any changes reasonably required by the Nominee in accordance with its usual business practices and accepted by the Company).

Non-contributing Shareholder has the meaning given in clause 11.2(c).

Ordinary Shares means a fully paid up ordinary share in the capital of the Company.

Permitted Transferee of a Shareholder means:

- (a) in relation to a Shareholder that is not an individual, a Related Entity of the Shareholder;
- (b) in relation to a Shareholder that is an individual, a Relative of the Shareholder; or
- (c) in relation to a Shareholder that is a TPG Shareholder who is a trustee, custodian, responsible entity or general partner of a trust or partnership, includes the person who is a replacement trustee, custodian, responsible entity or general partner of the same trust or partnership.

Recipient has the meaning given in clause 19(b).

Related Body Corporate has the meaning given in the Corporations Act, interpreted so that 'subsidiary' has the meaning given to that term in this deed.

Related Entity means, in relation to an entity (the first entity):

- (a) a Related Body Corporate of the first entity; or
- (b) a Controlled entity of the first entity;
- (c) an entity of which the first entity is a Controlled entity; and
- (d) in relation to a TPG Shareholder, includes any Affiliate of TPG.

Related Party has the meaning given in the Corporations Act, except that the Company or the relevant Shareholder (as appropriate) will be deemed to be a public company (or a registered management investment scheme, as appropriate) for the purpose of this definition.

Relatives means a spouse, former spouse, mother, father, brother, sister or child.

Relevant Manager means:

- (a) in relation to a Manager who is invited to participate in the Management Equity Plan, the person nominated by the Company at the date of issue of Shares to them as their Relevant Manager; and
- (b) in relation to any Management Shareholder who acquires Shares as a Permitted Transferee of the Management Shareholder transferring Shares or Options, the person who is the Relevant Manager of the transferor.

Relevant Proportion means when used in relation to:

- (a) all Shareholders, the proportions which their respective Shareholdings bear to all of the issued Shares; and
- (b) less than all the Shareholders, the proportions which their respective Shareholdings bear to their aggregate holdings of issued Shares.

Representative means, in relation to an entity, an employee, officer, director or adviser of that entity.

Representative Member has the same meaning as in the GST Law.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which a Group Company acquires 100% of the issued shares in the Target.

Securities Exchange means the Australian Securities Exchange or any other securities or stock exchange approved by the Board.

Security has the meaning in section 92(3) of the Corporations Act and includes Shares and/ or any other securities issued by the Company from time to time.

Service Agreement means for a Manager, any employment contract, letter of appointment or other agreement between itself and any Group Company setting out the terms and conditions of the Manager's employment or appointment.

Share means a share in the Company and includes a Class A Share, a Class B Share (but does not include a Class C Share).

Share Sale means a sale of all of the Shares in the Company on issue to a Third Party.

Shareholder means a holder of Shares in the Company (other than a Class C Shareholder).

Shareholding means a Shareholder's holding of Shares.

SIA means the scheme implementation agreement between Vermont Aus Pty Ltd (CAN 626 845 510) and Greencross Limited (ACN 119 778 862) dated 5 November 2018.

Simple Majority Resolution means:

- (a) in the case of Shareholders, Class A Shareholders that together hold more than 50% of the total voting rights of all Class A Shareholders present (in person or by proxy) at the meeting of Class A Shareholders or sign the relevant written resolution (as the case may be) and entitled to vote on the resolution concerned; and
- (b) in the case of Directors, Directors that together hold more than 50% of the total voting rights of all Directors who attend the relevant Board Meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution.

Small Holdings means a shareholding in the Company of less than \$1,000 (based on the value of a Share implied on the Implementation Date).

Special Majority Resolution means:

- (a) subject to paragraphs (b) and (c) below, a resolution approved by at least 75% of all votes cast by or on behalf of all TPG Shareholders who are present at the meeting of Shareholders (in person or by proxy) and entitled to vote on the resolution concerned; and
- (b) for the purposes of clause 5.1(b) only, a resolution approved by 75% of all votes cast by Shareholders (other than Class C Shareholders and any other Shareholders holding non-voting Shares) who are present (in person or by proxy) at the meeting of Shareholders and entitled to vote on the resolutions concerned; and
- (c) and 5.1(c) only, a resolution approved by 75% of all votes cast by Shareholders (other than Class C Shareholders and any other Shareholders holding non-voting Shares) who are affected by the relevant variation, cancellation or modification and are present (in person or by proxy) at the meeting of Shareholders and entitled to vote on the resolutions concerned.

Subsidiary means each subsidiary of the Company, as that term is defined in Part 1.2 Division 6 of the Corporations Act.

Supplier has the meaning given in clause 19(b).

Supply has the same meaning as in the GST Law.

Tag Option has the meaning given in clause 14.2(d).

Tag Price has the meaning given in clause 14.2(b).

Tag Proportion has the meaning given in clause 14.2(b).

Tag Terms has the meaning given in clause 14.2(b).

Tagged Shares has the meaning given in clause 14.2(d).

Tagged Shareholder has the meaning given in clause 14.1.

Target means Greencross Limited (ACN 119 778 862).

Taxes means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them.

Third Party means a party other than the Shareholder or an Affiliate of the Shareholder.

TPG means the TPG Investors listed in Schedule 1 (each, a **TPG Shareholder**) and any of their Affiliates who hold Shares, from time to time.

TPG Investor or **TPG Shareholder** means each of the persons listed in Schedule 1

TPG Representative means, in respect of each TPG Shareholder, the person or persons nominated by notice to the Company by the TPG Shareholder to be that TPG Shareholder's representative for the purposes of clause 5.

Trade Sale means the sale of:

- (a) all or substantially all of the operating Group Companies; or
- (b) the whole or substantially all of the Business,

in each case to a Third Party.

Transaction Documents means:

- (a) this deed;
- (b) the Constitution;
- (c) each Service Agreement; and
- (d) any other agreement or document that the parties agree is a Transaction Document.

Transfer means to give, sell, transfer, alienate, assign, lease, licence, grant an option over, create or declare a trust over, part with the benefit of, or otherwise dispose of or deal with any legal or equitable interest in something, including a Security.

Trustee means the trustee or responsible entity of any Shareholder or Class C Shareholder that is a trust.

2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
 - (vi) this deed includes all schedules and attachments to it;
 - (vii) dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia;
 - (viii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced; and
 - (ix) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing.
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;

- (i) in determining the time of day, where relevant to this deed, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located;
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it; and
- (k) if there is any conflict between the body of this deed and its schedules or attachments the terms of the main body of this deed will prevail.

Schedule 3 Board Reserved Matters

- 1 **(Senior management employment terms)** Appoint or remove the CEO, the CFO or the CEO's direct reports, or materially change or negotiate the terms of engagement (including the terms of any compensation and bonuses), role or responsibilities of those positions.
- 2 **(Budgets)** Adopt or vary any Budget, business financial plan or any operating, capital or cash budget.
- 3 **(Management Equity Plan)** Adopt or vary the terms of any Management Equity Plan or any other arrangement giving employees of the Group the right or entitlement to acquire Shares or Class C Shares.
- 4 **(New Directors)** Appoint a Director of the Company, except in accordance with clause 3.2.
- 5 **(Remuneration)** Increase the remuneration per annum payable to a Director.
- 6 **(Bonuses)** Pay any profit or other bonus to a Director or member of the executive team.
- 7 **(Shares)** Issue or allot or grant any right to issue or allot shares, warrants or options.
- 8 **(Borrowings)** Borrow or accept a financial accommodation of more than \$200,000.
- 9 **(Encumbrances)** Create any mortgage, charge, pledge or other encumbrance that is not included in the Budget over an asset or undertaking and is outside the ordinary course of business of the Company.
- 10 **(Guarantee)** Give or enter into any guarantee, letter of comfort or performance bond of more than \$150,000.
- 11 **(Auditors)** Appoint or remove the Auditors.
- 12 **(Acquisitions and disposals)** Effect a Trade Sale or acquire or dispose of the Business or any company or business.
- 13 **(Assets)** Sell or buy assets (either tangible or intangible) having a value in aggregate or in an individual amount of more than \$200,000 in a Financial Year, except stock sold in the ordinary course of business or otherwise in accordance with the Budget.
- 14 **(Winding up)** the making of an application or the commencement of any proceedings or the taking of any other steps for the winding up, dissolution, deregistration or appointment or administrator of a Group Company, or the entering into by a Group Company of an arrangement, compromise or composition with or assignment for the benefit of its creditors, a class of them or any of them;
- 15 **(Change in nature of business)** Stop to carry on, or materially alter the scale of operations of, the Business or commence any business or operational activities other than the Business.
- 16 **(Listing)** Apply to a Securities Exchange for a listing or for quotation of any Shares or appoint an underwriter in relation to an IPO, or both.

- 17 **(Capital expenditure)** Commit to or incur capital expenditure on any particular item of more than \$150,000 in a Financial Year other than in accordance with the Budget.
- 18 **(Related party transactions)** Undertake any transaction that would if the Company were a public company be a transaction with a related party of the Company under the Corporations Act that involves a single transaction or a series of similar transactions with an aggregate value of \$500,000 or more, unless the transaction:
- (i) would be one covered by section 210 of the Corporations Act; is in the ordinary course of the Business; or
 - (ii) is otherwise permitted by the provisions of this deed (for the avoidance of doubt, where the Company has entered into fee agreements on terms which are commercial and arms' length with TPG or its Affiliates in respect of the on-going monitoring of their investment in the Company, transactions on which TPG has provided management and/or advisory services and transactions contemplated under the SIA and these fees will be excluded from the operation of this clause 5.1(g)).
- 19 **(Finance and operating leases)** Enter into any finance or operating lease costing more than \$250,000 per annum other than in accordance with the Budget.
- 20 **(Contracts)** Enter into, terminate, amend or vary a contract:
- (a) outside the ordinary course of business; or
 - (b) which provides consent or termination rights to the counterparty/ies to the contract in the event of a change of control of a Group Company.
- 21 **(Intellectual property and branding)** Any decision which would impact on the intellectual property rights or branding of the Company or any Group Company (including any leasing, or licensing or granting an option over such rights) other than licence or sub-licence agreements with customers and suppliers in the ordinary course of business;
- 22 **(Accounting Standards and principles)** Materially alter the Accounting Standards or principles previously adopted by the Company for the preparation or presentation of individual or consolidated financial statements except if required to do so by law.
- 23 **(Balance date)** Change the balance date or alter the accounting period of the Company.
- 24 **(Loans)** Make a loan, give credit or other financial accommodation to a person except in the ordinary course of business or otherwise in accordance with the Budget (which includes the making of a limited recourse loan to eligible persons under any Management Equity Plan).
- 25 **(Financial Assistance)** Give a loan or other financial assistance to a Director or an associate of a Director or vary the terms of a loan or other financial assistance previously given to a Director or an associate of a Director.
- 26 **(Disputes)** Commence or conduct any dispute or litigation (including with any tax authority) other than debt collection in the ordinary course of business.

- 27 **(Transaction Documents)** Terminate, amend, vary or waive a right under a Transaction Document or agree to do any of those things, in each case for and on behalf of the Company.
- 28 **(Committees of Directors)** Appoint, dissolve or alter the composition of a committee of the Board.
- 29 **(Dividends)** Declare, make or pay a dividend or other distribution (other than dividends or distributions to existing minority investors in any joint ventures in which a Group Company has an interest as at the date of this deed).
- 30 **(Partnerships, joint ventures and mergers)** Enter into, amend or vary:
- (a) a partnership or joint venture (other than arrangements with specialist practice employees); or
 - (b) any agreement or arrangement to acquire any other business, material assets or securities in any other entity, including by way of a negotiated purchase, takeover offer, scheme of arrangement, option, leveraged buyout, minority investment or otherwise.
- 31 **(Insurance)** Materially amend or reduce the insurance cover over the Company's assets or the Business or any key man insurance policy including any Directors' and officers' liability insurance.
- 32 **(Resolutions to Shareholders)** Put any resolutions to Shareholders or Class C Shareholders in accordance with the terms of this deed in relation to any matters including the following:
- (a) any variation, cancellation or modification to the rights attached to any shares of the Company;
 - (b) any amendment to the Constitution or the modification or abrogation of any rights attached to any class of shares whether issued or unissued; and
 - (c) any buy-back, redemption, cancellation, reduction of capital or purchase by the Company of shares which is not undertaken on a pro rata basis.

Execution page

Executed as a deed poll in favour of each Continuing Party.

Signed, sealed and delivered by **[Acceding Party]** by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed, sealed and delivered by **[Discontinuing Party]** by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Attachment A Accession Deed Poll

Date:

Parties

- 1 **[Insert name of acceding party] of [insert address] (Acceding Party)**
[If acceding party is associated with a Manager and is not an individual, also insert the following:
- 2 **[Insert name of acceding party] of [insert address] (Relevant Individual)]**
- 3 **[Insert name of discontinuing party] of [insert address] (Discontinuing Party)**

The parties agree in favour of and for the benefit of each and all of the following:

- (A) the parties to the shareholders' deed (**Shareholders' Deed**) dated [] made among Vermont Aus HoldCo Pty Ltd (ACN 626 842 135) (**Company**) and the TPG Investors (as defined in the Shareholders' Deed); and
 - (B) all persons who are or subsequently shareholders of the Company, (collectively, the **Continuing Parties**).
-

1 Defined terms and interpretation

1.1 Defined terms

Words and expressions used in this deed have the same meaning as those used in the Shareholders' Deed relating to the Company dated [], as amended, varied, novated or supplemented from time to time (**Shareholders' Deed**), unless the context otherwise requires.

1.2 Interpretation

Clauses 1.1 and 1.2 of Schedule 2 of the Shareholders' Deed apply in the interpretation of this deed.

2 Accession

- (a) Subject to the terms of this deed, the Acceding Party [and the Relevant Individual] accede[s] to the Shareholders' Deed as if it were an original party to the Shareholders' Deed on and from the date that the Acceding Party is registered as a holder of Shares (**Accession Date**).
 - (b) Subject to clauses 3 and 4, the Discontinuing Party ceases to be a party to the Shareholders' Deed on and from the Accession Date.
-

3 Parties to be bound

- (a) In all cases of accession on a transfer of Shares to a third party, and subject to clauses 4 and 5, [each of] the Acceding Party [and the Relevant Individual] undertakes to be bound by all the terms of the Shareholders' Deed from the Accession Date as if the definition of "Shareholder" included the Acceding Party and the definition of "Relevant Individual" included the Relevant Individual.

- (b) Without limiting clause 3(a), and subject to clauses 4 and 5, the Acceding Party is bound by all the terms of the Shareholders' Deed from the Accession Date as if each reference to the Discontinuing Party in the Shareholders' Deed were a reference to the Acceding Party and not to the Discontinuing Party.

4 Acceding party not subject to pre-accession liabilities

Notwithstanding any other provision of this deed, but subject to the Shareholders' Deed, the Acceding Party is not liable upon accession for any liabilities of the Discontinuing Party which accrued prior to the Accession Date or which relate to any act or omission prior to the Accession Date.

5 No further rights and release from obligations

With effect from the Accession Date, the Discontinuing Party:

- (a) has no further rights against any of the Continuing Parties under the Shareholders' Deed other than rights that arise before the Accession Date; and
- (b) releases each Continuing Party from all obligations and liabilities under the Shareholders' Deed other than obligations and liabilities that arise before the Accession Date.

6 Representations and warranties

The Acceding Party represents and warrants the following to each other party and to each Continuing Party:

- (a) **registration:** if a body corporate, it is duly registered and validly existing under the laws of the country of its registration;
- (b) **power and authority:** it has the power and authority to enter into and perform its obligations under this deed and to carry out the transactions contemplated by the Shareholders' Deed;
- (c) **action:** it has taken all necessary action to authorise the entry into and performance of, this deed and to carry out the transactions contemplated by the Shareholders' Deed;
- (d) **binding obligation:** this deed constitutes legal, valid and binding obligations on it; and
- (e) **no contravention:** neither the execution and performance by it of this deed poll nor any transaction contemplated under the Shareholders' Deed will violate in any respect any provision of:
 - (i) its constituent documents; or
 - (ii) any other applicable law, document, agreement or other arrangement binding upon it or its assets.

7 General

7.1 Address of Acceding Party for notices

For the purposes of the Shareholders' Deed the address of the Acceding Party to which all notices must be delivered in accordance with clause 24 of the Shareholders' Deed is:

Acceding Party

[insert Acceding party's name]

Address: *[insert address]*

Email: *[insert email address]*

Attention: *[insert name]*

Relevant Individual

For the purposes of the Shareholders' Deed the address of the Relevant Individual to which all notices must be delivered in accordance with clause 24 of the Shareholders' Deed is:

[insert Relevant Individual's name]

Address: *[insert address]*

Email: *[insert email address]*

Attention: *[insert name]*

7.2 Governing law

This deed is governed by the law in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

7.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party or any Continuing Party to give effect to the provisions of this deed poll and the transactions contemplated by it.

7.4 Waiver of rights

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

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

- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

7.5 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed.

7.6 Liability for expenses

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

7.7 Amendment

This deed poll can only be amended or replaced by another document executed by the parties and each Continuing Party.

7.8 Service of process

[This section to be inserted if the Acceding Party is not incorporated in Australia.]

[insert Acceding party's name] irrevocably appoints ***[insert local agent]*** as its agent for the service of process in Australia in relation to any matter arising out of this deed and the Shareholders' Deed. If ***[insert name of local agent]*** ceases to be able to act as such or have an address in Australia, ***[insert Acceding party's name]*** agrees to appoint a new process agent in Australia and deliver to the other parties within 20 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed and the Shareholders' Deed. ***[insert Acceding party's name]*** must inform the other parties in writing of any change in the address of its process agent within 20 Business Days of the change.

7.9 [Relevant Individual]

For the purposes of the Shareholders' Deed the Acceding Party's Relevant Individual is ***[insert name]***. If the Acceding Party ceases to be an Affiliate of the Relevant Individual, the Acceding Party must immediately transfer all of the Shares held by it to an Affiliate of the Relevant Individual.]

Attachment A to Accession Deed Poll Shareholders' Deed

[Annex copy]

Attachment B Attachment B to Accession Deed Poll Continuing Parties

[To be inserted]



E

Appendix E – HoldCo Constitution

Constitution

Vermont Aus HoldCo Pty Ltd
ACN 626 842 135
(A proprietary company limited by shares)

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1 Dictionary

- (a) A capitalised term or expression which is defined in the Dictionary in Schedule 1 has the meaning given to it in Schedule 1.
- (b) The interpretation clause in paragraph 2 of Schedule 1:
 - (i) sets out the rules of interpretation which apply to this constitution; and
 - (ii) clarifies the effect of the Corporations Act on this constitution.
- (c) In this constitution, unless the contrary intention appears:
 - (i) a word or expression defined in the Shareholders' Deed (but not defined in this constitution) has the same meaning when used in this constitution; and
 - (ii) a word or expression defined in the Shareholders' Deed and also defined in this constitution has the meaning given to it by the defined term in this constitution.

2 Shareholders' Deed applies

2.1 Relationship between constitution and Shareholders' Deed

Upon adoption of the Shareholders' Deed, this constitution has effect subject to the Shareholders' Deed. To the extent that this constitution and the Shareholders' Deed deal with the same or a similar topic differently, the Shareholders' Deed prevails and the members must do everything within their power to amend this constitution to remove any such difference.

2.2 Director acting in compliance with Shareholders' Deed

Where rule 2.1 applies and director acts in accordance with the Shareholders' Deed:

- (a) the fact that the director has acted in accordance with the Shareholders' Deed:
 - (i) is taken to be an act that is in the best interest of the company as a whole; and
 - (ii) is not taken to be a breach of any duty owed by that director to the company or a breach of this constitution;
- (b) neither the company nor the members may take any steps to pursue the director for a breach of duty if the only basis for the breach is conduct permitted by this rule; and
- (c) if, contrary, to paragraph (a), the conduct is a breach of duty or a breach of this constitution, to the extent permitted by law, each member must take all steps necessary to:
 - (i) consent to, excuse, ratify or authorise the breach; and
 - (ii) otherwise release the director from any liability arising from the breach of duty or this constitution.

3 Share capital

3.1 Shares

- (a) Subject to this constitution and the Shareholders' Deed, the directors have the right to issue shares (including Class A shares, Class B shares and Class C shares) or grant options over shares to any person and they may do so on the conditions they think fit.
- (b) Shares referred to in rule 3.1(a) may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the company on a winding up or otherwise, as the directors think fit.
- (c) This rule must not be construed so as to adversely affect any special rights of holders of any shares or class of shares.

3.2 Certificates

Each member is entitled without payment to receive a certificate for shares issued as required under the Corporations Act.

3.3 Preference shares

The company may issue preference shares from time to time. Preference shares have the following rights and restrictions:

- (a) **repayment of capital:** the right in priority to any other class of shares to repayment of the amount paid on the preference share:
 - (i) in a winding up or reduction of capital; and
 - (ii) in the case of a redeemable preference share, on redemption;
- (b) **dividends:** the right to payment of a cumulative preferential dividend in priority to the payment of a dividend on any other class of shares, accruing from day to day and payable on the amount paid on the preference share at the time and at the rate, which may be fixed or variable, specified or determined under the terms of issue;
- (c) **accrued dividends:** the right in priority to any other class of shares to the amount of any dividend accrued but unpaid on the preference share:
 - (i) in a winding up or reduction of capital; and
 - (ii) in the case of a redeemable preference share, on redemption;
- (d) **participation in surplus assets and profits:** no rights to participate in the profits or property of the company other than as set out in this rule 3.3 whether on a winding up, reduction of capital or, in the case of a redeemable preference share, on redemption;
- (e) **attending general meetings and receiving documents:** the same right as the holder of an ordinary share to:
 - (i) receive notice of a general meeting;

- (ii) attend the general meeting;
- (iii) receive notices, reports and accounts;
- (f) **voting**: the right to vote in the following circumstances and in no other circumstances:
 - (i) on a proposal to wind up the company or reduce the share capital of the company or on a proposal for the disposal of the whole of the company's property, business and undertaking;
 - (ii) while a dividend or part of a dividend in respect of the preference share is unpaid;
 - (iii) on a resolution to approve the terms of any buy-back agreement;
 - (iv) on a proposal that affects rights attached to the preference share; or
 - (v) during the winding up of the company;
- (g) **redemption**: in the case of a redeemable preference share, the right to require the company to redeem the preference share at the time and place specified under the terms of issue; and
- (h) **restrictions**: any other restrictions specified in the terms of issue.

3.4 Joint holders of shares

Where two or more persons are registered as the holders of a share they hold it as joint tenants with rights of survivorship subject to the following provisions:

- (a) the company is not bound to register more than three of those persons as joint holders of the share;
- (b) each of those persons and their respective legal personal representatives are liable severally as well as jointly for all payments, including calls, which are required to be made in respect of the share;
- (c) subject to rule 3.4(b), on the death of any one of them the company is entitled to recognise the survivor or survivors as the only person or persons who have any title to the share;
- (d) any one of those persons may give effective receipts for any dividend, interest or other distribution or payment in respect of the share; and
- (e) the company is not bound to issue more than one certificate for the share and delivery of a certificate to any one of those persons is sufficient delivery to all of them.

3.5 Equitable interests in shares

- (a) The company may treat the registered holder of a share as the absolute owner of that share.
- (b) The company is not bound by or compelled in any way to recognise an equitable, contingent, future, partial or other right or interest in a share or unit of a share, even if the company has notice of that right or interest.

- (c) With the consent of the directors, shares held by a trustee may be marked in the register in such a way as to identify them as being held subject to the relevant trust.
- (d) Nothing in rule 3.5(c) limits rule 3.5(a).

4 Calls, forfeiture, indemnities, lien and surrender

4.1 Calls

- (a) Subject to this constitution, the Shareholders' Deed and the terms on which any shares are issued, the directors may make calls on the members for any money unpaid on their shares which is not by the terms of issue of those shares made payable at fixed times.
- (b) Subject to the Shareholders' Deed:
 - (i) when the directors issue shares they may differentiate between the holders as to the amount of calls to be paid and the times of payment;
 - (ii) the directors may require a call to be paid by instalments;
 - (iii) on receipt of at least 14 days' notice, a member on whom a call is made in accordance with this constitution must pay to the company the amount called on that member's shares at the time or times and place specified;
 - (iv) a call is to be taken as having been made when the resolution of the directors authorising the call was passed;
 - (v) the directors may revoke a call, postpone a call or extend the time for payment;
 - (vi) a call is not invalidated by the non-receipt of a notice of a call or the accidental omission to give notice of a call to any member;
 - (vii) if a sum called on a share is not paid in full by the day appointed for payment, the directors may determine that the person from whom the sum is due must pay:
 - (A) interest on the unpaid amount from the date appointed for payment of the sum to the date of actual payment, at a rate determined under rule 4.9; and
 - (B) any costs, expenses or damages incurred by the company in relation to the non-payment or late payment of the sum;
 - (viii) any sum unpaid on a share that, by the terms of issue of the share, becomes payable on issue or at a fixed date:
 - (A) is to be treated for the purposes of this constitution as if that sum was payable under a call duly made and notified; and
 - (B) must be paid on the date on which it is payable under the terms of issue of the share; and

- (ix) the directors may, to the extent permitted by law, waive or compromise all or any part of any payment due to the company under the terms of issue of a share or under this rule 4.1.

4.2 Proceedings for recovery of calls

- (a) In an action or other proceedings for the recovery of a call, or interest or costs or expenses incurred in relation to the non-payment or late payment of a call, proof that:
 - (i) the name of the defendant is entered in the register as the holder or one of the holders of the share in respect of which the call is claimed;
 - (ii) the resolution making the call is recorded in the minute book; and
 - (iii) notice of the call was given to the defendant in accordance with this constitution,is conclusive evidence of the debt and it is not necessary to prove the appointment of the directors who made the call or any other matter.
- (b) In rule 4.2(a), "defendant" includes a person against whom a set-off or counter-claim is alleged by the company and "proceedings for the recovery of a call" is to be construed accordingly.

4.3 Payments in advance of calls

- (a) The directors may accept from a member the whole or a part of the amount unpaid on a share even though no part of that amount has been called.
- (b) The directors may authorise payment by the company of interest on the whole or any part of an amount accepted under rule 4.3(a), until the amount becomes payable, at a rate agreed between the directors and the member paying the amount.
- (c) The directors may repay to a member all or any part of the amount accepted under rule 4.3(a).

4.4 Forfeiture of partly paid shares

- (a) If a member fails to pay the whole of a call or instalment of a call by the time appointed for payment of the call or instalment, the directors may serve a notice on that member requiring payment of the unpaid amount, together with any interest that has accrued and all costs, expenses or damages that may have been incurred by the company by reason of the non-payment or late payment of the call or instalment.
- (b) A notice under rule 4.4(a) must name a place and a day for payment. The day must be at least 14 days after the date of service of the notice.
- (c) The notice must state that the shares on which the call was made are liable to be forfeited if the whole amount payable is not paid by the time and at the place specified in the notice.
- (d) If a member does not comply with a notice under rule 4.4(a), the shares to which the notice relates may be forfeited by a resolution of the directors. Forfeiture

includes all dividends declared, interest accrued and other amounts payable by the company on the forfeited shares and not actually paid before the forfeiture.

- (e) Where a share has been forfeited:
 - (i) notice of the resolution must be given to the member in whose name the share was registered immediately before the forfeiture; and
 - (ii) an entry of the forfeiture, with the date, must be made in the register of members.
- (f) Failure to give the notice or to make the entry required under rule 4.4(e) does not invalidate the forfeiture.
- (g) The directors may:
 - (i) sell or otherwise dispose of a share which has been forfeited on the terms and in the manner the directors think appropriate;
 - (ii) at any time before a sale or disposal, cancel the forfeiture of a share on the terms the directors think appropriate; and
 - (iii) reissue a share which has been forfeited, with or without any money paid on the share by any former holder being credited as paid and on the other terms and in the manner the directors think appropriate.
- (h) A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares, but remains liable to pay, and must immediately pay, to the company:
 - (i) all calls, instalments, interest, costs, expenses and damages owing in respect of the shares at the time of the forfeiture; and
 - (ii) interest on so much of the amount payable under rule 4.4(h)(i) as is unpaid from time to time, from the date of the forfeiture to the date of actual payment, at a rate determined under rule 4.9.
- (i) Subject to this constitution, the forfeiture of a share extinguishes all interest in, and all claims and demands against the company in respect of, the forfeited share and all other rights incident to the share.
- (j) The directors may:
 - (i) exempt a share from all or any part of this rule 4.4; and
 - (ii) waive or compromise all or any part of any payment due to the company under this rule 4.4.

4.5 Indemnity for payments by the company

- (a) A member or, if the member is dead, the member's legal personal representative, must indemnify the company against any liability which the company has under any law to make a payment for or on account of that member including in respect of:
 - (i) shares held by that member, solely or jointly;
 - (ii) a transfer or transmission of shares by a member; or

- (iii) dividends, bonuses or other money owed to the member.
- (b) Rule 4.5(a) includes, without limitation, a payment arising from:
 - (i) the death of that member;
 - (ii) the non-payment of any income tax, capital gains tax, wealth tax or other tax by that member or the legal personal representative of that member; or
 - (iii) the non-payment of any estate, probate, succession, death, stamp or other duty by that member or the legal personal representative of that member.
- (c) The member or, if the member is dead, the member's legal personal representative, must pay to the company immediately on demand:
 - (i) the amount required to reimburse the company for a payment described in rule 4.5(a); and
 - (ii) interest on any part of that amount which is unpaid from the date the company makes the payment until the date the company is reimbursed in full for that payment, at a rate determined under rule 4.9.
- (d) This rule 4.5 is in addition to any right or remedy the company may have under the law which requires it to make the payment.
- (e) The directors may:
 - (i) exempt a share from all or any part of this rule 4.5; and
 - (ii) waive or compromise all or any part of any payment due to the company under this rule 4.5.

4.6 Lien on shares

- (a) To the extent permitted by law, the company has a first and paramount lien on:
 - (i) each partly paid share for all unpaid calls and instalments due but unpaid in respect of that share;
 - (ii) each share registered in the name of a holder for all money presently payable by the holder or the holder's estate to the company; and
 - (iii) each share for any amounts the company may be required by law to pay (and has paid) in respect of that share.
- (b) The company's lien on a share extends to all dividends payable in respect of the share and to the proceeds of sale of the share.
- (c) The directors may sell a share on which the company has a lien in any manner they think fit where:
 - (i) an amount in respect of which a lien exists under this rule 4.6 is presently payable;
 - (ii) the company has, not less than 14 days before the date of the sale, given to the registered holder of the share a notice in writing demanding payment of that amount; and

- (iii) as at the date of the sale, the amount remains unpaid.
- (d) A notice under rule 4.6(c) must set out the amount in respect of which the lien exists as is presently payable.
- (e) The directors may do all things necessary or desirable to protect any lien, charge or other right to which the company may be entitled under any law or under this constitution.
- (f) Registration by the company of a transfer of shares on which the company has a lien releases the company's lien in so far as it relates to sums owing by the transferor or any predecessor in title, without giving notice of its claim to the transferee.
- (g) The directors may:
 - (i) exempt a share from all or any part of this rule 4.6; and
 - (ii) waive or compromise all or any part of any payment due to the company under this rule 4.6.

4.7 Surrender of shares

- (a) The directors may accept a surrender of a share by way of compromise of any claim as to whether or not that share has been validly issued or in any other case where the surrender is within the powers of the company.
- (b) Any share surrendered under rule 4.7(a) may be sold, reissued or otherwise disposed of in the same manner as a forfeited share.

4.8 General provisions applicable to a disposal of shares under this constitution

- (a) A reference in this rule 4.8 to a disposal of shares under this constitution is a reference to:
 - (i) any sale, reissue or other disposal of a forfeited share under rule 4.4(g) or a surrendered share under rule 4.7; and
 - (ii) any sale of a share on which the company has a lien under rule 4.6(c).
- (b) Where any shares are disposed of under this constitution, the directors may:
 - (i) receive the purchase money or consideration given for the shares on the disposal;
 - (ii) effect a transfer of the shares and, if necessary, execute, or appoint a person to execute, on behalf of the former holder an instrument of transfer of the shares or any other instrument for the purpose of giving effect to the disposal; and
 - (iii) register as the holder of the shares the person to whom the shares have been disposed of.
- (c) The title of a person to whom shares are disposed of under this constitution is not affected by an irregularity or invalidity in connection with that disposal.

- (d) The remedy of any person aggrieved by a disposal of shares under this constitution is limited to damages only and is against the company exclusively.
- (e) The proceeds of a disposal of shares under this constitution must be applied in the payment of:
 - (i) first, the expenses of the disposal;
 - (ii) secondly, all money presently payable by the former holder whose shares have been disposed of; and
 - (iii) finally, but subject to any lien under rule 4.6 for money not presently payable, any remaining proceeds must be paid to the former holder as soon as practicable. The former holder must first deliver to the company the certificate for the shares that have been disposed of or any other proof of title as the directors may accept.
- (f) A statement in writing signed by a director or secretary of the company to the effect that a share in the company has been:
 - (i) duly forfeited under rule 4.4(d);
 - (ii) duly sold, reissued or otherwise disposed of under rules 4.4(g) or 4.7; or
 - (iii) duly sold under rule 4.6(c),

on a date stated in the statement is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to the share and of the right of the company to forfeit, sell, reissue or otherwise dispose of the share.

4.9 Interest payable by member

- (a) For the purposes of rules 4.1(b)(vii)(A), 4.4(h)(ii) and 4.5(c)(ii), the rate of interest payable to the company is:
 - (i) if the directors have fixed a rate, that rate; or
 - (ii) in any other case, 10% per annum.
- (b) Interest payable under rules 4.1(b)(vii)(A), 4.4(h)(ii) and 4.5(c)(ii) accrues daily and may be capitalised monthly or at other intervals as the directors think fit.

5 Transfer and transmission of shares

5.1 Transfer of shares

- (a) Subject to this constitution, the Shareholders' Deed and the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares by an instrument in writing in any usual form or in any other form that the directors approve.
- (b) A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares.
- (c) The company must not charge a fee for the registration of a transfer of shares.

- (d) An instrument of transfer referred to in rule 5.1(a) must be signed by or on behalf of both the transferor and the transferee unless the transfer:
 - (i) relates only to fully paid shares and signature by the transferee has been dispensed with by the directors; or
 - (ii) is a sufficient transfer of marketable securities for the purposes of the Corporations Act.
- (e) An instrument of transfer referred to in rule 5.1(a) must be duly stamped if required by law to be stamped.
- (f) An instrument of transfer referred to in rule 5.1(a) must be lodged for registration at the registered office of the company, or at such other place as the directors determine, accompanied by any evidence which the directors require to prove the title of the transferor or the transferor's right to the shares including the share certificate, if any, and to prove the right of the transferee to be registered as the owner of the shares.
- (g) Subject to the powers vested in the directors under rules 5.2 and 5.3, where the company receives an instrument of transfer complying with rules 5.1(d), 5.1(e) and 5.1(f), the company must register the transferee named in the instrument as the holder of the shares to which it relates.
- (h) The company may retain any registered instrument of transfer received by the company under rule 5.1(f) for any period as the directors think fit.
- (i) Except in the case of fraud, the company must return any instrument of transfer received under rule 5.1(f) which the directors decline to register to the person who deposited it with the company.
- (j) The directors may, to the extent permitted by law, waive all or any of the requirements of this rule 5.1.

5.2 Power to decline registration of transfers

- (a) Subject to rule 5.2(b), the directors must decline to register any transfer of shares, unless that transfer is permitted by the Shareholders' Deed.
- (b) Notwithstanding rule 5.2(a) or any other provision in this constitution, the directors must not decline to register any transfer of shares where such transfer is made to:
 - (i) a person entitled to the benefit of a Security Interest (whether or not as agent, trustee or nominee for a person entitled to the benefit of the Security Interest); or
 - (ii) a person who purchases the shares from the holder of those shares or a person entitled to the benefit of the Security Interest (or a person acting as agent, trustee or nominee on its behalf) in accordance with the Shareholders Deed,

pursuant to, or in connection with, the purchase of the shares or enforcement of that Security Interest in respect of the shares and provided that the person who is to be registered as the holder of such shares has agreed to be bound by the Shareholders Deed under an Accession Deed provided to the company and, for the avoidance of doubt, any such person (including any agent, trustee or nominee for a

person entitled to the benefit of the Security Interest) may be registered as the holder of such shares pursuant to, or in connection with, such enforcement.

5.3 Power to suspend registration of transfers

- (a) Subject to rule 5.3(b), the directors may suspend the registration of a transfer of shares at the time and for the period the directors think fit, but the period of suspension must not exceed a total of 30 days in any 12 month period.
- (b) Notwithstanding rule 5.3(a) (or any other provision of this constitution), the directors must not suspend the registration of a transfer of shares where such transfer is made to:
 - (i) a person entitled to the benefit of a Security Interest (whether or not as agent, trustee or nominee for a person entitled to the benefit of the Security Interest); or
 - (ii) a person who purchases the shares from the holder of those shares or a person entitled to the benefit of the Security Interest (or a person acting as agent, trustee or nominee on its behalf) in accordance with the Shareholders Deed,

pursuant to, or in connection with, the enforcement of that Security Interest in respect of the shares provided that the person who is to be registered as the holder of such shares has agreed to be bound by the Shareholders Deed under an Accession Deed provided to the company.

5.4 Transmission of shares

- (a) In the case of the death of a member, the only persons the company will recognise as having any title to the member's shares or any benefits accruing in respect of those shares are:
 - (i) the legal personal representative of the deceased where the deceased was a sole holder; and
 - (ii) the survivor or survivors where the deceased was a joint holder.
- (b) Nothing in rule 5.4(a) releases the estate of a deceased member from any liability in respect of a share, whether that share was held by the deceased solely or jointly with other persons.
- (c) A person who becomes entitled to a share as a result of a Transmission Event may elect:
 - (i) to be registered as the holder of the share by signing and serving on the company a notice in writing stating that election; or
 - (ii) to have some other person nominated by that person registered as the transferee of the share by executing or otherwise effecting a transfer of the share to that other person,

after producing any evidence the directors require to prove that person's entitlement to the share, including the certificate for the share.

- (d) The provisions of this constitution relating to the right to transfer, and the registration of transfers of, shares apply, so far as they can and with the changes

as are necessary, to any transfer under rule 5.4(c)(ii) as if the relevant Transmission Event had not occurred and the transfer were executed or effected by the registered holder of the share.

- (e) If two or more persons become jointly entitled to a share under a Transmission Event, on registration as the holders of the share, those persons are taken to hold the share as joint tenants subject to this rule 5.4.
- (f) Despite rule 5.4(a), the directors may register a transfer of shares signed by a member before a Transmission Event even though the company has notice of the Transmission Event.

6 General meetings

6.1 Convening of general meetings

- (a) A general meeting may be convened by:
 - (i) the directors by resolution of the board; or
 - (ii) members or the court in accordance with sections 249E, 249F and 249G of the Corporations Act.
- (b) A general meeting requested by members in accordance with section 249D of the Corporations Act must be convened by the directors in accordance with section 249D of the Corporations Act.
- (c) Subject to rule 6.1(e), the directors may postpone, cancel or change the venue for a general meeting by giving notice not later than five business days before the time at which the general meeting was to be held to each person who is at the date of the notice:
 - (i) a member;
 - (ii) a director; or
 - (iii) an auditor of the company.
- (d) A notice postponing or changing the venue for a general meeting must specify the date, time and place of the general meeting.
- (e) A general meeting convened under section 249D of the Corporations Act may not be postponed beyond the date by which section 249D requires it to be held and may not be cancelled without the consent of the member or members who requested it.

6.2 Notice of general meetings

- (a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, notice of a general meeting must be given within the time limits prescribed by the Corporations Act and in the manner authorised by rule 14.1 to each person who is at the date of the notice:
 - (i) a member;
 - (ii) a director; or

- (iii) an auditor of the company.
- (b) A notice of a general meeting must specify the date, time and place of the meeting (and if the meeting is to be held in two or more places in accordance with rule 6.5(b), the technology that will be used to facilitate this) and state the general nature of the business to be transacted at the meeting and any other matters required under the Corporations Act.
- (c) A person may waive notice of any general meeting by notice in writing to the company.
- (d) The non-receipt of notice of a general meeting or proxy form by, or a failure to give notice of a general meeting or a proxy form to, any person entitled to receive notice of a general meeting under this rule 6.2 does not invalidate any act, matter or thing done or resolution passed at the general meeting if:
 - (i) the non-receipt or failure occurred by accident or error; or
 - (ii) before or after the meeting, the person:
 - (A) has waived or waives notice of that meeting under rule 6.2(c); or
 - (B) has notified or notifies the company of the person's agreement to that act, matter, thing or resolution by notice in writing to the company.
- (e) A person's attendance at a general meeting:
 - (i) waives any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
 - (ii) waives any objection that person may have to the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

6.3 Quorum at general meetings

- (a) No business may be transacted at any general meeting, except the election of a chair and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business and remains present throughout the meeting.
- (b) A quorum consists of:
 - (i) if the number of members entitled to vote is two or more - two of those members; or
 - (ii) if only one member is entitled to vote - that member,
 present at the meeting.
- (c) If a quorum is not present within 30 minutes after the time appointed for a general meeting:
 - (i) where the meeting was convened by, or at the request of, a member or members, the meeting must be dissolved; or

- (ii) in any other case:
 - (A) the meeting stands adjourned to the day, and at the time and place, as the directors determine or, if no determination is made by the directors, to the same day in the next week at the same time and place; and
 - (B) if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting must be dissolved.

6.4 Chair of general meetings

- (a) The chair of directors must preside as chair at each general meeting if present within 15 minutes after the time appointed for the meeting and willing to act.
- (b) The directors present at a general meeting may elect a person present to chair the meeting if:
 - (i) there is no chair of directors;
 - (ii) the chair of directors is not present within 15 minutes after the time appointed for the meeting; or
 - (iii) the chair of directors is present within that time but is not willing to act as chair of the meeting.
- (c) Subject to rules 6.4(a) and 6.4(b), if at a general meeting:
 - (i) a chair has not been previously elected by the directors; or
 - (ii) a previously elected chair is not available or is not willing to act as a chair of the meeting (or part of the meeting),

the members present must elect as chair of the meeting another person who is present and willing to act.

6.5 Use of technology at general meetings

- (a) Subject to the Corporations Act and this constitution, the contemporaneous linking together by a form of technology of a number of members sufficient to constitute a quorum constitutes a general meeting.
- (b) Where a general meeting is held at two or more venues using any form of technology:
 - (i) a member participating in the meeting is taken to be present in person at the meeting;
 - (ii) the provisions of this constitution relating to general meetings apply, so far as they can and with such changes as are necessary, to general meetings held using that technology; and
 - (iii) the meeting is to be taken to be held at the place determined by the chair provided that at least one of the members present at the meeting was at the place for the duration of the general meeting.

- (c) If the technology used in rule 6.5(b) encounters a technical difficulty, whether before or during the general meeting, which results in a member not being able to participate in the meeting, the chair may, subject to the Corporations Act and rule 6.3:
 - (i) allow the meeting to continue; or
 - (ii) adjourn the meeting either for a reasonable period of time as may be required to fix the technology or to such other date, time and location as the chair of the meeting considers appropriate.
- (d) For the avoidance of doubt, where the chair has allowed the general meeting to continue in accordance with rule 6.5(c)(i), any resolution passed at that meeting is valid.

6.6 Conduct of general meetings

- (a) Any question arising at a general meeting relating to the order of business, procedure or conduct of the meeting must be referred to the chair of the meeting, whose decision is final.
- (b) The chair of a general meeting may, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) It is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

6.7 Decisions at general meetings

- (a) Except in the case of any resolution which as a matter of law requires a special resolution, or as otherwise provided in the Shareholders' Deed, questions arising at a general meeting are to be decided by a majority of votes cast by the members present at the meeting and that decision is for all purposes a decision of the members.
- (b) In the case of an equality of votes upon any proposed resolution:
 - (i) the chair of the meeting does not have a second or casting vote; and
 - (ii) the proposed resolution is taken as having been lost.
- (c) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded before a vote by show of hands is taken or before or immediately after the declaration of the result of the show of hands:
 - (i) by the chair of the meeting; or
 - (ii) by any member present and entitled to vote on the relevant resolution.
- (d) A demand for a poll does not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll has been demanded.
- (e) Unless a poll is duly demanded, a declaration by the chair of a general meeting that a resolution has on a show of hands been carried or carried unanimously, or carried

by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- (f) If a poll is duly demanded at a general meeting, it will be taken when and in the manner the chair of the meeting directs, and the result of the poll will be the resolution of the meeting at which the poll was demanded.
- (g) The demand for a poll may be withdrawn.

6.8 Voting rights

- (a) Subject to this constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:
 - (i) on a show of hands, every member present has one vote;
 - (ii) on a poll, every member present has:
 - (A) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
 - (B) a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share; and
 - (iii) for the purposes of rule 6.8(a)(ii)(B), an amount paid on a share in advance of a call is to be ignored.
- (b) Where a person present at a general meeting represents personally or by proxy, attorney or Representative more than one member the following rules apply to a vote taken on a show of hands:
 - (i) the person is entitled to one vote only despite the number of members the person represents; and
 - (ii) the person's vote will be taken as having been cast for all the members the person represents.
- (c) A joint holder may vote at any meeting in person or by proxy, attorney or Representative as if that person was the sole holder. If more than one joint holder tenders a vote, only the vote of the holder whose name appears first in the register of members counts.
- (d) The parent or guardian of an infant member may vote at a general meeting on evidence being produced of the relationship or of the appointment of the guardian as the directors may require and any vote so tendered by a parent or guardian of an infant member must be accepted to the exclusion of the vote of the infant member.
- (e) A person entitled to a share as a result of a Transmission Event may vote at a general meeting in respect of that share in the same manner as if that person were the registered holder of the share if, before the meeting, the directors have:
 - (i) admitted that person's right to vote at that meeting in respect of the share; or

- (ii) been satisfied of that person's right to be registered as the holder of, or to transfer, the share under rule 5.4(c),

and any vote tendered by that person must be accepted to the exclusion of the vote of the registered holder of the share.

- (f) Where a member holds any share on which any call due and payable to the company has not been duly paid:
 - (i) that member is only entitled to be present at a general meeting and vote if other shares are held by that member on which no call is then due and payable; and
 - (ii) upon a poll, that member is not entitled to vote in respect of that share but may vote in respect of any other shares held upon which no call is then due and payable.
- (g) An objection to the qualification of a person to vote at a general meeting:
 - (i) must be raised before or immediately after the result of the motion on which the vote objected to is given or tendered; and
 - (ii) must be referred to the chair of the meeting, whose decision is final.
- (h) A vote not disallowed by the chair of a meeting under rule 6.8(g) is valid for all purposes.

6.9 Representation at general meetings

- (a) Subject to this constitution, each member entitled to vote at a meeting of members may vote:
 - (i) in person or, where a member is a body corporate, by its Representative;
 - (ii) by proxy or, if the member is entitled to cast two or more votes at the meeting, by not more than two proxies; or
 - (iii) by not more than two attorneys.
- (b) A proxy, attorney or Representative may be a member of the company but does not have to be a member.
- (c) A proxy, attorney or Representative may be appointed for all general meetings, or for any number of general meetings, or for a particular general meeting.
- (d) Unless otherwise provided in the Corporations Act or in the appointment, an appointment of a proxy, attorney or Representative is taken to confer authority:
 - (i) to agree to a meeting being convened by shorter notice than is required by the Corporations Act or by this constitution;
 - (ii) to speak to any proposed resolution on which the proxy, attorney or Representative may vote;
 - (iii) to demand or join in demanding a poll on any resolution on which the proxy, attorney or Representative may vote;

- (iv) even though the appointment may refer to specific resolutions and may direct the proxy, attorney or Representative how to vote on those resolutions:
 - (A) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
 - (B) to vote on any procedural motion, including any motion to elect the chair, to vacate the chair or to adjourn the meeting; and
 - (C) to act generally at the meeting; and
- (v) even though the appointment may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the re-scheduled or adjourned meeting or at the new venue.
- (e) The chair of a meeting may require any person purporting to act as a proxy, attorney or Representative to establish to the satisfaction of the chair that the person has been validly appointed as a proxy, attorney or Representative and is the person named in the relevant instrument of appointment, failing which the person may be excluded from attending or voting at the meeting.
- (f) Where a member appoints two proxies or attorneys to vote at the same general meeting and the authority of one is not conditional on the other failing to attend or vote, the following rules apply:
 - (i) where the appointment does not specify the proportion or number of the member's votes each proxy or attorney may exercise, each proxy or attorney may exercise half of the member's votes;
 - (ii) on a show of hands, neither proxy or attorney may vote; and
 - (iii) on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents.
- (g) An instrument appointing a proxy or attorney may direct the manner in which the proxy or attorney is to vote in respect of a particular resolution and, where an instrument so provides, the proxy or attorney is not entitled to vote on the proposed resolution except as directed in the instrument.
- (h) A proxy or attorney may not vote at a general meeting or adjourned meeting unless the instrument appointing the proxy or attorney, and the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed, are received:
 - (i) at the registered office of the company, other place specified, or email address specified for that purpose in the notice convening the meeting; and
 - (ii) by the time specified in the notice of meeting.
- (i) Unless the company has received written notice of the matter by the time and at the place or in the manner set out in rules 6.9(h)(i) and 6.9(h)(ii), a vote cast by a proxy or attorney is valid even if, before the proxy or attorney votes:
 - (i) a Transmission Event occurs in relation to the appointer; or

- (ii) the member revokes the proxy's or attorney's appointment; or
 - (iii) the member revokes the authority under which a third party appointed the proxy or attorney; or
 - (iv) the member transfers the share in respect of which the proxy or attorney was appointed.
- (j) The authority of a proxy or attorney to speak and vote for a member at a general meeting is suspended while the member is present at the meeting.

6.10 Resolutions without meetings

- (a) Subject to rule 6.10(c), the company may pass a resolution without a general meeting being held, if all of the members entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (b) For the purposes of rule 6.10(a):
 - (i) the document may be sent to members in any manner described in rule 14;
 - (ii) the resolution is passed when the last member signs;
 - (iii) separate copies of a document may be used for signing by members if the wording of the resolution and statement is identical in each copy;
 - (iv) a signature of a member transmitted to the company by facsimile or email is sufficient evidence of signature; and
 - (v) where a share is held jointly, each joint member must sign.
- (c) Rule 6.10(a) does not apply to a resolution to remove an auditor.
- (d) Where a document is signed in accordance with rule 6.10(a) the document is to be taken as a minute of the passing of the resolution.

6.11 Resolutions of single member company

If the company has only one member, the company may pass a resolution by the member recording it and signing the record. That record is to be taken as a minute of the passing of that resolution.

7 Directors

7.1 Appointment and removal of directors

- (a) Subject to the Shareholders' Deed, there must be:
 - (i) at least one director; and
 - (ii) subject to rule 7.1(c), not more than 10 directors.
- (b) The directors in office on the date that this constitution was adopted by the company continue in office but on the terms and conditions set out in this constitution.

- (c) The company may by resolution:
 - (i) increase or reduce the maximum number of directors; and
 - (ii) appoint or remove a director.
- (d) The directors may appoint any natural person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but the total number of directors must not at any time exceed the maximum number allowed under this constitution.
- (e) Subject to rule 7.2 and to the terms of any agreement entered into between the company and the relevant director, a director holds office until the director dies or is removed from office pursuant to rule 7.1(c)(ii).

7.2 Vacation of office

The office of a director becomes vacant:

- (a) in the circumstances prescribed by the Corporations Act;
- (b) if the director becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;
- (c) if the director is convicted of an indictable offence (which does not result in disqualification under the Corporations Act), unless the directors otherwise resolve to confirm the director's appointment; or
- (d) if the director resigns by notice in writing to the company.

7.3 Remuneration of directors

The directors are entitled to be paid all reasonable travelling and other expenses properly incurred by them in connection with the affairs of the company, including attending and returning from general meetings of the company or meetings of the directors or of committees of the directors.

7.4 Director need not be a member

- (a) A director is not required to hold any shares in the company to qualify for appointment.
- (b) A director is entitled to attend and speak at general meetings even if he or she is not a member of the company.

7.5 Interested directors

- (a) A director may hold any other office or place of profit, other than auditor, in the company or a related body corporate in conjunction with his or her directorship. A director may be appointed to that office or place of profit on the terms as to remuneration, tenure of office and otherwise as the directors think fit.
- (b) A director of the company may be a director or other officer of:
 - (i) a related body corporate;
 - (ii) a body corporate promoted by the company; or

- (iii) a body corporate in which the company is interested, as shareholder or otherwise,

or be otherwise interested in any of those bodies corporate. A director is not accountable to the company for any remuneration or other benefits received by the director as a director or officer of that body corporate or from having an interest in that body corporate.

- (c) The directors may exercise the voting rights conferred by shares in any body corporate held or owned by the company as the directors think fit. This includes voting in favour of any resolution appointing a director as a director or other officer of that body corporate, or voting for the payment of remuneration to the directors or other officers of that body corporate. A director may, if permitted by law, vote in favour of the exercise of those voting rights even if he or she is, or may be about to be appointed, a director or other officer of that other body corporate.
- (d) Subject to the Shareholders Deed, a director is not disqualified merely because of being a director from:
 - (i) holding any office or place of profit with TPG or any of TPG's Affiliates or Related Parties. To avoid doubt, a director may:
 - (A) be or become a director of or otherwise hold office or a place of profit in any entity promoted by TPG or in which TPG may be interested; and
 - (B) contract or make any arrangement with TPG or any of TPG's Affiliates or Related Parties; or
 - (ii) contracting with the company in any respect including, without limitation:
 - (A) selling any property to, or purchasing any property from, the company;
 - (B) lending any money to, or borrowing any money from, the company with or without interest and with or without security;
 - (C) guaranteeing the repayment of any money borrowed by the company for a commission or profit;
 - (D) underwriting or guaranteeing the subscription for securities in the company or in a related body corporate or any other body corporate promoted by the company or in which the company may be interested as a shareholder or otherwise, for a commission or profit; or
 - (E) being employed by the company or acting in any professional capacity, other than auditor, on behalf of the company.
- (e) No contract made by a director with the company and no contract or arrangement entered into by or on behalf of the company in which any director may be in any way interested is avoided or rendered voidable merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.
- (f) No director contracting with the company or being interested in any arrangement involving the company is liable to account to the company for any profit realised by or under a contract or arrangement of that kind merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.

- (g) Subject to rule 7.5(h), a director who is in any way interested in a contract or arrangement or proposed contract or arrangement may, despite that interest:
 - (i) be counted in determining whether or not a quorum is present at any meeting of directors considering that contract or arrangement or proposed contract or arrangement;
 - (ii) vote in respect of the contract or arrangement or proposed contract or arrangement or any matter arising out of those things; and
 - (iii) sign or countersign any document relating to that contract or arrangement or proposed contract or arrangement.
- (h) Rule 7.5(g) does not apply if, and to the extent that, it would be contrary to the Corporations Act or the terms of the appointment of the director.
- (i) A director who has a material personal interest in a matter that relates to the Business (other than as a result of such director's relationship with TPG or any of TPG's Affiliates or Related Parties) must give the other directors notice of that interest. Decisions of the directors in relation to any such matters shall be determined by a majority decision of the directors who are not conflicted.
- (j) Subject to applicable law and the Shareholders Deed, a TPG Director:
 - (i) may disclose to TPG any information obtained in the director's capacity as a director; and
 - (ii) may, subject to their legal and fiduciary duties, act in the interests of TPG, any Affiliate of TPG and the direct and indirect investors in those funds, and subject to their legal and fiduciary duties, a TPG Director will not be in breach of their duties to the company or any Group Member solely because the TPG Director has regard to and acts in the interests of TPG, any Affiliate of TPG or the direct and indirect investors in those funds.

7.6 Powers and duties of directors

- (a) The directors are responsible for managing the business of the company and may exercise to the exclusion of the company in general meeting all the powers of the company which are not required, by the Corporations Act or this constitution, to be exercised by the company in general meeting.
- (b) Without limiting rule 7.6(a), the directors may exercise all the powers of the company to borrow or otherwise raise money, to charge any property or business of the company or all or any of its uncalled capital and to issue debentures, give any indemnities or guarantees, or give any other security for a debt, liability or obligation of the company or of any other person.
- (c) The directors may determine how cheques, promissory notes, bankers drafts, bills of exchange or other negotiable instruments or other documents must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by or on behalf of the company.
- (d) The directors may pay out of the company's funds all expenses of the promotion, formation and registration of the company and the vesting in it of the assets acquired by it.
- (e) The directors may:

- (i) appoint or employ any person to be an officer, agent or attorney of the company for the purposes, for the period and on the conditions as they think fit;
 - (ii) resolve to delegate any of their powers to an officer, agent or attorney and the officer, agent or attorney must exercise the powers delegated in accordance with any directions of the directors;
 - (iii) authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and
 - (iv) subject to any contract between the company and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney of the company at any time, with or without cause.
- (f) A power of attorney may contain provisions for the protection and convenience of the attorney or persons dealing with the attorney as the directors think fit.

7.7 Proceedings of directors

- (a) The directors may hold meetings for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) Subject to the Corporations Act, the contemporaneous linking together by a form of technology of a number of the directors sufficient to constitute a quorum, constitutes a meeting of the directors and all the provisions in this constitution relating to meetings of the directors apply, so far as they can and with such changes as are necessary, to meetings of the directors held using a form of technology.

7.8 Convening of meetings of directors

- (a) A director may, whenever the director thinks fit, convene a meeting of the directors.
- (b) A secretary must, on the requisition of a director, convene a meeting of the directors.

7.9 Notice of meetings of directors

- (a) Subject to this constitution, notice of a meeting of directors must be given to each person who is at the time of giving the notice:
 - (i) a director, other than a director on leave of absence approved by the directors; or
 - (ii) an alternate director appointed under rule 7.17 by a director on leave of absence approved by the directors.
- (b) A notice of a meeting of directors:
 - (i) must specify the time and place of, or form of technology for, the meeting;
 - (ii) need not state the nature of the business to be transacted at the meeting;
 - (iii) may be given in person or by post, or, subject to the Corporations Act, by a form of technology; and

- (iv) is taken to have been given to an alternate director if it is given to the director who appointed that alternate director.
- (c) A director or alternate director may waive notice of a meeting of directors or notice of resolutions without a meeting of directors by notifying the company to that effect in person or by post, or by a form of technology.
- (d) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, a director does not invalidate any act, matter or thing done or resolution passed at the meeting if:
 - (i) the non-receipt or failure occurred by accident or error;
 - (ii) before or after the meeting, the director or an alternate director appointed by the director:
 - (A) waives notice of that meeting under rule 7.9(c); or
 - (B) notifies the company of his or her agreement to that act, matter, thing or resolution personally or by post, or by a form of technology; or
 - (iii) the director or an alternate director appointed by the director attended the meeting.
- (e) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, an alternate director of a director on leave of absence approved by the directors does not invalidate any act, matter or thing done or resolution passed at the meeting if:
 - (i) the non-receipt or failure occurred by accident or error;
 - (ii) before or after the meeting, the alternate director or the director who appointed the alternate director:
 - (A) waives notice of that meeting under rule 7.9(c); or
 - (B) notifies the company of his or her agreement to that act, matter, thing or resolution personally or by post, or by a form of technology; or
 - (iii) the alternate director or the director who appointed the alternate director attended the meeting.
- (f) Attendance by a person at a meeting of directors waives any objection that person and:
 - (i) if the person is a director, an alternate director appointed by that person; or
 - (ii) if the person is an alternate director, the director who appointed that person as alternate director,
 may have to a failure to give notice of the meeting.

7.10 Quorum at meetings of directors

- (a) No business may be transacted at a meeting of directors unless there is a quorum of directors at the time the business is dealt with.

- (b) Subject to the Shareholders' Deed, a quorum consists of:
 - (i) if the directors have fixed a number for the quorum, that number of directors; and
 - (ii) in the case of a company with a single director, that director; or
 - (iii) in any other case, two directors.
- (c) If there is a vacancy in the office of a director, the remaining director or directors may act but, if the number of remaining directors is not sufficient to constitute a quorum at a meeting of directors, the remaining director or directors may act only in an emergency or for the purpose of increasing the number of directors to a number sufficient to constitute a quorum or of convening a general meeting of the company.

7.11 Chair of directors

- (a) The directors may elect one of the directors to the office of chair of directors and may determine the period for which that director is to be chair of directors.
- (b) The chair of directors must preside as chair at each meeting of directors, if present within 10 minutes after the time appointed for the holding of the meeting and willing to act.
- (c) If at a meeting of directors:
 - (i) there is no chair of directors;
 - (ii) the chair of directors is not present within 10 minutes after the time appointed for the holding of the meeting; or
 - (iii) the chair of directors is present within that time but is not willing to act as chair of the meeting or of part of the meeting,the directors present must elect one of themselves to be chair of the meeting or part of the meeting.
- (d) If the company has only one director, that director is regarded as the chair of directors for the purposes of this constitution.

7.12 Use of technology

- (a) Subject to the Corporations Act and this constitution, the contemporaneous linking together by a form of technology of a number of the directors sufficient to constitute a quorum, constitutes a meeting of the directors.
- (b) A meeting of the directors may be held using any technology consented to by all the participating directors.
- (c) Where a meeting of directors is held at two or more venues using any form of technology:
 - (i) a director participating in the meeting is taken to be present in person at the meeting;

- (ii) the provisions of this constitution relating to meetings of the directors apply, so far as they can and with such changes as are necessary, to meetings of the directors held using that technology; and
 - (iii) the meeting is to be taken to be held at the place determined by the chair provided that at least one of the directors present at the meeting was at the place for the duration of the meeting.
- (d) If the technology used in rule 7.12(c) encounters a technical difficulty, whether before or during the meeting, which results in one or more directors not being able to participate in the meeting, the chair may, subject to the Corporations Act and rule **Error! Reference source not found.:**
- (i) allow the meeting to continue; or
 - (ii) adjourn the meeting either for a reasonable period of time as may be required to fix the technology or to such other date, time and location as the chair of the meeting considers appropriate.
- (e) For the avoidance of doubt, where the chair has allowed the meeting to continue in accordance with rule 7.12(d)(i), any resolution passed at that meeting is valid

7.13 Decisions of directors

- (a) A meeting of directors at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the directors under this constitution.
- (b) Questions arising at a meeting of directors are to be decided by a majority of votes cast by the directors present and a decision of that kind is for all purposes a determination of the directors.
- (c) In the case of an equality of votes on a proposed resolution:
 - (i) the chair of the meeting does not have a second or casting vote; and
 - (ii) the proposed resolution is to be taken as having been lost.

7.14 Resolutions without meetings

- (a) The directors may pass a resolution without a directors' meeting being held, if directors entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used if the wording of the resolution and statement is identical in each copy.
- (c) The resolution is passed when the last director assents.
- (d) A director may signify assent to a document by signing the document or by notifying the company of the director's assent in person or by post, email, telephone or other method of written, audio or audio visual communication.
- (e) Where a director signifies assent to a document otherwise than by signing the document, the director must by way of confirmation sign the document at the next meeting of the directors attended by that director, but failure to do so does not invalidate the act, matter, thing or resolution to which the document relates.

- (f) Where a document is assented to in accordance with this rule 7.14, the document is to be taken as a minute of the passing of the resolution.
- (g) Nothing in this rule 7.14 limits the operation of rule 7.15.

7.15 Notice of resolution without meetings

- (a) Subject to this constitution, notice of resolutions without a meeting of directors pursuant to rule 7.14 must be given to each person who is at the time of giving the notice:
 - (i) a director, other than a director on leave of absence approved by the directors; or
 - (ii) an alternate director appointed under rule 7.17 by a director on leave of absence approved by the directors.
- (b) The non-receipt of notice of resolutions without a meeting of directors by, or a failure to give notice of resolutions without a meeting of directors to, a director does not invalidate any act, matter or thing done or resolution passed at the meeting if:
 - (i) the non-receipt or failure occurred by accident or error;
 - (ii) before or after the resolution is passed, the director or an alternate director appointed by the director:
 - (A) waives notice of that meeting under rule 7.9(c); or
 - (B) notifies the company of his or her agreement to that act, matter, thing or resolution personally or by post, or by a form of technology; or
 - (iii) the director or an alternate director appointed by the director assent to a document containing a statement that they are in favour of the resolution set out in the document.
- (c) A director assenting to a document containing a statement that they are in favour of the resolution set out in the document waives any objection that person and:
 - (i) if the person is a director, an alternate director appointed by that person; or
 - (ii) if the person is an alternate director, the director who appointed that person as alternate director,may have to a failure to give notice of resolutions without a meeting of directors.

7.16 Resolutions of single director company

- (a) If the company has only one director, the director may:
 - (i) pass a resolution by recording it and signing the record; and
 - (ii) make a declaration by recording it and signing the record.
- (b) The record of the decision is to be taken as a minute of the passing of that resolution.
- (c) The record of the declaration:

- (i) satisfies any requirement in the Corporations Act that the declaration be made at a directors' meeting; and
- (ii) is to be taken as a minute of the making of the declaration.

7.17 Alternate directors

- (a) A director may, with the approval of the directors, appoint a person to be the director's alternate director for a period which the director thinks fit.
- (b) An alternate director may be a member or a director of the company but need not be a member or a director.
- (c) One person may act as alternate director to more than one director.
- (d) An alternate director is entitled, if the appointer does not attend a meeting of directors, to attend and vote in place of and on behalf of the appointer.
- (e) An alternate director is entitled to a separate vote for each director the alternate director represents in addition to any vote the alternate director may have as a director in his or her own right.
- (f) In the absence of the appointer, an alternate director may exercise any powers that the appointer may exercise and the exercise of that power by the alternate director is to be taken to be the exercise of the power by the appointer.
- (g) The office of an alternate director is vacated if and when the appointer vacates office as a director.
- (h) The appointment of an alternate director may be terminated at any time by the appointer even though the period of the appointment of the alternate director has not expired.
- (i) An appointment, or the termination of an appointment, of an alternate director must be in writing signed by the director who makes or made the appointment and does not take effect unless and until the company has received notice in writing of the appointment or termination.
- (j) An alternate director is not to be taken into account in determining the minimum or maximum number of directors allowed under this constitution.
- (k) In determining whether a quorum is present at a meeting of directors, a director or an alternate director who attends the meeting is to be counted once only.
- (l) Where a person is present as an alternate director for more than one director, that person is counted separately for each appointment provided that there is at least one other director or alternate director present.
- (m) An alternate director is entitled to be paid the remuneration which the directors think fit, either in addition to or in reduction of the remuneration payable to the director for whom the alternate director acts as alternate.
- (n) An alternate director is not entitled to be remunerated by the company for his or her services as alternate director except as provided in rule 7.17(m).

- (o) An alternate director, while acting as a director, is responsible to the company for his or her own acts and defaults and is not to be taken to be the agent of the director by whom he or she was appointed.

7.18 Committees of directors

- (a) The directors may resolve to delegate any of their powers to a committee or committees consisting of such number of directors as they think fit.
- (b) A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.
- (c) The provisions of this constitution applying to meetings and resolutions of directors apply, so far as they can and with the changes as are necessary, to meetings and resolutions of a committee of directors.

7.19 Delegation to individual directors

- (a) The directors may resolve to delegate any of their powers to one director.
- (b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.

7.20 Validity of acts

An act done by a person acting as a director or by a meeting of directors or a committee of directors attended by a person acting as a director is not invalidated by reason only of:

- (a) a defect in the appointment of the person as a director;
- (b) the person being disqualified to be a director or having vacated office; or
- (c) the person not being entitled to vote,

if that circumstance was not known by the person or the directors or committee, as the case may be, when the act was done.

7.21 Holding Company

- (a) At any time when the company is a direct or indirect wholly-owned subsidiary of another body corporate (each such direct or indirect body corporate, a **Holding Company**), each director is authorised to act in the best interests of the Holding Company.
- (b) To avoid doubt, the directors of the company have operational control of the company to the exclusion of the directors of the Holding Company and the company is not required, and no director is required, to act in accordance with the directions of a director of the Holding Company, including the directors of the Holding Company acting together.

8 Executive officers

8.1 Managing directors

- (a) The directors may appoint one or more of the directors to the office of managing director.

- (b) A managing director's appointment as managing director automatically terminates if the managing director ceases to be a director.

8.2 Secretaries

- (a) The directors may appoint a secretary or more than one secretary.
- (b) The directors may appoint one or more assistant secretaries.
- (c) Any director may also be the secretary or a secretary of the company.

8.3 Provisions applicable to all executive officers

- (a) A reference in this rule 8.3 to an executive officer is a reference to a managing director, secretary or assistant secretary appointed under this rule 8.
- (b) The appointment of an executive officer may be for the period, at the remuneration and on the conditions the directors think fit.
- (c) Subject to any contract between the company and the relevant executive officer, an executive officer of the company may be removed or dismissed by the directors at any time, with or without cause. Such removal or dismissal does not remove that person from office as a director.
- (d) The directors may:
 - (i) confer on an executive officer the powers, discretions and duties as they think fit, and may resolve to delegate any powers, discretions and duties vested in or exercisable by the directors;
 - (ii) withdraw, suspend or vary any of the powers, discretions and duties conferred on an executive officer; and
 - (iii) authorise the executive officer to delegate all or any of the powers, discretions and duties conferred on the executive officer.
- (e) An executive officer is not required to hold any shares to qualify for appointment.
- (f) An act done by a person acting as an executive officer is not invalidated by reason only of:
 - (i) a defect in the person's appointment as an executive officer; or
 - (ii) the person being disqualified to be an executive officer,if that circumstance was not known by the person when the act was done.

9 Seals

9.1 Adoption of common seal

- (a) The directors may determine that the company have a common seal or that the company no longer have a common seal, and may revoke a determination made under this rule 9.1(a).
- (b) Rules 9.2 to 9.6 (inclusive) only apply if the company has a common seal.

9.2 Safe custody of Seal

The directors must provide for the safe custody of the Seal.

9.3 Use of Seal

- (a) The Seal must be used only by the authority of the directors or a committee of the directors authorised by the directors to authorise the use of the Seal.
- (b) The authority to use the Seal may be given before or after the Seal is used.
- (c) Subject to rule 9.3(d) and rule 9.6, until the directors otherwise determine, the fixing of the Seal to a document must be witnessed by a director and by another director, a secretary or another person appointed by the directors to witness that document or a class of documents in which that document is included.
- (d) Where the company has only one director who is also the only secretary of the company, every document to which the Seal is fixed must be signed by the director with a statement next to the signature to the effect that the director witnesses the sealing in the capacity of sole director and sole secretary of the company.

9.4 Duplicate seal

- (a) The company may have for use in place of its common seal outside the state or territory where its common seal is kept one or more duplicate seals, each of which must be a facsimile of the common seal of the company with the addition on its face of the words "duplicate seal" and the name of the place where it is to be used.
- (b) A document sealed with a duplicate seal is to be taken as having been sealed with the common seal of the company.

9.5 Share seal or certificate seal

- (a) The company may have for use on certificates for securities of the company in place of its common seal one or more duplicate seals, each of which must be a facsimile of the common seal of the company with the addition on its face of the words "share seal" or "certificate seal".
- (b) A certificate for securities of the company sealed with a share seal or certificate seal is to be taken as having been sealed with the common seal of the company.

9.6 Sealing and signing of certificates

The directors may determine either generally or in a particular case that the seal and the signature of any director, secretary or other person is to be printed on or fixed to any certificates for securities in the company by some mechanical or other means.

10 Dividends and reserves

10.1 Dividends

- (a) Subject to the Corporations Act, this constitution and the Shareholders' Deed, the directors may pay any interim and final dividends as, in their judgment, the financial position of the company justifies.

- (b) The directors may pay any dividend required to be paid under the terms of issue of a share.
- (c) The payment of a dividend does not require confirmation by a general meeting.
- (d) Subject to any rights or restrictions attached to a share or class of shares:
 - (i) all dividends in respect of a share must be paid in the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share;
 - (ii) all dividends must be apportioned and paid proportionately to the amount paid during any portion or portions of the period in respect of which the dividend is paid;
 - (iii) for the purposes of rules 10.1(d)(i) and 10.1(d)(ii), an amount paid on a share in advance of a call is to be ignored; and
 - (iv) interest is not payable by the company in respect of any dividend.
- (e) The directors may fix a record date in respect of a dividend, with or without suspending the registration of transfers from that date under rule 5.3.
- (f) A dividend in respect of a share must be paid to the person who is registered, or entitled under rule 5.1(g) to be registered, as the holder of the share:
 - (i) where the directors have fixed a record date in respect of the dividend, on that date; or
 - (ii) where the directors have not fixed a record date in respect of that dividend, on the date the dividend is paid,

and a transfer of a share that is not registered, or left with the company for registration in accordance with rule 5.1(f), on or before that date is not effective, as against the company, to pass any right to the dividend.
- (g) The directors when fixing the amount and time for payment of a dividend may:
 - (i) direct payment of the dividend wholly or partly by the distribution of specific assets, including fully paid shares or other securities of the company or of another body corporate, either generally or to specific shareholders; and
 - (ii) direct that the dividend be paid to particular shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining shareholders wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source or generally.
- (h) The directors may deduct from any dividend payable to a member all sums of money presently payable by the member to the company and apply the amount deducted in or towards satisfaction of the money owing.
- (i) Where a person is entitled to a share as a result of a Transmission Event, the directors may, but are not obliged to, retain any dividends payable on that share until that person becomes registered as the holder of the share or transfers it.

- (j) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque and sent by post:
 - (i) to the address of the holder as shown in the register of members, or in the case of joint holders, to the address shown in the register of members as the address of the joint holder first named in that register; or
 - (ii) to such other address as the holder or joint holders in writing directs or direct.

This rule 10.1(j) does not adversely affect any other method of payment the directors may adopt.

- (k) A cheque sent under rule 10.1(j) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs and is sent at the member's risk.
- (l) For the avoidance of doubt, this rule 10.1 does not prohibit the directors from determining that dividends be paid on shares of one class but not another class and at different rates for different classes of shares (subject to the Shareholders' Deed and the terms of each class of shares).

10.2 Capitalisation of profits

- (a) Subject to the Shareholders' Deed and any rights or restrictions attached to any shares or class of shares, the directors may capitalise and distribute among such of the members as would be entitled to receive dividends and in the same proportions, any amount:
 - (i) forming part of the undivided profits of the company;
 - (ii) representing profits arising from an ascertained accretion to capital or from a revaluation of the assets of the company;
 - (iii) arising from the realisation of any assets of the company; or
 - (iv) otherwise available for distribution as a dividend.
- (b) The directors may resolve that all or any part of the capitalised amount is to be applied:
 - (i) in paying up in full any unissued shares in or other securities of the company;
 - (ii) in paying up any amounts unpaid on shares or other securities held by the members;
 - (iii) partly as specified in rule 10.2(b)(i) and partly as specified in rule 10.2(b)(ii); or
 - (iv) in any other way permitted by the Corporations Act,

and that application must be accepted by the members entitled to share in the distribution in full satisfaction of their interests in the capitalised amount.

- (c) Rules 10.1(e) and 10.1(f) apply, so far as they can and with any necessary changes, to a capitalisation of an amount under this rule 10.2 as if references in those rules to a dividend and to the date a dividend is paid were references to a

capitalisation of an amount and to the date the directors resolve to capitalise the amount under this rule 10.2 respectively.

10.3 Ancillary powers

- (a) The directors may do any of the following things to give effect to a resolution for the satisfaction of a dividend in the manner set out in rule 10.1(g)(i) or by the capitalisation of an amount under rule 10.2:
- (i) settle as they think expedient any difficulty that may arise in making the distribution or capitalisation and, in particular, where shares or other securities in the company are or would otherwise be issuable in fractions:
 - (A) determine that fractions are to be disregarded or are to be rounded down to the nearest whole number; or
 - (B) determine that fractions are to be rounded up to the nearest whole number;
 - (ii) fix the value for distribution of any specific assets;
 - (iii) pay cash or issue shares or other securities to any members in order to adjust the rights of all parties;
 - (iv) vest any specific assets, cash, shares or other securities in a trustee on such trusts for the persons entitled to the dividend or capitalised amount as may seem expedient to the directors; and
 - (v) authorise any person to make, on behalf of all the members entitled to any further shares or other securities as a result of the distribution or capitalisation, an agreement with the company or another body corporate providing, as appropriate:
 - (A) for the issue to them of further shares or other securities as fully paid; or
 - (B) for the payment by the company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares or other securities by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under an authority referred to in this rule 10.3(a)(v) is effective and binding on all members concerned.

- (b) If the company distributes to a member shares or other securities in the company or another body corporate or a trust, the member appoints the company as his or her agent to do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

10.4 Reserves

- (a) Subject to this constitution, the directors may set aside out of the profits of the company reserves or provisions for any purpose as they think fit.
- (b) The setting aside of an amount as a reserve or provision does not require the directors to keep the amount separate from other assets of the company or prevent

the amount being used in the business of the company or invested as the directors think fit or subsequently being distributed to members.

10.5 Capital reductions

The company may reduce its share capital by any of the means authorised by the Corporations Act, subject to the provisions of that law. The company may reduce its share capital in any way that is not otherwise authorised by law, including by way of an in specie distribution of the assets of the company (including any shares, options or other securities in another body corporate), if the reduction:

- (a) is fair and reasonable to the members of the company as a whole;
- (b) does not materially prejudice the company's ability to pay its creditors; and
- (c) is approved by members in accordance with section 256C of the Corporations Act.

10.6 Shares in another body corporate

Where the company, pursuant to a reduction of its share capital in accordance with rule 10.5, distributes shares, options or other securities in another body corporate to members:

- (a) the members of the company will be deemed to have agreed to become members of that body corporate; and
- (b) each of the members appoints the company or any of the directors as its agent to execute any transfer or other document required to effect the distribution of shares, options or other securities to that member.

11 Winding up

11.1 Distribution of surplus

Subject to this constitution, the Shareholders' Deed, and to the rights or restrictions attached to any shares or class of shares:

- (a) if the company is wound up and the property of the company is more than sufficient:
 - (i) to pay all of the debts and liabilities of the company; and
 - (ii) the costs, charges and expenses of the winding up,

the excess must be divided among the members in proportion to the shares held by them, irrespective of the amounts paid or credited as paid on the shares;

- (b) for the purpose of calculating the excess referred to in rule 11.1(a), any amount unpaid on a share is to be treated as property of the company;
- (c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under rule 11.1(a) must be reduced by the amount unpaid on that share at the date of the distribution; and

- (d) if the effect of the reduction under rule 11.1(c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to the company.

11.2 Division of property

- (a) If the company is wound up, the liquidator may, with the sanction of a special resolution:
 - (i) divide among the members the whole or any part of the property of the company; and
 - (ii) determine how the division is to be carried out as between the members or different classes of members.
- (b) A division under rule 11.2(a) may be otherwise than in accordance with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part.
- (c) Where a division under rule 11.2(a) is otherwise than in accordance with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Corporations Act.
- (d) If any of the property to be divided under rule 11.2(a) includes securities with a liability to calls, a person entitled under the division to any of the securities may within 10 Business Days after the passing of the special resolution referred to in that rule, by notice in writing direct the liquidator to sell the person's proportion of the securities and to account for the net proceeds and the liquidator must, if practicable, act accordingly.
- (e) Nothing in this rule 11.2 adversely affects any right to exercise any statutory or other power which would have existed if this rule were omitted.
- (f) Rule 10.3 applies, so far as it can and with necessary changes, to a division by a liquidator under rule 11.2(a) as if references in rule 10.3(a) to the directors and to a distribution or capitalisation were references to the liquidator and to the division under rule 11.2(a) respectively.

12 Minutes and records

12.1 Minutes

The directors must cause minutes of:

- (a) all proceedings and resolutions of general meetings;
- (b) proceedings and resolutions of meetings of the directors and of committees of the directors;
- (c) resolutions passed by members without a meeting;
- (d) resolutions passed by a director or directors without a meeting; and
- (e) declarations made by a director of a single director company,

to be recorded and entered in books kept for that purpose, within one month after the meeting is held, the resolution is passed or the declaration is made.

12.2 Signing of minutes

- (a) Minutes of a meeting must be signed by the chair of the meeting or the chair of the next meeting within a reasonable time after the meeting.
- (b) Minutes of the passing of a resolution without a meeting or the making of a declaration must be signed by a director within a reasonable time after the resolution is passed.

12.3 Minutes as evidence

A minute that is recorded and signed in accordance with rules 12.1 and 12.2 is evidence of the proceeding or resolution to which it relates, unless the contrary is proved.

12.4 Inspection of records

- (a) Subject to the Corporations Act, the directors may determine whether and to what extent, and at what time and places and under what conditions, the minute books, accounting records and other documents of the company or any of them will be open to the inspection of members other than directors.
- (b) A member other than a director does not have the right to inspect any books, records or documents of the company except as provided by law or authorised by the directors.
- (c) Each member must provide the company with such information as is required for the company to administer all registers required to be kept by the company in accordance with the Corporations Act. If events occur which would cause any information contained in a register maintained by the company to be inaccurate, the member must notify the company in writing of the change within 10 Business Days of such change occurring.

13 Indemnity and insurance

13.1 Persons to whom rules 13.2 (Indemnity) and 13.4 (Insurance) apply

Rules 13.2 and 13.4 apply:

- (a) to each person who is or has been a director, alternate director or executive officer (within the meaning of rule 8.3(a)) of the company;
- (b) to such other officers or former officers of the company or of its related bodies corporate as the directors in each case determine; and
- (c) if the directors so determine, to any auditor or former auditor of the company or of its related bodies corporate.

13.2 Indemnity

The company must indemnify to the extent permitted by law, each person to whom this rule 13.2 applies for all losses or liabilities incurred by the person as an officer or, if the directors so determine, an auditor of the company or of a related body corporate

including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.

13.3 Extent of Indemnity

The indemnity in rule 13.2:

- (a) is a continuing obligation and is enforceable by a person to whom rule 13.2 applies even though that person may have ceased to be an officer or auditor of the company or of a related body corporate;
- (b) applies to losses and liabilities incurred both before and after the date of adoption of that rule; and
- (c) operates only to the extent that the loss or liability is not covered by insurance.

13.4 Insurance

The company may, to the extent permitted by law:

- (a) purchase and maintain insurance; or
- (b) pay or agree to pay a premium for insurance,

for any person to whom this rule 13.4 applies against any liability incurred by the person as an officer or auditor of the company or of a related body corporate including, but not limited to, a liability for negligence or for legal costs.

13.5 Savings

Nothing in rules 13.2 or 13.4:

- (a) affects any other right or remedy that a person to whom those rules apply may have in respect of any loss or liability referred to in those rules; or
- (b) limits the capacity of the company to indemnify or provide insurance for any person to whom those rules do not apply.

14 Notices

14.1 Notices by the company to members

- (a) A notice may be given by the company to a member:
 - (i) by serving it personally at, or by sending it by post in a prepaid envelope to, the member's address as shown in the register of members or such other address, or by email to such email address as the member has supplied to the company for the giving of notices; or
 - (ii) if the member does not have a registered address and has not supplied another address to the company for the giving of notices, by exhibiting it at the registered office of the company.
- (b) A notice may be given by the company to the joint holders of a share in the manner authorised by rule 14.1(a):

- (i) in the case of a notice for the purpose of a resolution under rule 6.10(a), to each joint holder; and
 - (ii) in all other cases, to the joint holder first named in the register of members in respect of the share.
- (c) A notice may be given by the company to a person entitled to a share as a result of a Transmission Event by serving it or sending it in the manner authorised by rule 14.1(a)(i) addressed to the name or title of the person, at or to the address or email address supplied to the company for the giving of notices to that person, or if no address or email address has been supplied, at or to the address or email address to which the notice might have been sent if the relevant Transmission Event had not occurred.
- (d) The fact that a person has supplied an email address for the giving of notices does not require the company to give any notice to that person by email.
- (e) A notice given to a member in accordance with rules 14.1(a) or 14.1(b) is, despite the occurrence of a Transmission Event and whether or not the company has notice of that occurrence:
- (i) duly given in respect of any shares registered in that person's name, whether solely or jointly with another person; and
 - (ii) sufficient service on any person entitled to the shares as a result of the Transmission Event.
- (f) A notice given to a person who is entitled to a share as a result of a Transmission Event is sufficient service on the member in whose name the share is registered.
- (g) Any person who, because of a transfer of shares, becomes entitled to shares registered in the name of a member is bound by every notice which, before that person's name and address is entered in the register of members in respect of those shares, is given to the member in accordance with this rule 14.1.
- (h) A signature to any notice given by the company to a member under this rule 14.1 may be in writing or a facsimile printed or fixed by some mechanical or other means.
- (i) A certificate signed by a director or secretary of the company to the effect that a notice has been given in accordance with this constitution is conclusive evidence of that fact.

14.2 Notices by the company to directors

Subject to this constitution, a notice may be given by the company to any director or alternate director either by serving it personally at, or by sending it by post in a prepaid envelope to, the director's or alternate director's usual residential or business address, or such other address, or by email to such email address as the director or alternate director has supplied to the company for the giving of notices.

14.3 Notices by members or directors to the company

Subject to this constitution, a notice may be given by a member, director or alternate director to the company by serving it on the company at, or by sending it by post in a prepaid envelope to, the registered office of the company or by email to the nominated email address at the registered office of the company.

14.4 Notices to members outside Australia

A notice to be sent to a member outside Australia and its external territories must be sent by airmail, email, or in another way that ensures it will be received quickly.

14.5 Time of service

- (a) Where a notice is served personally, service of the notice is taken to be effected when delivered.
- (b) Where a notice is sent by post, service of the notice is to be taken to be effected if a prepaid envelope containing the notice is properly addressed and placed in the post and to have been effected:
 - (i) in the case of a notice of a general meeting, on the day after the date of its posting; or
 - (ii) in any other case, on the third Business Day after the date of postage, or if to a place outside Australia, on the seventh Business Day after the date of postage.
- (c) Where a notice is sent by email, service of the notice is taken to be effected:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) five 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,whichever happens first.
- (d) If the delivery or receipt is on a day which is not a Business Day or is after 5.00pm (recipient's time) it is deemed to be received at 9.00am on the following Business Day.
- (e) Where the company gives a notice under rule 14.1(a)(ii) by exhibiting it at the registered office of the company, service of the notice is to be taken to be effected when the notice was first so exhibited.

14.6 Other communications and documents

Rules 14.1 to 14.5 (inclusive) apply, so far as they can and with necessary changes, to the service of any communication or document.

14.7 Notices in writing

A reference in this constitution to a notice in writing includes a notice given by email or another form of written communication.

15 General

15.1 Currency

An amount payable to the holder of a share, whether by way of or on account of dividend, return of capital, participation in the property of the company on a winding up or otherwise, may be paid, with the agreement of the holder or pursuant to the terms of issue of the

share, in the currency of a country other than Australia and the directors may fix a date up to 30 days before the payment date as the date on which any applicable exchange rate will be determined for that purpose.

15.2 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the State or Territory in which the registered office of the company is located, the Federal Court of Australia and the Courts which may hear appeals from those Courts.

15.3 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this constitution which is prohibited in any place is, in that place, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.

Schedule 1

1 Dictionary

In this constitution:

Business Day means a day other than a Saturday, Sunday or public holiday in New South Wales;

Corporations Act means *Corporations Act 2001* (Cth);

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

GST means a goods and services tax, or a similar value added tax, levied or imposed under the GST Law;

Holding Company has the meaning given in rule 7.21;

PPS Law means:

- (a) the *Personal Property Securities Act 2009* (Cth) (the **PPS Act**);
- (b) any regulations made at any time under the PPS Act;
- (c) any provision of the PPS Act or regulations referred to in sub-paragraph (b);
- (d) any amendment to any of the above, made at any time; or
- (e) any amendment made at any time to any other legislation as a consequence of a PPS Law referred to in sub-paragraphs (a) to (d);

Representative, in relation to a body corporate, means a representative of the body corporate appointed under section 250D of the Corporations Act or a corresponding previous law;

Seal means any common seal, duplicate seal, share seal or certificate seal of the company;

Security Interest means an interest or power reserved in or over an interest in any asset, including any retention of title or created or otherwise arising in or over any interest in any asset under any security agreement, bill of sale, charge, mortgage, pledge, lien, trust or power or other security interest in each case by way of, or having similar commercial effect to, security for of a debt or other monetary obligation or the performance any other obligation of any person or any other agreement or arrangement having a similar effect and includes any agreement to grant or create any of the above and includes a security interest within the meaning of section 12(1) of the PPS Law;

Shareholders' Deed means the shareholders' deed of the company as amended from time to time; and

Transmission Event means:

- (a) in respect of a member of the company who is an individual:

- (i) the death of the member;
 - (ii) the bankruptcy of the member; or
 - (iii) the member becoming of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health; and
- (b) in respect of a member of the company who is a body corporate, the dissolution of the member or the succession by another body corporate to the assets and liabilities of the member.

2 Interpretation

2.1 General

- (a) A reference in a rule to a partly paid share is a reference to a share on which there is an amount unpaid.
- (b) In a rule relating to partly paid shares, a reference to a call or an amount called in respect of a share includes a reference to a sum that, by the terms of issue of a share, becomes payable on issue or at a fixed date.
- (c) A member is to be taken to be present at a general meeting if the member is present in person or by proxy, attorney or Representative.
- (d) Where a provision of this constitution establishes an office of chair, the chair may be referred to as a chairman or chairwoman, as the case requires.
- (e) A reference in a rule in general terms to a person holding or occupying a particular office or position includes a reference to any person who occupies or performs the duties of that office or position for the time being.
- (f) In this constitution, headings and underlinings are for convenience only and do not affect the interpretation of this constitution and, unless the contrary intention appears:
 - (i) words importing the singular include the plural and vice versa;
 - (ii) words importing a gender include every other gender;
 - (iii) words used to denote persons generally or importing a natural person include any company, corporation, body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
 - (iv) a reference to a person includes that person's successors and legal personal representatives;
 - (v) a reference to any statute, regulation, proclamation, ordinance or by-laws includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and

- (vi) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

2.2 Application of the Corporations Act

- (a) This constitution is to be interpreted subject to the Corporations Act.
- (b) Unless the contrary intention appears, an expression in a rule that deals with a matter dealt with by a provision of the Corporations Act, has the same meaning as in that provision.
- (c) Subject to paragraph (b), unless the contrary intention appears, an expression in a rule that is defined in section 9 of the Corporations Act has the same meaning as in that section.

2.3 Exercise of powers

- (a) The company may exercise in any manner permitted by the Corporations Act any power which under the Corporations Act a company limited by shares may exercise if authorised by its constitution.
- (b) Where this constitution provides that a person or body may do a particular act or thing and the word "may" is used, the act or thing may be done at the discretion of the person or body.
- (c) Where this constitution confers a power to do a particular act or thing, the power is, unless the contrary intention appears, to be taken as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary that act or thing.
- (d) Where this constitution confers a power to do a particular act or thing with respect to particular matters, the power is, unless the contrary intention appears, to be taken to include a power to do that act or thing with respect to some only of those matters or with respect to a particular class or particular classes of those matters and to make different provision with respect to different matters or different classes of matters.
- (e) Where this constitution confers a power to make appointments to any office or position, the power is, unless the contrary intention appears, to be taken to include a power:
 - (i) to appoint a person to act in the office or position until a person is appointed to the office or position;
 - (ii) subject to any contract between the company and the relevant person, to remove or suspend any person appointed, with or without cause; and
 - (iii) to appoint another person temporarily in the place of any person so removed or suspended or in place of any sick or absent holder of such office or position.
- (f) Where this constitution confers a power or imposes a duty then, unless the contrary intention appears, the power may be exercised and the duty must be performed from time to time as the occasion requires.

- (g) Where this constitution confers a power or imposes a duty on the holder of an office as such then, unless the contrary intention appears, the power may be exercised and the duty must be performed by the holder for the time being of the office.
- (h) Where this constitution confers power on a person or body to delegate a function or power:
 - (i) the delegation may be concurrent with, or to the exclusion of, the performance or exercise of that function or power by the person or body;
 - (ii) the delegation may be either general or limited in any manner provided in the terms of delegation;
 - (iii) the delegation need not be to a specified person but may be to any person from time to time holding, occupying or performing the duties of, a specified office or position;
 - (iv) the delegation may include the power to delegate;
 - (v) where the performance or exercise of that function or power is dependent upon the opinion, belief or state of mind of that person or body in relation to a matter, that function or power may be performed or exercised by the delegate upon the opinion, belief or state of mind of the delegate in relation to that matter; and
 - (vi) the function or power so delegated, when performed or exercised by the delegate, is to be taken to have been performed or exercised by the person or body.

2.4 Replaceable rules not to apply

The replaceable rules applicable to a proprietary company contained in the Corporations Act from time to time do not apply to the company.

2.5 Single member company

If at any time the company has only one member then, unless the contrary intention appears:

- (a) a reference in a rule to the “members” is a reference to that member; and
- (b) without limiting paragraph (a), a rule which confers power or imposes an obligation on the members to do a particular act or thing confers that power or imposes that obligation on that member.

2.6 Single director company

If at any time the minimum number of directors fixed under this constitution is one and the company in fact only has one director then, unless the contrary intention appears:

- (a) a reference in a rule to “the directors” is a reference to that director; and
- (b) without limiting paragraph (a), a rule which confers a power or imposes an obligation on the directors to do a particular act or thing confers that power or imposes that obligation on the director.

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Corporate Directory

Greencross Limited

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5/28 Balaclava Street
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Postal address
PO Box 8366
Woolloongabba QLD 4102
Telephone: (07) 3435 3535
Facsimile: (07) 3435 3536

Greencross Directors

Stuart James – Chairman
Simon Hickey – Chief Executive Officer
Christina Boyce
Rebekah Horne
Chris Knoblanche
Dr Glen Richards
Paul Wilson

Greencross Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Financial Advisers

Macquarie Capital (Australia) Limited
Level 23, 101 Collins Street
Melbourne VIC 3000

Allier Capital
Level 7, 2 Bligh St
Sydney NSW 2000

Legal Adviser

Clayton Utz
1 Bligh Street
Sydney NSW 2000

Independent Expert

Grant Thornton
Level 17, 383 Kent Street
Sydney NSW 2000

Greencross Shareholder Information Line

1800 260 668 (within Australia)
+61 1800 260 668 (outside Australia)
Operating hours: on Business Days between 8.30am and 5.30pm, Monday to Friday

