

Share Sale Agreement

Each party listed in Column A of Schedule 1 (Sellers)

Beca Pty Limited (Buyer)

Beca Group Limited (Beca Group)

Hunter H2O Holdings Pty Limited (Company)

 大成 DENTONS

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Share Sale Agreement

Dated 8 April 2022

Parties

1. Each party listed in Column A of Schedule 1 (**Sellers**).
2. **Beca Pty Limited ACN 004 974 341** of Level 4, 5 Queens Road, Melbourne Victoria 3004 Australia (**Buyer**).
3. **Beca Group Limited NZCN 663818** of Ground Floor, 21 Pitt Street, Auckland 1010 New Zealand (**Beca Group**).
4. **Hunter H2O Holdings Pty Limited ACN 602 201 552** of 19 Spit Island Close, Mayfield West New South Wales 2304 Australia (**Company**).

Background

- A. The Sellers own the Shares, being all of the issued shares of the Company.
- B. The Sellers wish to sell the Shares and the Buyer wishes to buy the Shares on the terms and conditions of this agreement.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this agreement:

Accounting Standards means, at any time:

- (a) the requirements of the Corporations Act about the preparation and contents of financial reports;
- (b) the accounting standards approved as defined in the Corporations Act, being the Australian Accounting Standards and any authoritative interpretations issued by the Australian Accounting Standards Board; and
- (c) generally accepted accounting principles, policies, practices and procedures in Australia to the extent not inconsistent with the accounting standards described in paragraph (a) and (b).

Adjustment Payment Date means the date which is 5 Business Days after determination of the Completion Working Capital and Net Debt Statement in accordance with clause 7, or any other date agreed between the Sellers' Representative and the Buyer in writing.

Aggregate Cash Consideration Proportion means the proportion (expressed as a percentage) of the total Purchase Price that all Sellers in aggregate are to receive in cash consideration for the Shares.

Agreed Executive Services Agreement means an executive services agreement, employment contract or letter of variation and any associated covering letter, as applicable, between the Company and each Key Employee as well as Nicole Holmes referable to the Key Employee's and Nicole Holmes employment with the Company in a form agreed between the Buyer and each relevant individual prior to the date of this agreement.

ASIC means the Australian Securities and Investments Commission.

Authority means any Australian or foreign:

- (a) government, government department, government agency or government authority;
- (b) governmental, semi-governmental, municipal, judicial, quasi-judicial, administrative or fiscal entity or person carrying out any statutory authority or function; or
- (c) other entity or person (whether autonomous or not) having powers or jurisdiction under any statute, regulation, ordinance, by-law, order or proclamation, or the common law.

Beca Board means the board of directors of Beca Group.

BGL Shareholders Agreement means the shareholders' agreement relating to Beca Group Limited dated 22 December 1994 (as amended from time to time) between the parties to that agreement substantively in the form set out in Annexure F.

BGLD2 means BGL Depository No. 2 Limited.

Business means the business conducted by the Company, being as at the Signing Date, a specialist consulting firm in the Australian-Pacific water industry.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Sydney, Australia.

Buyer Group Member means the Buyer and each Related Entity of the Buyer and after Completion includes the Company.

Buyer Warranties means the warranties set out in Schedule 4.

CAA Escrow Account means the Escrow Agent's solicitor's trust account.

CAA Escrow Amount means \$1,000,000.

CAA Escrow Balance means any amount remaining in the CAA Escrow Account at any time.

CAA Escrow Period means the period commencing on the Completion Date and ending 5 Business Days after the Adjustment Payment Date, or such other date as agreed between the Buyer and the Sellers Representative.

Cash means cash and cash equivalents held by the Company.

Cash Consideration Proportion means for each Seller (as applicable):

- (a) if a percentage is specified for that Seller opposite its name in Column F of Schedule 1, an amount equal to that percentage of that Seller's Respective Proportion of the Initial Purchase Price; or

- (b) if no percentage is specified for that Seller opposite its name in Column F of Schedule 1, an amount equal to the balance of that Seller's Respective Proportion of the Initial Purchase Price after deduction of the Scrip Consideration Proportion for the Seller,
- with such amount being the amount of the Initial Purchase Price that the Seller will receive in cash.

Change of Control Contract means:

- (a) the Lease for the Property located at 19 Spit Island Close, Mayfield West NSW 2304;
- (b) the Lease for the Property located at Level 13, 288 Edward Street, Brisbane QLD 4001;
- (c) the Design and Engineering Services Panel Deed dated sometime 2021 and Services Agreement undated between Hunter H2O Holdings Pty Limited and Hunter Water Corporation ABN 46 228 513 446; and
- (d) National Australia Bank Limited consent under the bank guarantee, revolving leasing facilities and all other facilities between National Australia Bank Limited and the Company.

Claim means any claim, demand or cause of action however arising in relation to:

- (a) any provision of this agreement; or
- (b) the Shares or their sale.

Claim Notice means, in respect of a Claim, a notice which;

- (a) describes in reasonable detail the fact, matter, event or circumstance giving rise to the Claim;
- (b) without limiting the basis of the Claim in the future, states the basis on which that fact, matter, event or circumstance may give rise to the Claim;
- (c) to the extent then known and reasonably practicable to determine and without limiting the basis of the Claim in the future, specifies an estimate of the Liability arising from the Claim; and
- (d) may specify anything else the Buyer considers necessary or appropriate.

Company means Hunter H2O Holdings Pty Limited ACN 602 201 552, details of which are specified in Schedule 2.

Completion means the completion of the sale and purchase of the Shares in accordance with clause 6.

Completion Adjustment Amount means the amount, which may be positive, negative or nil, equal to:

- (a) the Completion Working Capital less the Estimated Working Capital; plus
- (b) the Estimated Net Debt less the Completion Net Debt.

Completion Date has the meaning given in clause 6.1.

Completion Net Debt means the 'Net Debt', as set out in the Completion Working Capital and Net Debt Statement.

Completion Working Capital means the 'Working Capital', as set out in the Completion Working Capital and Net Debt Statement.

Completion Working Capital and Net Debt Statement means the statement as at the Effective Time in the form of Column C of Part A of Schedule 5, prepared in accordance with Schedule 5 and clause 7.

Condition means each condition specified in clause 2.1.

Confidentiality Agreements means the confidentiality agreements entered into between the Company and the Buyer dated on or about 24 May 2021 and 8 October 2021.

Confidential Information means:

- (a) all information relating to the operations or affairs of the Company including all financial or accounting information, all customer names and lists, terms and conditions of supply, sales records, marketing analysis and research and reports and other marketing information and all trade secrets, know how, operating procedures and technical information; and
- (b) all other information treated by the Company as confidential or capable of being protected at law or equity as confidential information or the disclosure of which might cause Liability to or otherwise adversely affect the Company,

in whatever form and in each case including information that has been disclosed by the Sellers or the Company or their respective Representatives under the terms of a confidentiality agreement.

Consideration Share means a non-voting ordinary share in the capital of Beca Group.

Consideration Share Price means NZ\$4.91 per Consideration Share.

Constitution means the constitution of the Company.

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

Data Room means the electronic data room maintained by the Company and hosted by iDeals titled 'Hunter H2O'.

Deed of Covenant means the deed of covenant to be entered into by each Rollover Seller agreeing to be bound by the terms of the BGL Shareholders' Agreement, substantially in the form set out in Annexure E.

Defaulting Party has the meaning given in clause 6.6.

Disclosure Letter means the letter from the Sellers to the Buyer dated the same date as this agreement in the form of the letter attached as Annexure B.

Dispute Notice has the meaning given in clause 7.3.

Disputed Item has the meaning given in clause 7.3.

Disputing Action means in respect of Tax Demand, any action to cause the Tax Demand to be withdrawn, reduced or postponed or to avoid, resist, object to, defend, appear against or compromise the Tax Demand and any judicial or administrative proceedings arising out of that action.

Due Diligence Materials means:

- (a) the written information and documents provided to the Buyer by the Sellers, the Company and their respective Representatives in the Data Room before the date of this agreement;

- (b) the written questions raised by the Buyer in the due diligence process and the written responses given to those questions by the Sellers, the Company and their respective Representatives in the Data Room before the date of this agreement; and
- (c) the Disclosure Letter.

Effective Time means 11.59 pm on the Completion Date or any other time and date agreed in writing by the Buyer and the Sellers' Representative.

Employee means an employee of the Company as at Completion.

Employee Records means all records relating to Employees that the Company is required to keep under the Fair Work Act and the Fair Work Regulations as at the time of Completion.

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 29 July 2022 or any other date agreed in writing between the Sellers' Representative and the Buyer.

Enterprise Value means \$24,000,000.

Escrow Agent means Dentons Australia Limited ACN 100 963 308.

Escrow Deed means the escrow deed between the Buyer, the Sellers and the Escrow Agent substantially in the form of Annexure C.

Estimated Net Debt means the 'Net Debt' as set out in the Estimated Working Capital and Net Debt Statement.

Estimated Working Capital means the 'Working Capital', as set out in the Estimated Working Capital and Net Debt Statement.

Estimated Working Capital and Net Debt Statement means the statement in the form of Column B of Part A of Schedule 5 given by the Sellers to the Buyer in accordance with clause 5.1.

Expert has the meaning given in clause 7.5(a).

Fairly Disclosed has the following meaning, a fact, event, matter or circumstance is taken to have been **Fairly Disclosed** if sufficient information has been disclosed so that the fact, event, matter or circumstance which might constitute a breach of Warranty, and the nature and extent of the breach of Warranty, would be apparent to a purchaser reasonably experienced in transactions similar to the Transaction.

Fair Work Act means the *Fair Work Act 2009* (Cth).

Fair Work Regulations means the *Fair Work Regulations 2009*.

Filing Date means the lodgement date of the 30 June 2021 income tax return for the Company.

Forward Looking Information means:

- (a) any statement of opinion, estimate, projection or judgment as to future matters (that is, matters after the time when the statement of opinion, estimate, projection or judgment was made);
- (b) any information on:

- (i) the future financial performance or prospects of the Company, the Business or any part of it (including any opinions, estimates, projections, business plans, budget information or other forecasts in respect of the Company, the Business or any part of it);
 - (ii) the future financial performance or prospects of the Buyer Group, the business or any part of it (including any opinions, estimates, projections, business plans, budget information or other forecasts in respect of the Buyer Group, the business or any part of it),
- (c) any financial modelling relating to the Company or the Buyer Group, to the extent relating to periods after the date when the relevant financial modelling was prepared.

General Indemnity means the indemnity set out in clause 8.3.

GST has the meaning given in the GST Act.

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

Initial Purchase Price has the meaning given in clause 4.1.

Intellectual Property means all intellectual property owned by the Company or used by the Company in the Business, including those items set out in Schedule 11.

ITAA 1936 means the *Income Tax Assessment Act 1936* (Cth).

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

Key Buyer Representatives means Mark Fleming, Mat Croad, Clive Rundle and Rebecca Davidson.

Key Employees means Peter Dennis, Jeremy Smith, Jodie Golledge, Paul Thompson and Shane Bullen.

Last Accounts means the audited financial statements of the Company for the financial year ended on the Last Balance Date comprising:

- (a) a balance sheet or statement of financial position;
- (b) an income statement or statement of comprehensive income;
- (c) a statement of changes in equity;
- (d) a cash flow statement or statement of cash flows; and
- (e) the notes to those financial statements,

copies of which are attached as Annexure A.

Last Balance Date means 30 June 2021.

Leases mean the leases entered into by the Company in respect of the Properties.

Liability means any liability, loss, damages, costs, charges or expenses of any kind, howsoever arising including fines, penalties and interest.

LTIP Payment means any payment to Peter Dennis in connection with the incentive plan and any related on-costs (including superannuation and PAYE).

Management Accounts means the unaudited management accounts of the Company for the period commencing on the day after the Last Accounts Date and ending on 28 February 2022.

Material Contract means any agreement or arrangement to which the Company is party that requires or may require payments to or by the Company in excess of \$1,500,000 in aggregate, and those contracts set out in Schedule 9.

Non-Defaulting Party has the meaning given in clause 6.6.

Permitted Security Interest means:

- (a) any title retention arrangement under which a supplier retains title over the goods it supplies, until payment for those goods is made, provided that the arrangement has been entered into in the ordinary course of business;
- (b) any lien operating by operation of law and in the ordinary course of trading provided the debt it secures is paid when due or contested in good faith and appropriately provisioned;
- (c) any Security Interest provided for by any of the following transactions if the transaction does not, in substance, secure payment or performance of an obligation:
 - (i) a transfer of an account or chattel paper;
 - (ii) a commercial consignment; or
 - (iii) a PPS Lease (as defined in the PPSA);
- (d) any other Security Interest for which the Buyer has given its prior written consent; or
- (e) a Security Interest described in Schedule 6.

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPS Register means the register established under the PPSA.

Pre-Completion Dividend means a dividend not exceeding such amount that, after payment by the Company the Company will be left with Cash of not less than \$0, which may, subject to section 254T of the Corporations Act and the Company's constitution, be declared and paid by the Company before Completion.

Privacy Law means the *Privacy Act 1988* (Cth) and any other requirement under Australian State, Territory or Commonwealth law, industry code, policy or statement relating to the handling of Personal Information (as defined in the *Privacy Act 1988* (Cth)).

Properties means the premises occupied by the Company at each of:

- (a) 19 Spit Island Close, Mayfield West NSW 2304;
- (b) Level 13, 288 Edward Street, Brisbane QLD 4001;
- (c) Level 5, 18-20 Grenfell Street, Adelaide SA 5000; and
- (d) Suite 5, 493 Peel Street, Tamworth NSW 2340.

Purchase Price means the Initial Purchase Price plus the CAA Escrow Amount, as adjusted in accordance with this agreement.

Recipient has the meaning given in clause 17.3.

Records means all originals and copies of all books, records, reports, correspondence, files, manuals and other documents and information created by, owned by, or relating to the Company, whether in printed, electronic or any other form and including all:

- (a) statutory books and registers, minute books, books of account, trading and financial records, Employee Records, tax returns and related correspondence;
- (b) customer lists, supplier lists, price lists, pricing models and sales and marketing materials;
- (c) title deeds and other documents of title; and
- (d) originals and copies of all contracts.

Reference Working Capital means \$3,692,458 as set out in Column A of Part A of Schedule 5, the calculations for which are set out in Part D of Schedule 5.

Regulatory Authority means:

- (a) any government or local authority and any department, minister or agency of any government; 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 Entity of a corporation means:

- (a) a related body corporate of that corporation within the meaning of section 50 of the Corporations Act; and
- (b) a trustee of any unit trust in relation to which that corporation, or any corporation referred to in paragraph (a), directly or indirectly:
 - (i) controls the right to appoint the trustee;
 - (ii) is in a position to control the casting of, more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the trust; or
 - (iii) holds or is in a position to control the disposal of more than one half of the issued units of the trust.

Relevant Seller means any Seller who receives an amount equal to the Cash Consideration Proportion from the Buyer under clause 4.3(a)(i).

Relevant Respective Proportion means, in respect of a Relevant Seller, the Relevant Seller's Cash Consideration Proportion as a proportion of the total Cash Consideration Proportions for all Relevant Sellers.

Representatives means, in relation to a party, all officers, employees, professional advisers, agents and attorneys of the party or of its Related Entities.

Requisite Majority of the Directors has the meaning given to that term in the BGL Shareholders Agreement.

Respective Proportion means each Seller's respective proportion specified in Schedule 1.

Rollover Seller means each Seller who is identified in Column E of Schedule 1 as receiving a Scrip Consideration Proportion and who will be transferred Consideration Shares as contemplated by clause 6.2.

Scrip Consideration Proportion means for each Seller (as applicable):

- (a) if a percentage is specified for that Seller opposite its name in Column E of Schedule 1, an amount equal to that percentage of that Seller's Respective Proportion of the Initial Purchase Price; or
- (b) if a number of Consideration Shares is specified for that Seller opposite its name in Column E of Schedule 1, the lower of:
 - (i) the amount calculated by multiplying that specified number of Consideration Shares by the Seller's Consideration Share Price (based on the AUD/NZD FX rate of AUD1.00 / NZD 1.075, per the Reserve Bank of Australia 'Latest Exchange Rate' on 28 February 2022); and
 - (ii) the Seller's Respective Proportion of the Initial Purchase Price,

with such amount being the amount of the Initial Purchase Price that the Seller will receive as Consideration Shares.

Security Interest has the meaning given in section 12 of the PPSA.

Seller Title and Authority Warranties means the Warranties contained in paragraphs 1 and 2 of Schedule 3.

Sellers means each party listed in Column A of Schedule 1 and **Seller** means any one of them.

Sellers' Account means the bank account nominated in writing to the Buyer by the Sellers' Representative no later than 5 Business Days prior to Completion.

Sellers' Representative means Paul Thompson and Kirsten Molloy acting jointly, or as the Sellers may by written notice to the Buyer unanimously appoint from time to time.

Shareholders' Agreement means the agreement dated 30 August 2018 between the shareholders of the Company in relation to the affairs of the Company.

Shares means the shares in the capital of the Company specified in Schedule 1.

Signing Date means the date of this agreement.

Superannuation Guarantee Charge means a charge levied against an employer for failing to make the minimum level of contribution to superannuation funds on behalf of its employees by the statutory due date and prescribed by the *Superannuation Guarantee (Administration) Act 1992* (Cth).

Supplier has the meaning given in clause 17.3.

Tax means any tax, levy, excise, duty, charge (including the Superannuation Guarantee Charge), surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges.

Tax Act means ITAA 1936 and ITAA 1997 or the *Taxation Administration Act 1953* (Cth), or any other Australian or foreign law relating to Tax as the context requires.

Tax Authority means any Authority responsible for the assessment, collection, withholding or administration of Tax in any country or jurisdiction.

Tax Claim means a Claim by the Buyer arising as a result of a breach of a Tax Warranty or under the Tax Indemnity

Tax Costs means all costs and expenses incurred in:

- (a) managing an inquiry; or
- (b) conducting any Disputing Action;

in relation to a Tax Demand.

Tax Demand means:

- (a) a demand or assessment requiring the payment of any Tax for which the Sellers may be liable under this Deed;
- (b) any document received administering any Tax assessing, imposing, claiming or indicating an intention to claim any Tax; or
- (c) lodgement of a Tax Return or a request for an amendment under any law about self-assessment of Tax.

Tax Indemnity means the indemnity given by the Sellers to the Buyer under clause 13.6.

Tax Return means any return or other document relating to Tax which must be lodged with a Tax Authority or which must be prepared and retained under a Tax Law.

Tax Warranties means Warranty 25 and 26 in Schedule 3.

Title and Capacity Warranties means Warranties 1 and 2 (other than Warranty 2.5(b) and 2.5(c)) and Warranty 3 (other than Warranty 3.3(b) and 3.3(d)) in Schedule 3.

Transaction means the sale and purchase of the Shares, the transfer of the Consideration Shares and all other related transactions contemplated by this agreement or by a Transaction Document.

Transaction Costs means all costs and expenses incurred on or before Completion by the Company or by or on behalf of the Sellers which are directly attributable to the Transaction, but excluding all such costs and expenses fully paid prior to or on the Completion Date.

Transaction Documents means:

- (a) this agreement;
- (b) the Deeds of Covenant; and
- (c) any other document agreed by the Buyer and the Sellers' Representative to be a Transaction Document for the purposes of this agreement.

Warranties means the warranties set out in Schedule 3.

Warranty Claim means a Claim by the Buyer arising as a result of a breach of a Warranty or the Tax Indemnity.

W&I Insured Amount means \$12,500,000.

W&I Insurer means the insurer under the W&I Policy.

W&I Insurance Premium means the premium payable under the W&I Policy (including taxes and duties).

W&I Policy means the warranty and indemnity policy issued to the Buyer providing insurance coverage to the Buyer against Claims arising out of or in connection with a breach of the

Warranties or the indemnities under this agreement, subject to the areas identified by the W&I Insurer as being excluded from coverage, and naming the Buyer as the insured and allowing for Claims up to the W&I Insured Amount.

1.2 Reasonable endeavours

Any provision of this agreement which requires a party to use reasonable endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
 - (b) to commence any legal action or proceeding against any person,
- except where that provision expressly specifies otherwise.

1.3 Business Days

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 or by the next Business Day except where this agreement expressly specifies otherwise.

1.4 Liability of Sellers

- (a) The liability of the Sellers under this agreement is several only and in their Respective Proportion and despite any other provision of this agreement:
 - (i) failure by any Seller to perform any obligation of that Seller does not relieve any other Seller of its liability to perform its obligations; and
 - (ii) no Seller is liable for any liability of any other Seller.
- (b) The Buyer agrees that it must not make, and waives any right it may have to make any Claim, and must not make a Claim and must procure that none of its Related Entities make a Claim, against any Seller arising out of or in connection with a breach of a Warranty, the General Indemnity or a Tax Claim, except to the extent specifically permitted under clause 9.16(a).

1.5 Sellers' Representative

The parties acknowledge and agree that:

- (a) Each of the Sellers authorises the Sellers' Representative to act on its behalf in relation to any act, matter or thing required or permitted by this clause 1.5 and any other clause in this agreement;
- (b) any notice or other document given under this agreement which has been signed by the Sellers' Representative applies to and binds all of the other Sellers who hereby agree to be bound by any such notice or document signed by the Sellers' Representative;
- (c) where the Sellers' Representative takes any action which the Sellers are collectively required or entitled to take under this agreement, all of the Sellers will be deemed to have taken such action collectively; and
- (d) the performance by the Sellers' Representative of the Sellers' rights or obligations under this agreement is valid and binding.

1.6 General rules of 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, a Regulatory Authority, an incorporated or unincorporated 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 or a provision of a document is to that document or provision as varied, novated, ratified or replaced from time to time;
- (g) a reference to this agreement is to this agreement as varied, novated, ratified or replaced from time to time;
- (h) 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;
- (i) 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;
- (j) 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;
- (k) a reference to **\$** or **dollar** is to Australian currency;
- (l) a reference to **NZD\$** is to New Zealand Currency;
- (m) where any conversion of one currency to another is required or contemplated by a term of this agreement, such conversion will be made at the exchange rate for the applicable currencies published by the Reserve Bank of Australia on its website for the day that is 10 Business Days prior to the required date for any such conversion unless stated otherwise in this agreement;
- (n) this agreement must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (o) other than in respect of the Seller Title and Authority Warranties, a reference to **so far as the Sellers are aware** or **to the Sellers' knowledge**, or words to that effect, in relation to a matter, is to the actual knowledge of each of the Key Employees as at the date of this agreement, and as at the time immediately prior to Completion, after making, or the

actual knowledge they would have had after making, reasonable enquiries in relation to that matter.

2. Condition precedent

2.1 Condition

Clauses 3, 4 and 6 do not become binding on the parties and have no force or effect, and Completion cannot take place, unless the condition listed in the first column of the following table has been either satisfied or waived in accordance with clause 2.4:

Condition	Right to waive
(a) Change of Control Contract – the Buyer has received a copy of each consent required under each Change of Control Contract to the acquisition of the Shares by the Buyer and the change of control of the Company resulting from that acquisition, each of which is unconditional or subject only to conditions acceptable to the Buyer.	Buyer

2.2 Reasonable endeavours to satisfy the Condition

Each party must use all reasonable endeavours to ensure that each Condition is satisfied as soon as practicable after the date of this agreement and in any event before the End Date and in particular:

- (a) each party must co-operate with, and comply with all reasonable requests of each other party for the purposes of procuring the satisfaction of the Condition and must not take any action that will or is likely to hinder or prevent the satisfaction of a Condition; and
- (b) each party must keep each other party informed of any fact, matter or circumstance of which it becomes aware that may result in a Condition not being satisfied before the End Date in accordance with its terms.

2.3 Notice in relation to satisfaction of Condition

The Sellers' Representative and the Buyer must within 1 Business Day after becoming aware of the satisfaction of the Condition notify the Buyer and the Sellers' Representative of the satisfaction of the Condition and provide reasonable evidence that the Condition has been satisfied.

2.4 Waiver of Condition

- (a) The Condition may be waived and may only be waived by the Buyer providing written notice to the Sellers' Representative.
- (b) The Buyer is entitled to waive or to agree to waive the Condition under this clause 2.4 in its absolute discretion. If the Buyer waives or agrees to waive the Condition, the Buyer may not bring a Claim against any other party in respect of any breach of this agreement that caused that Condition not to be satisfied.

2.5 Failure of Condition

The Sellers' Representative or the Buyer is entitled to terminate this agreement by notice to each other party at any time before Completion:

- (a) if the Condition has become incapable of satisfaction and the Condition has not been waived in accordance with clause 2.4 within 5 Business Days after the occurrence of the fact, matter or circumstance which caused the Condition to become incapable of satisfaction;
- (b) if the Condition has not been satisfied or waived in accordance with clause 2.4 before the End Date; or
- (c) if the Condition, having been satisfied on or before the End Date ceases to be satisfied before Completion,

except where the Condition has become incapable of satisfaction (and has not been waived), has not been satisfied or waived, or ceases to be satisfied, as a direct result of a failure by the party seeking to terminate to comply with its obligations under clause 2.2.

3. Sale and purchase of Shares

3.1 Sale and purchase

On Completion the Sellers must sell and the Buyer must buy the Shares for the Purchase Price free from all Encumbrances and together with all rights attaching or accruing to the Shares after the date of this agreement.

3.2 Purchase obligations interdependent

The obligation of the Buyer to buy any Shares under this clause 3 is conditional and interdependent on the completion by the Buyer of the purchase of all other Shares and the Buyer is not obliged to complete the purchase of any Shares unless it completes the purchase of all Shares simultaneously.

3.3 Termination of Shareholders' Agreement

Despite any other provision to the contrary in the Shareholders' Agreement:

- (a) subject to clause 3.3(c), each party to the Shareholders' Agreement agrees that the Shareholders' Agreement is terminated with effect on and from Completion; and
- (b) subject to clause 3.3(c), each of them releases and discharges each other from all current and future obligations, claims, liabilities, actions, demands, proceedings, costs and expenses (including legal fees, costs and disbursements) that the party may have or claim to have or, but for this release, might have had against another party (including any of which the party is not aware, or could not have been aware, at the date of this agreement) arising from or in connection with the Shareholders' Agreement; and
- (c) each Seller covenants in favour of the Company and the Buyer as set out in Schedule 8 to this Agreement, such covenants being based on the restrictive covenants in the Shareholders' Agreement on the basis that the Disassociation Date for each Restrained Party (as defined in the Shareholders' Agreement) is the date of Completion.

3.4 Consent and approvals to the Transaction

To the extent relevant under the Shareholders' Agreement, Constitution and Corporations Act, each party (so far as it is able) gives its consent, approval and authorisation as may be required under the Shareholders' Agreement, Constitution and Corporations Act, for the purpose of giving effect to the Transaction (and matters reasonably ancillary or incidental to the Transaction). This agreement may be:

- (a) produced as final evidence of the grant of any such consent, approval or authorisation by a party; and

- (b) pleaded as a bar to any claim contending that any such consent, approval or authorisation was not obtained or properly obtained.

3.5 Shareholding in Beca Group

Beca Group:

- (a) confirms that this agreement constitutes an invitation from a Requisite Majority of the Directors to each of the Rollover Sellers to become a shareholder in Beca Group, for the purposes of clause 2.1(a) of the BGL Shareholders Agreement;
- (b) agrees that, for the purposes of clause 2.1(b) of the BGL Shareholders Agreement, that the period for signing and depositing the Deeds of Covenant referred to in clause 3.5(e) below shall expire on Completion; and
- (c) approves and nominates each of the Rollover Sellers for the purposes of clause 9.1 of the BGL Shareholders Agreement,

and each of the Rollover Sellers agrees to:

- (d) on and from Completion, accept the Consideration Shares and become a shareholder of Beca Group and to be bound by its constitution;
- (e) sign the relevant Deed of Covenant agreeing to be bound by the BGL Shareholders Agreement.

4. Purchase Price for Shares

4.1 Initial Purchase Price

The initial purchase price payable for the Shares is the amount equal to:

- (a) the Enterprise Value; less
- (b) the CAA Escrow Amount; less
- (c) the Estimated Net Debt; less
- (d) the LTIP Payment (to the extent not paid prior to Completion); plus
- (e) the Estimated Working Capital; less
- (f) the Reference Working Capital,

(Initial Purchase Price).

4.2 Adjustments to Initial Purchase Price

The Initial Purchase Price will be subject to the following adjustments once the Completion Working Capital and Net Debt Statement has been determined in accordance with clause 7:

- (a) if the Completion Adjustment Amount is a positive amount, the Initial Purchase Price will be increased by the Completion Adjustment Amount;
- (b) if the Completion Adjustment Amount is a negative amount, the Initial Purchase Price will be decreased by the Completion Adjustment Amount; and

- (c) if the Completion Adjustment Amount is \$0, then the Initial Purchase Price will not be adjusted.

4.3 Payment of Purchase Price for Shares

- (a) On Completion, the Buyer must:
 - (i) pay to each Relevant Seller, an amount equal to that Relevant Seller's Cash Consideration Proportion of that Seller's Respective Proportion of the Initial Purchase Price by way of cash consideration;
 - (ii) pay to the Escrow Agent the CCA Escrow Amount to be held under the terms of the Escrow Deed in the CCA Escrow Account; and
 - (iii) procure that BGLD2 provide to each Rollover Seller, that Rollover Seller's Scrip Consideration Proportion by way of transfer of such number of Consideration Shares calculated by dividing each Rollover Seller's Scrip Consideration Proportion by the Consideration Share Price based on the AUD/NZD FX rate of AUD1.00 / NZD1.075, per the Reserve Bank of Australia 'Latest Exchange Rate' on 28 February 2022 (avoiding fractions of Consideration Shares by rounding up to the nearest whole number).
- (b) On the Adjustment Payment Date:
 - (i) if the Completion Adjustment Amount is a positive amount, the Buyer must pay to each Seller the amount equal to that Seller's Respective Proportion of the Completion Adjustment Amount; or
 - (ii) if the Completion Adjustment Amount is a negative amount, each Seller must pay to the Buyer the amount equal to that Seller's Respective Proportion of the Completion Adjustment Amount,

in each case in accordance with clause 4.4(b).
- (c) Any payment to a Seller under this clause 4.3 will be paid by electronic transfer of cleared funds to the Sellers' Account or into a bank account nominated in writing by the Sellers' Representative at least 2 Business Days before the payment due date.
- (d) Any payment to the Escrow Agent under this clause 4.3 will be paid by electronic transfer of cleared funds to the bank account nominated in writing by the Escrow Agent at least 2 Business Days before Completion.

4.4 Adjustment for certain payments

- (a) Any payment made:
 - (i) by the Sellers to a Buyer Group Member under this agreement will be treated as a pro-rata reduction in the Purchase Price of each Share; or
 - (ii) by the Buyer to the Sellers under this agreement will be treated as a pro-rata increase in the Purchase Price of each Share.
- (b) The parties acknowledge and agree that:
 - (i) no further Consideration Shares will be transferred to any Rollover Seller (for example, in respect of any Purchase Price adjustments) under this agreement;
 - (ii) any Completion Adjustment Amounts payable by the Buyer in accordance with this clause 4 will be payable in cash;

- (iii) any Completion Adjustment Amounts payable by the Sellers in accordance with this clause 4, the Respective Proportion of each of the Sellers will be payable in cash to be paid initially out of the CAA Escrow Balance in accordance with clause 10.2; and
- (iv) where there is any shortfall under clause 4.4(b)(iii) or (iv), the Respective Proportions of the shortfall for each Seller will be payable in cash.

5. Period before Completion

5.1 Notification obligations

- (a) At least 5 Business Days before the Completion Date (or such lesser number of days as agreed between the Sellers' Representative and the Buyer in writing), the Sellers must give the Buyer:
 - (i) the Estimated Working Capital and Net Debt Statement, prepared in accordance with the principles, policies and procedures set out in clause 7.1 (and in the same order of precedence), together with the supporting calculations; and
 - (ii) a payment direction from the Sellers' Representative specifying how the Relevant Sellers require the amount calculated in accordance with clause 4.3(a)(i) to be paid and details of the Sellers' Account;
 - (iii) evidence in a form reasonable acceptable to the Buyer that the insurance has been obtained by the Company in accordance with clause 5.5; and
 - (iv) evidence in a form reasonable acceptable to the Buyer that directors and officers liability run off insurance has been obtained by the Company in accordance with clause 11.1(a).
- (b) At least 15 Business Days before the Completion Date (or such lesser number as agreed by the Buyer) any Rollover Seller that holds Shares jointly will provide the Buyer:
 - (i) a duly executed written direction by that Rollover Seller directing the Buyer to transfer the Consideration Shares either to:
 - (A) a single transferee who is an Employee; or
 - (B) at least one Consideration Share to an Employee and the remainder to the trustees of a family trust that complies with Beca Group's family trust guidelines; and
 - (C) if clause 5.1(b)(i)(B) applies, a copy of the Trust Deed and any constitution for a corporate trustee, for review by the Beca Group for compliance with Beca Group's family trust guidelines.

If no direction is provided by the date required by this clause 5.1(b) or the family trust does not comply with Beca Group's family trust guidelines, the Rollover Seller will be deemed to have given a direction to the Buyer to transfer the Consideration Shares to the Employee who is one of the joint owners of the Rollover Shares.

- (c) A Rollover Seller who is an Employee and will hold 70,000 or more Consideration Shares individually as at the Completion Date, may give the Buyer at least 15 Business Days prior to the Completion Date (or such lesser number as agreed by the Buyer):
 - (i) a duly executed written direction directing the Buyer to transfer all but one of the Consideration Shares to the trustees of a family trust that complies with the Beca Group's family trust guidelines; and

- (ii) a copy of the Trust Deed and any constitution for a corporate trustee for review by the Beca Group for compliance with Beca Group's family trust guidelines.

5.2 Buyer access

For the purposes of assisting the Buyer and its Representatives to:

- (a) understand the Business and to prepare for the transition to the Buyer's normal working procedures; and
- (b) transition certain Company risks onto the Buyer Group Members insurance programme,

the Sellers must procure that from the date of this agreement until Completion the Buyer and its Representatives are given reasonable access on reasonable notice to:

- (c) its assets and Records; and
- (d) all officers and senior employees of the Company during business hours,

provided that the Sellers are not obliged to comply with this clause 5.2 to the extent that giving that access would cause material disruption to or have a material adverse effect on, the day to day conduct of the Business or constitute a breach by the Sellers or the Company of any law or of the terms of any agreement to which it is party.

5.3 Conduct of Business

The Company must, and the Sellers must procure that until Completion, except with the prior consent of the Buyer, the Company:

- (a) conducts the Business in the ordinary and usual course consistent with its usual business practices and does not make any significant change to the nature or scale of any activity comprised in the Business;
- (b) pays all amounts owing to creditors of the Company according to usual payment terms and otherwise in the manner that similar amounts were paid during the 12 months ending on the Signing Date;
- (c) collects all amounts owing to the Company according to its usual terms of payment and otherwise in the manner and on the terms that similar amounts were collected during the 12 months ending on the Signing Date;
- (d) subject to clause 5.4 maintains insurance which is appropriate and adequate (including all policies in place as at the Signing Date and on terms no less favourable to the insured party than as at the Signing Date) for all assets which are capable of being insured, and otherwise in respect of the Business (including professional indemnity insurance, worker's compensation, management liability, statutory liability and public and product liability insurance);
- (e) does not do or omit to do anything which:
 - (i) would make any insurance policy relating to the Business void or voidable;
 - (ii) may cause any insurance premium to increase; or
 - (iii) may adversely affect the Buyer's ability to obtain equivalent insurance in future;
- (f) applies all available insurance proceeds to replace or reinstate any lost, damaged or destroyed assets; and
- (g) must use all reasonable endeavours to:

- (i) provide the relevant change of control notifications; and
- (ii) procure that, prior to Completion, the Company obtains the relevant change of control consents,

for the contracts listed in Schedule 10.

5.4 Insurance policies

The Company must, and the Sellers must procure that:

- (a) the Company and the Key Employees make, immediately prior to the Completion Date, due and proper enquiry as to whether there are any claims, or occurrences or circumstances that may lead to a claim against the Company and to notify all such matters under the relevant insurance policy and within the timing specified in those policies;
- (b) on the Completion Date, the Company provides a completed no claims declaration form, declaring that there are no claims, or occurrences or circumstances that may lead to a claim against the Company that have not already been notified to the relevant insurer. Such no claims declaration form to be in a form reasonably acceptable to the Buyer and its insurers;
- (c) to the extent not undertaken before the date of this agreement, the Sellers advise as soon as practicable, in writing, the insurers of all policies referred to in this clause 5.4 of the change of control of the Company as at Completion Date. The Sellers must obtain consent from each insurer to the change of control so that each renewed or extended policy does not go into run-off at the Completion Date, except where run off is arranged under clauses 5.5 and 11.1 of this agreement;
- (d) to the extent not undertaken before the date of this agreement, extend each of the following policies' period of insurance (or if provided below, obtain a new short term policy) from the end of the current term of the relevant policy up to and including the Completion Date or such other date as agreed in writing between the Buyer and the Sellers' Representative:
 - (i) public liability (policy no. AU00008723LI21A);
 - (ii) statutory liability (policy no. CPP19-0410);
 - (iii) Coal Mines (policy no. K119);
 - (iv) workers compensation insurance policies;
 - (v) business package (policy no. 1GMU251445BPK) (QBE was unable to extend the policy period due to internal restrictions, however, will provide a new short-term policy on the same terms);
 - (vi) motor vehicle (policy no. 196AN00097VSD) (Allianz was unable to agree to extend the policy period due to internal restrictions, however, will provide a new short-term policy on substantially the same terms); and
 - (vii) corporate travel (policy no. 01PP533353); and
- (e) to the extent not undertaken before the date of this agreement, re-new the following policies for an additional 12 month period immediately following 28 February 2022:
 - (i) cyber insurance (policy no. 01CY546823) and have the insurer, Chubb, agree to amend the policy's transaction clauses to ensure that this policy does not go into

run-off at the Completion Date and remains in full force and effect following Completion;

- (ii) journey accident (policy no. 01PJ533407);
- (iii) marine cargo (policy no. 50473981);
- (iv) professional indemnity (policy no. 01PI002343);
- (v) management liability (policy no. EPM0014837); and
- (vi) professional indemnity policy with Pacific Indemnity Underwriting Solutions Pty Ltd.

5.5 Run-off insurance

In addition to clause 11.1, on or before Completion, the Company must, and the Sellers must procure that the Company, purchase pre-paid run-off insurance for the benefit of the Company covering the conduct of the Business prior to Completion relating to:

- (a) management liability (policy no. EPM0014837) – multi-year employment practices liability insurance run off policy for 3 years with same policy limit as expiring; and
- (b) statutory liability (policy no. CPP19-0410) – multi-year run off statutory liability insurance policy for 3 years with the same policy limit as expiring,

on terms approved by the Buyer, whose approval shall not be unreasonably withheld.

5.6 Insurance cancellation / rebate

- (a) Subject to clause 5.6(b), the Sellers must procure that the Company cancel the following policies with effect on and from Completion, without prejudice to any notifications made prior to Completion, and obtain a pro-rata refund:
 - (i) professional indemnity (policy no. 01PI002343);
 - (ii) management liability (policy no. EPM0014837); and
 - (iii) professional indemnity policy with Pacific Indemnity Underwriting Solutions Pty Ltd.
- (b) The Buyer may direct the Sellers in writing prior to Completion to procure that the Company does not cancel any one or more of the policies set out in clause 5.6(a) prior to Completion and, if so directed, the Sellers must act accordingly and procure that the Company acts accordingly.

5.7 Restricted conduct

The Company must not, and the Sellers must ensure that before Completion the Company does not, except with the prior consent of the Buyer or as contemplated by this agreement, do, or authorise or agree to do, any of the following:

- (a) issue or allot any share capital or options, securities or other rights convertible into share capital;
- (b) declare or pay a dividend or make any other distribution of its profits other than the Pre-Completion Dividend;
- (c) reduce its share capital;

- (d) buy back or redeem any shares or otherwise reduce its share capital or provide financial assistance for the acquisition of its own shares;
- (e) form any new subsidiary or enter into any joint venture, consortium, partnership, unincorporated association or similar arrangement (including joint and several liability or any equity position or contractually agreed share of profits and losses for the Company in construction, process or operational and/or maintenance risks);
- (f) merge or consolidate with any other body, or acquire all or substantially all of the shares or the business or assets of any other body;
- (g) acquire or dispose of any asset with a value over \$150,000;
- (h) amend, waive any rights under, or elect to terminate any Material Contract or enter into any new contract or bid or proposal which would be a Material Contract if accepted by the client other than as disclosed in the Due Diligence Materials;
- (i) enter into a new lease or amend, waive any rights under, renew, extend or elect to terminate a Lease (other than continuing with the monthly renewal of the Adelaide office lease);
- (j) enter into an agreement or arrangement with a Related Entity;
- (k) enter into any new agreement, arrangement or contract, or commit to a new project, with a construction contractor;
- (l) enter into any new agreement, arrangement or contract:
 - (i) with any competitor of the Buyer or its Related Entities with an expected contract value of greater than \$200,000, other than in connection with any existing teaming or existing sub-consulting agreement;
 - (ii) which includes any formal, written process warranty or guarantees;
 - (iii) that is 'bankable' for the counterparty in order to allow it to start a new business venture, raise equity or debt finance or to buy or sell a business or assets.
- (m) incur any indebtedness or grant any loans, or give any guarantee or indemnity, other than in the ordinary course of business;
- (n) undertake or commit to any capital expenditure exceeding \$100,000;
- (o) commence, make or settle any litigation or any claim exceeding \$50,000 other than as claimant for the collection of debts in the ordinary course of business;
- (p) terminate the employment of, or amend or agree to amend the terms of employment of, any Key Employee, or (other than as disclosed in the Due Diligence Materials) make or agree to make any bonus, retention or similar payment to any employee, other than the LTIP Payment or as otherwise taken into account in the Completion Working Capital and Net Debt Statement;
- (q) offer to employ a new employee who receives a remuneration package (including superannuation) of more than \$200,000 per annum;
- (r) alter the provisions of the Constitution;
- (s) dispose of, create or permit to exist any Encumbrance (other than the Permitted Security Interests) over, or declare itself the trustee of, any material asset except in the ordinary course of business;

- (t) take any action to wind itself up, appoint an administrator or controller over the Company, or enter into any scheme of arrangement, amalgamation, dissolution or liquidation; or
- (u) authorise, or agree conditionally or otherwise to do, any of the things referred to in this clause 5.7.

5.8 Buyer's consent

The Buyer:

- (a) must not unreasonably withhold or delay any consent required under clause 5.7; and
- (b) will be taken to have given its consent for the purposes of this clause if the Buyer does not, within 3 Business Days, notify the Company's Managing Director that it refuses its consent, in each case, provided that the Buyer will have been given from the Company all information reasonably necessary for it to make a determination as to whether to give or withhold consent to such matter.

5.9 Beca Group information

- (a) To the extent not undertaken before the date of this agreement, Beca Group must provide to each Rollover Seller the same information as is provided to employees of any Buyer Group Member in connection with the 2022 offer of Consideration Shares to Beca Group employees.
- (b) To the extent not undertaken before the date of this agreement, the information to be provided to Rollover Sellers under clause 5.9(a) must be provided to Rollover Sellers at the same time as it is provided to Beca Group employees.

5.10 Employment Principles

Between the date of this agreement and Completion, the Buyer will work in good faith and consult with the Key Employees to prepare an implementation plan, including matters listed in Annexure D (**Employment Principles**) in connection with:

- (a) transitioning the Company to become a Buyer Group Member;
- (b) ensuring the smooth transition of the management of the business, integration of employees, and the affairs of the Company to the Buyer following Completion.

After Completion, the Buyer and Beca Group must, and must procure that that the Company will implement the implementation plan contemplated by this clause 5.10 consistently with its terms and act in a manner consistent with the Employment Principles.

5.11 Release of Encumbrances

Any Seller that has Encumbered its interests in any Shares must procure that such Encumbrances are released prior to or on Completion.

5.12 Provision of information before Completion

The Buyer must provide to the Sellers Representative no later than 5 Business Days before Completion the names of each person that the Buyer requires to be appointed as a director, secretary or public officer of the Company together with a signed consent to act in that capacity.

5.13 Executive Services Agreement

The Sellers will procure that each Key Employee provides to the Buyer no later than 5 Business Days before Completion a signed copy of the Agreed Executive Services Agreement referable to that Key Employee.

6. Completion

6.1 Completion Date

- (a) Completion will occur on the following date (**Completion Date**):
- (i) 29 April 2022, provided however if the Condition has not been satisfied or waived by 22 April 2022, then;
 - (ii) the last Business Day of the month in the month the Condition has been satisfied or waived, unless the Condition has not been satisfied or waived by the End Date, in which case clause 2.5 will apply.
- (b) Completion will take place at 2.00pm on the Completion Date at the offices of Dentons Australia at Level 16, 77 Castlereagh Street, Sydney NSW 2000, or any other place agreed in writing by the Sellers' Representative and the Buyer.

6.2 Parties' obligations to effect Completion

At Completion, each party must perform, or procure the performance of, the following actions in the following order.

Step	Party required to take action	Action
1.	The Sellers	<p>Duly convene and hold a meeting of the directors of the Company at which the directors resolve, subject to Completion occurring:</p> <ul style="list-style-type: none">(a) in the case of the Company to approve the registration of the Buyer as the holder of the Shares;(b) issue new share certificates for the Shares in the name of the Buyer and cancel any existing share certificates;(c) accept the resignation of the officers the Buyer requires to resign as a director or other officer of the Company, subject to that officer providing a written resignation under step 2;(d) to appoint as directors, secretary and public officer, of the Company each person notified under clause 5.12, subject to that person providing written consent to act;(e) remove each person whom the Buyer requires to be removed as an authorised signatory or who has authority to operate any bank account of the Company;(f) appoint each person whom the Buyer requires to be appointed as an authorised signatory or who has authority to operate any bank account of the Company;(g) authorise entry into and execute the Transaction Documents (as applicable); and(h) notify ASIC of the above changes.

Step	Party required to take action	Action
2.	The Sellers	<p>Deliver to the Buyer:</p> <ul style="list-style-type: none"> (a) completed registrable instruments of transfer of the Shares by each of the Sellers in favour of the Buyer as transferee duly executed by the registered holder as transferor; (b) any original share certificates, or duly executed statutory declarations for any lost share certificates, in respect of the Shares for each of the Sellers; (c) all statutory registers, minute books and other record books, financial records, including asset registers, management accounts, budgets, ledgers, journals, books of account and other Records of the Company and the common seal, if any, of the Company that are held by the Company; (d) the Company's members register (including all historical transfers), updated to reflect the Buyer as the legal owner of the Shares; (e) details of the ASIC corporate key of the Company, being an 8 digit number uniquely associated with a company's ACN; (f) written releases of Encumbrances (other than Permitted Security Interests) affecting the Shares or any of the Company's assets, each executed by the relevant secured party including NAB - PPSR 201504170014216; (g) all insurance policies and certificates of currency in relation to all insurances held by the Company; (h) no claims declarations as required by clause 5.4(b); (i) confirmation of the cancellation of the respective insurance policies pursuant to clause 5.6; (j) duly signed minutes of each meeting convened under step 1 of this table; (k) written resignations (effective from Completion) from any resigning officers of the Company confirming the Company has no responsibility or liability to the resigning officers in connection with their positions as officers of the Company; (l) original registrable instruments of transfer of the Consideration Shares duly executed by each of the Rollover Sellers; (m) an original counterpart of each Transaction Document, other than this agreement, duly executed by the Sellers and the Company (to the extent that they are parties to the Transaction Document in question); and (n) to the extent required under the terms of the W&I Policy, a "No Claims Declaration" in the form reasonably required by the W&I Insurer, signed by the Key Employees.

Step	Party required to take action	Action
		<p>Provide to the Buyer:</p> <ul style="list-style-type: none"> (o) possession to each Property; (p) all keys, security codes and other access devices for accessing each Property (at the place at which they are usually located in the normal course of the operation of the Business); (q) copies of all insurance policies and certificates of currency in relation to all insurances held by the Company (at the place at which they are usually located in the normal course of the operation of the Business); (r) two electronic copies of all documents contained in the Data Room; and (s) evidence that all relevant material licenses, authorisations, permits, consents, work permits and tax registrations have been obtained by the Company to conduct the Business in Papua New Guinea and Fiji in a form reasonably acceptable to the Buyer and that the Company has taken steps reasonably acceptable to the Buyer: <ul style="list-style-type: none"> (i) to implement the recommendations of PWC to address the requirements regarding the engagement of sole traders by the Company; and (ii) to implement the recommendations of PWC to address the Fiji tax registration requirements.
3.	The Buyer	<p>Must:</p> <ul style="list-style-type: none"> (a) pay to the Relevant Sellers the aggregate amount calculated in accordance with clause 4.3(a)(i) by deposit into the Sellers' Account; (b) procure that BGLD2 transfers to each Rollover Seller, credited as fully paid up, the number of Consideration Shares (rounded up to the nearest whole share) calculated by dividing that Seller's Scrip Consideration Proportion of that Seller's Respective Proportion of the Initial Purchase Price by the Australian dollar equivalent of the Consideration Share Price based on the AUD/NZD FX rate of AUD1.00 / NZD1.075, per the Reserve Bank of Australia 'Latest Exchange Rate' on 28 February 2022; deliver to the Rollover Sellers original registrable instruments of transfer of the Consideration Shares duly executed by BGLD2 in favour of each of the Rollover Sellers; (c) pay to the Escrow Agent the CCA Escrow Amount to be held under the terms of the Escrow Deed in the CCA Escrow Account; (d) pay the W&I Insurance Premium to the W&I Insurer;

Step	Party required to take action	Action
		<ul style="list-style-type: none"> <li data-bbox="715 353 1406 416">(e) issue to the Sellers' Representative a signed copy of the W&I Policy and certificate of currency; <li data-bbox="715 423 1422 577">(f) to the extent required under the terms of the W&I Policy, deliver to the W&I Insurer (with a copy to the Sellers' Representative) an electronic copy of the signed "No Claims Declaration" on Completion signed by a Key Buyer Representative; <li data-bbox="715 584 1422 739">(g) deliver to the Sellers an original counterpart of each Transaction Document other than this agreement duly executed by the Buyer, Beca Group and BGLD2 (to the extent that they are parties to the Transaction Document in question); and <li data-bbox="715 745 1422 869">(h) duly convene and hold a meeting of the directors of the Buyer at which the directors resolve, subject to Completion occurring, to appoint Peter Dennis as a director of the Buyer.

6.3 Attorney

In the event that a Seller fails to do all things and sign all documents required to give effect to any action under clause 6.2, such Seller:

- (a) hereby severally and irrevocably appoints each Sellers' Representative as its agent and attorney with power to do all acts to give effect to the relevant transaction or circumstances of clause 6.2, (including the power to execute all necessary documentation to complete the sale of the Shares and purchase of the Consideration Shares on behalf of that Seller. The Sellers' Representative is expressly authorised to do any act as a result of which a benefit is conferred on any Seller which has appointed it;
- (b) declares that all acts and things done by any Sellers' Representative in exercising powers under this power of attorney will be as good and valid as if they had been done by the Seller and agrees to ratify and confirm whatever is done in exercising powers under this power of attorney;
- (c) declares that this power of attorney is given for valuable consideration and is irrevocable; and
- (d) indemnifies the Sellers' Representative appointed as attorney against all loss arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under the appointment.

6.4 Delivery method

Any document or other item specified in steps 2(c) or 2(g) of the table set out in clause 6.2 may be delivered to the Buyer by leaving that document or other item in a safe and appropriate place at the property at which it is located on the Completion Date.

6.5 Interdependence of obligations at Completion

The obligations of the parties under clause 6.2 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clause 6.2 is not performed on or before Completion then, without limiting any other rights of the parties, Completion is taken not to have occurred and any document delivered, or payment made, under clause 6.2 must be returned to the party that delivered it or paid it.

6.6 Notice to complete

If Completion does not occur in accordance with this clause 6 because of the failure of any party (**Defaulting Party**) to satisfy any of its obligations under this clause 6 then:

- (a) the Buyer (where the Defaulting Party is the Sellers or the Company); or
- (b) the Sellers' Representative (where the Defaulting Party is the Buyer),

(in either case the **Non-Defaulting Party**) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of 5 Business Days after the date of the notice and specifying that time is of the essence in relation to that notice.

6.7 Remedies for failure to comply with notice

If the Defaulting Party fails to comply with a notice given under clause 6.6, the Non-Defaulting Party may without limiting its other rights or remedies available under this agreement or at law:

- (a) immediately terminate this agreement, in which case the Non-Defaulting Party may seek damages for breach of this agreement; or
- (b) seek specific performance of this agreement, in which case:
 - (i) if specific performance is obtained the Non-Defaulting Party may also seek damages for breach of this agreement; and
 - (ii) if specific performance is not obtained the Non-Defaulting Party may then terminate this agreement in which case the Non-Defaulting Party may seek damages for breach of this agreement.

6.8 Title and risk

Beneficial ownership of and risk in the Shares will pass from the Sellers to the Buyer on Completion.

7. Adjustment to Purchase Price

7.1 Preparation and delivery of draft Completion Working Capital and Net Debt Statement

The Sellers' Representative must prepare and deliver to the Buyer no later than 20 Business Days after Completion the draft of the Completion Working Capital and Net Debt Statement in the form and including the items specified in Part A of Schedule 5 and prepared in accordance with:

- (a) the specific principles and policies set out in Part B of Schedule 5;
- (b) to the extent that the treatment of any item is not dealt with in the principles and policies referred to in clause 7.1(a), those accounting principles, policies and practices adopted by the Company in the preparation of the Last Accounts, but taking into account that not all line items in the Last Accounts will be included in the draft Completion Working Capital and Net Debt Statement; and
- (c) to the extent that the treatment of any item is not dealt with in the principles and policies referred to in clauses 7.1(a) or 7.1(b), the Accounting Standards in force as at Completion.

For the avoidance of doubt, the draft Completion Working Capital and Net Debt Statement must be prepared without taking into account any event occurring after Completion other than specifically outlined in the specific principles and policies set out in Part B of Schedule 5.

7.2 Assistance from the Company

The Buyer must from the Completion Date until the Completion Working Capital and Net Debt Statement has been finalised in accordance with this clause 7 procure that the Company provides all assistance reasonably required to enable the Sellers' Representative to comply with the provisions of clause 7.1, including by providing access to the Sellers' Representative and their professional advisers to the Records, the employees of the Company and the Properties.

7.3 Buyer's response to Draft Completion Working Capital and Net Debt Statement

- (a) The Buyer must within 20 Business Days after the date on which it receives the draft Completion Working Capital and Net Debt Statement give to the Sellers' Representative either:
- (i) a notice stating that the Buyer agrees with the draft Working Capital and Net Debt Statement; or
 - (ii) a notice stating that the Buyer does not agree with the draft Completion Working Capital and Net Debt Statement and specifying:
 - (A) each item in the draft Completion Working Capital and Net Debt Statement that it disputes (**Disputed Item**);
 - (B) the grounds on which it disputes each Disputed Item; and
 - (C) the proposed adjustment to each Disputed Item,provided that the Buyer may not give such notice unless the amount of the proposed adjustment exceeds \$10,000 and the aggregate amount of all proposed adjustments exceeds \$50,000 (**Dispute Notice**).
- (b) If the Buyer gives notice under clause 7.3(a)(i) or if at the conclusion of the 20 Business Day period referred to in this clause 7.3 the Buyer has not given a notice under clause 7.3(a)(i) or a Dispute Notice under clause 7.3(a)(ii) then the draft Completion Working Capital and Net Debt Statement will be conclusive, final and binding on the parties.

7.4 Negotiation of Disputed Items

If the Buyer gives a Dispute Notice under clause 7.3(a)(ii) then:

- (a) the draft Completion Working Capital and Net Debt Statement is final and conclusive of all matters specified in it except for the Disputed Items;
- (b) the Buyer and the Sellers' Representative must confer and use reasonable endeavours to resolve each Disputed Item;
- (c) if any Disputed Item is not resolved within 20 Business Days after the date that a Dispute Notice is given under clause 7.3(a)(ii) then either party may give a notice to the other party stating that it requires the Disputed Item to be determined by expert determination in accordance with clause 7.5; and
- (d) if neither party gives a notice under clause 7.4(c) within 30 Business Days after the date that a Dispute Notice is given under clause 7.3(a)(ii) then the draft Completion Working Capital and Net Debt Statement is to be adjusted to reflect the resolution of any Disputed Items under clause 7.4(b) and will be final and conclusive of all matters specified in it.

7.5 Expert determination

Any expert determination of a Disputed Item must be conducted in accordance with the following provisions:

- (a) the expert must be a person (or firm of accountants):
 - (i) agreed between the parties; or
 - (ii) failing agreement between the parties within 10 Business Days after the referral to expert determination, a person from a 'top four' accounting firm, independent of the parties, with relevant experience and expertise in respect of the Disputed Item,

(Expert);

- (b) the Expert must make the determination in accordance with the terms of this agreement;
- (c) the Expert will act as an independent expert and not as an arbitrator;
- (d) the Expert must decide the procedure to be followed;
- (e) the Expert must make the determination within the shortest possible time but, in any event, within 30 Business Days after the date of appointment;
- (f) the Buyer and the Sellers' Representative must provide the Expert with any information and assistance reasonably required by the Expert to determine the Disputed Items referred to the Expert;
- (g) all correspondence between a party and the Expert must be in writing and copied to the other parties;
- (h) the Buyer and the Sellers and the Sellers' Representative must keep all information disclosed during the expert determination confidential;
- (i) the Expert must issue a written determination containing reasons;
- (j) the determination of the Expert will be final and binding in the absence of manifest error; and
- (k) the costs of the Expert are payable by the Buyer and the Sellers in any manner decided by the Expert, having regard solely to the merits of the dispute.

7.6 Adjustment of draft Completion Working Capital and Net Debt Statement

The draft Completion Working Capital and Net Debt Statement is to be adjusted to reflect the resolution of any Disputed Items under clause 7.4 or 7.5 and will constitute the final, conclusive and binding Completion Working Capital and Net Debt Statement.

8. Warranties

8.1 Warranties

- (a) Subject to clause 8.1(b), each Seller severally warrants to the Buyer that each Warranty is true and correct at the Signing Date, and will be true and correct as at the time immediately before Completion, unless the Warranty is expressed to be given only at a particular time in which case it is given as at that time.

- (b) Each Seller gives the Seller Title and Authority Warranties in respect of itself only, and not in respect of any other Seller.

8.2 Effect of Warranties

Each Seller acknowledges and agrees that:

- (a) the Buyer is entering into this agreement and will perform its obligations under this agreement in reliance of the Warranties;
- (b) each Warranty is to be treated as a separate Warranty and is not limited by reference to any other Warranty or any other provision of this agreement; and
- (c) each Warranty remains in full force and effect after Completion, and the Buyer's rights and remedies in respect of the Warranties are not affected by Completion.

8.3 Indemnity for breach of Warranties

8.4 Subject to clauses 1.4 and 9 (including without limitation clause 9.8(b)), each Seller severally indemnifies the Buyer from all Liability which the Buyer suffers or incurs by reason of any of the Warranties being untrue or incorrect and this will be the Buyer's sole remedy in relation to this agreement in respect of such breach. **Indemnities to a Buyer Group Member**

Despite the Buyer Group Members not being parties to this agreement, the Buyer:

- (a) holds on trust for each Buyer Group Member, the benefit of each indemnity given by the Sellers under this agreement to a Buyer Group Member; and
- (b) may enforce that indemnity directly against the Sellers on behalf of each Buyer Group Member.

8.5 Buyer's agreement

The Buyer agrees that:

- (a) the Buyer and its Representatives have had the opportunity to conduct due diligence in respect of the Company and the Business, including a review of the Due Diligence Materials;
- (b) the Buyer has independently and without the benefit of any statement, representation, inducement or warranty (other than the Warranties and other representations, warranties and undertakings expressly set out in this agreement) from or made by or on behalf of any Seller, determined to enter into this agreement;
- (c) no Seller is under any obligation to provide the Buyer with any information on the future financial performance or prospects of the Company or the Business and if the Buyer has received any opinions, estimates, projections, business plans, budget information or other forecasts in respect of the Company or the Business from any person, then it agrees that:
 - (i) there are uncertainties inherent in attempting to make these estimates, projections, business plans, budgets and forecasts and they are familiar with these uncertainties;
 - (ii) they are taking full responsibility for making their own evaluation of the adequacy and accuracy of all estimates, projections, business plans, budgets and forecasts in respect of the Company or the Business; and
 - (iii) the Sellers are not liable for any Claim arising from any opinions, estimates, projections, business plans, budgets or forecasts in respect of the Company or the Business or any reliance on them;

- (d) none of the Sellers:
 - (i) owes or accepts any duty of care to the Buyer in respect of any disclosure or the provision of any information; and
 - (ii) except as expressly provided in this agreement, is liable to the Buyer if, for whatever reason, any disclosed information is or becomes inaccurate, incomplete or misleading in any way; and
- (e) to the maximum extent permitted by law and except as expressly provided in this agreement, all terms, conditions, statements, representations and warranties (other than the Warranties and other representations, warranties and undertakings expressly set out in this agreement), whether express, implied, written, oral, collateral, statutory or otherwise, are excluded, and, to the maximum extent permitted by law, and each Seller disclaims all Liabilities to them.

8.6 Warranties by the Buyer and Beca Group

The Buyer and Beca Group each warrants to the Sellers:

- (a) that each Buyer Warranty is correct as at the date of this agreement and will be true and correct as at the time immediately prior to Completion unless the Buyer Warranty is expressed to be given only at a particular time in which case it is given as at that time; and
- (b) that as at the date of this agreement it has no actual knowledge of any breach of any Warranty or any other fact, matter or circumstance that would be reasonably likely to result in a Claim being made against the Sellers.

8.7 No representation

- (a) The parties acknowledge and agree that all warranties provided in this agreement are contractual promises only and do not amount to representations on which any party has relied when entering this agreement.
- (b) To the maximum extent permitted by law, the parties agrees not to make and waives any right it may have to make any Claim against the other parties under any provision of the Corporations Act (including section 1041H of the Corporations Act), the *Competition and Consumer Act 2010* (Cth) (including sections 18, 20, 21, 22 and 29 of Schedule 2 (Australian Consumer Law) of that Act), the *Australian Securities and Investments Commission Act 2001* (Cth) (including subdivision 121 of that Act), or any similar provisions in the legislation of any Australian State or Territory or the Commonwealth of Australia or New Zealand or in any other applicable law.

9. Limitations of liability

9.1 Disclosure and knowledge

The Sellers are not liable in respect of a Claim to the extent that the fact, matter or circumstance giving rise to the Claim:

- (a) is Fairly Disclosed or described in this agreement;
- (b) is Fairly Disclosed in the Due Diligence Materials or the Disclosure Letter;
- (c) would have been disclosed to the Buyer had the Buyer, conducted searches on the dates listed below of the public records maintained by:
 - (i) ASIC on 1 April 2022;

- (ii) the Australian Personal Property Securities Register on 1 April 2022;
- (iii) the High Court on 1 April 2022;
- (iv) Federal Court of Australia and Federal Circuit Court on 1 April 2022;
- (v) the Queensland Supreme Court and Queensland District Court on 1 April 2022;
- (vi) the Supreme Court of each other state and territory in Australia on 1 April 2022; and
- (vii) Intellectual Property Australia on 1 April 2022; or

(d) was actually known by a Key Buyer Representatives at the Signing Date.

9.2 Time limits for Claims

The Sellers are not liable in respect of a Claim unless:

- (a) the Buyer gives the Sellers' Representative a Claim Notice on or before the corresponding date below;
 - (i) in the case of a Warranty Claim – 3 years following the Completion Date; and
 - (ii) in the case of a Tax Claim or a Title and Capacity Warranty Claim – 7 years following the Filing Date; and
- (b) within 9 months after the Claim Notice is received by the Sellers either the Claim has been satisfied or settled or the Buyer has commenced legal proceedings against the Sellers in respect of the Claim.

9.3 Minimum amount for Claims

The Sellers are not liable in respect of a Claim unless:

- (a) in the case of a Title and Capacity Warranty Claim, the amount that the Buyer would be entitled to recover in relation to that Claim is at least \$1.00; and
- (b) for all other Claims, the amount that the Buyer would be entitled to recover in relation to that Claim is at least \$24,000.

9.4 Threshold for Claims

The Sellers are not liable in respect of a Claim unless:

- (a) in the case of a Title and Capacity Warranty Claim, the aggregate amount that the Buyer would be entitled to recover in relation to all Claims is at least \$1.00; and
- (b) for all other Claims, the aggregate amount that the Buyer would be entitled to recover, but for this clause 9.4, in relation to all Claims is at least \$120,000, in which case the Sellers are liable for the amount of the excess. Multiple Claims of the same or similar nature arising out of the same or similar Warranty Claim will be treated as one Claim.

9.5 Insurance coverage

If any Buyer Group Member has a right to recover under any contract of insurance in respect of any fact, matter or circumstance giving rise to the Claim, the Sellers are not liable in respect of that Claim to the extent that the relevant Buyer Group Member recovers from the relevant insurer.

9.6 Other limitations

The Sellers are not liable in respect of any Claim to the extent that:

- (a) the fact, matter or circumstance giving rise to the Claim is adequately provided for or otherwise taken into account in the Last Accounts, the Management Accounts or the Completion Working Capital and Net Debt Statement;
- (b) the Liability giving rise to the Claim is recovered by any Buyer Group Member under another Claim or is made good or otherwise compensated for without cost to any Buyer Group Member;
- (c) the circumstances giving rise to the Claim are remedied by the Sellers to the reasonable satisfaction of the Buyer within 20 Business Days after receiving notice of the Claim from the Buyer;
- (d) the Claim arises directly out of anything done or omitted to be done in accordance with the terms of this agreement or with the prior written approval of the Buyer;
- (e) the Claim arises directly out of any voluntary act, omission or transaction carried out after Completion by or on behalf of any Buyer Group Member other than a transaction, action or omission which is under a legally binding commitment created on or before Completion, in the ordinary course of the Business or is reasonably required to comply with any Law;
- (f) the Claim arises directly out of any change after Completion in the accounting policies or practices applied by any Buyer Group Member (except if those changes are reasonably required to comply with applicable Accounting Standards);
- (g) the Claim arises from a change in any legislation or regulation, any judicial or administrative interpretation of the law or any practice or policy of a Regulatory Authority after the date of this agreement (whether or not retrospective in effect);
- (h) the Claim arises from a cessation of or a significant change in the nature of the business of the Company after Completion undertaken by or at the direction of the Buyer; or
- (i) the amount of the Claim is increased as a result of the failure of the Buyer to comply with its obligations under clause 9.16 in respect of the Claim.

9.7 No reliance on Forward Looking Information

Each party acknowledges that neither party has made or makes, and no person has relied on, any express or implied representation as to:

- (a) Forward Looking Information; or
- (b) the accuracy, completeness or reasonableness of any Forward Looking Information, or of any assumptions on which it is based,

and no party is liable to any other party for any Claim or Liability resulting from such reliance.

9.8 Maximum recovery

- (a) Subject to clause 9.16, the maximum aggregate amount recoverable by the Buyer from the Sellers:
 - (i) in relation to Warranty Claims in respect of Title and Capacity Warranties, is 100% of the Purchase Price;

- (ii) and in relation to all other Warranty Claims and Tax Claims, is the W&I Insured Amount.
- (b) Notwithstanding any other clause in this agreement, the Buyer agrees that the total aggregate amount recoverable by the Buyer from each Seller under or in connection with this agreement (including all Claims, breaches of Warranties, the General Indemnity and the Tax Indemnity) is limited to 100% of that Seller's Respective Proportion of the Purchase Price.

9.9 Rights against third parties

If the Sellers have made a payment to the Buyer in relation to any Claim and any Buyer Group Member has or subsequently obtains a right to recover an amount from any person other than the Sellers in connection with the fact, matter or circumstance that gave rise to the Claim, the Buyer must:

- (a) promptly notify the Sellers of that right of recovery and provide in reasonable detail the information (excluding any information subject to legal privilege) in relation to the circumstances giving rise to that right as the Sellers may reasonably require; and
- (b) take or procure that the relevant Buyer Group Member takes all reasonable steps to enforce that right of recovery.

9.10 Reimbursement of benefits subsequently received

If the Sellers have made a payment to the Buyer in respect of a Claim (**Claim Amount**) and after that payment is made any Buyer Group Member receives any payment, benefit or credit (including any benefit in relation to Tax) by reason of the fact, matter or circumstance to which the Claim relates (**Recovery Amount**), then the Buyer must as soon as reasonably practicable repay to the Sellers an amount equal to the lesser of the Claim Amount and the Recovery Amount less:

- (a) all costs incurred by any Buyer Group Member in recovering the Recovery Amount (including any increase in insurance premiums in respect of future periods); and
- (b) any Tax payable by any Buyer Group Member as a result of receiving the Recovery Amount.

9.11 Mitigation

Nothing in this agreement relieves any person from any duty at law to mitigate any Liability that it may suffer or incur as a result of any breach of this agreement (including a breach of any Warranty).

9.12 Exclusion of certain Liabilities

- (a) No party is liable to any other party for any indirect Liability resulting from a breach of this agreement (including a breach of any Warranty) which is loss of opportunity, loss of business reputation, loss of future reputation or adverse publicity, damage to credit rating, loss of goodwill or remote loss (**Consequential Loss**).
- (b) Each Seller acknowledges and agrees that the following are not Consequential Losses. They are direct losses contemplated by the parties, and the Buyer is entitled to recover them under this Agreement:
 - (i) direct loss of profits, direct loss of revenue or direct loss of production;
 - (ii) loss arising naturally and in the ordinary course of things from the breach; and
 - (iii) diminution of the value of the Shares arising from a direct loss or which otherwise has arisen naturally and in the ordinary course of things from the breach.

9.13 No action against officers and employees

- (a) Subject to clause 9.13(b), each Seller, the Company and the Buyer waives, all rights and claims that it may have personally against the current and former officers and employees of the Company, each Seller or any Representative of a Seller (each a **Released Person**) in relation to any matter arising directly in connection with the sale of the Shares except to the extent that such rights and claims relate to the breach by the Released Person of a contractual arrangement he or she has entered into directly with the Seller or Buyer (as applicable).
- (b) The parties acknowledge and agree that:
 - (i) each Seller has sought and obtained this waiver as agent for and on behalf of each Released Person and holds the benefit of this clause 9.13 as trustee for them;
 - (ii) the provisions of this clause 9.13 may be enforced by any Seller on behalf of and for the benefit of each Released Person and those persons may plead this clause 9.13 in answer to any claim made by a Buyer Group Member against them;
 - (iii) this clause 9.13 does not impact any right the Buyer has against a Seller under this agreement; and
 - (iv) this clause 9.13 does not apply to the extent of any fraud or evasion, dishonest or wilful misconduct by the Released Person.

9.14 Circumstances where limitations not to apply

Other than clause 9.8(b), none of the limitations in this clause 9 apply to any Claim to the extent that it arises out of, or is increased as a result of:

- (a) a breach of any of the Warranties set out in paragraphs 1 and 2 of Schedule 3; or
- (b) any fraud, dishonest or wilful misconduct by the Sellers or any of its Representatives.

9.15 Warranty Claim payments

Any payment made in respect of a Warranty Claim is deemed to be a reduction in the Purchase Price.

9.16 W&I Insurance

Notwithstanding any provision to the contrary in this agreement:

- (a) the Buyer agrees that it must not make, and waives any right it may have to make any Claim, and must not make a Claim and must procure that none of its Related Entities make a Claim, against any Seller arising out of or in connection with a breach of a Warranty, the General Indemnity or a Tax Claim except to the extent that any of the following applies:
 - (i) to the extent required to permit or facilitate a Claim (including a Tax Claim) by the Buyer under an insurance policy, but only on the basis that the Sellers must have no Liability in excess of \$1.00 in relation to the facts and circumstances of that Claim or any other claim for breach of Warranty or under the General Indemnity or a Tax Claim;
 - (ii) subject to clause 9.16(e), the Claim relates to a breach by the Seller of any of the Title and Capacity Warranties and then only to the extent it relates to those Warranties; or

- (iii) the Claim arises out of or is increased by, any fraud, dishonesty or wilful misconduct by or, in relation to a breach of a Tax Warranty or a Tax Claim, evasion by, the Seller against whom the Claim is made or (other than for Claim in relation to a breach of a Seller Title and Authority Warranty) a Key Employee;
- (b) the Buyer must obtain a W&I Policy with effect from the date of this agreement – for the avoidance of doubt, any purchase of the W&I Policy by the Buyer, or failure to obtain any warranty and indemnity insurance (including the W&I Policy) by the Buyer, or any combination of the above, will not in any way limit, affect, or otherwise prejudice clause 9.16(a);
- (c) the Buyer is liable for the W&I Insurance Premium; and
- (d) the Buyer acknowledges that:
 - (i) to the extent it is not able to recover under the W&I Policy in respect of a Claim against a Seller arising out of or in connection with a breach of a Warranty, the General Indemnity or a Tax Claim (whether for all or part of such Claim and including in relation to any loss which is excluded (either wholly or partly) or otherwise qualifies under the W&I Policy), the Buyer must not (other than as permitted under clause 9.16(a)), make a Claim against any Sellers, and must procure that none of its Related Entities make a Claim against any Seller, in relation to the subject matter of that Claim;
 - (ii) the Sellers have entered into this agreement and will complete this agreement in reliance on the Buyer having obtained the W&I Policy; and
 - (iii) there is no excess payable by any Seller under the W&I Policy;
- (e) a Seller's liability under clause 9.16(a)(ii) is limited, to the amount equal to:
 - (i) that Seller's Respective Proportion of the Purchase Price; less
 - (ii) that Seller's Proportion of any amount that has been paid by the W&I Insurer to or for the benefit of the Buyer in relation to Claims for any breach of any of the Title and Capacity Warranties given by that Seller,

and, for the avoidance of doubt, any such Claim may only be for the amount that such Claim exceeds the W&I Insured Amount;
- (f) the Buyer must ensure that at all times the W&I Policy includes terms to the following effect:
 - (i) that the W&I Insurer underwrites the W&I Policy on the basis of the limitation of liability regime contained in this agreement and on the basis that, other than in respect of clauses 9.1, 9.5, 9.6 and 9.8, the limitations in clause 9 are to be ignored in determination of whether or not the W&I Policy responds in respect of any Claim;
 - (ii) an express waiver of the W&I Insurer's rights of subrogation, contribution and rights acquired by assignment against the Sellers, except to the extent that the Claim arises directly from the fraud or wilful misconduct of any of the directors or officers of any Seller; and
 - (iii) an acknowledgement by the W&I Insurer that the Sellers are entitled to directly enforce the waivers referred to in clause 9.16(f)(ii) and that in respect of those waivers the Buyer contracts in its own right and as agent of the Sellers;

- (g) the Buyer agrees that it will not do anything to materially vitiate the W&I Policy or do anything which causes any material right under the W&I Policy not to have force and effect in accordance with its terms;
- (h) the parties acknowledge and agree that:
 - (i) if the W&I Insurer elects to take control of the whole or any part of a Claim under this agreement, the W&I Insurer is entitled to take over the conduct of that Claim and the Sellers agree to forego any and all rights which they have in respect of the conduct of that Claim; and
 - (ii) notwithstanding that the Buyer is or may be unable to pursue or obtain any remedy under the W&I Policy, whether due to policy exceptions or exclusions, validity (including, without limitation if the W&I Policy is invalid due to the insolvency, breach or default of any person), creditworthiness or otherwise, the provisions of this clause 9.16 will still apply; and
- (i) the Buyer must not amend the W&I Policy, without the prior written consent of the Sellers' Representative, in a manner which prejudices the coverage (including as to term and liability limit) of such policy;
- (j) the parties acknowledge and agree that the Buyer is, and any other Buyer Group Member are, entitled to make claims in accordance with the procedures set out in the W&I Policy and, in respect of any such claim and any related claim against a Seller, the Buyer Group Members will not be required to comply with any procedures for making a claim set out in this agreement to the extent of any inconsistency with the W&I Policy or to the extent it would prejudice any claim or other entitlement of the Buyer (as insured) or any other person to whom the W&I Policy extends protection, under the W&I Policy (including any inconsistency arising from clause 9);
- (k) if the W&I Insurer elects to take control of the whole or any part of a Claim, the parties acknowledge and agree that the W&I Insurer is entitled to take over conduct of that Claim and the Sellers will waive any and all rights which they may have in respect of the conduct of that Claim except to the extent that the Claim relates to a matter which is specifically excluded under the W&I Policy;
- (l) if the Buyer makes a Claim against a Seller where it is permitted to do so under clause 9.16(a), the Sellers are not entitled to make a Claim for contribution upon, or for an indemnity by, a Buyer Group Member, or any person acting for or on behalf of any Buyer Group Member, including any officer, employee, contractor, professional advisor or agent of such; and
- (m) the Buyer acknowledges that this clause 9.16 is for the benefit of both the Buyer and the Sellers and agrees that the Sellers may enforce the provisions of this clause 9.16 separately or together with any other Seller, provided that the Sellers notify of the Buyer of any such enforcement action.

10. Escrow arrangements

10.1 Escrow Deed and escrow account

On or before Completion, the Buyer and the Sellers must:

- (a) execute, and ensure that the Escrow Agent executes, the Escrow Deed, and deliver it to the other parties; and
- (b) procure that the CAA Escrow Account is opened by the Escrow Agent under the Escrow Deed.

10.2 Available for Completion Adjustment Amount

- (a) Subject to clause 10.2(b), the CAA Escrow Balance is available to meet the Sellers aggregate Respective Proportions of payment of the Completion Adjustment Amount under clause 4.3(b)(ii).
- (b) Where there is any shortfall under clause 10.2(a), the Sellers will be liable for their Respective Proportions of payment of the Completion Adjustment Amount under clause 4.3(b)(ii).

10.3 Completion Adjustment Amount

Within 10 Business Days after any payment is due and payable to the Buyer for payment of the Completion Adjustment Amount under clause 4.3(b)(ii), the Escrow Agent must pay the lower of these amounts to the Buyer from the CAA Escrow Balance:

- (a) the amount due to the Buyer pursuant to clause 10.2 for the Completion Adjustment Amount under clause 4.3(b)(ii); and
- (b) the CAA Escrow Balance.

10.4 Release of CAA Escrow Balance

Within 10 Business Days after the end of the CAA Escrow Period, the Escrow Agent must release the CAA Escrow Balance to the Sellers in their Respective Proportions.

11. Period after Completion

11.1 D&O insurance

- (a) The Sellers must procure that the Company, on or prior to Completion, arranges and effects (including payment of any premium) directors and officers liability run off insurance, on terms no less favourable than the current policy terms, which is to be taken out in the name of and/or for the benefit of the Company, to cover, with effect on and from Completion for a period of at least 7 years, the Company,, retiring officers and other individuals protected as insured persons under the current directors and officers insurance policy for the Company in force or expiring as at Completion (**Run Off Policy**).
- (b) Subject to Completion, the Buyer and the Company undertake that they will:
 - (i) not amend or cancel the Run Off Policy at any time after Completion unless such amendment or cancellation is agreed in writing between the Company and all relevant officers and other protected individuals;
 - (ii) procure that the Company continues to comply with the deeds of indemnity, access and insurance entered by the Company in favour of its officers and in force immediately prior to Completion; and
 - (iii) not do anything or fail to do anything, that would entitle the insurer of the Run Off Policy to cancel, qualify or avoid cover or to deny or reduce their liability for any covered claim.

11.2 Other recoveries

The Buyer must pay to the Sellers in their Respective Proportion any amount received by the Company in relation to any insurance claim receivable or debtor (as contemplated in Parts B.2(c)(vi) and B.3(b) of Schedule 5 within 10 Business Days of the Company receiving such payment.

12. Not used

13. Tax Claims

13.1 Notice of Tax Claim

- (a) Subject to clause 13.1(b), the Buyer must, and must procure that the Company must, notify the Sellers Representative within 30 Business Days of becoming aware of a Tax Claim, providing:
 - (i) the amount of the Tax Claim (where known);
 - (ii) a description in reasonable detail of the nature of the Tax Claim; and
 - (iii) a copy of any documents or documents it has that are issued by a Taxation Authority in respect of the Tax Claim.
- (b) Failure by the Buyer to notify, or to procure that the Company notifies, the Sellers Representative of a Tax Claim in accordance with this clause 13.1 does not prevent the Buyer from making a Tax Claim under this agreement, however the Sellers' liability for the Tax Claim will be reduced to the extent that any failure by the Buyer to comply with this clause 13.1 has increased the amount of the Tax Claim.
- (c) Following receipt of a notice under clause 13.1(a) in respect of a Tax Claim, the Sellers may, by written notice to the Buyer by the Sellers Representative no later than 10 Business Days before the due date for payment of the relevant Tax Claim advise the Buyer that it wishes to dispute, defend, object to, contest, appeal, compromise or settle the Tax Claim at its sole cost (including any administrative penalties or general interest charges levied under the relevant Tax Acts which may also be payable due to any delay in payment due to the appeal process).

13.2 Tax Claims process

- (a) Subject to clauses 13.2(d) and 13.5, the Buyer must, if requested in writing by the Sellers' Representative, ensure that the Sellers will have the primary control of the conduct of any action to dispute, defend, object to, contest, appeal, compromise or settle the Tax Claim, and shall be free to pay or settle the Tax Claim on such reasonable terms as the Sellers determine.
- (b) The Sellers agree to keep the Buyer fully informed of any proposed conduct under clause 13.2(a) and provide the Buyer with at least 30 Business Days for the Buyer to determine whether or not the Buyer and its registered tax agent agrees with any proposed course of action.
- (c) The Buyer must provide any reasonable assistance to the Sellers (at the Sellers' expense) in relation to the Sellers' control of the conduct of any action to dispute, defend, object to, contest, appeal, compromise or settle the Tax Claim, including access to the Company's personnel and records.
- (d) Where the Buyer provides the Sellers with written notice of its disagreement under clause 13.2(b) with a proposed course of action under clause 13.2(a), subject to the Buyer indemnifying and securing the Sellers against all Liabilities which may be incurred (including any additional Tax), the Sellers may, but are not obliged to, take such action as the Buyer reasonably requests in disputing, defending, objecting to, contesting, appealing, compromising or settling the Tax Claim.

- (e) Subject to clause 13.2(d), any costs or expenses (including any administrative penalties or general interest charges levied under the relevant Tax Acts which may also be payable due to any delay in payment due to the appeal process) in relation to the Sellers' conduct of any action to dispute, defend, object to, contest, appeal, compromise or settle the Tax Claim under this clause 13.2 will be borne by the Sellers provided that the Sellers provide security for payment in a form reasonably acceptable to the Buyer.
- (f) Unless required by law, the Buyer must not (and must ensure the Company and each of their related bodies corporate do not), following Completion, disclose any information or material to a Taxation Authority in relation to matters that arose prior to the Completion Date without the prior written consent of the Sellers Representative (such consent not to be unreasonably withheld or delayed).

13.3 Tax returns

- (a) Subject to clause 13.3(b) , the Sellers must procure that the Company prepares the Tax lodgements (if any) for the Company for any tax period ending on or before Completion (**Pre-Completion Returns**), so that they may be lodged with the relevant Taxation Authority (on behalf of the Company) at the latest, by the last day on which they can be lodged without the imposition of any penalties or interest charges, and the Sellers must ensure that the Company will:
 - (i) prepares and submits tax claims in all relevant jurisdictions, elections, surrenders, disclaimers, notices and consents in all jurisdictions on behalf of the Company for the year ending 30 June 2021;
 - (ii) deals with all Tax matters which affect the Company (including the conduct of negotiations and correspondence and agreements with the relevant Taxation Authority) in respect of the year ending 30 June 2021;
 - (iii) ensures that each Pre-Completion Return is prepared in a manner consistent with the requirements of any Tax law and the past practice of the Company;
 - (iv) provides the Buyer with a copy of such Pre-Completion Returns for the Buyer's approval (with such approval not to be unreasonably withheld), as soon as it is available but no later than 20 Business Days before it is due to be filed for the Buyer's review and comment; and
 - (v) not file such Pre-Completion Return without the written approval of the Buyer.
- (b) The Buyer must procure the Company to provide any reasonable assistance including access to personnel and records and to do all other things reasonably necessary for the Sellers to perform its obligations under clause 13.3(a)(a).
- (c) The Buyer has, at its own costs and expense, the sole conduct and control of the preparation and filing of all:
 - (i) Tax returns for the Company (except as provided for under clause 13.3(b) for any period that includes but does not end on or before the Completion Date (**Straddle Return**); and
 - (ii) Tax Returns for the Company for any tax period commencing after Completion.
- (d) The Buyer will ensure that each Straddle Return (subject to the Sellers complying with clause 13.3(a)) is filed by the due date for filing.

13.4 Other obligations of the Buyer

The Buyer must:

- (a) as soon as reasonably practicable notify the Sellers' Representative in writing of any notice or commencement of any audit or investigation or exercise of powers under sections 263 or 264 of the *Income Tax Assessment Act 1936* (Cth) or under section 353-10 of Schedule 1 to the *Taxation Administration Act 1953* (Cth) or any dispute with any Taxation Authority in relation to this transaction or in relation to any period up to Completion;
- (b) not, without the written approval of the Sellers' Representative:
 - (i) amend, or permit the self-amendment by the Company of any Tax return in respect of a period, or part thereof, prior to the Completion Date; or
 - (ii) apply for any binding or non-binding advance opinion, determination or ruling in respect of or which in any way relates to an act or omission of, or occurrence affecting, the Company before the opening of business on the Completion Date; and
- (c) provide the Sellers with a copy of Tax assessments or any other documentation issued by a Taxation Authority in respect of the Company for a period, or part thereof, prior to the Completion Date, within 20 Business Days after receipt by the Buyer or the Company (as the case may be).

13.5 Dispute between parties in relation to Tax Claim

- (a) If a dispute arises between the Sellers and the Buyer in respect of a Pre-Completion Return, a Straddle Return or a Tax Claim (including the amount of the Tax Claim) under this clause 13 (and subject to clause 13.5(c)) then, within 15 Business Days of a dispute arising, either the Sellers or Buyer may refer the matter to an Expert with the request that the Expert make a decision on the matter as soon as practicable after receiving any submissions from the Sellers and Buyer setting out:
 - (i) the items in dispute;
 - (ii) as far as possible the amount in dispute; and
 - (iii) in the case of a dispute concerning a Pre-Completion Return or Straddle Return, the adjustments or amendments to the Pre-Completion Return or Straddle Return being sought.
- (b) Where an Expert is appointed:
 - (i) the decision of the Expert is to be conclusive and binding on the parties in the absence of manifest error;
 - (ii) the Sellers and the Buyer agree to each pay one half of the Expert's costs and expenses in connection with the reference; and
 - (iii) the Expert is appointed as an expert and not as an arbitrator. The procedures for determination are to be decided by the Expert in its absolute discretion.
- (c) Where a dispute is in respect of a Pre-Completion Return or a Straddle Return is not resolved before the due date for filing the return or statement:
 - (i) the Seller will in the case of the Pre-Completion Return, ensure that the return is filed as prepared by the Sellers' (except to the extent that the Buyer has obtained an opinion from a suitably qualified tax adviser that an item required by the Sellers in a Pre-Completion Return is inconsistent with the Tax law or generally accepted administrative practice of the relevant Taxation Authority, in which case the Buyers may amend the Pre-Completion Return in accordance with that advice); and

- (ii) the Buyer will, in the case of the Straddle Return, file the return or statement as prepared by the Buyer; and

in either case, ensure that an amended return, which reflects the resolution of the disputed items under this clause 13.5 is filed promptly after the disputed items are resolved (if required having regard to the terms of the resolution of the disputed items).

13.6 Tax liability of the Company

- (a) Subject to clauses 1.4 and 9 (including without limitation clause 9.8(b)) and 13.6(b), each Seller severally indemnifies the Buyer against, and must pay the Buyer on demand, the amount of any:
 - (i) Tax payable by the Company (whether payable before, on or after Completion), to the extent that the Tax relates to the period, or part period, prior to and including Completion or any act, transaction, event or omission, or an instrument executed or performed, on or prior to Completion; and
 - (ii) Tax Costs incurred by or on behalf of the Company, to the extent that those Tax Costs arise from or relate to any of the matters for which the Sellers may be liable under clause 13.6(a)(i).
- (b) For the avoidance of doubt, the Sellers are not liable under clause 13.6(a) to the extent that a Liability:
 - (i) has been included in a Tax return lodged before Completion; or
 - (ii) has been provided for in the Completion Working Capital and Net Debt Statement.
- (c) For the avoidance of doubt, the Buyer is entitled to bring a Claim either on an indemnity basis under this clause, or on a contractual basis for breach of a Tax Warranty or both, provided the Buyer is only entitled to payment once in respect of the same Liability.
- (d) All amounts payable by the Sellers to the Buyer or the Company under the Tax Indemnity must be paid by the later of:
 - (i) the date which is five Business Days before the due date for payment of the Tax liability to which the Claim relates (or before any extended due date for payment permitted); and
 - (ii) the date which is 15 Business Days after notice of the Claim is provided to the Sellers' Representative.

13.7 Tax liability of the Company gross up

If the Sellers are liable to pay an amount to the Buyer pursuant to this agreement and:

- (a) that payment is subject to a withholding or deduction for or on account of Tax; or
- (b) the receipt of that payment is subject to Tax,

then the payment must be grossed up by such an amount as is necessary to ensure that the net amount retained by the recipient after any such withholding or deduction or payment of Tax and net of any Tax credit equals the amount the recipient would have retained had there been no withholding or deduction or Tax payable.

14. Confidentiality

14.1 No announcement or other disclosure of transaction

Except as permitted by clause 14.2:

- (a) the Sellers must keep confidential, and must until Completion procure that the Company and each of their respective Representatives, keeps confidential, the existence of and the terms of this agreement and all negotiations between the parties in relation to the subject matter of this agreement and all other information given to it under this agreement; and
- (b) the Buyer must keep confidential, and must procure that each Buyer Group Member and each of their respective Representatives keeps confidential, the existence of and the terms of this agreement, all negotiations between the parties in relation to the subject matter of this agreement and until Completion all other information given to it under this agreement.

14.2 Permitted disclosure

Nothing in this agreement prevents a person from disclosing matters referred to in clause 14.1:

- (a) if disclosure is required to be made by law or the rules of a recognised stock or securities exchange and the party whose obligation it is to keep matters confidential or procure that those matters are kept confidential:
 - (i) has not through any voluntary act or omission (other than the execution of this agreement) caused the disclosure obligation to arise; and
 - (ii) has before disclosure is made notified each other party of the requirement to disclose and, where the relevant law or rules permit and where practicable to do so, given each other party a reasonable opportunity to comment on the requirement for and proposed contents of the proposed disclosure;
- (b) if disclosure is made by way of a written announcement the terms of which have been agreed in writing by the Buyer and the Sellers Representative prior to the making of the announcement;
- (c) if disclosure is reasonably required to enable a party to perform its obligations under this agreement;
- (d) to any professional adviser of a party who has been retained to advise in relation to the transactions contemplated by the Transaction Documents or to the auditor or insurers of a party;
- (e) to any financier who has made a bona fide proposal to provide finance to a party in relation to the transactions contemplated by any Transaction Document;
- (f) with the prior written approval of each party (and the in the case of the Sellers, the Sellers' Representative is authorised to provide any such approval on behalf of the Sellers) other than the party whose obligation it is to keep those matters confidential or procure that those matters are kept confidential;
- (g) where the matter has come into the public domain otherwise than as a result of a breach by any party of this agreement; or
- (h) where permitted by a Confidentiality Agreement or consented to by a party in accordance with such Confidentiality Agreement.

14.3 PPSA confidentiality and waiver

- (a) Without limiting any other provision in this clause 14, if this agreement creates, gives rise to, or provides for, a Security Interest, each party agrees that, to the extent permitted by law:
 - (i) it will not disclose information of the kind mentioned in section 275(1) of the PPSA in response to a request made pursuant to that section, except in the circumstances required by sections 275(7)(b) to (e) of the PPSA;
 - (ii) nothing in this agreement is to be construed as constituting the consent of a party to the disclosure of information for the purpose of section 275(7) of the PPSA; and
 - (iii) it will not authorise the disclosure of information under section 275(7)(c) of the PPSA or request information under section 275(7)(d) of the PPSA (as applicable).
- (b) If a party is a grantor in relation to a Security Interest created or arising under, or provided for in, this agreement, it waives its right under section 157 of the PPSA to receive a notice of any verification statement relating to the Security Interest.

15. Termination

15.1 Termination by Buyer

The Buyer may terminate this agreement at any time before Completion:

- (a) in accordance with clause 2.5 or clause 6.7; or
- (b) by notice to the other parties if there is a breach of the Warranty set out in paragraph 2.3 or 2.4 of Schedule 3,

but is not entitled to terminate or rescind this agreement for any other reason (including if there is a breach of any other Warranty before Completion).

15.2 Termination by Sellers

The Sellers may terminate this agreement at any time before Completion:

- (a) in accordance with clause 2.5 or clause 6.7; or
- (b) by notice to the other parties if there is a breach by the Buyer of the Buyer Warranty set out in paragraph 1.3 of Schedule 4,

but is not entitled to terminate or rescind this agreement for any other reason.

15.3 Effect of termination

If this agreement is terminated, then:

- (a) the provisions of this agreement will cease to have effect except for the provisions of clauses 1, 14.1 and 14.2, this clause 14.3(b) and clauses 17 to 18 which will survive termination;
- (b) each party retains the rights it has against the others in respect of any breach of this agreement occurring before termination; and
- (c) the Buyer must return to the Sellers all Confidential Information in relation to the Company in its possession.

16. Payments

16.1 Direction

Any reference in this agreement to a payment to any party includes payment to another person at the direction of that party.

16.2 Method of payment

Payment of any amount due under this agreement by any party must be made by the paying party to the recipient party by:

- (a) electronic funds transfer to an account with an Australian bank specified by the recipient party to the paying party at least 3 Business Days before the due date for payment and confirmed by the paying party to the recipient party by notice;
- (b) unendorsed bank cheque drawn on an Australian bank or other immediately available funds; or
- (c) in any other manner reasonably required by the recipient party in writing.

16.3 No deduction

Any payment to be made under this agreement must be made free and clear of any set-off, deduction or withholding, except where that set-off, deduction or withholding is required or compelled by law.

16.4 Foreign resident capital gains

- (a) For the purposes of this clause 16.4:
 - (i) **CGT Withholding Amount** means amounts, if any, determined under section 14-200(3) of Schedule 1 to the TAA which may be payable to the Commissioner under section 14-200(1) of Schedule 1 to the TAA;
 - (ii) **Commissioner** has the meaning given under the TAA; and
 - (iii) **TAA** means the *Taxation Administration Act 1953* (Cth).
- (b) For the purposes of subsection 14-225(2) of Schedule 1 the TAA, by entering into this agreement each of the Sellers declares, for the period beginning from the date of this agreement until Completion, that the Shares are membership interests but not indirect Australian real property interests. If Completion occurs later than the date six months after the date of this agreement, the Sellers' Representative, on behalf of each of the Sellers must deliver to the Buyer, at or before Completion, a further declaration that the Shares are membership interests but not indirect Australian real property interests.
- (c) The Buyer acknowledges and agrees that:
 - (i) clause 16.4(b) constitutes a declaration for the purposes of sections 14-210(3) and 14-225(2) of Schedule 1 to the TAA, given by each of the Sellers to the Buyer;
 - (ii) the Buyer does not know that declaration to be false; and
 - (iii) as a result of the matters referred to in clauses 16.4(c)(i) and 16.4(c)(ii) the Buyer will not:
 - (A) withhold any amount in relation to a CGT Withholding Amount from any payments to be made to the Sellers; or

(B) pay a CGT Withholding Amount to the Commissioner,
in connection with this agreement.

16.5 Default interest

If any party (**Payor**) fails to make a payment to any other party (**Payee**) under this agreement on or before the due date for payment, then, without limiting any other remedy of the Payee, the Payor must pay to the Payee on demand interest on the due amount calculated at 10% per annum, with interest to accrue from the due date to the day immediately before the actual date of payment, calculated daily on the basis of a 365 day year and capitalised monthly.

17. GST

17.1 Interpretation

The parties agree that:

- (a) except where the context suggests otherwise, terms used in this clause 17 have the meanings given to those terms by the GST Act (as amended from time to time);
- (b) 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 17;
- (c) unless otherwise expressly stated, all consideration to be provided under any other provision of this agreement or under any other Transaction Document is exclusive of GST. Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purpose of this clause; and
- (d) a reference to something done (including a supply made) by a party includes a reference to something done by any entity through which that party acts. A reference to the GST payable by an entity or the input tax credit entitlements of an entity will include a reference to the GST payable or input tax credit entitlements of the representative member of any GST group to which that entity may belong.

17.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement or any other Transaction Document 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.

17.3 GST payable

If GST is payable in relation to a supply made under or in connection with this agreement or any other Transaction Document then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must pay an additional amount to the Supplier equal to the amount of that GST at the same time as other consideration is to be provided for that supply or, if later, within 5 Business Days of the Supplier providing a valid tax invoice to the Recipient.

17.4 Variation to GST payable

If the GST payable in relation to a supply made under or in connection with this agreement or any other Transaction Document varies from the additional amount paid by the Recipient under clause 17.3 then the Supplier 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 17.3. Where there is an adjustment event, the Supplier must issue an adjustment note to the Recipient as soon as practicable after the Supplier becomes aware of the adjustment event.

18. Trustees

18.1 Application

This clause applies to each Seller who is identified in Column B of Schedule 1 as being a trustee (**Seller Trustee**) of a trust (each trust being a **Seller Trust**).

18.2 Acknowledgment

Each party acknowledges that each Seller Trustee enters into this agreement in its capacity as a trustee of a Seller Trust.

18.3 Capacity - limitation of liability

- (a) Each Seller Trustee enters into this agreement only in its capacity as trustee of the relevant Seller Trust and in no other capacity.
- (b) Any liability arising under or in connection with this agreement is limited to, and can be enforced against any Seller Trustee only to the extent to which it can be satisfied out of the assets of the relevant Seller Trust from which the Seller Trustee is actually indemnified for the liability.
- (c) This limitation of the Seller Trustees' liability applies despite any other provision of this agreement and extends to all liabilities and obligations of the Seller Trustees in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this agreement but excludes (for the avoidance of doubt) the Deed of Covenant.

18.4 Limited rights to use

No party may sue the Seller Trustees in any capacity other than as trustee of the relevant Seller Trust, including seeking the appointment of a receiver (except in relation to property of the Seller Trust), a liquidator, an administrator, or any similar person to the Seller Trustee or prove in any liquidation, administration or arrangement of or affecting the Seller Trustee (except in relation to property of the relevant Seller Trust).

18.5 Exceptions

The provisions of this clause 18.5 do not apply to any obligation or liability of a Seller Trustee to the extent that it is not satisfied under the deed governing the relevant Seller Trust or by operation of law there is a reduction in the extent of the Seller Trustee's indemnification out of the assets of the relevant Seller Trust, as a result of the Seller Trustee's fraud, negligence or breach of trust.

19. Notices

19.1 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 the Sellers, addressed to the Sellers' Representatives:
- Attention: Paul Thompson
Address: 19 Spit Island Close, Mayfield West New South Wales 2304
Email: paul.thompson@hunterh2o.com.au
- with a copy to Dentons:
- Attention: Geoff Cairns
Address: L16, 77 Castlereagh Street, Sydney NSW 2000
Email: geoff.cairns@dentons.com
- (ii) if to the Buyer:
- Attention: Craig Lee, Managing Director
Address: Level 11, 44 Market Street Sydney NSW 2000
Postal Address: PO Box Q927, Queen Victoria Sydney NSW 1230
Email: craig.lee@beca.com
- with a copy to Maddocks:
- Attention: Stuart Naphthali
Address: Level 27, 123 Pitt Street, Sydney NSW 2000
Email: stuart.naphthali@maddocks.com.au
- (iii) if to Beca Group:
- Attention: Mark Fleming, Chief Financial Officer
Address: 21 Pitt Street, Auckland 1010, New Zealand
Postal Address: PO Box 6345, Victoria St West Auckland 1142
Email: mark.fleming@beca.com
- with a copy to Maddocks:
- Attention: Stuart Naphthali
Address: Level 27, 123 Pitt Street, Sydney NSW 2000
Email: stuart.naphthali@maddocks.com.au
- (iv) if to the Company:
- Attention: Jodie Golledge
Address: 19 Spit Island Close, Mayfield West New South Wales 2304
Email: jodie.golledge@hunterh2o.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) the email must state that it 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 clause 19.1(c).

19.2 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 fifth day after the date of posting;
- (b) (in the case of prepaid post sent to an address in another country) on the eighth 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 this clause 19, 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).

20. Entire agreement

To the extent permitted by law, this agreement constitutes the entire agreement between the parties in relation to its subject matter including the sale and purchase of the Shares and supersedes all previous agreements and understandings between the parties in relation to its subject matter other than in respect of the Confidentiality Agreement which continues to apply to the extent of any inconsistency.

21. General

21.1 Amendments

This agreement may only be varied by a document signed by or on behalf of each party.

21.2 Assignment

A party cannot assign or otherwise transfer any of its rights under this agreement without the prior consent of each other party.

21.3 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.

21.4 Costs

Except as otherwise provided in this agreement, each party must pay its own costs and expenses and the Sellers must pay any costs and expenses of the Company in connection with:

- (a) negotiating, preparing, executing and performing this agreement; and
- (b) any subsequent consent, agreement, approval, waiver or amendment relating to this agreement.

21.5 Counterparts

- (a) This agreement may be executed:
 - (i) in any number of counterparts and all the counterparts together shall make one instrument; and
 - (ii) electronically by all parties using DocuSign or another system or by exchanging electronic copies of original signatures on this agreement.
- (b) This agreement may be validly created and exchanged by counterparts with each party's signature (electronic or otherwise) sent electronically to each other parties by email.
- (c) The parties acknowledge that the electronic version of this agreement signed all parties will be the true and original version for the purposes of this transaction and that no other version will be provided unless otherwise agreed between the parties in writing.
- (d) The parties agree that they will be bound by, have complied with and will comply with the *Electronic Transactions Act 2000* (NSW) and any terms and conditions of DocuSign or another system, in relation to the execution of this agreement to the extent applicable to them.
- (e) For the purposes of this clause 21.5, DocuSign means the signature software and platform located at www.docusign.com or the DocuSign software used by a third party service provider.

21.6 Further acts and documents

Each party must promptly do, and procure that its employees and agents 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.

21.7 No merger

A party's rights and obligations do not merge on completion of any transaction under this agreement.

21.8 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.

21.9 Stamp duties

The Buyer:

- (a) must pay all stamp duties and other duties, together with any related fees, penalties, fines, interest or statutory charges, and similar Taxes in respect of this agreement, the performance of this agreement and each transaction effected or contemplated by or made under this agreement; and
- (b) indemnifies the Sellers against, and must pay to the Sellers on demand the amount of, any Liability suffered or incurred by the Sellers arising out of or in connection with any delay or failure to comply with clause 21.9(a).

21.10 Operation of indemnities

Without limiting any other provision of this agreement, the parties agree that:

- (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; and
- (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.

21.11 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.

21.12 Governing law and jurisdiction

This agreement is governed by the law applying in New South Wales, Australia. Each party irrevocably submits to the exclusive jurisdiction of 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 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 this clause 21.12.

21.13 Power of attorney

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

Schedule 1 – Sellers and Shares

A	B	C	D	E	F
Seller and address	Trustee (Yes/No)	Number of Shares held	Respective Proportion (%)	Scrip Consideration Proportion (%)	Cash Consideration Proportion (%)
SEFTON INVESTMENTS PTY LTD ACN 123 187 771 ATF THE SEFTON SUPERANNUATION FUND ABN 79 123 187 771 82 Gordon Avenue, Hamilton South NSW 2303 Email: gsefton@seftcorp.com.au	Yes	25,000	0.628%	0%	100%
JASON DAVID SANDFORD AND LAUREN ELISE SANDFORD 46 Timbercrest Chase, Charlestown NSW 2290 Email: Jason.Sandford@hunterh2o.com.au	No	30,625	0.769%	100%	0%
STEPHEN DOUGLAS BLANSHARD AND GERALDINE ANNE BLANSHARD ATF WHITE SWAN INVESTMENTS TRUST 2 Bounty Close, Ashtonfield NSW 2323 Email: Steve.Blanshard@hunterh2o.com.au	Yes	50,000	1.256%	53,000 Consideration Shares	Balance
BLOOMY AWAY PTY LIMITED ACN 165 465 485 ATF THE BLOOMFIELD FAMILY TRUST 10 Railway Street, Dudley NSW 2290 Email: Matthew.Bloomfield@hunterh2o.com.au	Yes	20,000	0.502%	20,000 Consideration Shares	Balance
DJ AND SM BOWERMAN PTY LTD ACN 602 383 451 ATF THE BOWERMAN SUPER FUND ABN 16 173 035 196 3 Kensington Road, Bolwarra NSW 2320 Email: David.Bowerman@hunterh2o.com.au	Yes	222,258	5.582%	0%	100%
RICHARD KEVIN BRAY 124 Parish Drive, Thornton NSW 2322	No	50,000	1.256%	0%	100%

Email: Richard.Bray@hunterh2o.com.au					
JWLR INVESTMENTS PTY LTD ACN 602 420 191 ATF THE GOLLEDGE FAMILY SUPERANNUATION FUND ABN 92 578 461 134 18 Tulloch Terrace, Cessnock NSW 2325 Email: Jodie.Golledge@hunterh2o.com.au	Yes	55,565	1.395%	20,000 Consideration shares	Balance
JEREMYJANE PTY LTD ACN 602 155 895 ATF JEREMYJANE SUPERANNUATION FUND ABN 39 684 552 719 6 Marian Gardens, Elernore Vale NSW 2287 Email: Jeremy.Smith@hunterh2o.com.au	Yes	218,000	5.475%	70,000 Consideration Shares	Balance
202 LIMITED ACN 010 728 926 GPO Box 1239, Brisbane QLD 4001 Email: peter.gilchrist@202limited.com.au	No	750,000	18.835%	0%	100%
VALOME PTY LTD ACN 003 370 349 44 Aubin Street, Neutral Bay NSW 2089 Email: gatfield@bigpond.net.au	No	125,000	3.139%	0%	100%
BRIDGESTAR PTY. LIMITED ACN 008 407 869 Level 26 25 Bligh Street, Sydney NSW 2000 Email: joe@bridgestar.com.au ; sjw@bridgestar.com.au	No	750,000	18.835%	0%	100%
KERALEN PTY LTD ACN 001 496 564 ATF ARPL SUPERANNUATION FUND ABN 96 390 113 315 Suite 1, Level 26, 25 Bligh Street, SYDNEY NSW 2000 Email: arr@bridgestar.com.au	Yes	50,000	1.256%	0%	100%
OWEN PETER DRISCOLL AND CATHERINE PATRICIA BURMAN 41 Merinda Close, Adamstown Heights NSW 2289 Email: Owen.Driscoll@hunterh2o.com.au	No	50,000	1.256%	43,000 Consideration Shares	Balance

TREVOR NORMAN GALE 64 Drysdale Drive, Lambton NSW 2299 Email: Trevor.Gale@hunterh2o.com.au	No	50,000	1.256%	0%	100%
TODD ANTHONY TRENCH 94 Lockyer Street, Adamstown NSW 2289 Email: Todd.Trench@hunterh2o.com.au	No	20,000	0.502%	23,000 Consideration Shares	Balance
CRAIG ALEXANDER WHITE 3 Sandy View Court, Belmont North NSW 2280 Email: Craig.White@hunterh2o.com.au	No	10,000	0.251%	9,897 Consideration Shares	Balance
KANGABY PTY LTD ACN 601 863 325 ATF KANGABY SUPERANNUATION FUND ABN 59 341 983 893 68 Washpool Creek Road, Booral NSW 2425 Email: Mark.Holmes@hunterh2o.com.au	Yes	100,000	2.511%	0%	100%
MARK DAWSON 56 Ridge Street, Merewether NSW 2291 Email: Mark.Dawson@hunterh2o.com.au	No	115,073	2.890%	0%	100%
CNF & ASSOCIATES PTY LIMITED ACN 002 037 498 Level 2 393 George Street, Sydney NSW 2000 Email: les.nador@cnfa.com.au	No	150,000	3.767%	0%	100%
ROBERTSON STRUAN HOLDINGS PTY LTD ACN 079 841 919 ATF ROBERTSON STRUAN SUPERANNUATION FUND ABN 32 397 936 585 Level 6, 155 Macquarie Street, Sydney NSW 2000 Email: brobertson@robertson-struan.com.au	Yes	125,000	3.139%	0%	100%
GREGORY MORGAN PERKS 121A Gordon Avenue, Hamilton South NSW 2303 Email: Greg.Perks@hunterh2o.com.au	No	150,000	3.767%	60,000 Consideration Shares	Balance

DAVID CHARLES PERRY 64 Lindsay Street, Hamilton NSW 2303 Email: David.Perry@hunterh2o.com.au	No	68,872	1.730%	85,000 Consideration Shares	Balance
CLARA LOUISE LAYDON ATF THE LAYDON INVESTMENT TRUST ABN 31 722 539 005 17A Bombala Street, Dudley NSW 2290 Email: Clara.Laydon@hunterh2o.com.au	Yes	114,787	2.883%	100,000 Consideration Shares	Balance
HJBJX PTY LTD ACN 603 006 908 ATF J&H KEARY SUPER FUND ABN 28 116 903 433 17 Shelton Street, Charlestown NSW 2290 Email: Jim.Keary@hunterh2o.com.au	Yes	214,410	5.384%	0%	100%
LISA GAYE PROCTER 11 Bowden Street, Heddon Greta NSW 2321 Email: Lisa.Procter@hunterh2o.com.au	No	12,398	0.311%	13,000 Consideration Shares	Balance
ANNE-MARIE AMANDA TURNBULL 28 Turner Street, Lambton NSW 2299 Email: Anne-Marie.Turnbull@hunterh2o.com.au	No	4,000	0.100%	100%	0%
MICHAEL WILLIAM CARTER 206A Main Road, Cardiff NSW 2285 Email: Michael.Carter@hunterh2o.com.au	No	6,000	0.151%	7,208 Consideration Shares	Balance
CRAIG ANDREW JAKUBOWSKI 28A Katoomba Avenue, Hawthorne QLD 4171 Email: Craig.Jakubowski@hunterh2o.com.au	No	6,000	0.151%	0%	100%
CHRIS JAMES CONWAY 19 Driftwood Close, Caves Beach NSW 2281 Email: Chris.Conway@hunterh2o.com.au	No	35,069	0.881%	6,598 Consideration Shares	Balance

SHANE GARY BULLEN 39 Kullaroo Road, Charlestown NSW 2290 Email: shane.bullen@hunterh2o.com.au	No	15,000	0.377%	16,231 Consideration Shares	Balance
NICOLE ELIZABETH HOLMES 38 Woods Street, Redhead NSW 2290 Email: Nicole.Holmes@hunterh2o.com.au	No	12,000	0.301%	100%	0%
MICHAEL BRENT COLLINS 34 Crescent Road, Charlestown NSW 2290 Email: Michael.Collins@hunterh2o.com.au	No	11,000	0.276%	6,000 Consideration Shares	Balance
JOSHUA LEE PLUMMER 9 Perina Place, Merewether Heights NSW 2291 Email: Josh.Plummer@hunterh2o.com.au	No	10,000	0.251%	0%	100%
ANGELA DWYER 60 Springfield Avenue, Kotara NSW 2289 Email: Angela.Dwyer@hunterh2o.com.au	No	8,000	0.201%	0%	100%
ANTHONY BLAIR 23 South Street, Adamstown NSW 2289 Email: Anthony.Blair@hunterh2o.com.au	No	5,000	0.126%	4,619 Consideration Shares	Balance
CAMERON SMITH 8 Ringtail Street, Fletcher NSW 2287 Email: Cameron.Smith@hunterh2o.com.au	No	5,000	0.126%	0%	100%
MATTHEW DAFTER 51 Valencia Street, Mayfield NSW 2304 Email: Matthew.Dafter@hunterh2o.com.au	No	5,000	0.126%	100%	0%

EVAN JACK 3 North Scenic Road, Forresters Beach NSW 2260 Email: Evan.Jack@hunterh2o.com.au	No	7,000	0.176%	2,771 Consideration Shares	Balance
YAODE YAN 6 Coorong Close, Wallsend NSW 2287 Email: Yaode.Yan@hunterh2o.com.au	No	5,000	0.126%	100%	0%
PETER DENNIS AND JANE DENNIS ATF DENNIS FAMILY DISCRETIONARY TRUST 5 Bombora Close, Redhead NSW 2290 Email: Peter.Dennis@hunterh2o.com.au	Yes	17,289	0.434%	100%	0%
THOMPSON FAMILY SF NSW PTY LTD ACN 602 893 578 ATF THE THOMPSON FAMILY SMSF ABN 37 436 908 596 78 Harrison Street, Belmont NORTH NSW 2280 Email: Paul.Thompson@hunterh2o.com.au	Yes	174,358	4.379%	100%	0%
DANISTRY PTY LIMITED ACN 602 465 421 ATF DANISTRY FAMILY TRUST ABN 56 866 158 824 41 Ella Street , Adamstown NSW 2289 Email: Daniel.Alexander@hunterh2o.com.au	Yes	100,000	2.511%	100%	0%
NATHAN DICK 241 Park Avenue, Kotara NSW 2289 Email: Nathan.Dick@hunterh2o.com.au	No	4,000	0.100%	2,530 Consideration Shares	Balance
DAMON EMERSON 25 Chisholm Avenue, Lake Munmorah NSW 2259 Email: Damon.Emerson@hunterh2o.com.au	No	2,000	0.050%	2,200 Consideration Shares	Balance
BEN GOLDING 20 Ashbury Street, Adamstown Heights NSW 2289 Email: Ben.Golding@hunterh2o.com.au	No	4,000	0.100%	2,500 Consideration Shares	Balance

VANESSA NEAL 67 Cottonwood Chase Fletcher NSW 2287 Email: Vanessa.Neal@hunterh2o.com.au	No	8,398	0.211%	7,757 Consideration Shares	Balance
CARLY SOUTTER 4 Sturtbrae Crescent Bellevue Heights SA 5050 Email: Carly.Soutter@hunterh2o.com.au	No	2,500	0.063%	2,845 Consideration Shares	Balance
DEAN TAYLOR 61 Sylvan Avenue, Medowie NSW 2318 Email: Dean Taylor@hunterh2o.com.au	No	8,398	0.211%	100%	0%
TOTAL		3,982,000	100%		

Schedule 2 – Details of the Company

Name	Hunter H2O Holdings Pty Limited
Registration No.	ACN 602 201 552
Issued capital	3,982,000 Ordinary Shares (fully paid)
Registered shareholders	See Schedule 1
Place of registration	New South Wales
Directors	Brian Gatfield Kirsten Jane Malloy Jeremy Luke Smith Peter Douglas Dennis Paul David Thompson
Secretary	Jodie Maree Golledge
Auditor	Prosperity Audit Services
Registered office	19 Spit Island Close, Mayfield West NSW 2304

Schedule 3 – Warranties

1. Shares

1.1 Shares

- (a) Each Seller is the legal owner of the Shares set out opposite its name in Column C of Schedule 1, free of all Encumbrances.
- (b) Each Seller who is not identified in Column B of Schedule 1 as being a trustee is the beneficial owner of the Shares set opposite their name in Column C of Schedule 1, free of all Encumbrances.
- (c) The Shares constitute the whole of the issued share capital of the Company and are fully paid up and no person has any right to require the issue of any Shares or other securities in the Company.
- (d) The Shares have not been allotted, issued or transferred in breach of any pre-emptive or similar rights of any person.
- (e) There is no Encumbrance, option, right to acquire, right of pre-emption, right of first or last refusal, on, over or affecting the Shares; there is no agreement or commitment to give or create those rights; and no person has made a claim in writing to be entitled to those rights.
- (f) At Completion, and subject to registration of the Buyer in the register of Shareholders for the Company, the Buyer will receive absolute ownership of, and title to, the Shares, free from:
 - (i) any Encumbrances, option, right to acquire, right of pre-emption, right of first or last refusal, on, over or affecting the Shares; or
 - (ii) any claim of any person (including any Seller or any person claiming in writing through any Seller).

1.2 Seller Trustee

Each Seller who is identified in Column B of Schedule 1 as being a trustee (Seller Trustee) of a trust (each trust being a Seller Trust) warrants that:

- (a) it (or where applicable, they) are the only trustees of the Seller Trust and no action has been taken to remove or replace it or them;
- (b) it has power under the trust deed of the Seller Trust to execute and perform its obligations under this agreement;
- (c) all necessary action has been taken to authorise the execution and performance of this agreement under the trust deed of the Seller Trust;
- (d) this agreement is executed and at Completion all transactions relating to this agreement are entered into as part of the due and proper administration of the Seller Trust and are for the benefit of the beneficiaries;
- (e) each Seller Trustee has a right to be indemnified fully out of the Seller Trust's assets in respect of all of the obligations and liabilities incurred by it under this agreement.

1.3 Trustee

Other than as set out in Column B of Schedule 1 no Seller is entering into any Transaction Document as trustee of any trust.

2. The Sellers

2.1 Capacity and authorisation

Each Seller that is a company is properly incorporated and validly existing under the laws of the country or jurisdiction of its incorporation and has the legal right and full power and capacity to:

- (a) execute and deliver this agreement; and
- (b) perform its obligations under this agreement and each transaction effected by or made under this agreement,

and has obtained all necessary authorisations and consents and taken all other actions necessary to enable it to do so.

2.2 Valid obligations

This agreement constitutes (or will when executed constitute) valid legal and binding obligations of the Sellers and is enforceable against the Sellers in accordance with its terms.

2.3 Solvency

Each Seller that is a corporation warrants that none of the following events have occurred in relation to that Seller:

- (a) a receiver, receiver and manager, liquidator, provisional liquidator, administrator or trustee is appointed in respect of the Seller or any of its assets or anyone else is appointed who (whether or not as agent for the Seller) is in possession, or has control, of any of the Seller's assets for the purpose of enforcing an Encumbrance;
- (b) to the knowledge of that Seller, an event occurs that gives any person the right to seek an appointment referred to in paragraph (a);
- (c) to the knowledge of that Seller, an application is made to court or a resolution is passed or an order is made for the winding up or dissolution of the Seller or an event occurs that would give any person the right to make an application of this type;
- (d) the Seller proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them;
- (e) the Seller stops paying its debts as and when they become due or is declared or taken under any applicable law to be insolvent or the Seller's board of directors resolves that that Seller is, or is likely to become at some future time, insolvent; or
- (f) any person in whose favour that Seller has granted any Encumbrance has become entitled to enforce that Encumbrance or any floating charge under that Encumbrance crystallises.

2.4 Solvency

Each Seller that is an individual warrants that none of the following events have occurred in relation to that Seller:

- (a) a trustee or similar officer is appointed in respect of the Seller or any of the Seller's assets;

- (b) an order is made for the bankruptcy of the Seller or his or her estate or to the knowledge of that Seller, an event occurs that would give a court the right to make an order of this type;
- (c) a moratorium of any debts of the Seller, a personal insolvency agreement or any other assignment, composition or arrangement with the Seller's creditors or any similar proceeding or arrangement by which the assets of that Seller are subjected conditionally or unconditionally to the control of that Seller's creditors or a trustee is ordered or applied for; or
- (d) the Seller is declared to be insolvent or unable to pay his or her debts or the Seller admits in writing that he or she is insolvent or unable to pay his or her debts.

2.5 No breach

Entering into and performing its obligations under this agreement will not result in a material breach by a Seller of:

- (a) any provision of its constitution (if the Seller is a company);
- (b) any agreement or document to which the Seller is a party; or
- (c) any law or any order, judgment or decree of any Regulatory Authority which binds the Seller.

3. Corporate standing and authority

3.1 Company structure

The Company:

- (a) is not the holder, or beneficial owner, of any shares or other capital in any body corporate;
- (b) is not the holder of any units in, or is a beneficiary of, a trust;
- (c) is not a member of any partnership, joint venture or other unincorporated association (other than a recognised trade association); and
- (d) other than as Fairly Disclosed in the Due Diligence Materials, does not have any permanent establishment (as that expression is defined in any relevant double taxation agreement or any law relating to Tax) and is not registered to carry on business outside its jurisdiction of incorporation.

3.2 General

The Company:

- (a) is a body corporate duly incorporated under the laws of its place of incorporation, being New South Wales, Australia;
- (b) has the power to carry on the Business and own its property and assets in all relevant jurisdictions;
- (c) has done everything necessary to carry on business lawfully in all jurisdictions in which it conducts the Business;
- (d) has conducted the Business in accordance with its Constitution;

- (e) has full authority and all necessary consents to enter into and perform this agreement; and
- (f) does not act as trustee for of any other person.

3.3 No contravention

The execution and performance of this agreement will not:

- (a) result in a breach of any provision of the Constitution of the Company;
- (b) result in a breach of, or constitute a default under, any instrument to which the Company is a party or bound;
- (c) contravene any law to which the Company is subject; or
- (d) result in a material breach of any order, determination, declaration, direction, judgement or consent from any Regulatory Authority relating to the Company or the Business.

3.4 No trust

The Company is not, and has never been, a trustee of a trust.

3.5 Incentive scheme

Other than as Fairly Disclosed in the Due Diligence Materials, the Company does not have any share or option incentive scheme, profit sharing scheme or employee share ownership or performance rights plan for any of its employees, directors, officers or consultants.

3.6 No breach from Transaction

Other than as Fairly Disclosed in the Due Diligence Materials, the Transaction will not result in:

- (a) an Encumbrance or restriction of any kind being created or imposed on any assets of the Company;
- (b) any holder of an Encumbrance granted by the Company becoming entitled to enforce that Encumbrance, or crystallisation of any right under that Encumbrance.

4. Related entity arrangements

There is no indebtedness and no written material agreement or arrangement outstanding between the Company and any Seller other than in connection with the Seller's employment or any dividend that may be declared as contemplated by clause 5.7(b).

5. Solvency

5.1 No winding-up

No meeting has been convened, resolution proposed, petition presented or order made for the bankruptcy, winding-up, dissolution or deregistration of the Company and to the knowledge of the Sellers, no event has occurred that would justify such a meeting, resolution, petition or order.

5.2 No liquidation

The Company has not gone, or is proposed to go, into liquidation or bankruptcy or passed any resolution or commenced steps for winding-up, dissolution or deregistration.

5.3 No administrator, receiver or manager

No administrator, receiver, receiver and manager, controller or similar person has been appointed, or to the knowledge of the Sellers, is threatened or expected to be appointed to the Company, the whole or any part of the undertaking or assets of the Company and to the knowledge of the Sellers, no event has occurred that would justify such an appointment.

5.4 No writ of execution

No writ of execution has been issued against the whole or any part of the assets of the Company and to the knowledge of the Sellers, no event has occurred that would justify such a writ.

5.5 No exercise of rights by mortgagee or chargee

To the knowledge of the Sellers, no mortgagee or chargee has exercised, attempted to exercise or indicated an intention to exercise its rights under any security granted by the Company.

5.6 Payment of debts

The Company is not insolvent within the meaning of section 95A of the Corporations Act. The Company is paying its debts as and when they fall due.

5.7 No guarantees

Except as Fairly Disclosed in the Due Diligence Materials, the Company has not granted or agreed to grant, and is not party to:

- (a) any guarantee;
- (b) letter of comfort; or
- (c) any Security Interest, other than any Permitted Security Interest,

other than in the ordinary course of business.

6. Last Accounts

6.1 Preparation of Last Accounts

The Last Accounts:

- (a) have been prepared in accordance with:
 - (i) the Accounting Standards, the Corporations Act and all other applicable laws; and
 - (ii) accounting policies that are the same as those that have been applied in each set of corresponding accounts for each of the three financial years prior to the relevant Last Accounts; and
- (b) to the extent required under the Accounting Standards, contain proper and adequate provision for, and full disclosure of, all known Liabilities, whether actual or otherwise, of the Company at the relevant Last Balance Date including all Liabilities in respect of Tax.

6.2 True and fair view

The Last Accounts are true and correct in all material matters and give a true and fair view of the affairs, assets, Liabilities and financial position of the Company as at the relevant Last Balance Date and the financial performance of the Company for the financial period ended on the relevant Last Balance Date.

6.3 Position since Last Balance Date

Since the Last Balance Date to the date of this Agreement, other than as Fairly Disclosed in the Due Diligence Materials:

- (a) there has not been a material adverse change in the assets, Liabilities, turnover, earnings, financial condition, trading condition, affairs or prospects of the Company;
- (b) the Business has been conducted by the Company in the ordinary and usual course of business in a proper manner;
- (c) the Company has not acquired or disposed of or dealt with any material assets nor has it entered into any agreement or option to acquire or dispose of any asset other than in the ordinary course of business, and in the opinion of the Sellers, for fair market value;
- (d) the Company has not undertaken any material Liability other than in the ordinary course of business;
- (e) the Company has not granted any encumbrance or Security Interest over any of its inventory or assets, other than any Permitted Security Interest granted in the ordinary course of business;
- (f) the Company has not engaged any new employee with an annual remuneration of \$200,000 or more, and there has been no material change to the terms of employment of any of the Employees;
- (g) the Company has not incurred any capital expenditure and has not entered into any legal or financial commitments to incur any future capital expenditure exceeding \$100,000, other than in the ordinary course of business; and
- (h) other than as required to comply with any law or the Accounting Standards, the Company has not implemented any new accounting or valuation method for its business, assets or property.

6.4 No loans

No loans have been made by the Company to any Seller or any of the Employees and no advances or loans have been accepted from any such persons that remain outstanding.

6.5 Outstanding amounts

- (a) Except as Fairly Disclosed in the Due Diligence Materials, on Completion, the Company does not owe any money or have any outstanding Liabilities to any of its directors or any of its existing or former shareholders and no director nor existing or former shareholder of the Company owes any money to or has any outstanding Liability to the Company.
- (b) Other than as set out in the Last Accounts, the Company does not owe any money under any interest bearing loan (whether secured or unsecured) to a bona fide third party, including overdrafts but for the avoidance of doubt excluding any operating leases, rental agreements and trade finance.

7. Management Accounts

The Management Accounts:

- (a) enable a reasonable assessment of the assets, Liabilities, income, expenses and operational results of the Company, having regard to their purpose as management accounts;
- (b) to the best of the Sellers' knowledge, include all known Liabilities of the Company; and

- (c) have been prepared applying the same principles, policies, practices and procedures as were applied in preparing the historical management accounts,

but the Buyer acknowledges that they are not audited or prepared on a statutory basis.

8. Records

8.1 Last Accounts and Records

All of the Records (excluding the accounting and tax records):

- (a) have been fully and properly kept and maintained in all material respects;
- (b) are in the possession and control of the Company;
- (c) are free from material inaccuracies or discrepancies; and
- (d) have been prepared in accordance with the requirements of the Corporations Act.

8.2 Rectification of registers

The Company has not received any notice or allegation that its register of members or any other register it is required to maintain is incorrect or should be rectified and to the knowledge of the Sellers, there is no application pending or threatened to rectify the register of members of the Company.

8.3 Filings

The Company has filed all documents required to be filed with any Regulatory Authority in accordance with all applicable laws.

8.4 Constitution of the Company

The copy of the Constitution for the Company given to the Buyer is current, accurate and complete in all respects.

9. Assets

9.1 Tangible assets

The tangible assets recorded in the books of the Company are:

- (a) legally and beneficially owned by the Company;
- (b) not the subject of any lease or hire purchase agreement or agreement for purchase on deferred terms, other than in the ordinary course of business;
- (c) in the possession of the Company, its agent or nominee; and
- (d) not subject to any written agreements or arrangements which restrict their disposal in any material respect.

9.2 Valid ownership and use

The Company owns or has valid and subsisting leases to use all of the assets that are material for the conduct of the Business.

9.3 No Security Interest or disposal

Other than as Fairly Disclosed in the Due Diligence Materials, the Company has not:

- (a) created, or granted, or agreed to create or grant, any Security Interest in respect of any of its assets or securities; or
- (b) entered into any agreement or arrangement in writing to dispose of its assets.

9.4 No notice

No written notice has been served on the Company that might materially impair, prevent or otherwise interfere with the use of, or proprietary rights to, the assets used in the Business as at Completion.

9.5 Adequacy

The assets owned by the Company, and the assets used by the Company under any equipment lease, finance lease, hire purchase agreement or similar arrangement (as Fairly Disclosed in the Due Diligence Materials), together comprise all assets that are material for the conduct of the Business, as carried on at the date of this agreement.

10. Equipment

10.1 Good repair and working order

So far as the Sellers are aware, each item of machinery, vehicles and equipment owned or used by the Company is:

- (a) in a reasonable state of repair and condition having regard to its age;
- (b) in satisfactory working order having regard to its age;
- (c) capable of doing the work for which it was designed or purchased;
- (d) in the case of a vehicle, registered and covered by compulsory third party insurance; and
- (e) has been used, operated and maintained in accordance with all applicable laws and standards.

10.2 Fixed asset register

So far as the Sellers are aware, the fixed asset register of the Company comprises a complete and accurate record of all property, machinery, vehicles and equipment owned or used by the Company.

11. Insurance

11.1 Disclosure

Complete and accurate details of all insurance policies held by the Company have been disclosed to the Buyer in the Due Diligence Materials.

11.2 Current

All insurances held by the Company are current and all premiums have been paid and are up-to-date.

11.3 Past claims

Other than as Fairly Disclosed in the Due Diligence Materials, there have not been any claims greater than \$100,000 made by the Company under any insurance policy held by it in the last 5 financial years, including claims made but not admitted by the insurers and any claims have been notified to the relevant insurer in accordance with the corresponding policy.

11.4 Outstanding claims

- (a) Other than as Fairly Disclosed in the Due Diligence Materials, there are no material outstanding claims made by or on behalf of the Company under any insurance policy affecting the Business or the assets of the Company.
- (b) To the knowledge of the Seller, other than as Fairly Disclosed in the Due Diligence Materials, no circumstance exists that may:
 - (i) give rise to the Company making a claim under an insurance policy; or
 - (ii) require the Company to notify an insurer under the terms of its insurance policy.

11.5 No notices

The Company has not received any written notice from an insurer affecting its insurances for the Business or its assets or that the Company is required, or it is advisable for it, to carry out any maintenance, repairs or other works in relation to its assets.

11.6 No prejudice

To the knowledge of the Sellers nothing has been done or omitted which would make any insurance contract void, voidable, unenforceable or which would permit an insurer to cancel the insurance contract or refuse or reduce a claim or alter any of the other provisions of the insurance contract.

11.7 Insurance Refusals

To the knowledge of the Sellers, the Company has not in the last 5 years had an insurer refuse to provide insurance to the Company.

12. Banking and finance

12.1 Financing arrangements

Other than as Fairly Disclosed in the Due Diligence Materials, the Company has not:

- (a) entered into any financing agreements or arrangements for the borrowing of money;
- (b) issued any bonds, notes, debentures or similar debt instruments; or
- (c) given, or is not bound by, any guarantees, sureties, letters of comfort or indemnities in relation to the Company or any third party.

12.2 No defaults

There is no existing or unremedied material breach of, or any material event of default under, any agreement or arrangement referred to in Warranty 12.1 and the transactions contemplated by this agreement does not trigger any such breach, event of default, cancellation event, prepayment event or similar event.

12.3 No demands

No notices or demands have been served on the Company that remain outstanding in relation to default or non-compliance under an agreement or arrangement referred to in Warranty 12.1.

12.4 Enforcement

No legal or enforcement action has been taken, or demand has been made, by any party to enforce any security or other arrangement referred to in Warranty 12.1 that would reasonably be likely to, have a material adverse effect on the Company.

13. Contracts

13.1 No extraordinary contracts

Other than as Fairly Disclosed in the Due Diligence Materials, to the knowledge of the Sellers, the Company is not party to or bound by any written agreement, arrangement in writing or understanding in writing that:

- (a) is outside the ordinary and proper course of the Business or otherwise contains any unusual, abnormal, onerous or other provision that is material for disclosure to a prudent prospective Buyer of the Shares;
- (b) restricts the Company's ability to engage in any activity or business in any area; or
- (c) is not on arms' length terms.

13.2 No default by the Company

To the best of the Sellers' knowledge, the Company is not in breach or default, or would be in breach or default but for the requirements of notice or lapse of time or both, under any material contract, agreement or arrangement to which it is a party or bound.

13.3 No default by third party

To the best of the Sellers' knowledge, no third party is in breach or default, or would be in breach or default but for the requirements of notice or lapse of time or both, under any Material Contract or any other material contract, agreement or arrangement to which the Company is a party.

13.4 Change in control

Other than the Change of Control Contracts, the contracts set out in Schedule 10, or as Fairly Disclosed in the Due Diligence Materials, the Company is not party to any material written agreement or arrangement in writing under which a third party is entitled, upon a change in control of the Company, to:

- (a) terminate that agreement or arrangement; or
- (b) require the adoption of terms less favourable than the terms currently enjoyed by the Company.

13.5 No grounds for termination

To the best of the Sellers' knowledge, other than as Fairly Disclosed in the Due Diligence Materials, no event has occurred which may be grounds for termination or, but for the giving of notice, result in termination of any material agreement or arrangement to which the Company is party.

13.6 Offers, tenders and quotations

No offer, tender or quotation given or made by the Company is capable of giving rise to a contract merely by any unilateral act of a third party, other than in the ordinary course of business.

13.7 Powers of attorney

There are no powers of attorney given by the Company which are in force other than normal authorities under which officers or employees of the Company may conduct the business of the Company in the ordinary course or as Fairly Disclosed in the Due Diligence Materials.

13.8 Validity

To the best of the Seller's knowledge, none of the material written agreements or arrangements in writing to which the Company is party are void, voidable, illegal or unenforceable, in whole or in part.

14. Property

14.1 All land owned, used or occupied

The Properties comprise all the land and premises owned, leased or otherwise used or occupied by the Company.

14.2 Right to occupy

Other than as Fairly Disclosed in the Due Diligence Materials, the Company has exclusive occupation and quiet enjoyment of the Properties and none of the Properties are subject to any sub-lease, tenancy or right of occupation by any person other than the Company and each Lease is valid, binding and enforceable.

14.3 Consents

So far as the Sellers are aware, the Company has obtained and complied with all material consents required under any law in relation to the development or use of any Property where they have undertaken developments.

14.4 Notices

No written notices have been received by the Company and there is no written order, declaration, report, recommendation in writing or approved proposal of a Regulatory Authority, which would materially affect the use of any of the Properties.

14.5 No breach

There has not been any material breach of, or material default under, any Lease, written agreement or covenant in relation to any of the Properties. The Transaction will not trigger any such breach or default, result in any breach or default under any Lease, agreement or covenant in relation to any of the Properties.

15. Environmental

15.1 Definitions

In this Warranty 15:

Environmental Laws means any law having as its purpose the regulation of any activity that affects the environment, including with respect to pollution of the atmosphere, water or land, contamination, and the storage or handling of chemicals or hazardous materials.

15.2 Compliance

The Company and its officers and employees have materially complied with all Environmental Law which apply to it relating to the Properties and the Business.

15.3 Notices

The Company has not received any written direction, order or demand from any Regulatory Authority to take any action or refrain from taking any action in respect of any Property or its use in connection with any Environmental Laws.

16. Employees

16.1 Details of employees

The Due Diligence Materials contain:

- (a) a list of all Employees that was complete and accurate as at the date of preparation, including, in relation to each Employee:
 - (i) name, position, title and location of employment;
 - (ii) status (eg full time, part time or casual);
 - (iii) commencement date;
 - (iv) remuneration and other material benefits, including wages, salary, arrangements relating to entitlements to bonuses or other incentive scheme leave loading, overtime rates, penalty rates or allowances payable; and
 - (v) materially correct details of all accrued leave, including annual leave, long service leave, personal, carer's leave entitlements, any special leave, including parental leave or time in lieu arrangements arising under relevant legislation, applicable industrial instruments and/or employment agreements;
- (b) details of any change of control or like provision, arrangement or understanding enabling an Employee to terminate their employment with the Company consequent on the transfer of shares in the Company; and
- (c) copies of all of the Company's employment policies.

16.2 No arrangement or understanding

Except than as Fairly Disclosed in the Due Diligence Materials, the Company has not made any contract, arrangement, understanding or representation in writing under which one or more Employees, or any contractors engaged to provide services to the Company (independent contractors) or agents of the Company will or may be entitled to any material benefit (monetary or otherwise) on the sale of the Shares.

16.3 Industrial agreements

Other than as Fairly Disclosed in the Due Diligence Materials, the Company is not a party to any enterprise agreement or other industrial agreement with a trade union or industrial organisation (whether registered or approved or not) nor does it have any plans to introduce any such agreement.

16.4 Employee claims

To the knowledge of the Sellers, there are no:

- (a) material outstanding claims, written applications or written complaints or any potential claims, written applications or written complaints, against the Company by or on behalf of any Employee or any past employee of the Company or any past or present independent contractor; or

- (b) expiry of any award or enterprise agreement made or approved under law which may lead to industrial action involving the Company or any of the Employees.

16.5 Contractors

- (a) Full details of all contracts, arrangements or understandings with independent contractors in writing in relation to the Company have been disclosed to the Buyer in the Due Diligence Materials.
- (b) Other than as Fairly Disclosed in the Due Diligence Materials the Company has no liability whatsoever to any independent contractor.

16.6 Classification of independent contractors

Other than as Fairly Disclosed in the Due Diligence Materials, any contractors engaged by the Company, or previously engaged by the Company are (or were) properly characterised as independent contractors under all appropriate laws and the Company is not, nor will it become, liable to make any material additional payments in respect of such contractors including in connection with worker's compensation insurance premiums, payroll tax, superannuation or group tax or unpaid accrued leave entitlements or unpaid wages.

16.7 Employee benefits

Other than as Fairly Disclosed in the Due Diligence Materials or required under a statutory requirement, the Company has not paid or agreed to pay and nor is it under any obligation to provide any termination, severance, retirement, death, accident, sickness, disability benefits or other amount consequent upon the termination of employment of any Employee.

16.8 No disputes

The Company is not involved in or to the best of the Company's or the Sellers' knowledge, aware of any facts, matters or circumstances which could give rise to any material dispute, action, claim or litigation with any Employee, former employee of the Company or trade union.

16.9 No industrial action

There is no current or to the best of the Sellers' knowledge, threatened, pending or anticipated industrial action or pay claim by any of the Employees or any industrial organisation that would disrupt the ordinary operation of the Company's business or cause the Company to have to pay out money.

16.10 Workers' compensation

- (a) No Employees or past employees of the Company, are receiving workers' compensation benefits of any type (including weekly payments of compensation or medical and like expenses) or have unresolved aspects of a workers' compensation claim.
- (b) The Company does not have any Employees who have requested or are participating in a return to work program.

16.11 Occupational health and safety

Other than as Fairly Disclosed in the Due Diligence Materials there are no material breaches of occupational health and safety laws, policies or procedures and any written complaints, notices, orders, prosecutions, recommendations, investigations or claims relating to occupational health and safety issues in respect of the Company in the past two years.

16.12 Termination of services

No Employees or consultants of the Company as at the date of this Agreement:

- (a) has been given any notice of dismissal or termination by the Company; or
- (b) has given a notice to the Company to resign or terminate the employment or engagement or consultancy.

16.13 Licences and qualifications

To the best of the Sellers' knowledge, each Employee holds every licence or qualification which they are required to hold to perform their normal duties.

16.14 Immigration law

To the best of the Sellers' knowledge, no Employee requires a visa to lawfully work in Australia or is subject to a work-related visa condition. The Company has complied in all material respects with applicable immigration laws.

17. Superannuation

17.1 Choice of Fund

Each applicable Employee is permitted to choose which superannuation, pension, retirement or similar scheme or arrangement (**Fund**) will receive their superannuation guarantee contributions.

17.2 Complying Fund

So far as the Sellers are aware, each Fund to which the Company provides superannuation guarantee contributions for its Employees is a complying fund within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth) and the Income Tax Assessment Act 1997 (Cth).

17.3 Defined benefit Fund

Other than as Fairly Disclosed in the Due Diligence Materials, the Company does not conduct any defined benefit superannuation funds under which superannuation benefits, retirement benefits, life assurance benefits, death or disability benefits, pensions, annuities or other allowances, gratuities or benefits are or may be provided to or in respect of any present or former employees of the Company or their respective dependants.

17.4 Compliance

The Company has complied with all material requirements arising under all laws relating to superannuation and to compulsory superannuation contributions and has made all such contributions which they are obliged to make.

18. Information technology

18.1 Systems

All hardware, software and technology infrastructure owned or used by the Company (Systems):

- (a) to the knowledge of the Sellers, perform materially in accordance with its specifications;
- (b) to the knowledge of the Sellers, operate without material downtime or errors other than as a result of breach of data or security;
- (c) to the knowledge of the Sellers, have adequate capacity for the present needs of the Business; and
- (d) are owned or leased by, or licensed to the Company.

18.2 Website

So far as the Sellers are aware, no website used in the Business contains, displays or is directly linked to another website which contains or displays any material which:

- (a) infringes the Intellectual Property Rights of any person;
- (b) material breaches any applicable laws; or
- (c) otherwise may expose persons associated with its publication or dissemination to any Liability, legal proceedings or other sanction.

18.3 Cybersecurity

The Company has taken reasonable precautions in line with industry standards to preserve the security and integrity of the Systems and Business.

18.4 Back-ups and security

To the knowledge of the Sellers, each System has adequate security measures in place and is regularly backed-up.

19. Intellectual Property

In this warranty 19, Intellectual Property Rights means all intellectual property rights throughout the world, including all registered and unregistered rights in respect of copyright, designs, circuit layouts, trade marks, trade secrets, know-how, moral rights, confidential information, patents, inventions, discoveries and domain names and all other intellectual property as defined in Article 2 of the Convention Establishing the World Intellectual Property Organisation.

19.1 Intellectual Property

- (a) All Intellectual Property is under the sole legal and beneficial ownership of, or licenced to, the Company, free and clear of all Security Interests.
- (b) All Intellectual Property that must be registered or recorded have been registered or are the subject of a registration application filed by the Company, and all applicable fees have been fully paid when due.
- (c) All Intellectual Property that is owned by the Company is valid and in full force and effect. All Intellectual Property that is licensed to the Company is, to the knowledge of the Sellers, valid and in full force and effect. The Company has not done or omitted to do anything, and to the knowledge of the Sellers, no circumstance exists, that may affect the ownership or validity of the Intellectual Property.
- (d) No person other than the Company has any right to use, or any interest in any Intellectual Property listed in Schedule 11. To the knowledge of the Sellers, no third party has wrongfully used any Intellectual Property or asserted an interest in any Intellectual Property.
- (e) Except as Fairly Disclosed in the Due Diligence Materials, the Company does not carry on the Business under any name other than its corporate names.
- (f) The Domain Names are the only domain names used in the Business.

19.2 All Intellectual Property required

The Company does not use or require in the Business the use of any copyright, letters patent, trade marks, service rights, trade names, designs, business names or similar industrial, commercial or intellectual property rights, except for the Intellectual Property.

19.3 Ownership

Other than as Fairly Disclosed in the Due Diligence Materials, and for computer software that is licensed to the Company, the Company is the owner of, or has a licence to use, the Intellectual Property, free and clear of any Security Interest, options or rights of any third party.

19.4 Infringement

To the knowledge of the Sellers, the Company does not, in the conduct of the Business, infringe or wrongfully uses any confidential information, trade secrets, copyrights, patents, trade marks, service rights, trade names, designs or business names or any other Intellectual Property Rights.

19.5 Assignments

To the knowledge of the Sellers, where intellectual property rights over a contractor's work have arisen in the course of that contractor's engagement by the Company, that contractor:

- (a) has assigned all material Intellectual Property Rights to the Company; or
- (b) has licenced or otherwise granted rights to the Company to use all material intellectual property rights,

to allow the Company to meet the Company's material contractual obligations.

20. Privacy

20.1 Collection, holding and use

To the knowledge of the Sellers, any collection, holding, use or disclosure of personal information by the Company prior to Completion materially complies with all Privacy Laws which apply to the Company or the Business.

21. Litigation

21.1 No proceedings

- (a) Except as Fairly Disclosed in the Due Diligence Materials, the Company is not, at the date of this agreement or as at Completion, a party to and nor have they been a party to in the last three years, any prosecution, litigation, investigation, arbitration, mediation or tribunal proceedings and to the knowledge of the Sellers, no such proceedings are pending or have been threatened in writing in respect of the Company.
- (b) As far as the Sellers are aware, no circumstance exists that is reasonably likely to give rise to any investigation, inquiry, prosecution or enforcement proceedings by any Regulatory Authority against the Company.

21.2 No unsatisfied judgements or awards

There are no unsatisfied judgements, orders, arbitral awards or decisions of any court, tribunal, Regulatory Authority or arbitrator in respect of the Company or any of its assets or undertaking.

22. Licences and permits

22.1 Necessary licences

Other than as Fairly Disclosed in the Due Diligence Materials, the Company holds all necessary licences (including statutory licences), consents, authorisations, planning permissions and permits for the proper carrying on of the Business in all respects and the use of the Properties and all of those licences, consents, permissions, authorisations and permits:

- (a) have been fully paid up;
- (b) have been fully complied with in all material respects;
- (c) are in full force and effect;
- (d) are not liable to be revoked or terminated; and
- (e) are not subject to any onerous conditions.

22.2 No change

To the knowledge of the Sellers, there are no facts or circumstances involving the Company or its affairs that are likely to result in the revocation, termination, suspension, modification or non-renewal in any material aspect of any licence, consent, authorisation, planning permission or permit held by the Company.

22.3 Transaction effect

To the knowledge of the Sellers, no licence, consent, authorisation, planning permission or permit held by the Company would be adversely affected by, or liable to be terminated, revoked or varied in any material respect by reason of the acquisition of the Shares by the Buyer.

23. Regulatory

23.1 Compliance with laws

To the knowledge of the Sellers, there has not been any breach, claimed breach or material non-compliance by the Company, its officers or past or present employees with any law, regulation, ordinance, by-law, rule, decree or order.

24. Trade practices

The Company, its officers (in their capacity as officers of the Company) and, so far as the Sellers are aware, past and present employees (in their capacity as employees of the Company) have not committed or omitted to do any act or thing, the commission or omission of which is a material contravention of the Competition and Consumer Act 2010 (Cth), the Fair Trading Acts or like legislation in any other state or territory of Australia, New Zealand or elsewhere.

25. Tax

In this Warranty 25:

GST Group has the meaning given in section 195-1 of the GST Law.

Tax Consolidated Group means a 'consolidated group' or a 'MEC group', each as defined in the ITAA 1997.

Tax Law means any law under which Tax is assessed, levied, imposed, collected or administered and includes the Tax Act.

25.1 No Tax Consolidated Group

The Company is not and has never been a member of, and no election has been made to include the Company in, any Tax Consolidated Group.

25.2 Further Liability

No additional Liability for Tax has accrued to the Company in respect of the period between the Last Balance Date and the Completion Date other than as a result of activity in the ordinary course of the Business.

25.3 Lodgement of returns and documents

- (a) The Company has punctually prepared and lodged all income tax returns and other returns or documents required to be lodged or filed under all relevant legislation imposing or assessing Taxes.
- (b) Each tax return and other document lodged in respect of Tax by the Company has been prepared with true and full disclosure of all relevant matters, and contains information that is complete and accurate in all material respects and not false, misleading or deceptive.
- (c) Other than as Fairly Disclosed in the Due Diligence Materials, the Company has not made or requested any ruling, objection or amended assessment for any tax returns it has lodged.
- (d) Every deduction claimed by the Company in each tax return was an allowable deduction in the relevant year of income.
- (e) The cost base of the Company's assets for Tax purposes is fairly stated in its Tax returns or is as disclosed in the deferred tax asset/liability balances in the financial statements of the Company disclosed in the Due Diligence Materials.

25.4 Sufficient records

- (a) The Company has maintained and retained sufficient and accurate records in respect of Tax and all other information required to support all Tax returns and information which has been or may be filed, lodged or submitted to any Regulatory Authority.
- (b) The Company has retained:
 - (i) copies of all Tax returns and other documents lodged with any Tax authority, and all supporting information;
 - (ii) all records and information required by the Company to calculate income tax Liabilities, capital gains, capital losses, net capital gains and net capital losses after Completion; and
 - (iii) all records and information required by Tax Law to be retained by the Company for the requisite period as required by Tax Law.

25.5 No false or misleading statements

No income tax return, business activity statement, instalment activity statement or other return relating to Tax which has been lodged by the Company contains a statement that is false, misleading or deceptive in any material particular or omits to refer to any matter which is required to be included or without which the statement is false, misleading or deceptive.

25.6 Taxes paid

All Taxes of any nature payable by the Company under the laws of the Commonwealth of Australia or any State or Territory of Australia or elsewhere in the world in respect of the period up to and including the Completion Date have been fully paid by the Company on or before the date they were due for payment or:

- (a) have otherwise been adequately provided for or otherwise taken into account in the Completion Working Capital and Net Debt Statement; or
- (b) where they are not due for payment prior to the Completion Date, are adequately provided for and disclosed in the accounts of the Company.

25.7 Deductions

The Company has deducted all Tax required to be deducted from any payments made by it. When necessary, the Company has accounted for that Tax in accordance with all relevant and applicable laws.

25.8 Arrangements

The Company has not entered into any agreement, arrangement or understanding that extends the period for assessment or payment of any Taxes, other than any extension provided for lodgement of a return or documents granted in writing in the ordinary course by the applicable Tax authority.

25.9 Third party Liabilities

The Company has not incurred or committed to make or incur any payment or expenditure relating to a Tax Liability of a third party.

25.10 No fraud or evasion

The Company has not at any time obtained or sought to obtain any Tax benefit through any fraud or any evasion or made or entered into any arrangement, undertaking or scheme which was at the time it was entered into a sham or fiscal nullity.

25.11 No disputes, audit or investigations

- (a) There is no unresolved correspondence or dispute with any Regulatory Authority concerning the Company's Liability for Tax and to the knowledge of the Sellers, no Regulatory Authority is conducting any audit or investigation into the Company's Liability for Tax and the Sellers are not aware of any matters that might result in the initiation of such an audit or investigation.
- (b) As far as the Sellers are aware, no Regulatory Authority has investigated the Company in respect of its Tax affairs.
- (c) The Company has not, in the last 5 years, entered into any written agreement or undertaking relating to Tax with any Regulatory Authority.

25.12 Tax Rulings

- (a) Each transaction effected in reliance on any Tax ruling was implemented as described in the application for that Tax ruling.
- (b) The Company has not taken any action which alters or prejudices (or may alter or prejudice) any Tax ruling or agreed arrangement with a Regulatory Authority.

25.13 Anti-avoidance

Other than as Fairly Disclosed in the Due Diligence Materials, the Company has not participated in any scheme or transaction or made any payment to which any of the following applies or may apply:

- (a) Division 723, Division 725 or Division 727 of the Income Tax Assessment Act 1997 (Cth);

- (b) s 82KK, s 82KL, s 108, s 109 or Division 7A of the Income Tax Assessment Act 1936 (Cth);
- (c) s 67 of the Fringe Benefits Tax Assessment Act 1986 (Cth); or
- (d) any provision of any Tax Law which is similar or equivalent to the above.

25.14 Dividends

- (a) Other than as Fairly Disclosed in the Due Diligence Materials, the Company has not paid any dividend:
 - (i) in respect of which the required franking amount (as provided for in the relevant Tax legislation) has exceeded the franked amount (as defined in the relevant Tax legislation) of the dividend; or
 - (ii) which has been franked in excess of the required franking amount,

which would result in the Company being liable to pay franking deficit Tax or additional Tax pursuant to the relevant Tax legislation.
- (b) Other than as Fairly Disclosed in the Due Diligence Materials, so far as the Sellers are aware, all dividends declared in relation to the Company have been properly declared in accordance with the Corporations Act.
- (c) The declaration or payment of any dividend paid by the Company between the Last Balance Date and the Completion Date will not:
 - (i) give rise to any Liability for Tax; nor
 - (ii) result in any breach of, or Liability under, the Corporations Act,

in relation to the Company.
- (d) The Company has maintained proper records of franking credits and debits for the purposes of the Tax Act.
- (e) Other than as Fairly Disclosed in the Due Diligence Materials, the Company has not paid a dividend:
 - (i) which would result in the Company being liable for franking tax under Part 3-6 of the ITAA 1997;
 - (ii) for which the franking amount exceeds the benchmark franking percentage or the maximum franking credit (each as defined in Part 3-6 of the ITAA 1997); or
 - (iii) where it applied for permission from a Regulatory Authority to depart from the benchmark franking percentage (as defined in Part 3-6 of the ITAA 1997).

25.15 Rollover relief

The Company has not sought capital gains tax rollover relief under the Tax Act relating to any asset which it has acquired and owns or will own at Completion.

25.16 Tainted share capital

The share capital account of the Company is not 'tainted' within the meaning of s 197.50 of the ITAA 1997.

25.17 Debt forgiveness

No amount has been waived or forgiven in respect of any debt owed by the Company to any person or entity, which:

- (a) gives rise to a net forgiven amount; and
- (b) affects the tax value of tax losses, capital losses or assets that will be owned by the Company at Completion.

25.18 Goods and Services Tax

- (a) The Company:
 - (i) is registered for GST and has an Australian Business Number;
 - (ii) has, complied in all material respects with the GST Act and has adequate systems and records to ensure its compliance; and
 - (iii) is not in default of any material obligation to make any payment or return (including without limitation any Business Activity Statement) or notification under the GST Act.
- (b) The Company has not engaged in any avoidance scheme for the purposes of section 165–5 of the GST Act.
- (c) The Company is not now and nor has it ever been a member of a GST Group up to the date of Completion.
- (d) For input tax credits claimed by the Company for any GST it paid in connection with a taxable supply paid to it, the Company was entitled to these input tax credits, in full.

26. Stamp Duty

26.1 Duty

Excluding this Agreement, Duty that the Company has primary liability for has been paid in full according to all applicable Tax Law on:

- (a) all documents and transactions to which the Company is a party, or by which the Company may derive a substantial benefit; and
- (b) all documents necessary to establish title of the Company to an asset.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Regulatory Authority and includes any interest, fine, penalty, charge, fee or other amount in respect of any of them.

26.2 Relief

The Company has not in the 5 years before the date of this agreement obtained corporate reconstruction relief nor any other duty exemption from payment of Duty in any jurisdiction.

26.3 Stamping

All documents and transactions to which the Company is a party, or by which the Company may derive a substantial benefit which are required to be stamped, have been duly stamped.

27. Compliance with Laws

27.1 Definitions

In this warranty 27:

Business Ethics Law means any Law which relates to:

- (a) bribery, corruption, secret commissions, fraud, theft, misuse of corporate funds, counterfeiting, forgery, use of forgeries, and other financial crimes; or
- (b) embargoes, drugs and weapons trafficking, and terrorism.

Modern Slavery Law means any Law which relates to fundamental human rights (including prohibitions against using child labour and any form of forced or compulsory labour, and prohibitions against all forms of trafficking in persons, slavery and slavery-like practice).

27.2 Business ethics; modern slavery

So far as the Sellers are aware, neither the Company, nor any Representative acting on the Company's behalf, has breached any applicable Business Ethics Law or Modern Slavery Law.

28. Accuracy of information

28.1 Information in agreement

The information in respect of the Shares, the Company and the Business set out in this agreement, including the schedules and annexures, is true and accurate in all material respects.

28.2 Information provided

- (a) The factual and historical information concerning the Business and the Company contained in the Due Diligence Materials is accurate in all material respects.
- (b) All information given by or on behalf of the Sellers to any Buyer Group Member or any of their employees, shareholders, insurers or advisers relating to the Shares, the Company and the Business, is true, complete and accurate in all material respects and so far as the Sellers are aware there is no fact or matter that renders any such information materially untrue, inaccurate or misleading.

Schedule 4 – Buyer Warranties

1. The Buyer and Beca Group

1.1 Capacity and authorisation

Each of the Buyer and Beca Group is a company properly incorporated and validly existing under the laws of the country or jurisdiction of its incorporation, and has taken all corporate actions necessary to enable it to execute and deliver this agreement and perform its obligations under this agreement.

1.2 Valid obligations

Each Transaction Document constitutes (or will when executed constitute) valid legal and binding obligations of the Buyer and Beca Group (to the extent that they are parties to the Transaction Document in question) and is enforceable against the Buyer and Beca Group in accordance with their respective terms.

1.3 Solvency

None of the following events has occurred in relation to the Buyer or Beca Group:

- (a) a receiver, receiver and manager, liquidator, provisional liquidator, administrator or trustee is appointed in respect of the Buyer or Beca Group or any of their assets or anyone else is appointed who (whether or not as agent for the Buyer or Beca Group) is in possession, or has control, of any of the Buyer's or Beca Group's assets for the purpose of enforcing an Encumbrance;
- (b) an application is made to court or a resolution is passed or an order is made for the winding up or dissolution of the Buyer or Beca Group;
- (c) the Buyer or Beca Group proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them;
- (d) the Buyer or Beca Group stops paying its debts when they become due or is declared or taken under any applicable law to be insolvent or the Buyer's board of directors resolves that it is, or is likely to become at some future time, insolvent; or
- (e) any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in paragraphs (a) to (d) of this Schedule 4.

1.4 No breach

Entering into and performing its obligations under this agreement will not result in a breach by the Buyer or Beca Group of:

- (a) any provision of its constitution; or
 - (b) any agreement or document to which either of them is a party; or
 - (c) any order, judgement or decree of any regulatory Authority which binds either of them,
- and that would prevent it from entering into and performing its obligations under this agreement.

2. Funding

The Buyer will have available to it at Completion:

- (a) cash resources sufficient to discharge all its obligations arising under this agreement; or

- (b) committed financing facilities which are able to be drawn down to discharge all its obligations arising under this agreement.

3. Beca Group

3.1 Consideration Shares

On Completion:

- (a) the Consideration Shares will:
 - (i) be validly transferred;
 - (i) not have been allotted, issued or transferred in breach of:
 - (A) any pre-emptive or similar rights of any person; or
 - (B) any contract which is binding on Beca Group, BGLD2 or any other Buyer Group Member.
- (b) the Consideration Shares will rank equally in all respects with the existing ordinary shares of Beca Group on issue;
- (c) the Consideration Shares will have the rights set out in the constitution of Beca Group as provided to the Sellers prior to the date of this agreement;
- (d) the Consideration Shares will have no restriction on their transfer other than in the manner contemplated by the constitution of Beca Group, the BGL Shareholders Agreement and the Deed of Covenant.
- (e) BGLD2 has the ability to transfer the Consideration Shares free from all Encumbrances (except as provided in clause 16.3 of the BGL Shareholders Agreement and each Deed of Covenant), and each Rollover Seller will receive good, valid and incontestable title to the Consideration Shares free from:
 - (ii) any Encumbrance, option, right to acquire, right of pre-emption, right of first or last refusal or other right, on, over or affecting the Shares; or
 - (i) any claim of any person (including any Buyer Group Member or any person claiming through any Buyer Group Member),except as provided in the constitution of Beca Group, the BGL Shareholders Agreement and each Deed of Covenant.

3.2 Consideration Share Price

As at the Completion Date, the Consideration Share Price:

- (a) has been determined consistently with the process for determining "Fair Value" as set out in the BGL Shareholders Agreement;
- (b) has been determined in a manner consistent with how "Fair Value" has been determined in each of the previous 3 years prior to Completion; and
- (c) subject to clause 8.7(c) of the BGL Shareholders Agreement, is no higher than the share price at which other Beca Group shareholders will be offered to be issued or transferred ordinary shares of Beca Group at any time within 4 months after 1 April 2022.

3.3 Disclosure

At Completion, Beca Group and BGLD2 have complied with all disclosure requirements under Part 6D.2 of the Corporations Act applicable to the offer or transfer of the Consideration Shares to the Rollover Sellers.

Schedule 5 – Working Capital and Net Debt Statements

Part A.1 – Reference Working Capital, Estimated Working Capital and Net Debt Statement and Completion Working Capital and Net Debt Statement

\$0	Column A Reference Working Capital	Ref	Column B Estimated Working Capital and Estimated Net Debt	Ref	Column C Completion Working Capital and Completion Net Debt	Ref
Trade debtors	3,344,713					
Contract assets	3,399,113					
Other Current Assets	476,284					
Current assets - total	7,220,110					
Less current liabilities	(3,527,651)					
Trade payables	(258,991)					
Contract liabilities	(1,016,932)					
Transaction Costs						
Other liabilities	(715,998)					
Employee related expenses	(1,535,730)					
Working Capital	3,692,459					

Debt Amount	N/A
Insurance contribution	220,000
Plus Cash	N/A
Net Debt	N/A

Note that in the table above debt amounts in Column B and Column C will be positive and cash amounts will be negative so that if the absolute value of cash exceeds debt then Net Debt will be a negative number and if debt exceeds the absolute value of cash then Net Debt will be a positive number.

Part A.2 – Initial Purchase Price Schedule

Account (\$'000)	Total
Enterprise Value (1)	24,000,000
CAA Escrow Amount (2)	1,000,000
Estimated Net Debt (3)	[•]
LTIP Payment (4)	[•]
Estimated Working Capital (5)	[•]
Reference Working Capital (6)	3,692,459
Initial Purchase Price [1 - 2 - 3 - 4 + 5 - 6]	Initial Purchase Price: [•]

Part A.3 – Completion Adjustment Amount Schedule

Account (\$'000)	Total
Completion Working Capital (1)	[•]
Estimated Working Capital (2)	[•]
Estimated Net Debt (3)	[•]
Completion Net Debt (4)	[•]
Adjustment amount [1 - 2 + 3 - 4]	Adjustment amount: [•]

Part A.4 – Initial Purchase Price Schedule – Example worked out at September 2021

Account (\$'000)	Total
Enterprise Value (1)	24,000,000
CAA Escrow Amount (2)	1,000,000
Estimated Net Debt (3)	(5,394,743)
LTIP Payment (4)	-
Estimated Working Capital (5)	2,555,651
Reference Working Capital (6)	3,692,459
Initial Purchase Price [1 - 2 - 3 - 4 + 5 - 6]	[27,257,935]

Note: the example above assumes that the LTIP payment will be fully satisfied before Completion Date.

Example Sep-21			
	Reported Working Capital and Net Debt at Completion	Adjustments	Column C Completion Working Capital and Completion Net Debt
Trade debtors	2,065,092		2,065,092
Contract assets	3,795,972		3,795,972
Other Current Assets	456,868		456,868
Current assets – total	6,317,932		6,317,932
Less current liabilities	(3,762,281)		(3,762,281)
Trade payables	(373,416)		(373,416)
Contract liabilities	(996,959)		(996,959)
Transaction Costs			
Other liabilities	(1,009,074)		(1,009,074)
Employee related expenses	(1,382,832)		(1,382,832)
Working Capital	2,555,651		2,555,651
		[●]	
Debt Amount	919,055	-	919,055
Insurance contribution	220,000	-	220,000
Plus Cash	6,533,798	-	(6,533,798)
Net Debt	(5,394,743)	-	(5,394,743)

Adjustments

- (i) Adjustment to other current assets above corresponds to the apportionment of pre-paid D&O insurance, which is excluded (i.e. valued at nil) from the Completion Working Capital Statement. For the avoidance of doubt, if the D&O insurance premium remains as a payable at the time of Completion, then this amount will be included in the Completion Working Capital.

Part B - Specific principles and policies to be applied in preparation of Completion Working Capital and Net Debt Statement

1. General

- a) The specific accounting policies set out below form part of the accounting policies applied by the Company in their day-to-day operations. The purpose of this schedule is to provide detailed explanations of the applications of certain accounting policies when preparing the Completion Working Capital and Net Debt Statements.
- b) Completion Working Capital and Net Debt Statements will be prepared from the Company's accounting records at the Effective Time. A full year-end type process will be undertaken for the Completion Working Capital and Net Debt Statements.
- c) Classification of each GL account across Working Capital, Net (Cash)/Debt and Other in the Completion Working Capital and Net Debt Statements will follow the classification presented in Schedule 5.
- d) An illustrative Working Capital Statement is provided in Part A.4 of this Schedule 5 to provide a worked example of the relevant balances as at 30 September 2021.
- e) For the purposes of the Completion Working Capital and Net Debt Statement Debt will be expressed as a positive amount and Cash will be expressed as a negative amount.
- f) The Completion Working Capital and Net Debt Statements will take into account any transactions that have the effect of a distribution to a Seller (or reduction of value to the Buyer) between the Effective Time and Completion.

2. Contract assets and liabilities

- a) Contract assets comprise of balances associated with contract work completed but unbilled. Contract liabilities comprise of amounts billed where the work has not yet been completed. The Company provides consulting services under fixed-price and time and materials modalities, each of which follow a specific accounting policy for revenue recognition.
- b) Contract assets consists of General Ledger accounts 5300 and 5301. Contract liabilities consist of General Ledger account 7012.
- c) The following accounting policies are applied for the recognition of contract assets and contract liabilities on fixed-price contracts:
 - i. Revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided over that fixed price contract. This is determined based on the actual contract costs incurred relative to the total expected contract costs to be incurred. A detailed calculation of this for each project with an anticipated fee value greater than \$100K will be carried out at Completion and reflected in the Completion Working Capital and Net Debt Statements.
 - ii. Payments for fixed-price contracts are received based on a payment schedule. If the services rendered by the company exceed the amount invoiced, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised. If the contract includes an hourly rate component, a contract asset is recognised for the amount to which the Company has a right to invoice the customer but has not yet invoiced.
 - iii. Estimates of revenues, costs, or the extent of progress towards completion of a contract are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the income statement and the corresponding contract asset or liability in the period in which the circumstances that give rise to the revision become known by management. For the purpose of the preparation of the Completion

Financial Statements it is agreed that, for the projects with a fee value greater than \$100k, unless supported by objective evidence that resulted in an increase in the project profitability, the gross margin % of the ongoing projects in the Completion Financial Statements will remain at or below the margin % for that contract in the September 2021 management accounts.

- iv. Contract assets will include an estimate of the chargeable income generated by employees between the day that final timesheets are posted and Completion Date, with this period of time being five working days or less. This estimate is determined as the 70% of available time chargeable for full-time permanent employees (i.e. excluding part-time and casual employees) using the minimum sales rates that are consistent with the approved minimum sales rate for the relevant projects and which are consistent with the historical rates applied in the contract asset calculations. For the purposes of Completion Working Capital and Net Debt Statements, this estimate should be reviewed in detail to ensure that it is accurate with reference to billings in the month following Completion.
 - v. Onerous contracts – if the Company becomes aware that a contract will be loss making, an estimate of the final loss will be recognised in the Completion Working Capital and Net Debt Statements. The estimated final loss will be calculated based on the forecast contract revenue less the forecast final cost of performing all work associated with the contract. For the purpose of the preparation of the Completion Working Capital and Net Debt Statements it is agreed that any provision of onerous contracts will be included in Working Capital. Management shall review all contracts at Completion to consider whether any are likely to be onerous.
 - vi. Insurance claim receivables are recognised within contract assets to the extent that they are considered to be recoverable. To the extent that they are not recovered by the date of the preparation of the Completion Working Capital and Net Debt Statements, they shall be valued at nil in the Completion Working Capital and Net Debt Statements. If they are valued at nil in the Completion Working Capital and Net Debt Statements and subsequently received by the Company, the amount shall be paid to the Sellers within 10 Business Days of receipt.
- d) The following accounting policies are applied for the recognition of contract assets on time and materials contracts:
- i. Revenue is recognised based on the timesheets submitted by the employees on a weekly basis. Contract assets from time and materials contracts comprise unbilled time worked by employees.
 - ii. For the purposes of the Completion Working Capital and Net Debt Statements, the hours and hourly rates that the work is recorded at within the contract assets will be no greater than what is recoverable from the client, based on billings carried out in the month subsequent to Completion, except to the extent that there has been an increase during this time based on a contractual entitlement.
 - iii. Contract assets will include an estimate of the chargeable income generated by employees between the day that final timesheets are posted and Completion Date, with this period of time being five working days or less. This estimate is determined as the 70% of available time chargeable for full-time permanent employees (i.e. excluding part-time and casual employees) at minimum sales rates that are consistent with the approved minimum sales rate for the relevant projects and which are consistent with the historical rates applied in the contract assets calculation. For the purposes of Completion Working Capital and Net Debt Statements, this estimate should be reviewed in detail to ensure that it is accurate with reference to billings in the month following Completion.
- e) Any amounts that have been invoiced at Completion but the work has not yet been carried out shall be recognised as contract liabilities in the Completion Working Capital and Net Debt Statements.

3. Trade Debtors

- a) Trade Debtors are recorded at face value less any provision for doubtful debts. A provision shall be raised if there is objective evidence that a customer will not be able to pay their invoice in full.
- b) To the extent that there are any debtors that were due to be paid by Completion and have not been paid by the date of the preparation of the Completion Working Capital and Net Debt Statements and are disputed by the client then they shall be valued at nil in the Completion Working Capital and Net Debt Statements. If they are valued at nil in the Completion Working Capital and Net Debt Statements and subsequently received by the Company, the amount shall be paid to the Sellers within 10 Business Days of receipt.
- c) Trade debtors denominated in foreign currency amounts will be valued at the relevant spot rate at Completion Date.

4. Accounts payable and accrued expenses

- a) Accrued expenses in the Completion Working Capital and Net Debt Statements will include:
 - i. Operating expenses for which invoices have not been received at Completion (including any costs in relation to the sale process);
 - ii. Unpaid salaries and salary related costs at Completion;
 - iii. GST payable at Completion.
- b) A detailed accrual process will be carried out in preparation of the Completion Working Capital and Completion Net Debt statements.

5. Employee Entitlements

Short-Term performance payments

- a) Short term performance payments are accrued on a monthly basis and paid in September of the following financial year.
- b) The short-term performance payments estimate is calculated as a percentage of the forecast normalised Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) based on management reported EBITDA excluding certain normalised items. A short-term payment is only accrued if forecast annual EBITDA is equal or greater than \$1.5 million and the schedule with the applicable percentages to calculate the short-term performance payments is presented at Part C of Schedule 5.
- c) In preparing the Completion Working Capital and Completion Net Debt statements, an estimate will be made as to the forecast EBITDA for the financial year. This will be arrived at by the reforecast completed in the month subsequent to Completion. Items to be excluded from the reforecast EBITDA include, but are not limited to:
 - i. Interest income;
 - ii. Transaction costs;
 - iii. Long-term incentive costs; and
 - iv. Accrued short term incentive costs.

Defined benefit scheme

- a) The Company contributes to two defined benefit superannuation schemes in the NSW public sector Pooled Fund (SASS and SANCS) for one employee.

- b) The Company's net obligation in respect of these schemes is reassessed at year-end based on the actuarial report provided by the funds administrator.
- c) Where an actuarial report is not available at Completion Date, the parties agree to consider the net obligation at Jun-21 as the balance at Completion Date for the Completion Working Capital and Completion Net Debt statements. The net obligation at Jun-21 amounted to \$91k.

6. Income tax

- a) A full provision for income tax is to be calculated up to Completion and included in the Completion Working Capital and Completion Net Debt statements.

7. Make good provision

- a) For the purpose of the Completion Working Capital and Completion Net Debt statements, the make good provision will be assessed following the same approach as in the Last Accounts. Assumptions used to calculate the make good provision will only change due to the passage of time or as a result of objective evidence.

8. LTIP

- a) The LTIP Payment will be paid prior to Completion Date or deducted (and paid) in the calculation of the Initial Purchase Price, as defined in clause 4.1. Therefore, it is agreed that any outstanding LTIP payment at Completion Date that has been deducted from the Initial Purchase Price will not form part of the Completion Net Debt or Completion Working Capital.

9. Insurance prepayments

- a) Outstanding balances associated with the apportionment of pre-paid insurances under clauses 5.4 and 5.5 will be classified within the Completion Working Capital Statements in line with normal practice. Hence, each party will assume the associated cost while being the shareholders of the Company.
- b) Outstanding balances associated with the apportionment of pre-paid D&O insurance under clause 11.1 will be excluded (valued at nil) from the Completion Working Capital Statement.
- c) The Seller will make a contribution of \$220,000 for the purchase of the insurances which will be reflected in the Completion Net Debt Statement, as specified in the Net Debt definition below.

10. Definitions

Net Debt means, without double counting, the aggregate of all monetary liability or indebtedness (whether presently payable or payable only on the occurrence of one or more circumstances or events) of the Company (expressed as a positive amount), for or in respect of:

- (a) any transaction or series of transactions having the commercial effect of borrowing or raising money, including from any bank, financial institution or other form of lender or financier;
- (b) any debt securities (including any bond, debenture, note, loan stock or similar instrument) issued by the Company or any bill acceptance, endorsement or discounting arrangement;
- (c) all amounts to pay out or otherwise close out on the Completion Date any:
 - (i) futures contract;
 - (ii) forward exchange or forward purchase contract; or
 - (iii) swap, hedge, cap, collar, ceiling or floor or option contract,

- (d) in respect of any currency, interest rate or commodity or any similar transaction to which the Company is a party, if required in connection with the early repayment of any debt;
 - (e) any amount outstanding from, or owing by, the Company on any credit cards;
 - (f) any amount outstanding from, or owing by, the Company to any Seller or its Related Entity;
 - (g) any “earn out amount” or similar payment obligation under a written contract;
 - (h) dividends and distributions declared or determined but which remain unpaid as at the Effective Time;
 - (i) any equipment loan, hire purchase, finance lease, capital lease or similar arrangement (including any residual payments associated with the repayment in full of any such arrangement);
 - (j) accrued but unpaid interest, fees, break costs or other amounts in relation to any of the above;
 - (k) an amount of \$220,000 in relation to the insurances;
 - (l) an amount in relation to the Defined benefit scheme as described in Schedule 5; and
 - (m) an allowance for the make good provision for the premises as described in Schedule 5,
- less Cash (and equivalents) as at the Effective Time.

For the purpose of the Completion Financial Statements, the detail of the GL accounts to be considered in the calculation of the Completion Net Debt is set out in Schedule 5 Part D.

Part C – Applicable percentage to the STI calculation

EBITDA (ex Performance Payments)	% paid	Short-term performance payment amounts (annual amount)
\$ 1,500,000	8.0%	\$ 120,000
\$ 1,600,000	9.0%	\$ 144,000
\$ 1,700,000	10.0%	\$ 170,000
\$ 1,800,000	11.0%	\$ 198,000
\$ 1,900,000	12.0%	\$ 228,000
\$ 2,000,000	13.0%	\$ 260,000
\$ 2,100,000	13.2%	\$ 277,200
\$ 2,200,000	13.4%	\$ 294,800
\$ 2,300,000	13.6%	\$ 312,800
\$ 2,400,000	13.8%	\$ 331,200
\$ 2,500,000	14.0%	\$ 350,000
\$ 2,600,000	14.2%	\$ 369,200
\$ 2,700,000	14.4%	\$ 388,800
\$ 2,800,000	14.6%	\$ 408,800
\$ 2,900,000	14.8%	\$ 429,200
\$ 3,000,000	15.0%	\$ 450,000
\$ 3,100,000	15.2%	\$ 471,200
\$ 3,200,000	15.4%	\$ 492,800
\$ 3,300,000	15.6%	\$ 514,800
\$ 3,400,000	15.8%	\$ 537,200
\$ 3,500,000	16.0%	\$ 560,000
\$ 3,600,000	16.2%	\$ 583,200
\$ 3,700,000	16.4%	\$ 606,800
\$ 3,800,000	16.6%	\$ 630,800
\$ 3,900,000	16.8%	\$ 655,200
\$ 4,000,000	17.0%	\$ 680,000
\$ 4,100,000	17.2%	\$ 705,200
\$ 4,200,000	17.4%	\$ 730,800
\$ 4,300,000	17.6%	\$ 756,800
\$ 4,400,000	17.8%	\$ 783,200
\$ 4,500,000	18.0%	\$ 810,000

Part D - Completion Working Capital and Net Debt Calculations

Completion Working Capital and Completion Net Debt at Completion shall be calculated using only the general ledger lines identified by a “✓” in the column headed **Working Capital** and **Net Debt** in the Accounts Classifications Schedule below

GL code	GL account name	Working Capital	Net Debt	Other assets/liabilities	Equity
5100	Accounts Receivable	✓			
5300	WIP Control	✓			
5301	WIP Adjustment	✓			
5400	Prepaid Creditors	✓			
7104	Provision for Public Holidays			✓	
5110	GST Credits Receivable	✓			
7033	Lease Clearing Account (AASB16)			✓	
7118	Provision for FBT	✓			
5111	GST Credit Accrued	✓			
5118	Security Deposits		✓		
5101	Other Receivables	✓			
7109	Employer Super Prov - SASS Contract	✓			
7032	Novated Leases Offset Account	✓			
5115	Employee Travel Advances	✓			
5116	Sal Sac Pmts Rec	✓			
7105	Provision for Workers Comp	✓			
7030	Parental Leave Payments	✓			
7028	Employee Dedns - Other	✓			
7020	Employee Dedns - SASS	✓			
7015	Unreconciled Customer Deposits/Payments	✓			
7103	Provision for Rostered Days	✓			
7101	Provision for Ann Leave Loading	✓			
7019	Employee Dedns - Super	✓			
7113	Provision for Purchased Leave	✓			
7006	Corporate Credit Cards - FlexiPurchase		✓		
7106	Provision for Payroll Tax	✓			
7001	Creditors Accrued	✓			
7018	Employee Dedns - Income Tax	✓			
7107	Employer Super Prov - Super Guarantee	✓			
7010	Creditors - Salaries Payable	✓			
8102	Provision for Long Service Leave			✓	
7034	GST on Taxable Supplies	✓			
7000	Creditors	✓			
7011	Creditors - Performance Payments Payable & Current LTI	✓			
7012	Income in Advance	✓			
7102	Provision for Long Service Leave			✓	
7100	Provision for Annual Leave	✓			
5000	General Cash Account		✓		
5003	FJD Currency Account		✓		
5002	USD Currency Account		✓		
5004	Trust Bank Account - Fiji PWC FJD		✓		
5020	Petty Cash		✓		
5001	Term Deposit 1		✓		
5007	Bank of South Pacific Account		✓		
8105	Underfunded Superannuation Liability		✓		
8150	Provision for Make Good		✓		
7090	Provision for Income Tax		✓		
8103	Provision for Share Based Payment			✓	
6007	Right of Use Asset (Lease-AASB16)			✓	
6008	Leasehold Improvements			✓	
6006	Intangible Assets - Other			✓	

6002	Plant & Equipment		✓
6004	Intangible Assets - Software		✓
6090	Deferred Tax Asset		✓
6009	Leasehold Improvements - Make Good		✓
6059	Accumulated Depreciation Leasehold Improvements - Make Good		✓
7300	Lease Liability (AASB16) (Current)		✓
6057	Accumulated Depn-Right of Use Asset (Lease-AASB16)		✓
6052	Accumulated Depreciation Plant & Equipment		✓
6054	Accumulated Amortisation Intangible Assets - Software		✓
6058	Accumulated Depreciation Leasehold Improvements		✓
6056	Accumulated Amortisation Intangible Assets - Other		✓
8300	Lease Liability (AASB16) (Non-Current)		✓
9205	Ordinary Shares		✓
9113	Actuarial Gains\Losses - Defined Superannuation		✓
9300	Accumulated Funds		✓

Reference working capital as set out in Schedule 5 Part A.1 is based on the last twelve months average of the general ledger lines identified by a “✓” in the column headed Working Capital above, normalised for the following:

- i. Annual leave balances in excess of 4 weeks;
- ii. Income in advance in connection with works that have not been completed due to travel restrictions; and
- iii. Capital expenditure payables

Schedule 6 – Permitted Security Interest

Number	PMSI	Collateral Class	Inventory	Grantor	Secured Party Group	Collateral Description
201501190044989	Yes	Other Goods	No	ACN 602 201 552	DATA#3 LIMITED. ACN 010 545 267	All goods sold, leased, rented, bailed, consigned or otherwise made available to the grantor by the secured party.
201503240022321	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	GATIC PTY LIMITED ACN 006 799 757; KEY PLASTICS PTY. LTD. ACN 000 063 623; NORTHERN IRON AND BRASS FOUNDRY PTY. LTD. ACN 078 991 803; CREVET PIPELINES PTY LTD ACN 002 992 896; IPLEX PIPELINES AUSTRALIA PTY LIMITED ACN 079 613 308	All goods sold, leased, rented, bailed, consigned or otherwise made available to the guarantor by the secured party including but not limited to pipes, fittings, reels, grates, coils and associated items.
201503270008988	Yes	Motor Vehicle	No	ACN 602 201 552	NATIONAL AUSTRALIA BANK LIMITED ACN 004 044 937	Any property which is from time to time subject to a security interest under an Asset Finance Agreement (AFA) entered into on or after 27/03/2015 for a motor vehicle in accordance with the Master Asset Finance Agreement (MAFA) between the Grantor and the Secured Party dated on or around 6/01/2015 contract ML2611753, or any other security agreement replacing the AFA or MAFA or arising under any replacement or subsequent AFA or MAFA
201503270009004	Yes	Other Goods	No	ACN 602 201 552	NATIONAL AUSTRALIA BANK LIMITED ACN 004 044 937	Any property which is from time to time subject to a security interest under an Asset Finance Agreement (AFA) entered into on or after 27/03/2015 (except where the goods are a motor vehicle, aircraft or watercraft) in accordance with the Master Asset Finance Agreement (MAFA) between the Grantor and the Secured Party dated on or around 6/01/2015 contract ML2611753, or any other security agreement replacing the AFA or MAFA or arising under any replacement or subsequent AFA or MAFA
201504080040294	Yes	Other Goods	Yes	ACN 602 201 552	VINIDEX PTY LIMITED ACN 000 664 942	pipng and related products as supplied by Vinidex
201505040037847	Yes	Other Goods	Yes	ACN 602 201 552	SIEMENS LTD. ACN 004 347 880	Collateral supplied by the Secured Party
201508310072788	Yes	Other Goods	No	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	REDSTAR EQUIPMENT PTY LTD ACN 103 772 318; ONSITE RENTAL GROUP OPERATIONS PTY LTD ACN 126 102 485	All goods sold, leased, rented, bailed, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor.
201512010040739	Yes	Other Goods	No	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	AGGREKO GENERATOR RENTALS PTY. LIMITED ACN 001 991 457	All equipment leased, rented or otherwise made available to the grantor by the secured party
201606070013868	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	SCHNEIDER ELECTRIC (AUSTRALIA) PTY LIMITED ACN 004 969 304; SCHNEIDER ELECTRIC IT AUSTRALIA PTY LTD ACN 088 913 866;	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement including retention of title or otherwise made available by the secured party to the grantor.

Number	PMSI	Collateral Class	Inventory	Grantor	Secured Party Group	Collateral Description
					SCHNEIDER ELECTRIC BUILDINGS AUSTRALIA PTY LTD ACN 008 059 345; SCHNEIDER ELECTRIC SYSTEMS AUSTRALIA PTY LTD ACN 000 522 261; M & C ENERGY PTY LTD ACN 104 501 091	
201606140058983	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	R.O.B. AUSTRALIA PTY LTD ACN 100 915 866	Collateral Supplied by the secured Party
201701200037302	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	BYRNECUT OFFSHORE PTY LTD ACN 122 218 688; QUATTRO PROJECT ENGINEERING PTY LTD ACN 150 508 571; S R O GROUP PTY LIMITED ACN 608 216 486; MINING PLUS PTY LTD ACN 122 068 348; JETCRETE OZ PTY LTD ACN 137 775 903; MURRAY ENGINEERING PTY LTD ACN 119 603 655; BYRNECUT AUSTRALIA PTY LTD ACN 129 142 516	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title) or otherwise made available by the secured party to the grantor.
201705190027029	Yes	Motor Vehicle	No	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	TOYOTA FINANCE AUSTRALIA LTD ACN 002 435 181	Collateral is any motor vehicle supplied or financed from time to time by the Secured Party to the Grantor in which the Secured Party has a security interest (whether by loan, lease, hire purchase, bailment or otherwise) and any proceeds thereof.
201705190027038	Yes	Other Goods	No	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	TOYOTA FINANCE AUSTRALIA LTD ACN 002 435 181	Collateral is any goods supplied or financed from time to time by the Secured Party to the Grantor in which the Secured Party has a security interest (whether by loan, lease, hire purchase, bailment or otherwise) and any proceeds thereof.
201706120002076	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	B & R ENCLOSURES PTY. LTD. ACN 007 587 082	All goods supplied by b & r enclosures Pty Ltd to the grantor including, but not limited to enclosures, racks, cabinets, switchboard Building Systems and climate control equipment.
201711060032894	Yes	Motor Vehicle	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	TOYOTA FINANCE AUSTRALIA LTD ACN 002 435 181	Collateral is any motor vehicle supplied or financed from time to time by the Secured Party to the Grantor in which the Secured Party has a security interest (whether by loan, lease, hire purchase, bailment or otherwise) and any proceeds thereof.
201811270060574	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	R F INDUSTRIES PTY LTD ACN 001 695 512	Collateral supplied by the secured party

Number	PMSI	Collateral Class	Inventory	Grantor	Secured Party Group	Collateral Description
202011180028313	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	N.H.P. ELECTRICAL ENGINEERING PRODUCTS PROPRIETARY LIMITED ACN 004 304 812	All goods, now and in the future, supplied but not limited to; electrical switches and controllers, cabling, enclosures, transformers, mechanical equipment, accessories, and other electrical engineering products
202104140018321	Yes	Motor Vehicle	No	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	LEASEPLAN AUSTRALIA LIMITED ACN 006 923 011	All motor vehicles or other goods leased or bailed to the grantor (including, without limitation, under novated lease arrangements). The grantor breaches the security agreement which provides for the lease or bailment if, without the secured party's consent or agreement, it disposes of the collateral (including, without limitation, by selling or leasing it).
202107060061703	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	APS INDUSTRIAL PTY LTD ACN 623 475 481	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title) or otherwise made available by the secured party to the grantor, including but not limited to electrical products, automation products, electronic components and related products.
202202180003502	Yes	Other Goods	Yes	HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552	BRONSON & JACOBS PTY LTD IXOM OPERATIONS PTY LTD	All goods sold or supplied , and all equipment loaned, rented, bailed or otherwise made available by the secured party to the grantor.

Schedule 7 – Not used

Schedule 8 – Shareholders’ Agreement restrictive covenants

Restrictive Covenants

1 Restraint

Each Restrained Party covenants and agrees with the Company and the Buyer that except as otherwise authorised in writing by the Buyer, the Restrained Party will not from the date of this agreement until the expiration of the Restraint Period in a Restrained Capacity directly or indirectly:

- (a) use the name 'Hunter H2O Holdings' or any combination thereof or the trading name used by any Related Entity of the Company or any colourable interpretation thereof;
- (b) deal with or in any way trade with any Restraint Customer in a manner which adversely affects the actual or reasonably prospective business that the Company enjoys or may enjoy with the Restraint Customer;
- (c) solicit or entice away from the Company or from any Associate of the Company any Restraint Customer in respect of their requirements for services of the type ordinarily provided by the Company; or
- (d) interfere or seek to interfere, directly or indirectly, with the relationship between the Company and its clients, customers or suppliers in the conduct of the Business.

2 Territorial Restraint

Each Restrained Party covenants and agrees with the Company and the Buyer that except as otherwise authorised in writing by the Buyer, the Restrained Party will not from the date of this agreement until the expiration of the Restraint Period establish or Operate or appoint or authorise others to establish or Operate anywhere within the Restraint Territory:

- (a) any business or undertaking of a like or similar kind to the Business of the Company or the business of any Associate of the Company; or
- (b) any consultancy business or undertaking in the water industry that competes with Company or with any Associate of the Company.

3 Restraint on employing certain people

Each Restrained Party covenants and agrees with the Company and the Buyer that except as otherwise authorised in writing by the Buyer, the Restrained Party will not from the date of this agreement until the expiration of the Restraint Period in a Restrained Capacity directly or indirectly employ or be involved in employing any of the employees, sub-contractors or consultants of the Company or any Associate of the Company.

4 Associates or Relatives

Each Restrained Party covenants and agrees with the Company and the Buyer and each other Party that subject to the other provisions of this Schedule, it will use its best endeavours to procure that none of its Associates or Relatives will do anything which, if done by the particular Restrained Party would breach any of the covenants or restrictions in clauses 1, 2 or 3.

5 Acknowledgements

Each Restrained Party expressly acknowledges and agrees that:

- (a) the restraints contained in this Schedule 8 are no greater than are reasonably required to protect the value of the goodwill of the Company and the value of the Shares;

(b) the only effective, fair and reasonable manner in which the interests of the Company and the Buyer can be protected is by the restraints imposed on each Restrained Party on the terms set out in this Schedule;

(c) each Restrained Party will have received adequate consideration for the restraint obligation undertaken in terms of this Schedule;

(d) each of the covenants contained in this Schedule 8 is reasonable in scope and duration having regard to the interest of the Restrained Party who is giving the covenants and that the covenants go no further than is reasonably necessary to protect the interest of the Company and the Buyer having the benefit of each of the covenants; and

(e) each of the covenants contained in this Schedule 8 continues to bind each of the Restrained Parties and survives Completion.

6 Exceptions

Each of the Parties acknowledges and agrees that clauses 1, 2, 3 and 4 do not:

(a) apply to the extent of any waiver granted by the Buyer in writing . The Buyer must grant a waiver if it reasonably determine that in the particular circumstance the Buyer and the Company will not suffer or is unlikely to suffer any material disadvantage arising from a breach by the Restrained Party of the relevant clause. The particular Restrained Party will provide all information reasonably requested by the Company to assist it in its consideration of any determination in accordance with this clause. The Buyer may place any conditions it reasonably determines on any determination made by it in accordance with this clause and the particular Restrained Party must, in order to continue to receive the benefit of that clause, strictly comply with all such conditions;

(b) apply to the extent reasonably necessary for the relevant Restrained Party to engage in any reasonable actions taken for the benefit of the Company by the Restrained Party; or

(c) prevent any Restrained Party from holding 15% or less of the issued share capital of any company listed on a recognised stock exchange.

7 Injunctive Relief

Each Restrained Party acknowledges and agrees that a breach by it of the covenants contained in this Schedule 8 shall entitle the Company and the Buyer not only to damages but also to injunct summarily the continued breach of this Schedule 8 and no Restrained Party shall in any such proceedings argue that the breach complained of is not one which should properly be the subject of injunctinal summary relief.

8 Rights and Obligations Cumulative

The rights and obligations of each party under this Schedule 8 are cumulative and are in addition to any other rights and obligations of that party. If any party is bound under any other instrument by restrictive covenants in favour of the Company or any other Buyer Group Member and if there is any inconsistency between any of the provisions of those restrictive covenants and the provisions of this Schedule 8, the inconsistency shall be resolved by applying those provisions which contain the greater restrictions on the relevant Restrained Party in each instance.

In this Schedule:

Associate means a person who is an associate of another person within the meaning set out in sections 11, 15 and 16 of the Corporations Act and, in the case of an individual, any Relative of that person.

Business means the water consulting business acquired by the Company from Hunter Water Australia Pty Limited (ACN 080 869 905) to be conducted by the Company, and any other business conducted by the Company from time-to-time.

Commencement Date means 30 August 2018, being the date of the Shareholders Agreement.

Customer means a customer of the Company current at the relevant time.

Operate means to directly or indirectly own, operate, manage at general manager or higher level or hold a legal or beneficial interest in, whether as principal, agent, shareholder, trustee, beneficiary, consultant or otherwise.

Prospective Customer means a person who, at any time during the two year period immediately prior to the time that is relevant in the context, the Company or an Associate of the Company has directly canvassed for business and who the Company or Associate of the Company has a reasonable prospect of securing business from.

Relatives means children or other issue (including an adopted child or stepchild), son-in-law, daughter-in-law, father, mother, brother, sister, brother-in-law, sister-in-law, nephew, niece, wife or husband.

Restrained Capacity means as an adviser, consultant, partner, shareholder, principal, agent, director, manager, servant, employee or beneficiary or in any other capacity whatsoever of any sole trader, company, body corporate, trust, partnership or other organisation whatsoever.

Restrained Party means each Seller.

Restraint Customers shall mean all of the following:

(a) any person or entity who, to the knowledge of the Restrained Party, is at the Commencement Date or becomes, at any time during the period commencing on that date and expiring on the date of expiration of the Restraint Period, an existing Customer or Prospective Customer of the Company or any Associate of the Company;

(b) any person or entity that is at the Commencement Date or becomes, at any time during the period commencing on that date and expiring on the date of expiration of the Restraint Period, to the knowledge of the Restrained Party, an Associate of any person or entity referred to in (a) above.

For the purpose of this definition 'to the knowledge of the Restrained Party' means known to the Restrained Party or ought to, in view of the circumstances, be reasonably expected to be known to that Restrained Party at the relevant time during the Restraint Period.

Restraint Period means the periods commencing on the Completion Date and expiring:

(a) three years;

(b) two years; or

(c) 12 months,

following the Completion Date, to the intent that:

(a) if any such period shall be held to be invalid for any reason by any Court of competent jurisdiction, such invalidity shall not prejudice or in any way affect the validity of any lesser period specified; and

(b) all such periods shall bind each Restrained Party to the extent that no such finding is made.

Restraint Territory means the area that is within:

(a) the State of New South Wales; and

(b) the State of Queensland; and

(c) any other State or Territory of Australia other than the States of New South Wales and Queensland,

(d) to the intent that:

(i) if any such areas shall be held to be invalid for any reason by any Court of competent jurisdiction, such invalidity shall not prejudice or in any way affect the validity of any lesser area specified; and

(ii) all such areas shall bind each Restrained Party to the extent that no such finding is made.

Schedule 9 – Material Contracts

	Data Room reference	Description
1.	6.4.1.2	Consultancy Agreement: Period Consultancy Provision of Water and Sewage Consulting Services between Hunter H2O Holdings Pty Limited ABN 16 602 201 552 and Namoi Unlimited (signed for Namoi Joint Organisation of Councils ABN 35 540 425 772) dated on or about October 2019
2.	6.4.1.4	Sub-Consultancy Deed between SMEC Australia Pty Ltd ABN 47 065 475 149 and HunterH2O Holdings Pty Ltd ABN 16 602 201 552 dated on or about 6 October 2020
3.	6.4.1.5	Queanbeyan Sewage Treatment Plant Upgrade Project: Contract for Design Consulting Services No.12/2015 between Queanbeyan - Palerang Regional Council ABN 95 933 070 982 and Hunter H2O Holdings Pty Ltd ABN 16 602 201 552 dated on or about 19 March 2019
4.	6.4.1.6	Services Contract for Consulting and Services Panel in relation to Taswater Program Management Alliance between CPB Contractors Pty Ltd (ACN 000 893 667) and UGL Engineering Pty Limited (ACN 096 365 972) (together, CPB UGL JV (ABN 64 835 508 433)) and Hunter H2O Holding Pty Ltd (ABN 16 602 201 552)
5.	6.4.1.9	Moss Vale Sewage Treatment Plant contract between Wingecarribee Shire Council ABN 49 546 344 354 and Hunter H2O Holdings Pty Ltd ABN 16 602 201 552 dated on or about 17 July 2020
6.	6.4.1.10	Design and Engineering Services Panel Deed (Reference No: CS1175) between Hunter Water Corporation ABN 46 228 513 446 and Hunter H2O Holdings Pty Ltd ABN 16 602 201 552
7.	6.4.1.11	Sub-Consultancy Agreement between SMEC Australia Pty Limited ABN 47 065 475 149 (SMEC) and Hunter H2O Holdings Pty Ltd ABN 16 602 201 552 (SMEC's client: Icon Water)
8.	6.4.1.14	Consultancy Agreement (by Work Order) between Downer Utilities Australia Pty Ltd ACN 075 194 857 and Hunter H2O Holdings Pty Ltd ACN 602 201 552
9.	6.4.2.1 & 6.4.2.2	Comprehensive Contract ICT Products and Services: 03639-Plant and Operations Data Management Solution between Queensland Bulk water Supply Authority trading as Seqwater ABN 75 450 239 876 and Hunter H2O Holdings Pty Ltd ACN 602 201 552 dated on or about 23 January 2020
10.	6.4.2.3	Reseller Agreement between Lutra Limited, company number 1754414 and Hunter H2O Holdings Pty Ltd ACN 602 201 552 dated on or about 23 January 2020
11.	6.4.2.4	General Conditions of Contract for Consultants re detailed design and associated technical specification documentation for the proposed upgrade of the Mittagong Treatment Plant between Wingecarribee Shire Council ABN 49 546 344 354 and Hunter H2O Holdings Pty Ltd ABN 16 602 201 552 dated on or about 4 February 2021

12.	6.4.2.5	General Conditions of Contract for Consultants re detailed design and associated technical specification documentation for the proposed upgrade of the Bowral Treatment Plant between Wingecarribee Shire Council ABN 49 546 344 354 Hunter H2O Holdings Pty Ltd 16 602 201 552 dated on or about 10 March 2020
13.	6.4.2.9	Rural Automation Renewals: Contract Number 05016F41: Design and Construct Contract (Amended as 4902) between Water NSW ABN 21 174 934 787 and Hunter H2O Holdings Pty Ltd ACN 602 201 552 dated on or about 30 January 2018
14.	6.4.2.10	General Conditions of Contract for Consultants re Detailed Design and Documentation of the Kalkie and Gregory River Water Treatment Plant Upgrades– Contract No. TEN/0201 between Bundaberg Regional Council ABN 72 427 835 198 and Hunter H2O Holdings Pty Limited ABN 16 602 201 552 dated on or about June 2017
15.	6.4.1.1	Standing Offer Deed for Professional Consulting Services (LGP1208-4) between Local Government Procurement Pty Ltd ACN 117 201 046 and Hunter H2O Holdings Pty Limited t/as Hunter H2O ACN 602 201 552 dated on or about 7 October 2021
16.	6.4.1.3	Subcontract for the Provision of Engineering Services between WSP Australia Pty Limited ABN 80 078 004 798 and Hunter H2O Holdings Pty ABN 16 602 201 552 Ltd dated on or about 17 November 2017
17.	6.4.1.7	Hunter Water Standing Offer Consultancy Agreement (with design) between Veolia Water Operations Pty Ltd ABN 14 061 297 and Hunter H2O Holdings Pty Ltd ABN 16 602 201 552 dated on or about 9 September 2019
18.	6.4.1.8	Standing Offer Consultancy Agreement (with design) between Veolia Water Australia Pty Ltd ABN 99 061161 279 and Hunter H2O Holdings Pty Ltd 16 602 201 552 dated on or about 30 April 2019
19.	6.4.1.12	Work Order for Design Services in respect of Tanilba Bay Waste Water Treatment Works under Consultancy Agreement (by Work Order) between Downer Utilities Australia Pty Ltd ACN 075 194 857 and Hunter H2O Holdings Pty Ltd ACN 602 201 552 dated on or around 10 January 2020
20.	6.4.1.13	Teaming Agreement – Subcontractor between Downer Utilities Australia Pty Ltd ACN 075 194 857 and Hunter H2O Holdings Pty Ltd ACN 602 201 552 dated on or around 27 May 2019
21.	6.4.2.36	Water & Sewer Client Side Engineering Support Services Agreement dated 17 February 2022 between Port Macquarie-Hastings Council ABN 11 236 901 601 and Hunter H2O Holdings Pty Limited ABN 16 602 201 552

Schedule 10 – Change of control consents and notifications

	Description	Counterparty
1.	WSP Australia General Conditions of Subcontracting dated 9 November 2018 (Data Room No. 6.4.1.3)	WSP Australia Pty Limited (Contractor)
2.	Segwater ICT Products and Services Plant and Operations (Data Room No. 6.4.2.1)	Queensland Bulk Water Supply Authority trading as Seqwater
3.	Reseller Agreement (Data Room No. 6.4.2.3)	Lutra Limited, company number 1754414
4.	Contract for the detailed design for upgrade of wastewater treatment plant at Navakai dated 18 December 2017 (Data Room No. 6.4.2.8)	Water Authority of Fiji
5.	Design and Construction Contract for Rural Automation Renewals dated 30 January 2018 (Data Room No. 6.4.2.9)	Water NSW ABN 21 174 934 787
6.	General conditions of contract for the Supply of Engineering & Environmental Consultancy Services through a Register of Pre-Qualified Suppliers LGA Arrangement dated May 2020 (Data Room No. No. 6.4.2.22)	Local Buyer (see Clause A(i)) ('Local Buyer Contract' General Conditions of Contract)
7.	Sub-Consultancy Deed regarding Project: Coombabah Sewage Treatment Plant Stage 6 Upgrade dated 6 October 2021 between SMEC Australia Pty Limited ABN 47 065 475 149 and HunterH2O Holdings Pty Ltd ABN 16 602 201 552. (Data Room No. 6.4.1.4)	SMEC Australia Pty Limited ABN 47 065 475 149
8.	Deed of Standing Offer for the Provision of Infrastructure Advisory Services dated 6 July 2017 between the Commonwealth of Australia as represented by the Department of Infrastructure and Regional Development ABN 86 267 354 017 and Hunter H2O Holdings Pty Ltd. (Data Room No. 6.4.2.33)	Commonwealth of Australia as represented by the Department of Infrastructure and Regional Development ABN 86 267 354 017
9.	Water & Sewer Client Side Engineering Support Services Agreement dated 17 February 2022 between Port Macquarie-Hastings Council ABN 11 236 901 601 and Hunter H2O Holdings Pty Limited ABN 16 602 201 552 (Data Room No. 6.4.2.36)	Port Macquarie-Hastings Council ABN 11 236 901 601

Schedule 11 – Intellectual Property

Australian trade marks

Trade Mark	TM Number	Owner	Class/ Goods & Services	Status	Filing date	Renewal date	Comments
Hunter H2O	1661035	Hunter H2O Holdings Pty Limited	Class 37: Civil engineering consultancy Class 42: Engineering consultancy	Lapsed: Not accepted	27 Nov 2014		Not disclosed in the Data Room. Trade mark not accepted.
	1832721	Hunter H2O Holdings Pty Limited	Class 42: Engineering consultancy	Registered	20 Mar 2017	20 Mar 2027	Not disclosed in the Data Room.
	1832722	Hunter H2O Holdings Pty Limited	Class 42: Engineering consultancy	Registered	20 Mar 2017	20 Mar 2027	Not disclosed in the Data Room.

Business names

Business Name	Former State / Territory Identifier	Owner	Status	Date Registered	Renewal due	Comments
HUNTER H2O	N/A	Hunter H2O Holdings Pty Limited	Registered	28 November 2014	28 November 2021	Not disclosed in the Data Room.

Domain names

Domain Name	Registrant	Creation Date	Expiry Date	Status	Registrar	Comments
hh2o.com.au	Hunter H2O Holdings Pty Limited	not available for .au domain names	not available for .au domain names	Server renew prohibited. Not currently eligible for renewal	Netregistry Pty Ltd	Invoice in the Data Room. No corresponding website found.

hunterh2o.com.au	Hunter H2O Holdings Pty Limited	not available for .au domain names	not available for .au domain names	Server renew prohibited. Not currently eligible for renewal	Netregistry Pty Ltd	Invoice in the Data Room.
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Signing pages

Executed as an agreement:

Executed by **SEFTON INVESTMENTS PTY LTD ACN 123 187 771 ATF THE SEFTON SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:



GRANT DAVID SEFTON

Director



LINDA SHEREE SEFTON

Director

Signed by **JASON DAVID SANDFORD** in the presence of:

Signature of witness

JASON DAVID SANDFORD

Name of witness

(block letters)

Signed by **LAUREN ELISE SANDFORD** in the presence of:

Signature of witness

LAUREN ELISE SANDFORD

Name of witness

(block letters)

Signing pages

Executed as an agreement:

Executed by **SEFTON INVESTMENTS PTY LTD ACN 123 187 771 ATF THE SEFTON SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

GRANT DAVID SEFTON

Director

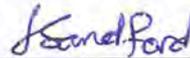
LINDA SHEREE SEFTON

Director

Signed by **JASON DAVID SANDFORD** in the presence of:



Signature of witness



JASON DAVID SANDFORD

DENISE SANDFORD

Name of witness

(block letters)

Signed by **LAUREN ELISE SANDFORD** in the presence of:



Signature of witness



LAUREN ELISE SANDFORD

DENISE SANDFORD

Name of witness

(block letters)

Signed by **STEPHEN DOUGLAS BLANSHARD**
ATF WHITE SWAN INVESTMENTS TRUST in
the presence of:



Signature of witness



STEPHEN DOUGLAS BLANSHARD

DAVID GULSON

Name of witness

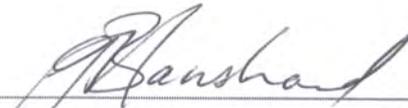
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This document was witnessed over audio visual link in accordance
with section 14G of the Electronic Transactions Act 2000 (NSW).

Signed by **GERALDINE ANNE BLANSHARD**
ATF WHITE SWAN INVESTMENTS TRUST in
the presence of:



Signature of witness



GERALDINE ANNE BLANSHARD

DAVID GULSON

Name of witness

(block letters)

This document was witnessed over audio visual link in accordance
with section 14G of the Electronic Transactions Act 2000 (NSW).

Executed by **BLOOMY AWAY PTY LIMITED**
ACN 165 465 485 ATF THE BLOOMFIELD
FAMILY TRUST in accordance with section 127
of the *Corporations Act 2001*:

FELICITY LOUISE COLE

Director

MATTHEW JAMES BLOOMFIELD

Director

Signed by **STEPHEN DOUGLAS BLANSHARD**
ATF WHITE SWAN INVESTMENTS TRUST in
the presence of:

Signature of witness

STEPHEN DOUGLAS BLANSHARD

Name of witness
(block letters)

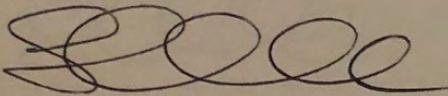
Signed by **GERALDINE ANNE BLANSHARD**
ATF WHITE SWAN INVESTMENTS TRUST in
the presence of:

Signature of witness

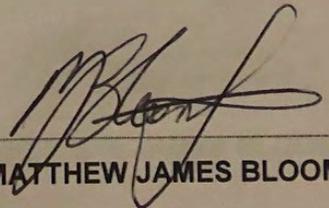
GERALDINE ANNE BLANSHARD

Name of witness
(block letters)

Executed by **BLOOMY AWAY PTY LIMITED**
ACN 165 465 485 ATF THE BLOOMFIELD
FAMILY TRUST in accordance with section 127
of the *Corporations Act 2001*:

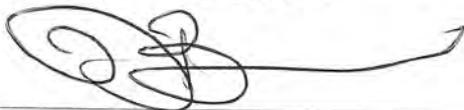


FELICITY LOUISE COLE
Director



MATTHEW JAMES BLOOMFIELD
Director

Executed by **DJ AND SM BOWERMAN PTY LTD ACN 602 383 451 ATF THE BOWERMAN SUPER FUND** in accordance with section 127 of the *Corporations Act 2001*:



DAVID JAMES BOWERMAN

Director / company secretary



SUSAN MAREE NEWTON

Director

Signed by **RICHARD KEVIN BRAY** in the presence of:

Signature of witness

RICHARD KEVIN BRAY

Name of witness
(block letters)

Executed by **JWLR INVESTMENTS PTY LTD ACN 602 420 191 ATF THE GOLLEDGE FAMILY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

JODIE MAREE GOLLEDGE

Director

WAYNE RUSSELL GOLLEDGE

Director

Executed by **DJ AND SM BOWERMAN PTY LTD ACN 602 383 451 ATF THE BOWERMAN SUPER FUND** in accordance with section 127 of the *Corporations Act 2001*:

DAVID JAMES BOWERMAN

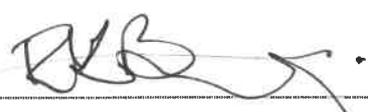
Director / company secretary

SUSAN MAREE NEWTON

Director

Signed by **RICHARD KEVIN BRAY** in the presence of:


Signature of witness


RICHARD KEVIN BRAY

GEOFFREY CAIRNS

Name of witness

(block letters)

Executed by **JWLR INVESTMENTS PTY LTD ACN 602 420 191 ATF THE GOLLEDGE FAMILY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:


JODIE MAREE GOLLEDGE

Director


WAYNE RUSSELL GOLLEDGE

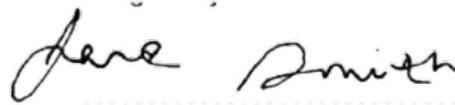
Director

Executed by **JEREMYJANE PTY LTD ACN 602
155 895 ATF JEREMYJANE
SUPERANNUATION FUND** in accordance with
section 127 of the *Corporations Act 2001*:



JEREMY LUKE SMITH

Director



JANE SMITH

Director

Executed by **202 LIMITED ACN 010 728 926** in
accordance with section 127 of the *Corporations
Act 2001*:

PETER JOHN GILCHRIST

Director

ROSS JOHNSTON

Director

Executed by **VALOME PTY LTD ACN 003 370
349** in accordance with section 127 of the
Corporations Act 2001:

BRIAN PETER REGINALD GATFIELD

Director

MEGAN LESLIE GATFIELD

Director

Executed by **JEREMYJANE PTY LTD ACN 602 155 895 ATF JEREMYJANE SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

JEREMY LUKE SMITH

Director

JANE SMITH

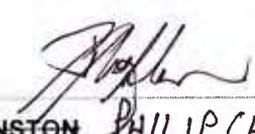
Director

Executed by **202 LIMITED ACN 010 728 926** in accordance with section 127 of the *Corporations Act 2001*:



PETER JOHN GILCHRIST

Director



ROSS JOHNSTON

Director

PHILIP CHRISTOPHER COGHLAN
COMPANY SECRETARY

Executed by **VALOME PTY LTD ACN 003 370 349** in accordance with section 127 of the *Corporations Act 2001*:

BRIAN PETER REGINALD GATFIELD

Director

MEGAN LESLIE GATFIELD

Director

Executed by **JEREMYJANE PTY LTD ACN 602 155 895 ATF JEREMYJANE SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

JEREMY LUKE SMITH

Director

JANE SMITH

Director

Executed by **202 LIMITED ACN 010 728 926** in accordance with section 127 of the *Corporations Act 2001*:

PETER JOHN GILCHRIST

Director

ROSS JOHNSTON

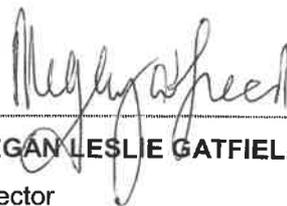
Director

Executed by **VALOME PTY LTD ACN 003 370 349** in accordance with section 127 of the *Corporations Act 2001*:



BRIAN PETER REGINALD GATFIELD

Director



MEGAN LESLIE GATFIELD

Director

Executed by **BRIDGESTAR PTY. LIMITED**
ACN 008 407 869 in accordance with
section 127 of the *Corporations Act 2001*:



Director / company secretary

SHARON JANE WINDSOR

Name of director / company secretary
(block letters)

Witness
Joseph Galea
9 Naarbinnu Crescent, Northbridge



Director

JOSEPH GALEA

Name of director
(block letters)

Witness
Sharon Windsor
5 Edgar St Tempe



Executed by **KERALEN PTY LTD ACN 001 496**
564 ATF ARPL SUPERANNUATION FUND in
accordance with section 127 of the *Corporations*
Act 2001:

ALLEN RALPH ROBINSON

Director / company secretary

KERRY JOYCE ROBINSON

Director

Executed by **BRIDGESTAR PTY. LIMITED**
ACN 008 407 869 in accordance with
section 127 of the *Corporations Act 2001*:

Director / company secretary

Director

Name of director / company secretary
(block letters)

Name of director
(block letters)

Executed by **KERALEN PTY LTD ACN 001 496**
564 ATF ARPL SUPERANNUATION FUND in
accordance with section 127 of the *Corporations*
Act 2001:



ALLEN RALPH ROBINSON

Director / company secretary



KERRY JOYCE ROBINSON

Director

Signed by **OWEN PETER DRISCOLL** in the presence of:



Signature of witness



OWEN PETER DRISCOLL

ANDREW DAVEY

Name of witness

(block letters)

Signed by **CATHERINE PATRICIA BURMAN** in the presence of:



Signature of witness



CATHERINE PATRICIA BURMAN

ANDREW DAVEY

Name of witness

(block letters)

Signed by **TREVOR NORMAN GALE** in the presence of:

Signature of witness

TREVOR NORMAN GALE

Name of witness
(block letters)

Signed by **TODD ANTHONY TRENCH** in the presence of:

Signature of witness

TODD ANTHONY TRENCH

Name of witness
(block letters)

Signed by **CRAIG ALEXANDER WHITE** in the presence of:



Signature of witness



CRAIG ALEXANDER WHITE

JODIE GOLLEDGE

Name of witness
(block letters)

Signed by **TREVOR NORMAN GALE** in the presence of:


Signature of witness


TREVOR NORMAN GALE

JODIE GOLLEDGE
Name of witness
(block letters)

Signed by **TODD ANTHONY TRENCH** in the presence of:

Signature of witness

TODD ANTHONY TRENCH

Name of witness
(block letters)

Signed by **CRAIG ALEXANDER WHITE** in the presence of:


Signature of witness

CRAIG ALEXANDER WHITE

Name of witness
(block letters)

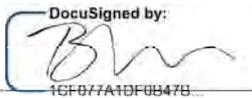
Signed by **TREVOR NORMAN GALE** in the presence of:

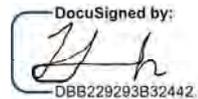
Signature of witness

TREVOR NORMAN GALE

Name of witness
(block letters)

Signed by **TODD ANTHONY TRENCH** in the presence of:


Signature of witness



TODD ANTHONY TRENCH

Bernice Marshall

Name of witness
(block letters)

Signed by **CRAIG ALEXANDER WHITE** in the presence of:

Signature of witness

CRAIG ALEXANDER WHITE

Name of witness
(block letters)

Executed by **KANGABY PTY LTD ACN 601 863 325 ATF KANGABY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:



MARK RAYMOND HOLMES

Sole director and sole company secretary

Signed by **MARK DAWSON** in the presence of:

Signature of witness

MARK DAWSON

Name of witness
(block letters)

Executed by **CNF & ASSOCIATES PTY LIMITED ACN 002 037 498** in accordance with section 127 of the *Corporations Act 2001*:

Director / company secretary

Director

Name of director / company secretary
(block letters)

Name of director
(block letters)

Executed by **KANGABY PTY LTD ACN 601 863 325 ATF KANGABY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

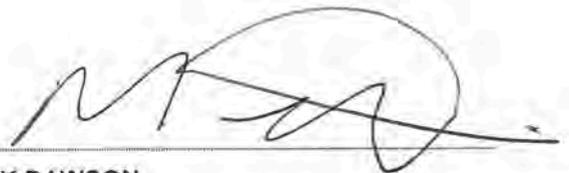
MARK RAYMOND HOLMES

Sole director and sole company secretary

Signed by **MARK DAWSON** in the presence of:



Signature of witness



MARK DAWSON



Name of witness

(block letters)

Executed by **CNF & ASSOCIATES PTY LIMITED ACN 002 037 498** in accordance with section 127 of the *Corporations Act 2001*:

Director / company secretary

Director

Name of director / company secretary

(block letters)

Name of director

(block letters)

Executed by **KANGABY PTY LTD ACN 601 863 325 ATF KANGABY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

MARK RAYMOND HOLMES

Sole director and sole company secretary

Signed by **MARK DAWSON** in the presence of:

Signature of witness

MARK DAWSON

Name of witness
(block letters)

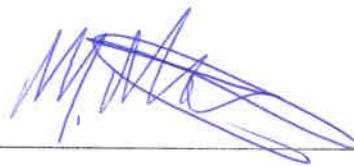
Executed by **CNF & ASSOCIATES PTY LIMITED ACN 002 037 498** in accordance with section 127 of the *Corporations Act 2001*:



Director / company secretary

LESLIE NADER

Name of director / company secretary
(block letters)

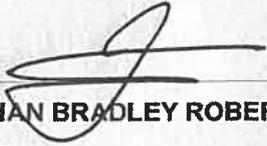


Director

MARK MACKENZIE

Name of director
(block letters)

Executed by **ROBERTSON STRUAN HOLDINGS PTY LTD ACN 079 841 919 ATF ROBERTSON STRUAN SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:



IAN BRADLEY ROBERSTON
Director



SUSAN MARY ROBERTSON
Director

Signed by **GREGORY MORGAN PERKS** in the presence of:

Signature of witness

GREGORY MORGAN PERKS

Name of witness
(block letters)

Signed by **DAVID CHARLES PERRY** in the presence of:

Signature of witness

DAVID CHARLES PERRY

Name of witness
(block letters)

Executed by **ROBERTSON STRUAN HOLDINGS PTY LTD ACN 079 841 919 ATF ROBERTSON STRUAN SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

IAN BRADLEY ROBERSTON
Director

SUSAN MARY ROBERTSON
Director

Signed by **GREGORY MORGAN PERKS** in the presence of:



Signature of witness

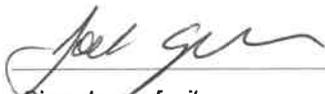


GREGORY MORGAN PERKS

GEOFFREY CAIRNS

Name of witness
(block letters)

Signed by **DAVID CHARLES PERRY** in the presence of:



Signature of witness



DAVID CHARLES PERRY

JODIE GOLLEDGE

Name of witness
(block letters)

Signed by **CLARA LOUISE LAYDON ATF THE LAYDON INVESTMENT TRUST** in the presence of:



Signature of witness



CLARA LOUISE LAYDON

David Gulson

Name of witness
(block letters)

This document was witnessed over audio visual link in accordance with section 14G of the Electronic Transactions Act 2000 (NSW).

Executed by **HJBJX PTY LTD ACN 603 006 908 ATF J&H KEARY SUPER FUND** in accordance with section 127 of the *Corporations Act 2001*:

HELEN LORRAINE KEARY

Director

JAMES BERNARD KEARY

Director

Signed by **LISA GAYE PROCTER** in the presence of:

Signature of witness

LISA GAYE PROCTER

Name of witness
(block letters)

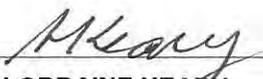
Signed by CLARA LOUISE LAYDON ATF THE LAYDON INVESTMENT TRUST in the presence of:

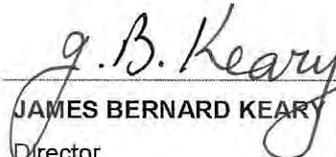
Signature of witness

CLARA LOUISE LAYDON

Name of witness
(block letters)

Executed by HJBJX PTY LTD ACN 603 006
908 ATF J&H KEARY SUPER FUND in
accordance with section 127 of the *Corporations
Act 2001*:


HELEN LORRAINE KEARY
Director


JAMES BERNARD KEARY
Director

Signed by LISA GAYE PROCTER in the presence of:

Signature of witness

LISA GAYE PROCTER

Name of witness
(block letters)

Signed by **CLARA LOUISE LAYDON ATF THE LAYDON INVESTMENT TRUST** in the presence of:

Signature of witness

CLARA LOUISE LAYDON

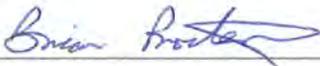
Name of witness
(block letters)

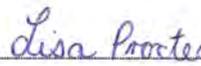
Executed by **HJBJX PTY LTD ACN 603 006 908 ATF J&H KEARY SUPER FUND** in accordance with section 127 of the *Corporations Act 2001*:

HELEN LORRAINE KEARY
Director

JAMES BERNARD KEARY
Director

Signed by **LISA GAYE PROCTER** in the presence of:


Signature of witness


LISA GAYE PROCTER

BRIAN PROCTER
Name of witness
(block letters)

Signed by **ANNE-MARIE AMANDA TURNBULL**
in the presence of:

DocuSigned by:
Daniel Turnbull
-BBF24E3CABC34D8-

Signature of witness

Daniel Turnbull

Name of witness

(block letters)

DocuSigned by:
AM Turnbull
-5EECDFBEB7484B0-

ANNE-MARIE AMANDA TURNBULL

Signed by **MICHAEL WILLIAM CARTER** in the
presence of:

Signature of witness

MICHAEL WILLIAM CARTER

Name of witness

(block letters)

Signed by **CRAIG ANDREW JAKUBOWSKI** in
the presence of:

Signature of witness

CRAIG ANDREW JAKUBOWSKI

Name of witness

(block letters)

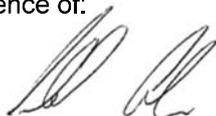
Signed by **ANNE-MARIE AMANDA TURNBULL**
in the presence of:

Signature of witness

ANNE-MARIE AMANDA TURNBULL

Name of witness
(block letters)

Signed by **MICHAEL WILLIAM CARTER** in the
presence of:



Signature of witness

MICHAEL WILLIAM CARTER

DAVID GULSON

Name of witness
(block letters)

This document was witnessed over audio visual link in accordance
with section 14G of the Electronic Transactions Act 2000 (NSW).

Signed by **CRAIG ANDREW JAKUBOWSKI** in
the presence of:

Signature of witness

CRAIG ANDREW JAKUBOWSKI

Name of witness
(block letters)

Signed by **ANNE-MARIE AMANDA TURNBULL**
in the presence of:

Signature of witness

ANNE-MARIE AMANDA TURNBULL

Name of witness
(block letters)

Signed by **MICHAEL WILLIAM CARTER** in the
presence of:

Signature of witness

MICHAEL WILLIAM CARTER

Name of witness
(block letters)

Signed by **CRAIG ANDREW JAKUBOWSKI** in
the presence of:

Signature of witness

CRAIG ANDREW JAKUBOWSKI

Chin Wai CHAN .

Name of witness
(block letters)

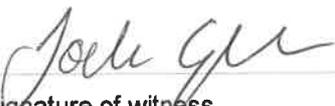
Signed by **CHRIS JAMES CONWAY** in the presence of:

Signature of witness

CHRIS JAMES CONWAY

Name of witness
(block letters)

Signed by **SHANE GARY BULLEN** in the presence of:



Signature of witness



SHANE GARY BULLEN

JODIE GOLLEDGE

Name of witness
(block letters)

Signed by **NICOLE ELIZABETH HOLMES** in the presence of:

Signature of witness

NICOLE ELIZABETH HOLMES

Name of witness
(block letters)

Signed by **CHRIS JAMES CONWAY** in the presence of:

DocuSigned by:

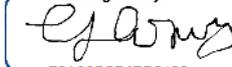
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Signature of witness

David Gulson

Name of witness

(block letters)

DocuSigned by:

F9A90B5E1FD0489...

CHRIS JAMES CONWAY

Signed by **SHANE GARY BULLEN** in the presence of:

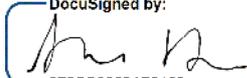
Signature of witness

SHANE GARY BULLEN

Name of witness

(block letters)

Signed by **NICOLE ELIZABETH HOLMES** in the presence of:

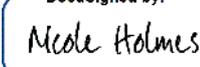
DocuSigned by:

873CB83234E2468...

Signature of witness

Angela Dwyer

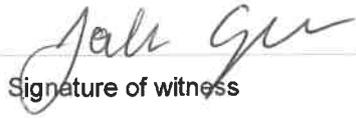
Name of witness

(block letters)

DocuSigned by:

E1F610AEFD584E8...

NICOLE ELIZABETH HOLMES

Signed by **MICHAEL BRENT COLLINS** in the presence of:


Signature of witness


MICHAEL BRENT COLLINS

JODIE GOLLEDGE
Name of witness
(block letters)

Signed by **JOSHUA LEE PLUMMER** in the presence of:

Signature of witness

JOSHUA LEE PLUMMER

Name of witness
(block letters)

Signed by **ANGELA DWYER** in the presence of:

Signature of witness

ANGELA DWYER

Name of witness
(block letters)

Signed by **MICHAEL BRENT COLLINS** in the presence of:

Signature of witness

MICHAEL BRENT COLLINS

Name of witness
(block letters)

Signed by **JOSHUA LEE PLUMMER** in the presence of:

Signature of witness

JOSHUA LEE PLUMMER

Jodie Colledge

JODIE COLLEDGE

Name of witness
(block letters)

Signed by **ANGELA DWYER** in the presence of:

Signature of witness

ANGELA DWYER

Name of witness
(block letters)

Signed by **MICHAEL BRENT COLLINS** in the presence of:

Signature of witness

MICHAEL BRENT COLLINS

Name of witness
(block letters)

Signed by **JOSHUA LEE PLUMMER** in the presence of:

Signature of witness

JOSHUA LEE PLUMMER

Name of witness
(block letters)

Signed by **ANGELA DWYER** in the presence of:

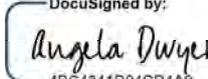
DocuSigned by:

408298FE696C471

Signature of witness

Nicole Holmes

Name of witness
(block letters)

DocuSigned by:

4BC4341D04CD4A9...

ANGELA DWYER

Signed by **ANTHONY BLAIR** in the presence of:

Lisa Procter

A.S. Blair

Signature of witness

ANTHONY BLAIR

LISA PROCTER

Name of witness
(block letters)

Signed by **CAMERON SMITH** in the presence of:

Signature of witness

CAMERON SMITH

Name of witness
(block letters)

Signed by **MATTHEW DAFTER** in the presence of:

Signature of witness

MATTHEW DAFTER

Name of witness
(block letters)

Signed by **ANTHONY BLAIR** in the presence of:

Signature of witness

ANTHONY BLAIR

Name of witness
(block letters)

Signed by **CAMERON SMITH** in the presence of:

C Smith

Signature of witness

C Smith

CAMERON SMITH

ANABEL SMITH

Name of witness
(block letters)

Signed by **MATTHEW DAFTER** in the presence of:

Signature of witness

MATTHEW DAFTER

Name of witness
(block letters)

Signed by **ANTHONY BLAIR** in the presence of:

Signature of witness

ANTHONY BLAIR

Name of witness
(block letters)

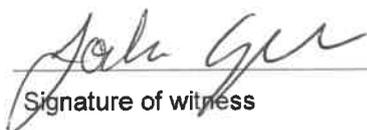
Signed by **CAMERON SMITH** in the presence of:

Signature of witness

CAMERON SMITH

Name of witness
(block letters)

Signed by **MATTHEW DAFTER** in the presence of:

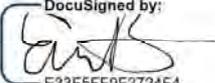

Signature of witness


MATTHEW DAFTER

JODIE GOLLEDGE

Name of witness
(block letters)

Signed by **EVAN JACK** in the presence of:

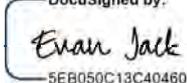
DocuSigned by:

E33F5FF8F2724F4

Signature of witness

Erin Lee Brown

Name of witness

(block letters)

DocuSigned by:

5EB050C13C40460

EVAN JACK

Signed by **YAODE YAN** in the presence of:

Signature of witness

YAODE YAN

Name of witness

(block letters)

Signed by **PETER DENNIS ATF DENNIS
FAMILY DISCRETIONARY TRUST** in the
presence of:

Signature of witness

PETER DENNIS

Name of witness

(block letters)

Signed by **EVAN JACK** in the presence of:

Signature of witness

EVAN JACK

Name of witness
(block letters)

Signed by **YAODE YAN** in the presence of:

L. Mamic

Signature of witness

Yan Yaode

YAODE YAN

LILLIAN MAMIC

Name of witness
(block letters)

Signed by **PETER DENNIS ATF DENNIS
FAMILY DISCRETIONARY TRUST** in the
presence of:

Signature of witness

PETER DENNIS

Name of witness
(block letters)

Signed by **EVAN JACK** in the presence of:

Signature of witness

EVAN JACK

Name of witness

(block letters)

Signed by **YAODE YAN** in the presence of:

Signature of witness

YAODE YAN

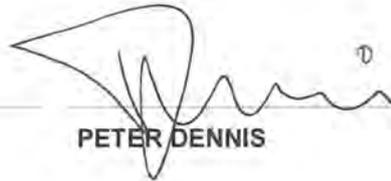
Name of witness

(block letters)

Signed by **PETER DENNIS ATF DENNIS
FAMILY DISCRETIONARY TRUST** in the
presence of:



Signature of witness


PETER DENNIS

SHANE BULLEN

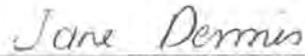
Name of witness

(block letters)

Signed by **JANE DENNIS ATF DENNIS FAMILY DISCRETIONARY TRUST** in the presence of:



Signature of witness



JANE DENNIS

SHANE BULLEN

Name of witness

(block letters)

Executed by **THOMPSON FAMILY SF NSW PTY LTD ACN 602 893 578 ATF THE THOMPSON FAMILY SMSF** in accordance with section 127 of the *Corporations Act 2001*:

PAUL DAVID THOMPSON

Director

VANESSA RENAE THOMPSON

Director

Executed by **DANISTRY PTY LIMITED ACN 602 465 421 ATF DANISTRY FAMILY TRUST** in accordance with section 127 of the *Corporations Act 2001*:

DANIEL MARK ALEXANDER

Sole director and sole company secretary

Signed by **JANE DENNIS ATF DENNIS FAMILY DISCRETIONARY TRUST** in the presence of:

Signature of witness

JANE DENNIS

Name of witness

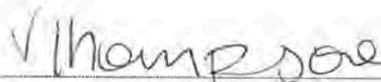
(block letters)

Executed by **THOMPSON FAMILY SF NSW PTY LTD ACN 602 893 578 ATF THE THOMPSON FAMILY SMSF** in accordance with section 127 of the *Corporations Act 2001*:



PAUL DAVID THOMPSON

Director



VANESSA RENAE THOMPSON

Director

Executed by **DANISTY PTY LIMITED ACN 602 465 421 ATF DANISTY FAMILY TRUST** in accordance with section 127 of the *Corporations Act 2001*:

DANIEL MARK ALEXANDER

Sole director and sole company secretary

Signed by **JANE DENNIS ATF DENNIS FAMILY DISCRETIONARY TRUST** in the presence of:

Signature of witness

JANE DENNIS

Name of witness
(block letters)

Executed by **THOMPSON FAMILY SF NSW PTY LTD ACN 602 893 578 ATF THE THOMPSON FAMILY SMSF** in accordance with section 127 of the *Corporations Act 2001*:

PAUL DAVID THOMPSON
Director

VANESSA RENAE THOMPSON
Director

Executed by **DANISTRY PTY LIMITED ACN 602 465 421 ATF DANISTRY FAMILY TRUST** in accordance with section 127 of the *Corporations Act 2001*:



DANIEL MARK ALEXANDER
Sole director and sole company secretary

Signed by **NATHAN DICK** in the presence of:



Signature of witness



NATHAN DICK

MARK DAWSON

Name of witness

(block letters)

Signed by **DAMON EMERSON** in the presence of:

Signature of witness

DAMON EMERSON

Name of witness

(block letters)

Signed by **BEN GOLDING** in the presence of:

Signature of witness

BEN GOLDING

Name of witness

(block letters)

Signed by **NATHAN DICK** in the presence of:

Signature of witness

NATHAN DICK

Name of witness
(block letters)

Signed by **DAMON EMERSON** in the presence
of:



Signature of witness



DAMON EMERSON

BARBARA EMERSON

Name of witness
(block letters)

Signed by **BEN GOLDING** in the presence of:

Signature of witness

BEN GOLDING

Name of witness
(block letters)

Signed by **NATHAN DICK** in the presence of:

Signature of witness

NATHAN DICK

Name of witness
(block letters)

Signed by **DAMON EMERSON** in the presence of:

Signature of witness

DAMON EMERSON

Name of witness
(block letters)

Signed by **BEN GOLDING** in the presence of:

Signature of witness

BEN GOLDING

Name of witness
(block letters)

Flynn Lotkie

Signed by **VANESSA NEAL** in the presence of:



Signature of witness



VANESSA NEAL

SITANE BULLEN

Name of witness

(block letters)

Signed by **CARLY SOUTTER** in the presence of:

Signature of witness

CARLY SOUTTER

Name of witness

(block letters)

Signed by **DEAN TAYLOR** in the presence of:

Signature of witness

DEAN TAYLOR

Name of witness

(block letters)

Signed by **VANESSA NEAL** in the presence of:

Signature of witness

VANESSA NEAL

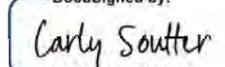
Name of witness
(block letters)

Signed by **CARLY SOUTTER** in the presence of:

DocuSigned by:

F167D853B2014CC...

Signature of witness
David Gulson

DocuSigned by:

2F7C334A1D384AF...

CARLY SOUTTER

Name of witness
(block letters)

Signed by **DEAN TAYLOR** in the presence of:

Signature of witness

DEAN TAYLOR

Name of witness
(block letters)

Signed by **VANESSA NEAL** in the presence of:

Signature of witness

VANESSA NEAL

Name of witness
(block letters)

Signed by **CARLY SOUTTER** in the presence of:

Signature of witness

CARLY SOUTTER

Name of witness
(block letters)

Signed by **DEAN TAYLOR** in the presence of:

Signature of witness

DEAN TAYLOR

GEORGEY CARNS

Name of witness
(block letters)

Executed by **BECA PTY LIMITED ACN 004 974 341** in accordance with section 127 of the *Corporations Act 2001*:

DocuSigned by:

1AE77687C16444D...
Director / company secretary

Craig Douglas Lee

Name of director / company secretary
(block letters)

DocuSigned by:

A1B3196BD52943D...
Director

David Arnold Papps

Name of director
(block letters)

Executed by **BECA GROUP LIMITED NZCN 663818** in accordance with section 180 of the *Companies Act 1993 (NZ)*:

DocuSigned by:

1B102D768E101A3...
Director

David Powell Carter

Name of director
(block letters)

DocuSigned by:

F522F73362154BE...
Director

Gregory Ian Lowe

Name of director
(block letters)

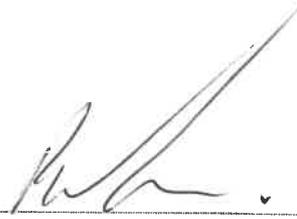
Executed by HUNTER H2O HOLDINGS PTY
LIMITED ACN 602 201 552 in accordance with
section 127 of the *Corporations Act 2001*:



Director / ~~company secretary~~

KIRSTEN MOLLOY

Name of director / ~~company secretary~~
(block letters)



Director

PAUL THOMPSON

Name of director
(block letters)

Annexure A – Last Accounts

[insert]

Financial Statements for the Financial Year Ended 30 June 2021

COMPANY PARTICULARS

Directors

Dr K Molloy

Mr B Gatfield

Mr P Thompson

Mr J Smith

Mr P Dennis

Company Secretary

Mrs J Golledge

Registered Office

The registered office and principal place of business of the company is:

19 Spit Island Close, Steel River,
Mayfield West
NSW 2304

Hunter H2O Holdings Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

ABN: 16 602 201 552

Auditors

Prosperity Audit Services

Bankers

National Australia Bank

DIRECTORS' REPORT

The Directors submit the following report made in accordance with a resolution of the Directors of Hunter H2O Holdings Pty Limited (the Company) for the financial year ended 30 June 2021.

Directors

The names and details of the Directors of the Company at any time during or since the end of the financial year ended 30 June 2021 are:

Dr K Molloy

Mr B Gatfield

Mr P Thompson

Mr J Smith

Mr P Dennis

Information on Directors

K Molloy

MBA, BSc (Hons), PhD, GAICD

Dr Kirsten Molloy is a business leader and company director and Chair, sitting on a range of Boards of commercial and not-for-profit businesses since 2013. Her executive career included being a CEO of a complex member-based construct in a major industry, and executive roles in a large global corporate organisation.

Dr Molloy brings a regional lens, a passion for improving outcomes for people, and a belief in engaged, connected and authentic leadership. She places material importance on creating great workplace cultures, transforming organisations and embracing innovation and new technology to deliver to the needs of customers and the community.

B Gatfield

FCPA

Mr Gatfield has served as Chair and Non-Executive Director of a number of public companies. He has worked with leading Investment Banks, Accounting and Legal Firms in a number of IPO's and is very experienced in Private Equity. Since 1995, Mr Gatfield has been retained as an independent advisor by service sector organisations, including leading participants in financial services markets, to advise on business strategy, assist in organisation reviews and to help evaluate acquisitions and other growth options.

Mr Gatfield is currently a director of private companies.

P Thompson

BEng (Chemical) (Hons), CPEng, EngExec, FIEAust, RPEQ, APEC Engineer, IntPE (Aus), MAICD

Mr Thompson is a chemical engineer with over 25 years' experience in the water industry. He has extensive experience in senior leadership roles for asset creation and management of water and wastewater treatment infrastructure, for both the municipal and mining sectors in Australia and overseas. Mr Thompson is the Executive Manager, Process & Operations of Hunter H2O Holdings.

J Smith

BEng (Civil) (Hons), FIEAust, CPEng, RPEQ, Eng. Exec, APEC Engineer IntPE (Aus)

Mr Smith is a Senior Principal Civil Engineer with 24 years' experience in the water industry. He has worked directly for Government water utilities and the private sector in both technical and management roles over his career. He has designed and delivered a wide range of water assets and has considerable construction and project management experience. Mr Smith is the Executive Manager, Design for Hunter H2O Holdings.

P Dennis

BEng (Chemical) (Hons), M Env Stud, Grad Dip Man, Cor Dir Dip., CPEng, FIEAust, RPEQ, APEC Engineer IntPE(Aus), MAICD

Mr. Dennis is one of the leading water industry strategists with over 30 years' water industry experience both in Australia and Internationally. Mr Dennis is an experienced Chief Executive Officer having led Seqwater (Bulk Water Utility for South East Queensland) through a major merger and significant business transformation and as the inaugural CEO of the merged Armidale Regional Council. He is also an experienced Board Member being a Director of the Australian Water Association and a number of other water utilities and Local Government Boards throughout Australia. He is also Adjunct Professor in the School of Engineering with the University of Newcastle.

Mr. Dennis has been recognised by Engineers Australia on two occasions as being in the top 100 most influential engineers in Australia.

Meetings of Directors

Board Meetings

	Number of meetings attended	Number of meetings held during the time the Director held office
K Molloy	7	7
B Gatfield	7	7
P Thompson	7	7
J Smith	6	7
P Dennis	7	7

Principal Activities

The principal activities of the Company in 2020/21 were the provision of specialist support and operations services in the fields of water, wastewater, stormwater, environmental and strategic services.

Results and Dividends

The net profit after tax, for the financial year ended 30 June 2021, was \$1,974,649.

In respect of the financial year ended 30 June 2021, fully franked dividends totalling \$716,760 were paid to Ordinary Shareholders.

Review of Operations

The Company continues to perform well during the 2020/21 financial year. The 2020/21 financial results reflect the continuing favourable trading environment, excellent levels of work in hand and further implementation of the five-year strategic plan.

The impact of Covid-19 continues to be minimal with a positive forward order book.

The Company maintains a healthy order book and the business is budgeting a profitable result for the 2021/22 financial year.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Indemnification

As far as is permitted by section 199A of the *Corporations Act*, other statutory provisions and common law, the Company has agreements in place to indemnify the Directors against:

- I. any Liability to a Third Party which arises as a result of anything done, or omitted to be done by him/her in good faith while a Director of the Company; and
- II. the Director's reasonable legal costs incurred in relation to any Claim by a Third Party in relation to such matters on a solicitor and own client basis.

No liability has arisen under these indemnities as at the date of this report.

Future Developments

The Company is expected to operate profitably and meet its obligations as and when they fall due. The Company expects to maintain the present status and level of operations.

Environmental Regulation

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under *Section 307C of the Corporations Act 2001* is set out on page 6.

Directors' Benefits

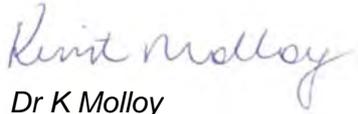
During or since the financial year no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the accounts, by reason of a contract entered into by the Company with:

- a Director, or
- a firm of which a Director is a member, or
- an Entity in which a Director has a substantial financial interest.

Code of Conduct

Hunter H2O Holdings Pty Limited has a Code of Conduct that must be adhered to by all employees. All employees are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Australia.

Signed in accordance with a resolution of the Directors of Hunter H2O Holdings Pty Limited.



Dr K Molloy
Chair

Dated: 24 September 2021



Mr P Thompson
Director

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HUNTER H2O HOLDINGS PTY LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Prosperity Audit Services

PROSPERITY AUDIT SERVICES



ALEX HARDY
Director

24 September 2021
Newcastle

Sydney

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Sydney NSW 2000
PO Box 20726
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Prosperity Advisers Audit Services Pty Ltd
ABN 90 147 151 228

Chartered Accountants
Liability limited by a Scheme approved under
the Professional Standards Legislation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTER H2O
HOLDINGS PTY LIMITED FOR THE YEAR ENDED 30 JUNE 2021**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hunter H2O Holdings Pty Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report of Hunter H2O Holdings Pty Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Sydney

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTER H2O
HOLDINGS PTY LIMITED FOR THE YEAR ENDED 30 JUNE 2021 (CONT'D)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prosperity Audit Services

PROSPERITY AUDIT SERVICES



ALEX HARDY
Director

24 September 2021
Newcastle

Hunter H2O Holdings Pty Limited

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
INCOME			
Revenue from contracts with customers	3	25,547,826	25,323,162
Other income	3	1,315,503	676,254
TOTAL INCOME		26,863,329	25,999,416
OPERATING EXPENSES			
Employee related expenses		16,150,057	14,896,119
Project and contract outlays		4,897,803	5,693,199
Consultants and legal fees (non-project)		487,390	327,308
Training and marketing expenses		407,249	488,758
Motor vehicles (excluding minimum lease payments)		27,898	22,462
Property expenses		242,217	235,724
Information technology and communications		534,384	453,478
Other		528,336	472,938
TOTAL OPERATING EXPENSES		23,275,334	22,589,986
PROFIT BEFORE INTEREST, INCOME TAX, DEPRECIATION AND AMORTISATION		3,587,995	3,409,430
Depreciation - Property, plant & equipment and Right of use assets		958,058	963,745
Amortisation - Intangibles		43,124	18,330
Finance costs		79,614	85,861
PROFIT/(LOSS) BEFORE INCOME TAX		2,507,199	2,341,494
Income tax expense	4	(532,550)	(646,099)
PROFIT/(LOSS) FOR THE YEAR		1,974,649	1,695,395
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Superannuation actuarial gains/(losses)		(92,138)	9,880
Income tax on superannuation actuarial gains	4	23,956	(2,717)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,906,467	1,702,560

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Hunter H2O Holdings Pty Limited

Statement of Financial Position

AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	6	5,191,179	4,205,342
Trade and other receivables	7	5,455,146	4,062,220
Contract assets	3	2,365,500	2,617,358
TOTAL CURRENT ASSETS		13,011,825	10,884,920
NON-CURRENT ASSETS			
Plant and equipment	8	1,197,872	1,034,276
Right of use assets	9	2,778,234	1,889,691
Intangible assets	10	109,953	19,975
Deferred tax assets	4	764,053	568,318
TOTAL NON-CURRENT ASSETS		4,850,112	3,512,260
TOTAL ASSETS		17,861,937	14,397,180
CURRENT LIABILITIES			
Trade and other payables	11	2,496,245	1,982,065
Contract liabilities	3	1,161,617	1,337,282
Lease liabilities	12	597,186	562,226
Current tax liabilities		555,436	430,358
Provisions	13	2,539,486	2,298,922
TOTAL CURRENT LIABILITIES		7,349,969	6,610,853
NON-CURRENT LIABILITIES			
Lease liabilities	12	2,190,930	1,386,399
Provisions	13	1,743,799	932,240
Underfunded defined benefit super	15	91,511	171,668
TOTAL NON-CURRENT LIABILITIES		4,026,240	2,490,307
TOTAL LIABILITIES		11,376,210	9,101,160
NET ASSETS		6,485,727	5,296,020
EQUITY			
Contributed equity	14	4,002,500	4,002,500
Retained earnings		2,483,227	1,293,520
TOTAL EQUITY		6,485,727	5,296,020

The Statement of Financial Position should be read in conjunction with the accompanying notes

Hunter H2O Holdings Pty Limited

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	Retained Profits \$	Contributed Equity \$	Total \$
Balance at 1 July 2020		1,293,520	4,002,500	5,296,020
Profit for the year		1,974,649	-	1,974,649
OTHER COMPREHENSIVE INCOME				
Superannuation actuarial gains/(losses)		(92,138)	-	(92,138)
Income tax on superannuation actuarial gains/(losses)		23,956	-	23,956
Total Comprehensive Income for the year		1,906,467	-	1,906,467
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Dividends provided for or paid	5	(716,760)	-	(716,760)
Balance at 30 June 2021		2,483,227	4,002,500	6,485,727
		Retained Profits \$	Contributed Equity \$	Total \$
Balance at 1 July 2019		(315,038)	4,949,000	4,633,962
Profit/(Loss) for the year		1,695,395	-	1,695,395
OTHER COMPREHENSIVE INCOME				
Superannuation actuarial gains/(losses)		9,880	-	9,880
Income tax on superannuation actuarial gains/(losses)		(2,717)	-	(2,717)
Total Comprehensive Income for the year		1,702,558	-	1,702,558
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares cancelled	14	-	(1,000,000)	(1,000,000)
Shares issued	14	-	53,500	53,500
Dividends provided for or paid	5	(94,000)	-	(94,000)
Balance at 30 June 2020		1,293,520	4,002,500	5,296,020

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

Hunter H2O Holdings Pty Limited

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		26,124,741	25,565,116
Payments to suppliers and employees (inclusive of GST)		(24,363,818)	(23,637,308)
		1,760,923	1,927,808
Interest received		22,393	16,909
Interest paid		(79,614)	(85,861)
Income taxes paid		(579,251)	(169,369)
Government Grants		1,668,173	77,404
CASH FLOWS FROM OPERATING ACTIVITIES		2,792,624	1,766,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(528,748)	(220,874)
CASH FLOWS FROM INVESTING ACTIVITIES		(528,748)	(220,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
New shares issued	14	-	53,500
Shares cancelled		-	(1,000,000)
Payments of principal on leases		(543,144)	(555,150)
Dividends paid	5	(716,760)	(94,000)
CASH FLOWS FROM FINANCING ACTIVITIES		(1,259,904)	(1,595,650)
Net increase/(decrease) in cash held		1,003,972	(49,633)
Cash at beginning of financial period		4,205,342	4,200,193
Effects of exchange rate changes on cash		(18,135)	54,782
CASH AT THE END OF THE FINANCIAL YEAR	6	5,191,179	4,205,342

The Statement of Cash Flows should be read in conjunction with the accompanying notes

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Requirements and comply with other requirements of the law.

The Company's financial statements for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board on 24 September 2021.

Note 2. Basis of Preparation

The Board has determined that the Company is a for-profit entity for financial reporting purposes. The accounting policies applied are based on the requirements applicable to for-profit entities on these mandatory or statutory requirements. The following policies apply to the financial statements to the extent to which they have not already been disclosed in the relevant notes.

Historical Cost Convention

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

Fair Value Hierarchy

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Rounding

All amounts in the financial statements are reported to the nearest dollar.

Currency

All amounts in the financial statements are reported in Australian dollars.

Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Key Judgements, Estimates and Assumptions

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Material accounting estimates and judgements applied in preparing the financial statements are detailed in the relevant Accounting Policy note.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Impairment Assessment

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised due to the strong predicted cash flows of the Company in future years.

Key Judgements – Performance obligations under AASB15

To identify a performance obligation under AASB15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

Note 3. Revenue

A. Disaggregation of revenue from contracts with customers

The company derives revenue from the transfer of goods and services over time and a point in time in the following categories and type of contracts:

REVENUE FROM CONTRACTS WITH CUSTOMERS	Time & Materials	Fixed Fee	Total
	\$	\$	\$
2021			
Consultancy	11,496,522	13,029,391	24,525,913
Engineering, Procurement & Construction	-	1,021,913	1,021,913
	<u>11,496,522</u>	<u>14,051,304</u>	<u>25,547,826</u>
2020			
Consultancy	11,782,367	10,949,144	22,731,511
Engineering, Procurement & Construction	-	2,591,651	2,591,651
	<u>11,782,367</u>	<u>13,540,795</u>	<u>25,323,162</u>

B. Assets and liabilities related to contracts with customers

The company has recognised the following assets and liabilities related to contracts with customers:

	2021	2020
	\$	\$
Total contract assets	<u>2,365,500</u>	<u>2,617,358</u>
Total contract liabilities	<u>1,161,617</u>	<u>1,337,282</u>

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 3. Revenue

C. Other Income

	2021	2020
	\$	\$
Interest from financial institutions	22,393	16,909
Gain/(loss) on cancellation of right of use asset	158,936	-
Foreign currency gain/(loss)	-	47,841
JobKeeper government stimulus income	988,500	534,000
Other government grants	145,673	77,404
Other	-	100
	<u>1,315,503</u>	<u>676,254</u>

The Company was eligible for JobKeeper from May 2020 and has also received the COVID cash boost and other government grants during the financial year. There are no unfulfilled conditions or contingencies attached to this government assistance.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accounting Policies

REVENUE FROM CONTRACTS WITH CUSTOMERS

The company provides consulting services under fixed-price and time and materials contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual contract costs relative to the total expected contract costs.

Some contracts include multiple deliverables, such as process design, mechanical design, workshop facilitation, tender phase assistance, construction phase assistance, commissioning assistance, and on-going technical support. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated on expected cost, plus margin.

Estimates of revenues, costs, or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Company has a right to invoice the customer. Customers are invoiced monthly, and consideration is payable when invoiced.

REVENUE FROM GOVERNMENT GRANTS

The Company has applied AASB 120 in recognising and presenting the revenue received from Government Grants during the year. The Company has presented the revenue on a "gross" basis where the revenue has been recognised as part of revenue, rather than offsetting any relevant expenses. Revenue is recognised when there has been reasonable assurance that the Company will comply with the conditions attached to the relevant Government Grant.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 4. Current and Deferred Taxes

	2021	2020
	\$	\$
INCOME TAX		
A. INCOME TAX EXPENSE		
<i>Current tax</i>		
Current tax on profits for the year	846,155	485,146
Total current tax expense	846,155	485,146
<i>Deferred income tax</i>		
Decrease/(increase) in net deferred tax assets	(226,735)	161,146
Deferred tax expense relating to change in tax rate	31,000	-
Under/(over) provided in prior years	(117,870)	(193)
Total deferred tax expense/(benefit)	(313,605)	160,953
Income tax expense	532,550	646,099
B. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Profit before income tax	2,507,198	2,341,494
Tax at the Australian rate of 26% (2020 - 27.5%)	651,872	643,911
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax expense relating to change in tax rate	31,000	-
Non-assessable income	(13,001)	(13,750)
Non-deductible expenses	5,576	16,131
Temporary differences – superannuation	(25,027)	-
Under/(over) provision in prior year	(117,870)	(193)
	532,550	646,099
C. TAX EXPENSE(INCOME) RELATING TO ITEMS IN OTHER COMPREHENSIVE INCOME		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity	23,956	(2,717)
	23,956	(2,717)

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 4. Current and Deferred Taxes

DEFERRED TAX ASSETS (LIABILITIES)	2021	2020
	\$	\$
NON CURRENT		
The balance comprises temporary differences attributable to:		
AMOUNTS RECOGNISED IN PROFIT & LOSS		
Contract assets	(615,030)	(719,773)
Contract liabilities	-	139,269
Right of use assets	(722,341)	(519,665)
Lease liabilities	724,910	535,872
Employee benefits	1,075,404	880,953
Provision for make good	62,043	54,826
Other operating expenditure payable	191,002	184,444
Workers' compensation prepayment	(4,612)	(4,881)
Depreciation	53,696	164,169
Unrealised tax foreign currency (gain)/loss	(1,019)	(46)
Unearned income	-	(146,850)
	764,053	568,318
AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Superannuation actuarial gains/(losses)	23,956	(2,717)
	23,956	(2,717)
MOVEMENTS:		
Opening balance at 1 July	568,318	729,464
Other items charged/(credited) to the income statement	195,735	(161,146)
Closing balance at 30 June	764,053	568,318

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accounting Policy

INCOME TAX

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the tax rate enacted at the reporting date adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

DEFERRED TAX ASSETS (LIABILITIES)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or the liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity, are similarly recognised in other comprehensive income or directly in equity.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 5. Dividends Provided For or Paid

	2021	2020
	\$	\$
ORDINARY SHARES		
Opening balance	-	-
Add dividend declared	716,760	-
Less dividend paid	(716,760)	-
	<u>-</u>	<u>-</u>
Dividend per share	\$0.18	-
FULLY PAID REDEEMABLE 12% CUMULATIVE PREFERENCE SHARES		
Opening balance	-	-
Add dividend declared	-	94,000
Less dividend paid	-	(94,000)
	<u>-</u>	<u>-</u>
Dividend per share	-	\$0.12

Accounting Policies

REDEEMABLE PREFERENCE SHARES

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company's redeemable preference shares (Note 14) are equity instruments for accounting and taxation purposes. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

DIVIDENDS

Provision is made for any dividend declared by the Directors of the Company on or before the end of the financial year but not distributed at balance date.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 6. Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	4,679,992	4,143,992
Foreign currency account	511,187	61,350
	<u>5,191,179</u>	<u>4,205,342</u>

BANK OVERDRAFT FACILITY

The Company has a bank overdraft facility available to the extent of \$1,000,000. As at 30 June 2021, the overdraft was unused. The Company also has a credit card facility of \$100,000. All balances are repaid in full at the end of each month and no interest expense has been incurred during the year.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Accounting Policy

CASH AND CASH EQUIVALENTS

For Statement of Cash Flows presentation purposes, cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

Note 7. Trade and Other Receivables

	2021	2020
CURRENT	\$	\$
Trade receivables	4,905,124	3,046,442
Other current receivables	-	138
Prepayments	548,450	481,232
Accrued income	-	534,000
Security deposits	1,572	408
	<u>5,455,146</u>	<u>4,062,220</u>

The Company's exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

Accrued income for 2020 relates to the JobKeeper payments due to the company for May and June 2020 but not yet received as at 30 June 2020. The amounts were subsequently received in July and August 2020.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accounting Policy

FINANCIAL INSTRUMENTS

Initial recognition and measurement

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at amortised cost as all financial assets are managed solely to collect contractual cash flows and the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

On derecognition of a financial asset or liability measured at amortised cost, the difference between the carrying amount and the sum of the consideration received/paid and receivable/payable is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment

The Company recognises a loss allowance for expected credit losses.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 8. Plant and Equipment

Plant and equipment comprise the following at depreciated historical cost:

	Plant & Equipment	Leasehold Improvements	Total
At 30 June 2020			
At cost	1,254,129	1,903,020	3,157,149
Accumulated depreciation	<u>(848,173)</u>	<u>(1,274,700)</u>	<u>(2,122,873)</u>
Net carrying amount	<u>405,956</u>	<u>628,320</u>	<u>1,034,276</u>
At 30 June 2021			
At cost	1,648,461	1,959,774	3,608,235
Accumulated depreciation	<u>(1,030,891)</u>	<u>(1,379,472)</u>	<u>(2,410,363)</u>
Net carrying amount	<u>617,570</u>	<u>580,302</u>	<u>1,197,872</u>

Reconciliations

Reconciliations of the book amounts of each class of plant and equipment at the beginning and end of the year are set out below:

	2021 \$	2020 \$
RECONCILIATION - PLANT & EQUIPMENT		
Net carrying amount at start of the year	405,956	351,424
Additions	395,645	214,297
Depreciation expense	<u>(184,031)</u>	<u>(159,765)</u>
Net carrying amount at end of the year	<u>617,570</u>	<u>405,956</u>

	2021 \$	2020 \$
RECONCILIATION - LEASEHOLD IMPROVEMENTS		
Net carrying amount at start of the year	628,320	818,191
Additions	237,994	-
Disposals	(122,110)	-
Depreciation expense	<u>(163,902)</u>	<u>(189,871)</u>
Net carrying amount at end of the year	<u>580,302</u>	<u>628,320</u>

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accounting Policies

PLANT AND EQUIPMENT

All items of plant and equipment acquired by the Company are recognised initially at the cost of acquisition. Cost is the amount of cash or cash equivalents paid, or other consideration given to acquire the asset, including costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Items costing \$500 or more individually and having a minimum expected working life of 12 months are capitalised.

Depreciation

Depreciation is calculated using the straight-line method on all plant and equipment at rates calculated to allocate their cost, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Useful Life
Plant & Equipment	2 to 10 years
Leasehold Improvements	5 to 20 years

IMPAIRMENT OF ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised where the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 9. Right of Use Assets

Right of use assets comprise the following at cost:

	2021	2020
	\$	\$
Gross carrying amount	3,117,791	2,503,801
Accumulated depreciation	<u>(339,557)</u>	<u>(614,110)</u>
Net carrying amount	<u>2,778,234</u>	<u>1,889,691</u>

Reconciliations of the carrying amounts of each class of right of use asset at the beginning and end of the year are set out below:

	2021	2020
	\$	\$
RECONCILIATION – RIGHT OF USE ASSETS		
Net carrying amount at start of the year	1,889,691	-
AASB16 adjustment at start of the year	-	2,306,351
Additions – new lease contracts	2,804,617	197,450
Termination of lease contracts	(1,305,950)	-
Depreciation expense	<u>(610,124)</u>	<u>(614,110)</u>
Net carrying amount at end of the year	<u>2,778,234</u>	<u>1,889,691</u>

Accounting Policy RIGHT OF USE ASSETS

Leases are recognised as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The right of use assets is presented separately in the statement of financial position.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any dismantling costs not previously recognised, plus any initial direct costs incurred.

Subsequently, the right of use assets is measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation periods for the right-of-use assets are between one and four years.

Payments associated with all short-term leases (lease term of 12 months or less) and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss. The Company applies the exemption for low-value assets on a lease-by-lease basis i.e. for the leases where the asset is sub-leased, a right-of-use asset is recognised with corresponding lease liability; for all other leases of low value asset, the lease payments associated with those leases will be recognised as an expense on a straight-line basis over the lease term.

During the year, the Company signed a new five-year lease over the Newcastle office and cancelled the existing lease that was due to expire on 13 November 2023. The new lease provides for additional office space and expires on 31 March 2026. There is no option to extend included in the current lease.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 10. Intangible Assets

Intangible assets comprise the following at cost:

	2021	2020
	\$	\$
Gross carrying amount	1,130,621	996,206
Accumulated amortisation	<u>(1,020,668)</u>	<u>(976,231)</u>
Net carrying amount	<u>109,953</u>	<u>19,975</u>

Reconciliations of the carrying amounts of each class of intangible asset at the beginning and end of the year are set out below:

	2021	2020
	\$	\$
RECONCILIATION - SOFTWARE		
Net carrying amount at start of the year	19,975	31,727
Additions - other	133,102	6,578
Amortisation expense	<u>(43,124)</u>	<u>(18,330)</u>
Net carrying amount at end of the year	<u>109,953</u>	<u>19,975</u>

Accounting Policy

INTANGIBLE ASSETS

Software assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives, being one to four years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 11. Trade and Other Payables

	2021	2020
CURRENT	\$	\$
Trade payables	995,584	812,010
Accrued Employee Related Expenses	976,942	839,857
GST	281,327	143,977
Other payables	242,392	186,221
	<u>2,496,245</u>	<u>1,982,065</u>

Accounting Policy

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Payables are recognised at cost, which is considered to approximate amortised cost due to the short-term nature of payables. They are not discounted as the effect of discounting would not be material for these liabilities.

Trade payables are normally settled within 45 days.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 12. Lease Liabilities

	2021	2020
Amounts recognised in statement of financial position	\$	\$
Current	597,186	562,226
Non-current	2,190,930	1,386,399
	<u>2,788,116</u>	<u>1,948,625</u>

	2021	2020
Amounts recognised in statement of comprehensive income	\$	\$
Interest expense on lease liabilities	79,614	85,861
Depreciation charge of right of use assets	610,124	614,110
	<u>689,738</u>	<u>699,971</u>

	2021	2020
Amounts recognised in statement of cash flows	\$	\$
Payments of principal on leases	543,144	555,150
Payments of interest on leases	79,614	85,861
Total cash outflow for leases	<u>622,758</u>	<u>641,011</u>

	Within 1 year	1-2 years	2-3 years	After 3 years	Total
Future minimum lease payments at 30 June 2021 were as follows	\$	\$	\$	\$	\$
Lease payments	597,186	588,598	562,868	1,039,464	2,788,116
Finance charges	(101,130)	(76,772)	(53,901)	(38,522)	(270,325)
Net present values	<u>496,056</u>	<u>511,826</u>	<u>508,967</u>	<u>1,000,942</u>	<u>2,517,791</u>

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accounting Policy

LEASE LIABILITIES

The company assesses whether a contract is or contains a lease, at inception of the contract.

AASB 16 Leases determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- Variable lease payments change based on consumer price index movements and periodic market rental rate assessments.

No leases have a guaranteed residual value at the completion of the lease term.

After initial measurement, the liability will be reduced for payments made and increased for interest.

In determining the lease term, management considers all facts and circumstances in deciding whether to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 13. Provisions

	2021	2020
	\$	\$
CURRENT		
Employee benefits	2,539,486	2,298,922
	<u>2,539,486</u>	<u>2,298,922</u>
NON-CURRENT		
Employee benefits	1,505,172	732,874
Make good - Steel River premises	238,627	199,366
	<u>1,743,799</u>	<u>932,240</u>

Reconciliations

Reconciliation of Provision for Make Good – Steel River Premises at the beginning and end of the year is set out below:

	2021	2020
	\$	\$
RECONCILIATION - MAKE GOOD - STEEL RIVER PREMISES - NON-CURRENT		
Net carrying amount at start of the year	199,366	188,260
Increase/(decrease) in provision	<u>39,261</u>	<u>11,106</u>
Net carrying amount at end of the year	<u>238,627</u>	<u>199,366</u>

Provisions are classified as current liabilities if the Company does not have unconditional right to defer settlement of the liabilities for at least 12 months after the reporting date.

The Make Good provision for the Steel River premises relates to the five-year lease that expires in March 2026. The previous Make Good provision was cancelled during the year and a new five-year lease commenced. The provision is based on an estimate of the cost of dismantling the improvements to the Steel River premises and restoring the site on which it is located.

The Managing Director's employment contract includes a long-term incentive scheme that entitles him to a cash payment as at 30 June 2023 or if a sale event occurs prior to this date. The amount payable will be determined based on twenty percent of the increase if the Company's Equity Value between \$4,000,000 and the vesting date (30 June 2023 or the sale event date). The fair value of the long-term incentive scheme of \$737,786 was recognised as an expense and non-current employee benefit during the year. The total long-term incentive provision relating to the Managing Director as at 30 June 2021 amounts to \$1,271,018.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accounting Policy

EMPLOYEE BENEFITS

(i) Retirement benefit obligations

Employees of the Company are members of either defined benefit superannuation funds or defined contribution superannuation funds.

Defined contribution superannuation schemes

The Company contributes to the defined contribution superannuation schemes. Contributions to these schemes are recognised in the profit or loss as incurred. The liability recognised at the reporting date represents the contributions to be paid in the following month that relate to the period up to reporting date.

Defined benefit superannuation schemes

The defined superannuation funds provide defined lump sum benefits based on years of service and final average salary. The Company contributes to two defined benefit superannuation schemes in the NSW public sector Pooled Fund. These are: State Authorities Superannuation Scheme (SASS) and State Authorities Non-contributory Superannuation Scheme (SANCS).

The Company's net obligation in respect of these schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior reporting periods. That benefit is discounted to determine its present value and the fair value of any scheme assets is deducted.

The discount rate is the yield at the reporting date on Government Bonds that have maturity dates approximating to the terms of the Company's obligations. Calculations are performed by the Pooled Fund's actuary using the projected unit credit method and they are advised to individual agencies for recognition and disclosure purposes in their financial statements.

Where the present value of the defined benefit obligation in respect of a scheme exceeds the fair value of the scheme's assets, a liability for the difference is recognised in the Statement of Financial Position. Where the fair value of a scheme's assets exceeds the present value of the scheme's defined benefit obligation, an asset is recognised in the Statement of Financial Position.

Any superannuation asset recognised is limited to the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the schemes or reductions in future contributions to the schemes, as advised by the Pooled Funds actuary.

Australian Accounting Standard AASB 119 Employee Benefits does not specify whether an entity shall distinguish current and non-current portions of assets and liabilities arising from post-employment benefits because at times the distinctions may be arbitrary. Based on this, the Company discloses defined benefit superannuation liabilities or assets as non-current as this best reflects when the Company expects to settle (realise) the liabilities (assets).

Actuarial gains or losses are recognised in Other Comprehensive income (directly through retained earnings) in the reporting period in which they occur.

(ii) Wages and salaries, annual leave and sick leave

Liabilities for salaries and wages (including non-monetary benefits) and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts of the benefits.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The outstanding amounts of payroll tax, workers compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

Annual leave is not expected to be taken within twelve months and is measured at present value in accordance with AASB 119 Employee Benefits. Expected future payments are discounted using the 10-year Corporate Bond Rate. The liability for annual leave is recognised in the provision for employee benefits.

(iii) Long service leave

The liability for long service leave is recognised as an employee benefit and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary and wage levels, trends of employee departures and periods of service. Expected future payments are discounted using the 10-year Corporate Bond Rate. This is consistent with the estimated term of the post-employment benefit obligations.

(iv) Long-term incentive scheme

The liability for the long-term incentive scheme is recognised as an employee benefit and is measured as the fair value of the expected future payments in respect of services provided by employees up to the reporting date. Consideration is given to the expected equity value of the company, trends of employee departures and periods of service. Expected future payments are discounted using the relevant Corporate Bond rate. The Calculation is subject to several key assumptions and estimation risks.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 14. Contributed Equity

	2021	2020
	\$	\$
Fully paid ordinary shares	4,002,500	4,002,500
	<u>4,002,500</u>	<u>4,002,500</u>

RECONCILIATION – FULLY PAID ORDINARY SHARES

	2021	2020
Balance at start of the year	4,002,500	3,949,000
New shares issued	-	53,500
Balance at end of the year	<u>4,002,500</u>	<u>4,002,500</u>

RECONCILIATION – FULLY PAID REDEEMABLE SHARES

	2021	2020
Balance at start of the year	-	1,000,000
Shares cancelled	-	(1,000,000)
Balance at end of the year	<u>-</u>	<u>-</u>

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

All Redeemable Preference Shares were bought back at par value and cancelled during 2019/20.

Accounting Policy

REDEEMABLE PREFERENCE SHARES

Classification of redeemable preference shares as equity; the shares are not to be redeemed at a specific date, the holders of preference shares do not have any power to instruct the Company to redeem the shares, redemption is solely at the discretion of the Company, and the option to redeem is only available up until 30 June 2087 from which time any preference shares still on issue are not able to be redeemed. Independent advice was obtained which supports this judgement.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 15. Superannuation

Superannuation benefits for new entrants are now provided through First State Super (FSS) or the employee's choice of fund, which are accumulation type schemes. The Company has made full provision for these commitments.

The following sets out details in respect of the defined benefits schemes only.

A. Defined Benefits Superannuation Position

Following is the 30 June 2021 superannuation position:

Member Numbers	SASS	SANCS	
Contributors	1	1	

	SASS	SANCS	2021
Superannuation Position	\$	\$	\$
Accrued liability (Note 1, below)	827,461	118,903	946,364
Estimated reserve account balance	(758,380)	(96,473)	(854,853)
Deficit/(surplus)	69,081	22,430	91,511
Future service liability (Note 2, below)	28,344	51,693	80,037
Net (asset)/liability to be recognised in statement of financial position	69,081	22,430	91,511

Note 1: The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2: The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed. (Note: this also includes a contribution tax provision).

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

B. Superannuation Plan

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** – The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

C. Reconciliation

Net Defined Benefit Liability/(Asset)

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	SASS	SANCS	2020/2021
	\$	\$	\$
Present value of funded defined benefit obligation	827,461	118,903	946,364
Fair value of plan assets	(758,380)	(96,473)	(854,853)
Net defined benefit liability/(asset) at end of year	69,081	22,430	91,511

Amount recognised in comprehensive income in respect of these defined benefit plans are as follows:

	SASS	SANCS	2020/2021
	\$	\$	\$
Employer contributions	20,424	1,584	22,008
Contributions by fund participants	10,810	-	10,810

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

D. Fair Value of Fund Assets

All fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity.

As at 30 June 2021

Asset Category	Total (A\$'000)	
Short term securities	5,108,370	12.2%
Australian fixed interest	903,816	2.2%
International fixed interest	1,755,026	4.2%
Australian equities	8,310,657	19.9%
International equities	13,889,679	33.2%
Property	3,287,730	7.9%
Alternatives	8,529,710	20.4%
Total	41,784,988	100.0%

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

E. Fair Value of Entity's Own Financial Instruments

The fair value of the Pooled Fund assets as at 30 June 2021 include \$41.4 million in NSW government bonds.

F. Significant Actuarial Assumptions at the Reporting Date

As at	30 June 2021
Discount rate	2.98% pa
Salary increase rate (excluding promotional increases)	2.74% pa 21/22 to 25/26; 3.2% pa thereafter
Rate of CPI increase	1.50% for 20/21; 1.75% for 21/22 and 22/23; 2.25% for 23/24, 24/25 and 25/26; 2.50% for 26/27; 2.75% for 27/28, 3.00% for 28/29; 2.75% for 29/30; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are those to be used for the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 16. Contingent Liabilities and Assets

Contingent Liabilities

At the reporting date, the company has issued financial guarantees of \$299,328 in the ordinary course of business. The Company has not recognised any liability in the financial statements arising from a financial guarantee as there are currently no circumstances that would likely result in the recipients enacting any of the guarantees issued.

A claim for damages was lodged against the Company in July 2021 in relation to alleged non-performance under a service contract. The company has disclaimed liability and is defending the action. The claim is approximately \$850,000 but it is not practical to estimate the potential effect of this claim. Legal advice indicates that it is not probable that a material liability will arise.

Contingent Assets

The Company has lodged claims against two clients for damages by delay. Both matters remain unresolved and having received legal advice, the Directors believe that a favourable outcome is probable on one claim (claim is approximately \$410K) with the other claim expected to be not as favourable (claim is approximately \$400K). These contingent assets have not been recognised as receivable at 30 June 2021 as receipt of these amounts may be dependant on the outcome of an adjudication process.

Note 17. Auditors' Remuneration

Amounts received or due and receivable by the auditors, from the Company:

	2021	2020
	\$	\$
Audit review of financial reports (exclusive of GST)	<u>26,450</u>	<u>27,000</u>
	<u>26,450</u>	<u>27,000</u>

No other services were provided by the auditor during the year.

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 18. Related Party Disclosures

Transactions between related parties are conducted using commercial conditions no more favourable than those available to other parties unless otherwise stated.

TRANSACTIONS WITH RELATED ENTITIES

	Entity	2021	2020
		\$	\$
PURCHASES			
Consultancy Services	Australian Water Association	39,450	24,132
Consultancy Services	Local Government Procurement	24,404	27,066
Training Services	Verity Training	-	682
Superannuation Contributions	State Super SAS Trustee Corporation	30,694	32,886
Total purchases		<u>94,548</u>	<u>84,766</u>
DIVIDENDS PAID			
Franked Dividend	Valome Pty Ltd	22,500	-
Unfranked Dividend	Valome Pty Ltd	-	5,875
Total dividends		<u>22,500</u>	<u>5,875</u>

OUTSTANDING BALANCES AT YEAR END

PAYABLES			
Sales and purchases		<u>3,581</u>	-
Total payables		<u>3,581</u>	-

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 19. Key Management Personnel Disclosures

In addition to the Directors, the following persons also had authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, during the year: -

Name	Position
Mr P Dennis	Managing Director
Mrs J Golledge	Chief Financial Officer, Commercial Manager
Mr P Thompson	Executive Manager: Process
Mr J Smith	Executive Manager: Design
Mr D Bowerman	Executive Manager: Electrical & SCADA
Mrs N Holmes	Executive Manager: Advisory
Mr S Bullen	Executive Manager: Corporate Advisory

	2021	2020
	\$	\$
Compensation to directors and key management personnel – short-term	1,918,566	1,730,206
Compensation to directors and key management personnel – long-term	737,786	409,314
Dividends paid to directors and key management personnel as company shareholders	136,774	5,875
	<u>2,793,126</u>	<u>2,145,395</u>

Note 20. Events Occurring After Balance Date

No matters or circumstances have arisen since the end of the financial year ended 30 June 2021 which significantly affect or may affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 21. Financial Instruments

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and bank loans. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021	2020
		\$	\$
FINANCIAL ASSETS			
Cash and cash equivalents	6	5,191,179	4,205,342
Trade and other receivables (excluding prepayments and security deposits)	7	4,905,124	3,580,580
		<u>10,096,303</u>	<u>7,785,922</u>
FINANCIAL LIABILITIES			
Trade and other payables	11	2,496,245	1,982,065
		<u>2,496,245</u>	<u>1,982,065</u>

HUNTER H2O HOLDINGS PTY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Note 22. Other Accounting Policies

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities (effective 1 July 2021)

AASB 1060 sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 Application of Tiers of Australian Accounting Standards. The Standard has been developed based on a new methodology and principles to be used in determining the Tier 2 disclosures that are necessary for meeting user needs, to replace the current Reduced Disclosure Requirements (RDR) framework.

When these amendments are first adopted for the year ending 30 June 2022, there will be no material impact on the financial statements. The changes are disclosure based only and will not impact the figures presented for the financial performance or position of the Company.

Other Standards and Interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

End of Audited Financial Statements

DIRECTORS' DECLARATION

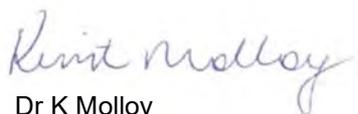
We state that in the opinion of the Directors of Hunter H2O Holdings Pty Limited, the financial statements and notes:

- a) Exhibit a true and fair view of the financial position of the Company as at 30 June 2021 and its performance as represented by the results of its operation and its cash flows for the financial year then ended.
- b) Comply with the applicable Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

We are not aware of any circumstances, which would render any particulars included in these statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Directors:



Dr K Molloy
Chair



Mr P Thompson
Director

Dated: 24 September 2021

Newcastle

Annexure B – Disclosure Letter

[insert date] 2022

Private and confidential

Beca Pty Limited ACN 004 974 341
Level 4, 5 Queens Road
Melbourne Victoria 3004 Australia

Disclosure letter – Hunter H2O Holdings Pty Limited

We refer to the share sale agreement between, amongst others, Beca Pty Limited (**Buyer**), Hunter H2O Holdings Pty Limited (**Company**) and the shareholders of the Company (**Sellers**) dated on or around the date of this letter (**Agreement**) relating to the acquisition of all of the issued shares of the Company.

This letter together with Attachment 1 to it is the Disclosure Letter referred to in the Agreement.

Words and expressions defined in the Agreement have the same meaning when used in this letter. The general rules of interpretation set out in clause 1.6 of the Agreement also apply to this letter. Unless indicated to the contrary, references in this letter to clause numbers or schedule numbers are references to the relevant clauses or schedules of the Agreement, and references in this letter to attachment numbers are references to the relevant attachment to the Agreement.

Scope of this letter

This letter constitutes formal disclosure to you of documents, information, facts, matters and circumstances which are, or may be, inconsistent with any of the Warranties and the Warranties in the Agreement are given subject to the terms of this letter.

Certain specific disclosures are set out against particular Warranties. This is for convenience only and does not in any way limit those disclosures to the particular Warranties against which they are set out. The specific disclosures in Attachment 1 constitute disclosure for the purposes of any Warranty to which they may be relevant.

Where a document is referred to in this letter but not attached to it and that document has been made available to you or your Representatives before this letter is signed and given to you, the full contents of that document are taken to be disclosed as if attached to this letter.

The disclosure of any matter in or by virtue of this letter does not constitute or imply any warranty, representation, statement, covenant, agreement, indemnity or undertaking not expressly given by the Sellers in the Agreement, and the contents of this letter are not to be taken as or having the effect of adding to or extending the scope of any of the Warranties or other provisions of the Agreement.

The specific matters set out in Attachment 1 (and only those matters) are disclosed in this letter. Warranty references are references to paragraph numbers in Schedule 3 to the Agreement. A document number in brackets is the number of the document listed in the index of the Due Diligence Materials.

This letter is governed by the law applying in New South Wales, Australia.

Yours faithfully,

Signed by **Kirsten Molloy** in her capacity as
Sellers' Representative in the presence of:

Witness

Kirsten Molloy

Print name

Signed by **Paul Thompson** in his capacity as
Sellers' Representative in the presence of:

Witness

Paul Thompson

Print name

Attachment 1 – Specific disclosures

Warranty reference	Disclosure
15.4 Hazardous Materials	<p>The Company conducts laboratory water and wastewater testing including jar testing and using chemical that are classified as hazardous.</p> <p>The quantities held mean that the Company does not have to have the lab listed for dangerous goods – however they are onsite and stored in appropriate cabinets etc, with the lab restricted in access to those who are inducted in appropriate OH&S procedures.</p>
16.12 Termination of services	<p>(a) Two Employees have given notice to the Company to resign as follows:</p> <ul style="list-style-type: none"> • Ben Parcell - 28/11/2021 • Miki Carr - 7/12/2021 <p>Both will finish employment in January 2022.</p> <p>(b) Lex Appelgren has given notice to the Company to resign from casual employment in the week commencing 13 December 2021 noting Lex is approaching 70 and has been providing a mentoring role for some of our Brisbane team for several years.</p>
21.1 No proceedings	<p>There is a dispute between the Company and Downer Utilities Australia Pty Ltd in respect of the consultancy agreement between the Company and Downer dated 27 May 2019 and work order dated 10 January 2020 which has been the subject of an Adjudication Application and Determination under the <i>Building and Construction Industry Security of Payment Act 1999</i> (NSW) details of which have been provided to the Buyer.</p>

Annexure C – Escrow Deed

Escrow Deed

Each party listed in Schedule 1 (Sellers)

Beca Pty Limited (Buyer)

Beca Group Limited (Beca Group)

Hunter H2O Holdings Pty Limited (Company)

Dentons Australia Limited

大成 DENTONS

Eora Country
77 Castlereagh Street
Sydney NSW 2000
Australia
T +61 2 9931 4999
F +61 2 9931 4888
Ref GCA:40048716

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Escrow Deed

Dated

Parties

1. Each party listed in Schedule 1 (**Sellers**).
2. **Beca Pty Limited ACN 004 974 341** of Level 4, 5 Queens Road, Melbourne Victoria 3004 Australia (**Buyer**).
3. **Beca Group Limited NZCN 663818** of Ground Floor, 21 Pitt Street, Auckland 1010 New Zealand (**Beca Group**).
4. **Hunter H2O Holdings Pty Limited ACN 602 201 552** of 19 Spit Island Close, Mayfield West New South Wales 2304 Australia (**Company**).
5. **Dentons Australia Limited ACN 100 963 308** of Level 16, 77 Castlereagh Street, Sydney NSW 2000 Australia (**Escrow Agent**)

Background

- A. The Sellers, the Buyer, Beca Group and the Company are parties to the Share Sale Agreement pursuant to which the Sellers have agreed to sell, and the Buyer has agreed to purchase, the Shares.
- B. The Sellers and the Buyer have agreed that the CAA Escrow Amount will be paid to the Escrow Agent for the CAA Escrow Period.
- C. This deed outlines the terms and conditions on which the Escrow Agent has agreed to hold the CAA Escrow Amount in escrow, and the basis on which the CAA Escrow Amount will be released from escrow.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed, capitalised terms have the same meaning given in the Share Sale Agreement unless the context otherwise requires, and.

Direction means a written notice received by the Escrow Agent purporting to be signed by each of the Sellers' Representative and the Buyer substantially in the form set out in Annexure A.

Escrow Fee means \$4,000.

Escrow Parties mean the Sellers and the Buyer.

Law includes:

- (a) all Commonwealth, State or Territory legislation and subordinate legislation, regulations, rules and instruments;
- (b) any law, regulation, authorisation, ruling, judgement, order or decree of any Regulatory Authority; and
- (c) the general law as applicable in any jurisdiction.

Law Society Rules means any requirement from time to time of the Law Society in New South Wales in relation to the holding, investment or disbursement of trust moneys or controlled money procedures.

Process means any form of judicial or administrative process or order, including any judgement, decree, writ, levy, injunction, stay, summons, subpoena or originating process and any lawful direction or instruction given by any Regulatory Authority.

Share Sale Agreement means the share sale agreement between the Sellers, the Buyer, Beca Group and the Company in respect of the Transaction dated **[insert]**.

1.2 Reasonable endeavours

Any provision of this deed which requires a party to use reasonable endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
- (b) to commence any legal action or proceeding against any person,

except where that provision expressly specifies otherwise.

1.3 Business Days

If the day on which any act to be done under this deed is a day other than a Business Day, that act must be done on or by the next Business Day except where this deed expressly specifies otherwise.

1.4 Sellers' Representative

The parties acknowledge and agree that:

- (a) each of the Sellers authorises the Sellers' Representative to act on its behalf in relation to any act, matter or thing required or permitted by this clause 1.4 and any other clause in this deed;
- (b) any notice or other document given under this deed which has been signed by the Sellers' Representative applies to and binds all of the other Sellers who hereby agree to be bound by any such notice or document signed by the Sellers' Representative;
- (c) where the Sellers' Representative takes any action which the Sellers are collectively required or entitled to take under this deed, all of the Sellers will be deemed to have taken such action collectively; and

- (d) the performance by the Sellers' Representative of the Sellers' rights or obligations under this deed is valid and binding.

1.5 General rules of interpretation

In this deed 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, a Regulatory Authority, an incorporated or unincorporated 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 or a provision of a document is to that document or provision as varied, novated, ratified or replaced from time to time;
- (g) a reference to this deed is to this deed as varied, novated, ratified or replaced from time to time;
- (h) 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 deed, and a reference to this deed includes all schedules, exhibits, attachments, and annexures to it;
- (i) 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;
- (j) 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;
- (k) a reference to **\$** or **dollar** is to Australian currency; and
- (l) this deed must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.6 Consents or approvals

Unless expressed to the contrary in this deed, if the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion.

2. Appointment of Escrow Agent

2.1 Appointment

The Sellers and the Buyer irrevocably:

- (a) appoint the Escrow Agent as stakeholder and escrow agent for the purposes of this deed; and
- (b) authorise the Escrow Agent to:
 - (i) hold the CAA Escrow Amount in escrow in accordance with this deed; and
 - (ii) release the CAA Escrow Amount in accordance with clause 5.

2.2 Acceptance of appointment

The Escrow Agent accepts its appointment as stakeholder and escrow agent and agrees to hold and release the CAA Escrow Amount on the terms and conditions in this deed.

2.3 Operation of this deed

If the CAA Escrow Amount is not paid by the Buyer to the Escrow Agent in accordance with the terms of the Share Sale Agreement and this deed, this deed will be deemed to have been rescinded from its commencement, will have no further effect and no party will have any further obligations to any other party.

3. Payment of CAA Escrow Amount

3.1 Payment to Escrow Agent

The Buyer will pay the CAA Escrow Amount to the following account of the Escrow Agent on the Completion Date:

Account Name:	Dentons Australia Limited Trust Account
Bank:	Australia and New Zealand Banking Group
Branch Address:	388 George St, Sydney, NSW 2000
BSB:	012 006
Account Number:	37 11 932
SWIFT code:	ANZ BAU 3M
Reference:	GCA:40048716

3.2 Obligations of Escrow Agent

The Sellers and Buyer agree that:

- (a) the Escrow Agent has no obligations in relation to assessing or verifying that the amounts paid to the Escrow Agent under clause 3.1 comply with the Sellers and Buyer's obligations under the Share Sale Agreement; and
- (b) the Escrow Agent is only required to comply with the terms of this deed, and is not a party to, nor has any obligations under the Share Sale Agreement.

3.3 CAA Escrow Amount

The Escrow Agent will hold the CAA Escrow Amount in escrow in the CAA Escrow Account from the time the Escrow Agent receives the CAA Escrow Amount and will not release the

CAA Escrow Amount other than in accordance with the terms of the Share Sale Agreement or this deed.

4. Deposit of CAA Escrow Amount

4.1 Investment of CAA Escrow Amount

Upon receipt of the CAA Escrow Amount, the Escrow Agent will place the CAA Escrow Amount in the CAA Escrow Account in the name of the Escrow Parties.

4.2 Payment of interest

- (a) Interest earned on the CAA Escrow Amount (if any) will be held by the Escrow Agent in the Escrow Account on account for the Sellers.
- (b) The Escrow Agent will be entitled, to deduct any Tax and administration charges,
 - (i) firstly, from interest earned on the relevant CAA Escrow Amount; and
 - (ii) secondly, if necessary, by equal contribution by the Sellers on the one part and the Buyer on the other part, made immediately on request by the Escrow Agent.

4.3 Prohibition on parties

Each Escrow Party must not:

- (a) seek the release of the CAA Escrow Amount or any portion of the CAA Escrow Amount without the prior written consent of each of the Buyer and the Sellers' Representative;
- (b) give any direction to the Escrow Agent regarding the CAA Escrow Amount other than as contemplated by clauses 4.4 and 10 of the Share Sale Agreement or this deed; or
- (c) attempt to vary, waive, cancel, extinguish or otherwise fetter, avoid or impair any of the parties' obligations under this deed.

5. Release of CAA Escrow Amount

5.1 Release of CAA Escrow Amount

The parties agree that the CAA Escrow Amount will be released in accordance with clauses 4.4 and 10 of the Share Sale Agreement.

5.2 Release by Escrow Agent

The Escrow Agent will release the CAA Escrow Amount (or part thereof) upon receiving a written Direction signed by the Buyer and the Sellers' Representative in the form set out in Annexure A.

5.3 Directions for release of CAA Escrow Amount at expiry of CAA Escrow Period

- (a) If the Escrow Agent has not received a Direction at the expiry of the CAA Escrow Period advising of the arrangements the Sellers' Representative and Buyer have agreed to in relation to the payment of the CAA Escrow Amount (if any), the

Escrow Agent may, but is not obliged to, apply to a court of competent jurisdiction for directions as to the appropriate treatment of the CAA Escrow Amount.

- (b) The parties acknowledge and agree that:
 - (i) the Escrow Parties will be severally but not jointly liable for the Escrow Agent's costs of making an application under clause 5.3(a);
 - (ii) as between the Escrow Parties the costs described in clause 5.3(b)(i) will be paid equally by the Buyer, on one hand, and the Sellers, on the other hand.

6. General

6.1 Escrow Fee

In consideration of the Escrow Agent accepting its appointment under this deed and performing its obligations, the **Sellers** will pay the Escrow Agent the Escrow Fee on or before Completion.

6.2 Taxes

All Tax payable in connection with the Escrow Agent holding the CCA Escrow Amount under the terms of this deed may be deducted or paid in accordance with clause 4.2(b).

6.3 Fees

In addition to any Tax payable in accordance with the terms of this deed, any bank charges (including fund transfer fees) payable by the Escrow Agent in connection with its obligations as escrow agent under this deed may be deducted or paid in accordance with clause 4.2(b).

6.4 Reimbursement

Subject to the Escrow Agent providing the Sellers written evidence of any bank fee or Tax paid sufficient to determine its nature and amount, if the Escrow Agent pays any bank fees or Taxes from its own resources in accordance with clauses 6.2 and 6.3 it may reimburse itself in accordance with clause 4.2(b).

6.5 Acknowledgement

The Sellers and Buyer acknowledge and agree that nothing in this deed limits the obligations of the Sellers or the Buyer under the Share Sale Agreement.

7. Protection of Escrow Agent

7.1 Duties of the Escrow Agent

The Escrow Agent will have no duties or responsibilities in connection with the CAA Escrow Amount except those expressly set out in this deed.

7.2 Not obliged to consult or enquire

The Escrow Agent is not obliged to consult with any party or make an enquiry of any kind before taking any action under this deed. Without limitation, the Escrow Agent will be entitled to rely on any document (including any Direction) as presented to it and that

appears to be in accordance with this deed and is believed by the Escrow Agent to be genuine, and need make no enquiry into:

- (a) the authenticity or correctness of the matters stated in the document;
- (b) the signatures on the document or the positions of such signatories stated in the document; or
- (c) the capacity or entitlement of any party to give or execute the document.

7.3 Liability of the Escrow Agent

Neither the Escrow Agent nor any of its officers or employees will be liable for:

- (a) any failure by any other party to perform its obligations;
- (b) the loss of any money from, or the performance of, the CAA Escrow Account; or
- (c) any action taken or omitted to be taken by it under this deed,

except in the case of its own fraud, negligence or wilful default of any of its respective partners or employees.

7.4 Roles of the Escrow Agent

- (a) The Escrow Agent may engage in any kind of business with any person as if it were not the Escrow Agent and may accept fees or other consideration for services in connection with its services and otherwise without having to account to the parties.
- (b) Without limiting paragraph 7.4(a), the other parties acknowledge that the Escrow Agent acts as solicitors to the Sellers and their related bodies corporate (including in connection with the Share Sale Agreement), and that the Escrow Agent will or may continue to act in that capacity in the future notwithstanding the provisions of this deed and its role as escrow agent, and agree that none of those matters will disqualify the Escrow Agent from acting in accordance with its obligations under this deed and / or continuing to act as solicitors to the Sellers and their related bodies corporate or any other party.

7.5 Indemnity

The Escrow Parties indemnify the Escrow Agent severally but not jointly against all claims, losses, liabilities, costs or expenses the Escrow Agent may sustain or incur in any way under or in relation to this deed (including any costs associated with seeking directions from a court of competent jurisdiction under clause 9.1), except to the extent that such claims, losses, liabilities, costs or expenses arise out of the Escrow Agent's own fraud, negligence or wilful default.

7.6 Compliance with Process, Law and Law Society Rules

If compliance by the Escrow Agent with any of its obligations under this deed, including acting in accordance with any Direction (**Relevant Obligation**) would in its opinion be contrary to or inconsistent with the requirements of any Process received by the Escrow Agent, or any Law or Law Society Rule, the Escrow Agent:

- (a) will be excused from performing any Relevant Obligation or may, if in the opinion of the Escrow Agent it is reasonably practicable, perform any Relevant Obligation in such a manner or at such a time as to enable the Escrow Agent to comply with the relevant requirement; and

- (b) may suspend or delay its performance of any Relevant Obligation for so long as is necessary for the purposes of compliance with the relevant requirement.

8. Statutory requirements

The Sellers and Buyer will promptly provide the Escrow Agent with any information required by it to comply with any applicable law or any requirements of the bank with whom the CAA Escrow Account is held, including:

- (a) the Tax Act; and
- (b) any provisions of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

9. Conflicting Claims

9.1 Conflicting claims

If:

- (a) the Sellers (or Sellers' Representative) and Buyer make conflicting claims or inconsistent claims or demands in connection with this deed; or
- (b) the Escrow Agent in good faith is in doubt as to what action the Escrow Agent should take under this document,

then the Escrow Agent may retain the CAA Escrow Amount until the Escrow Agent has received:

- (c) a final order of a court after all avenues of appeal have been exhausted, waived or not exercised, directing the Escrow Agent how to act in connection with such order; or
- (d) a written agreement executed by the Sellers' Representative and the Buyer,

and the Escrow Agent must act in accordance with such order or agreement.

9.2 Court order

Any court order must be accompanied by an opinion of counsel for the presenting party satisfactory to the Escrow Agent (in its sole and absolute discretion) to the effect that the order is final and all avenues of appeal have been exhausted, waived or not exercised.

10. Conflict with Other Agreements

Despite the terms and provisions of the Share Sale Agreement, this deed sets forth the entire agreement and understanding of the parties related to the CAA Escrow Amount .

11. Termination

11.1 Termination

The appointment and duties of the Escrow Agent under this deed (other than any obligations under clause 11.2(b)) will terminate on the earlier of:

- (a) the expiration of 20 Business Days after notice is given by the Escrow Agent to the other parties of such termination;
- (b) the expiration of 20 Business Days after joint notice is given by the other parties of such termination; and
- (c) the full discharge of the Escrow Agent's obligations regarding release and payment of the CAA Escrow Amount under clause 5.2.

11.2 Appointment of successor

- (a) Unless otherwise agreed between them, the other parties must ensure that, upon termination of the Escrow Agent's appointment under clause 11.1(a) or (b) taking effect, a successor to the Escrow Agent's obligations under this deed is jointly appointed by the Sellers and the Buyer and that successor has agreed to be bound by this deed.
- (b) Upon or as soon as practicable after termination of the Escrow Agent's appointment under clause 11.1(a) or (b), the Escrow Agent must transfer the CAA Escrow Amount to a new account established by the successor for the purposes of this deed.

11.3 No termination by appointment of liquidator

The Escrow Agent's appointment will not be terminated by the appointment of a liquidator to any of the parties.

12. GST

12.1 Consideration does not include GST

Unless specifically described in this deed as 'GST inclusive', any sum payable (or amount included in the calculation of a sum payable), or consideration to be provided, under or in accordance with this deed does not include any amount on account of GST.

12.2 Gross up of Consideration

Where any supply to be made by one party (**Supplier**) to another party (**Recipient**) under or in accordance with this deed is subject to GST (other than a supply the consideration for which is specifically described in this deed as 'GST inclusive'):

- (a) the consideration payable or to be provided for that supply but for the application of this clause (**GST Exclusive Consideration**) will be increased by, and the Recipient will pay to the Supplier, an amount equal to the GST payable by the Supplier in respect of that supply; and
- (b) the Recipient must pay that additional amount at the same time and in the same manner as the GST Exclusive Consideration payable or to be provided for that supply.

12.3 Reimbursements

If any payment to be made to a party under or in accordance with this deed is a reimbursement or indemnification of an expense or other liability incurred or to be incurred by that party, then the amount of the payment must be reduced by the amount of any input tax credit to which that party is entitled for that expense or other liability, such reduction to be effected before any increase in accordance with clause 12.2.

12.4 Tax invoices

The Supplier must issue a tax invoice to the Recipient for any taxable supply made by the Supplier under this deed, such tax invoice to be issued no later than 10 Business Days after the Supplier receives the consideration for that taxable supply.

12.5 Adjustments

If an adjustment event has occurred in respect of a taxable supply made under this deed, any party that becomes aware of the occurrence of that adjustment event must notify each other party to that taxable supply as soon as practicable, and all of those parties agree to take whatever steps are necessary (including to issue an adjustment note), and to make whatever adjustments are required, to ensure that any GST or additional GST on that taxable supply, or any refund of GST (or part thereof), is paid no later than 20 Business Days after the Supplier first becomes aware that the adjustment event has occurred.

12.6 Interpretation

A word or expression used in this clause which is defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the same meaning in this clause.

13. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this deed:

- (a) must be given in accordance with clause 19 of the Share Sale Agreement;
- (b) if to be given to the Escrow Agent must be addressed as follows (or as otherwise notified by the Escrow Agent to each other party from time to time):

Attention: Geoff Cairns
Address: L16, 77 Castlereagh Street, Sydney NSW 2000
Email: geoff.cairns@dentons.com

- (c) will be taken to be received by the addressee in accordance with clause 19.1 of the Share Sale Agreement.

General provisions

13.1 Amendments

This deed may only be varied by a document signed by or on behalf of each party.

13.2 Assignment

A party cannot assign or otherwise transfer any of its rights under this deed without the prior consent of each other party.

13.3 Consents

Unless this deed expressly provides otherwise, a consent under this deed 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.

13.4 Costs

Except as otherwise provided in this deed or agreed between the applicable parties, each party must pay its own costs and expenses in connection with:

- (a) negotiating, preparing, executing and performing this deed; and
- (b) any subsequent consent, agreement, approval, waiver or amendment relating to this deed.

13.5 Counterparts

- (a) This deed may be executed:
 - (i) in any number of counterparts and all the counterparts together shall make one instrument; and
 - (ii) electronically by all parties using DocuSign or another system or by exchanging electronic copies of original signatures on this deed.
- (b) This deed may be validly created and exchanged by counterparts with each party's signature (electronic or otherwise) sent electronically to each other parties by email.
- (c) The parties acknowledge that the electronic version of this deed signed all parties will be the true and original version for the purposes of this transaction and that no other version will be provided unless otherwise agreed between the parties in writing.
- (d) The parties agree that they will be bound by, have complied with and will comply with the *Electronic Transactions Act 2000* (NSW) and any terms and conditions of DocuSign or another system, in relation to the execution of this deed to the extent applicable to them.
- (e) For the purposes of this clause 15.5, DocuSign means the signature software and platform located at www.docusign.com or the DocuSign software used by a third party service provider.

13.6 Further acts and documents

Each party must promptly do, and procure that its employees and agents 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 deed.

13.7 No merger

A party's rights and obligations do not merge on completion of any transaction under this deed.

13.8 Severance

If any provision or part of a provision of this deed 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.

13.9 Stamp duties

The Buyer:

- (a) must pay all stamp duties and other duties, together with any related fees, penalties, fines, interest or statutory charges, and similar Taxes in respect of this deed, the performance of this deed and each transaction effected or contemplated by or made under this deed; and
- (b) indemnifies the Sellers against, and must pay to the Sellers on demand the amount of, any Liability suffered or incurred by the Sellers arising out of or in connection with any delay or failure to comply with clause 13.9(a).

13.10 Operation of indemnities

Without limiting any other provision of this deed, the parties agree that:

- (a) each indemnity in this deed is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this deed; and
- (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 deed.

13.11 Waivers

Without limiting any other provision of this deed, 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 deed 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;
- (b) a waiver given by a party under this deed 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 deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

13.12 Governing law and jurisdiction

This deed is governed by the law applying in New South Wales, Australia. Each party irrevocably submits to the exclusive jurisdiction of 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 deed and 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 this clause 13.12.

13.13 Power of attorney

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

13.14 Entire agreement

To the extent permitted by law, this deed and the Share Sale Agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes all previous agreements and understandings between the parties in relation to its subject matter.

Schedule 1 – Sellers

Seller and address
SEFTON INVESTMENTS PTY LTD ACN 123 187 771 ATF THE SEFTON SUPERANNUATION FUND 82 Gordon Avenue, Hamilton South NSW 2303 Email: gsefton@seftcorp.com.au
JASON DAVID SANDFORD AND LAUREN ELISE SANDFORD 46 Timbercrest Chase, Charlestown NSW 2290 Email: Jason.Sandford@hunterh2o.com.au
STEPHEN DOUGLAS BLANSHARD AND GERALDINE ANNE BLANSHARD ATF WHITE SWAN INVESTMENTS TRUST 2 Bounty Close, Ashtonfield NSW 2323 Email: Steve.Blanshard@hunterh2o.com.au
BLOOMY AWAY PTY LIMITED ACN 165 465 485 ATF THE BLOOMFIELD FAMILY TRUST 10 Railway Street, Dudley NSW 2290 Email: Matthew.Bloomfield@hunterh2o.com.au
DJ AND SM BOWERMAN PTY LTD ACN 602 383 451 ATF THE BOWERMAN SUPER FUND 3 Kensington Road, Bolwarra NSW 2320 Email: David.Bowerman@hunterh2o.com.au
RICHARD KEVIN BRAY 124 Parish Drive, Thornton NSW 2322 Email: Richard.Bray@hunterh2o.com.au
JWLR INVESTMENTS PTY LTD ACN 602 420 191 ATF THE GOLLEDGE FAMILY SUPERANNUATION FUND 18 Tulloch Terrace, Cessnock NSW 2325 Email: Jodie.Golledge@hunterh2o.com.au
JEREMYJANE PTY LTD ACN 602 155 895 ATF JEREMYJANE SUPERANNUATION FUND 6 Marian Gardens, Elmore Vale NSW 2287 Email: Jeremy.Smith@hunterh2o.com.au
202 LIMITED ACN 010 728 926 GPO Box 1239, Brisbane QLD 4001 Email: peter.gilchrist@202limited.com.au
VALOME PTY LTD ACN 003 370 349 44 Aubin Street, Neutral Bay NSW 2089 Email: gatfield@bigpond.net.au
BRIDGESTAR PTY. LIMITED ACN 008 407 869 Level 26 25 Bligh Street, Sydney NSW 2000 Email: joe@bridgestar.com.au ; sjw@bridgestar.com.au

<p>KERALEN PTY LTD ACN 001 496 564 ATF ARPL SUPERANNUATION FUND Suite 1, Level 26, 25 Bligh Street, SYDNEY NSW 2000 Email: arr@bridgestar.com.au</p>
<p>OWEN PETER DRISCOLL AND CATHERINE PATRICIA BURMAN 41 Merinda Close, Adamstown Heights NSW 2289 Email: Owen.Driscoll@hunterh2o.com.au</p>
<p>TREVOR NORMAN GALE 64 Drysdale Drive, Lambton NSW 2299 Email: Trevor.Gale@hunterh2o.com.au</p>
<p>TODD ANTHONY TRENCH 94 Lockyer Street, Adamstown NSW 2289 Email: Todd.Trench@hunterh2o.com.au</p>
<p>CRAIG ALEXANDER WHITE 3 Sandy View Court, Belmont North NSW 2280 Email: Craig.White@hunterh2o.com.au</p>
<p>KANGABY PTY LTD ACN 601 863 325 ATF KANGABY SUPERANNUATION FUND 68 Washpool Creek Road, Booral NSW 2425 Email: Mark.Holmes@hunterh2o.com.au</p>
<p>MARK DAWSON 56 Ridge Street, Merewether NSW 2291 Email: Mark.Dawson@hunterh2o.com.au</p>
<p>CNF & ASSOCIATES PTY LIMITED ACN 002 037 498 Level 2 393 George Street, Sydney NSW 2000 Email: les.nador@cnfa.com.au</p>
<p>ROBERTSON STRUAN HOLDINGS PTY LTD ACN 079 841 919 ATF ROBERTSON STRUAN SUPERANNUATION FUND Level 6, 155 Macquarie Street, Sydney NSW 2000 Email: ibrobertson@robertson-struan.com.au</p>
<p>GREGORY MORGAN PERKS 121A Gordon Avenue, Hamilton South NSW 2303 Email: Greg.Perks@hunterh2o.com.au</p>
<p>DAVID CHARLES PERRY 64 Lindsay Street, Hamilton NSW 2303 Email: David.Perry@hunterh2o.com.au</p>
<p>CLARA LOUISE LAYDON ATF THE LAYDON INVESTMENT TRUST 17A Bombala Street, Dudley NSW 2290 Email: Clara.Laydon@hunterh2o.com.au</p>
<p>HJBJX PTY LTD ACN 603 006 908 ATF J&H KEARY SUPER FUND 17 Shelton Street, Charlestown NSW 2290 Email: Jim.Keary@hunterh2o.com.au</p>

<p>LISA GAYE PROCTER 11 Bowden Street, Heddon Greta NSW 2321 Email: Lisa.Procter@hunterh2o.com.au</p>
<p>ANNE-MARIE AMANDA TURNBULL 28 Turner Street, Lambton NSW 2299 Email: Anne-Marie.Turnbull@hunterh2o.com.au</p>
<p>MICHAEL WILLIAM CARTER 206A Main Road, Cardiff NSW 2285 Email: Michael.Carter@hunterh2o.com.au</p>
<p>CRAIG ANDREW JAKUBOWSKI 28A Katoomba Avenue, Hawthorne QLD 4171 Email: Craig.Jakubowski@hunterh2o.com.au</p>
<p>CHRIS JAMES CONWAY 19 Driftwood Close, Caves Beach NSW 2281 Email: Chris.Conway@hunterh2o.com.au</p>
<p>SHANE GARY BULLEN 39 Kullaroo Road, Charlestown NSW 2290 Email: shane.bullen@hunterh2o.com.au</p>
<p>NICOLE ELIZABETH HOLMES 38 Woods Street, Redhead NSW 2290 Email: Nicole.Holmes@hunterh2o.com.au</p>
<p>MICHAEL BRENT COLLINS 34 Crescent Road, Charlestown NSW 2290 Email: Michael.Collins@hunterh2o.com.au</p>
<p>JOSHUA LEE PLUMMER 9 Perina Place, Merewether Heights NSW 2291 Email: Josh.Plummer@hunterh2o.com.au</p>
<p>ANGELA DWYER 60 Springfield Avenue, Kotara NSW 2289 Email: Angela.Dwyer@hunterh2o.com.au</p>
<p>ANTHONY BLAIR 23 South Street, Adamstown NSW 2289 Email: Anthony.Blair@hunterh2o.com.au</p>
<p>CAMERON SMITH 8 Ringtail Street, Fletcher NSW 2287 Email: Cameron.Smith@hunterh2o.com.au</p>
<p>MATTHEW DAFTER 51 Valencia Street, Mayfield NSW 2304 Email: Matthew.Dafter@hunterh2o.com.au</p>

<p>EVAN JACK 3 North Scenic Road, Forresters Beach NSW 2260 Email: Evan.Jack@hunterh2o.com.au</p>
<p>YAODE YAN 6 Coorong Close, Wallsend NSW 2287 Email: Yaode.Yan@hunterh2o.com.au</p>
<p>PETER DENNIS AND JANE DENNIS ATF DENNIS FAMILY DISCRETIONARY TRUST 5 Bombora Close, Redhead NSW 2290 Email: Peter.Dennis@hunterh2o.com.au</p>
<p>THOMPSON FAMILY SF NSW PTY LTD ACN 602 893 578 ATF THE THOMPSON FAMILY SMSF 78 Harrison Street, Belmont NORTH NSW 2280 Email: Paul.Thompson@hunterh2o.com.au</p>
<p>DANISTRY PTY LIMITED ACN 602 465 421 ATF DANISTRY FAMILY TRUST 41 Ella Street , Adamstown NSW 2289 Email: Daniel.Alexander@hunterh2o.com.au</p>
<p>NATHAN DICK 241 Park Avenue, Kotara NSW 2289 Email: Nathan.Dick@hunterh2o.com.au</p>
<p>DAMON EMERSON 25 Chisholm Avenue, Lake Munmorah NSW 2259 Email: Damon.Emerson@hunterh2o.com.au</p>
<p>BEN GOLDING 20 Ashbury Street, Adamstown Heights NSW 2289 Email: Ben.Golding@hunterh2o.com.au</p>
<p>VANESSA NEAL 67 Cottonwood Chase Fletcher NSW 2287 Email: Vanessa.Neal@hunterh2o.com.au</p>
<p>CARLY SOUTTER 4 Sturtbrae Crescent Bellevue Heights SA 5050 Email: Carly.Soutter@hunterh2o.com.au</p>
<p>DEAN TAYLOR 61 Sylvan Avenue, Medowie NSW 2318 Email: Dean.Taylor@hunterh2o.com.au</p>

Signing page

Executed as a deed.

Executed by **SEFTON INVESTMENTS PTY LTD ACN 123 187 771 ATF THE SEFTON SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

GRANT DAVID SEFTON

Director

LINDA SHEREE SEFTON

Director

Signed by **JASON DAVID SANDFORD** in the presence of:

Signature of witness

JASON DAVID SANDFORD

Name of witness

(block letters)

Signed by **LAUREN ELISE SANDFORD** in the presence of:

Signature of witness

LAUREN ELISE SANDFORD

Name of witness

(block letters)

Signed by **STEPHEN DOUGLAS BLANSHARD**
ATF WHITE SWAN INVESTMENTS TRUST in
the presence of:

Signature of witness

STEPHEN DOUGLAS BLANSHARD

Name of witness
(block letters)

Signed by **GERALDINE ANNE BLANSHARD**
ATF WHITE SWAN INVESTMENTS TRUST in
the presence of:

Signature of witness

GERALDINE ANNE BLANSHARD

Name of witness
(block letters)

Executed by **BLOOMY AWAY PTY LIMITED**
ACN 165 465 485 ATF THE BLOOMFIELD
FAMILY TRUST in accordance with section 127
of the *Corporations Act 2001*:

FELICITY LOUISE COLE
Director

MATTHEW JAMES BLOOMFIELD
Director

Executed by **DJ AND SM BOWERMAN PTY LTD ACN 602 383 451 ATF THE BOWERMAN SUPER FUND** in accordance with section 127 of the *Corporations Act 2001*:

DAVID JAMES BOWERMAN

Director / company secretary

SUSAN MAREE NEWTON

Director

Signed by **RICHARD KEVIN BRAY** in the presence of:

Signature of witness

RICHARD KEVIN BRAY

Name of witness
(block letters)

Executed by **JWLR INVESTMENTS PTY LTD ACN 602 420 191 ATF THE GOLLEDGE FAMILY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

JODIE MAREE GOLLEDGE

Director

WAYNE RUSSELL GOLLEDGE

Director

Executed by **JEREMYJANE PTY LTD ACN 602 155 895 ATF JEREMYJANE SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

JEREMY LUKE SMITH

Director

JANE SMITH

Director

Executed by **202 LIMITED ACN 010 728 926** in accordance with section 127 of the *Corporations Act 2001*:

PETER JOHN GILCHRIST

Director

ROSS JOHNSTON

Director

Executed by **VALOME PTY LTD ACN 003 370 349** in accordance with section 127 of the *Corporations Act 2001*:

BRIAN PETER REGINALD GATFIELD

Director

MEGAN LESLIE GATFIELD

Director

Executed by **BRIDGESTAR PTY. LIMITED**
ACN 008 407 869 in accordance with
section 127 of the *Corporations Act 2001*:

Director / company secretary

Director

Name of director / company secretary
(block letters)

Name of director
(block letters)

Executed by **KERALEN PTY LTD ACN 001 496**
564 ATF ARPL SUPERANNUATION FUND in
accordance with section 127 of the *Corporations*
Act 2001:

ALLEN RALPH ROBINSON
Director / company secretary

KERRY JOYCE ROBINSON
Director

Signed by **OWEN PETER DRISCOLL** in the presence of:

Signature of witness

OWEN PETER DRISCOLL

Name of witness
(block letters)

Signed by **CATHERINE PATRICIA BURMAN** in the presence of:

Signature of witness

CATHERINE PATRICIA BURMAN

Name of witness
(block letters)

Signed by **TREVOR NORMAN GALE** in the presence of:

Signature of witness

TREVOR NORMAN GALE

Name of witness
(block letters)

Signed by **TODD ANTHONY TRENCH** in the presence of:

Signature of witness

TODD ANTHONY TRENCH

Name of witness
(block letters)

Signed by **CRAIG ALEXANDER WHITE** in the presence of:

Signature of witness

CRAIG ALEXANDER WHITE

Name of witness
(block letters)

Executed by **KANGABY PTY LTD ACN 601 863 325 ATF KANGABY SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

MARK RAYMOND HOLMES

Sole director and sole company secretary

Signed by **MARK DAWSON** in the presence of:

Signature of witness

MARK DAWSON

Name of witness

(block letters)

Executed by **CNF & ASSOCIATES PTY LIMITED ACN 002 037 498** in accordance with section 127 of the *Corporations Act 2001*:

Director / company secretary

Director

Name of director / company secretary

(block letters)

Name of director

(block letters)

Executed by **ROBERTSON STRUAN HOLDINGS PTY LTD ACN 079 841 919 ATF ROBERTSON STRUAN SUPERANNUATION FUND** in accordance with section 127 of the *Corporations Act 2001*:

IAN BRADLEY ROBERSTON

Director

SUSAN MARY ROBERTSON

Director

Signed by **GREGORY MORGAN PERKS** in the presence of:

Signature of witness

GREGORY MORGAN PERKS

Name of witness
(block letters)

Signed by **DAVID CHARLES PERRY** in the presence of:

Signature of witness

DAVID CHARLES PERRY

Name of witness
(block letters)

Signed by **CLARA LOUISE LAYDON ATF THE LAYDON INVESTMENT TRUST** in the presence of:

Signature of witness

CLARA LOUISE LAYDON

Name of witness
(block letters)

Executed by **HJBJX PTY LTD ACN 603 006 908 ATF J&H KEARY SUPER FUND** in accordance with section 127 of the *Corporations Act 2001*:

HELEN LORRAINE KEARY
Director

JAMES BERNARD KEARY
Director

Signed by **LISA GAYE PROCTER** in the presence of:

Signature of witness

LISA GAYE PROCTER

Name of witness
(block letters)

Signed by **ANNE-MARIE AMANDA TURNBULL**
in the presence of:

Signature of witness

ANNE-MARIE AMANDA TURNBULL

Name of witness
(block letters)

Signed by **MICHAEL WILLIAM CARTER** in the
presence of:

Signature of witness

MICHAEL WILLIAM CARTER

Name of witness
(block letters)

Signed by **CRAIG ANDREW JAKUBOWSKI** in
the presence of:

Signature of witness

CRAIG ANDREW JAKUBOWSKI

Name of witness
(block letters)

Signed by **CHRIS JAMES CONWAY** in the presence of:

Signature of witness

CHRIS JAMES CONWAY

Name of witness
(block letters)

Signed by **SHANE GARY BULLEN** in the presence of:

Signature of witness

SHANE GARY BULLEN

Name of witness
(block letters)

Signed by **NICOLE ELIZABETH HOLMES** in the presence of:

Signature of witness

NICOLE ELIZABETH HOLMES

Name of witness
(block letters)

Signed by **MICHAEL BRENT COLLINS** in the presence of:

Signature of witness

MICHAEL BRENT COLLINS

Name of witness
(block letters)

Signed by **JOSHUA LEE PLUMMER** in the presence of:

Signature of witness

JOSHUA LEE PLUMMER

Name of witness
(block letters)

Signed by **ANGELA DWYER** in the presence of:

Signature of witness

ANGELA DWYER

Name of witness
(block letters)

Signed by **ANTHONY BLAIR** in the presence of:

Signature of witness

ANTHONY BLAIR

Name of witness
(block letters)

Signed by **CAMERON SMITH** in the presence of:

Signature of witness

CAMERON SMITH

Name of witness
(block letters)

Signed by **MATTHEW DAFTER** in the presence of:

Signature of witness

MATTHEW DAFTER

Name of witness
(block letters)

Signed by **EVAN JACK** in the presence of:

Signature of witness

EVAN JACK

Name of witness
(block letters)

Signed by **YAODE YAN** in the presence of:

Signature of witness

YAODE YAN

Name of witness
(block letters)

Signed by **PETER DENNIS ATF DENNIS
FAMILY DISCRETIONARY TRUST** in the
presence of:

Signature of witness

PETER DENNIS

Name of witness
(block letters)

Signed by **JANE DENNIS ATF DENNIS FAMILY DISCRETIONARY TRUST** in the presence of:

Signature of witness

JANE DENNIS

Name of witness
(block letters)

Executed by **THOMPSON FAMILY SF NSW PTY LTD ACN 602 893 578 ATF THE THOMPSON FAMILY SMSF** in accordance with section 127 of the *Corporations Act 2001*:

PAUL DAVID THOMPSON
Director

VANESSA RENAE THOMPSON
Director

Executed by **DANISTRY PTY LIMITED ACN 602 465 421 ATF DANISTRY FAMILY TRUST** in accordance with section 127 of the *Corporations Act 2001*:

DANIEL MARK ALEXANDER
Sole director and sole company secretary

Signed by **NATHAN DICK** in the presence of:

Signature of witness

NATHAN DICK

Name of witness
(block letters)

Signed by **DAMON EMERSON** in the presence of:

Signature of witness

DAMON EMERSON

Name of witness
(block letters)

Signed by **BEN GOLDING** in the presence of:

Signature of witness

BEN GOLDING

Name of witness
(block letters)

Signed by **VANESSA NEAL** in the presence of:

Signature of witness

VANESSA NEAL

Name of witness
(block letters)

Signed by **CARLY SOUTTER** in the presence of:

Signature of witness

CARLY SOUTTER

Name of witness
(block letters)

Signed by **DEAN TAYLOR** in the presence of:

Signature of witness

DEAN TAYLOR

Name of witness
(block letters)

Executed as a deed by Dentons Australia Limited ACN 100 963 308 in accordance with s 127 of the *Corporations Act 2001*:

.....
Signature of Director

.....
Signature of Director/Company Secretary

.....
Print full name

.....
Print full name

Executed by **HUNTER H2O HOLDINGS PTY LIMITED ACN 602 201 552** in accordance with section 127 of the *Corporations Act 2001*:

.....
Director / company secretary

.....
Director

.....
Name of director / company secretary
(block letters)

.....
Name of director
(block letters)

Executed by **BECA PTY LIMITED ACN 004 974 341** in accordance with section 127 of the *Corporations Act 2001*:

Director / company secretary

Director

Name of director / company secretary
(block letters)

Name of director
(block letters)

Executed by **BECA GROUP LIMITED NZCN 663818** in accordance with section 180 of the *Companies Act 1993 (NZ)*:

Director

Director

Name of director
(block letters)

Name of director
(block letters)

Annexure A – Form of Direction

Date:

Dentons Australia Limited
Attn: Geoff Cairns
Level 16
77 Castlereagh Street
SYDNEY NSW 2000

Email: geoff.cairns@dentons.com

By: Sellers' Representative and Buyer

Dear Mr Cairns

In accordance with the Escrow Deed between the Sellers, the Buyer, Beca Group, the Company and Dentons Australia Limited, Dentons Australia Limited is hereby directed to release the CAA Escrow Amount as follows:

[Note: complete as applicable]

- \$[insert] to the Buyer using the following information:

Name of Account	[insert]
IBAN	[insert]
BIC	[insert]
Currency	[insert]
Bank	[insert]

- \$[insert] to the Sellers using the following information:

Name of Account	[insert]
IBAN	[insert]
BIC	[insert]
Currency	[insert]
Bank	[insert]

Executed by **Beca Pty Limited ACN 004 974 341**
in accordance with s 127(1) and s 127(3) of the
Corporations Act 2001:

Director

Director / Company Secretary

Print name

Print name

Signed by **Kirsten Molloy** in the presence of:

Witness

Kirsten Molloy

Print name

Signed by **Paul Thompson** in the presence of:

Witness

Paul Thompson

Print name

Annexure D – Employment Principles

Employment Principles

It is noted that the current Hunter H2O employment policies and remuneration and performance frameworks have supported significant company growth and very successful attraction and retention outcomes in a challenging resource constrained market. A vital part of Hunter H2O's 2025 Strategy (Our Team Pillar) has been modernising our employment relationships and performance frameworks with our team. These were co-created with our people and have proven successful in supporting strong attraction and retention, supporting our culture program, increasing employee working flexibility, increased employee productivity and achieving a more family friendly work-life balance.

Our joint objectives in merging are:

- We don't want to unnecessarily disrupt this employment relationship balance in the current market and at a time of change for our employees as they transition to become part of the Beca team.
- To map out a pathway as one Beca team to enable a future employment environment that harmonises to the extent possible with your systems but respects the contemporary employment working environment our employees thrive in today.
- To achieve an employment environment that supports continued growth and achievement of industry leading attraction and retention outcomes.
- Beca to establish a new Australian water business unit in Australia containing the combined water business of the Buyer and the Company
- To work together to create a new leadership structure for the Beca – Hunter H2O Australian water business founded on Hunter H2O's existing structure plus Beca's Victorian water team which enables business growth, ongoing resilience and effective integration.
- The Hunter H2O management team will continue to report to the Managing Director Hunter H2O. The intent is corporate leaders reporting lines will evolve to align to the Beca corporate structure over time, including secondary or dual reporting lines as part of the matrix structure.

Key principles supporting transfer of Hunter H2O employees into the Beca team:

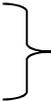
1. Hunter H2O management contracts will transfer over in their current form unless by agreement between Beca and the employee. The management team (Peter Dennis, Paul Thompson, Jeremy Smith, Jodie Golledge, Nicole Holmes and Shane Bullen) are to be retained in current location and in comparable roles, on terms that are agreed and no less favourable to those currently in place. Beca fully intends that the Hunter H2O management team (other than Jodie Golledge and Shane Bullen) will continue to be employed for a minimum period of three years up to 1 April 2025 and for a minimum period of 18 months up to 1 October 2023 for Jodie Golledge and Shane Bullen (without limiting anything contained in their employment contracts from time to time).
2. The management team will work with Beca to harmonise with existing Beca employment contracts by 1 October 2023 on terms agreed and no less favourable to those currently existing. The same principle would apply for all existing Hunter H2O employees as we harmonise employment agreements with Beca's employment framework so individuals are on terms that are agreed and no less favourable to those currently existing.
3. Hunter H2O employment policies and performance review framework, development plans and remuneration process will be continued as part of the transition until harmonised with Beca during the integration period.

4. As part of the change management program Beca and HunterH2O will work together and give careful consideration to harmonisation of employment policies and performance frameworks that:
 - a. Align with overall Beca policies and frameworks
 - b. Ensure that Hunter H2O employees are on terms that are agreed and overall no less favourable to those currently existing. Parental leave will be of key interest to our employees as we have been closely working with the team on the positioning of this for a number of years.
5. The performance review, development plans and remuneration process for 2022 financial year will be undertaken following Hunter H2O current systems with a view that these would then be aligned to Beca's system for the following 2023 financial year. Bonus structures assessment will remain pre and post Beca transaction including payment of bonus in 2022 financial year. Upon transfer to Beca Pty Ltd the revised Beca annual incentive scheme performance criteria will apply.
6. Existing employment terms and conditions for all Employees and all existing entitlements will be maintained on a 'no less favourable basis' as over time Employees staff transfer to Buyer or Beca Group employment agreements. This includes:
 - a. Recognition of prior service for employees is carried over
 - b. Performance frameworks
 - c. Leave provisions remain in line with existing entitlements (LSL, AL, SL, Compassionate Leave, Personal Leave, Public Holidays, local show days, etc)
 - d. Training and Conferences obligations maintained to achieve minimum requirements of chartered status.
 - e. Hunter H2O Policies underpin our employee value proposition and these will be recognised and harmonised with Beca's policies. For examples Hunter H2O's policies on Parental leave, Memberships, education, flexible work arrangements, etc.
7. Beca commits to consistent application of our annual remuneration review, performance assessment outcomes and promotion opportunities for all employees irrespective of preserved conditions.

EXECUTION

SIGNED by the

Intending Party



in the presence of:

(Intending Party's signature)

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

- (c) "**BGL**" means Beca Group Limited;
 - (d) "**BGL Parties**" means every party to the Agreement other than any party becoming a party by operation of this deed;
 - (e) "**Funding Facility Provider**" means the external lender of any shareholder funding facility approved pursuant to clause 3.6 of the Agreement (currently Westpac New Zealand Limited);
 - (f) "**Guidelines**" means the Guidelines for Transfer or Issue of Shares to the Trustees of an Employee's family trust prepared by BGL, as may be amended from time to time;
 - (g) "**Ordinary Share**" means a non-voting ordinary share in BGL being the Shares described as Ordinary Shares in the Constitution;
 - (h) "**Share**" includes an Ordinary Share and includes, but is not limited to, any Share acquired by the Trustees in the future pursuant to clause 2.3 of the Agreement;
 - (i) "**SSA**" means the Share Sale Agreement between Beca Pty Ltd (as the Buyer), BGL, Hunter H2O Holdings Pty Limited (as the Company) and the Sellers listed in Schedule 1 to that Agreement dated [insert date];
 - (j) words and phrases defined in the Agreement have the same meaning where they are used in this deed unless defined otherwise in this deed.
2. The Employee covenants in favour of the BGL Parties that from the time that the Trustees become the Shareholder of Shares in BGL, the Employee shall:
- (a) observe all the provisions of this deed, the Agreement, the Guidelines, and any policies that the Board may from time to time implement as if the Employee were also a Shareholder of the Shares held by the Trustees;
 - (b) at all times indemnify each of the BGL Parties in respect of any loss, damage or cost (excluding consequential loss or damage) suffered or incurred by that party as a direct or indirect result of a breach by the Employee of his/her or the Trustees of any of their obligations under the Agreement or this deed;
 - (c) accept any Transfer Notice pursuant to clause 11.3 of the Agreement, or any other transfer notice, given by the Trustees to the Employee; and
 - (d) notify the BGL Parties prior to any change to the Appointor(s) or any significant change to the beneficiaries of the Trust or their respective entitlements under the Trust or to the terms of the Trust, and upon any request by or on behalf of the BGL Parties to notify the BGL Parties of confirmatory details of the same.
3. The Trustees covenant in favour of the BGL Parties that from the time that the Trustees become the Shareholder of Shares in BGL, the Trustees shall:
- (a) observe all the provisions of this deed, the Agreement, the Guidelines and any policies that the Board may from time to time implement;
 - (b) irrevocably direct that where:
 - (i) the Employee continues or the Trustees continue to retain Shares in BGL; and
 - (ii) there are amounts outstanding to the Funding Facility Provider or BGL Depository No. 2 Limited on any of those Shares,

any dividends paid or other amounts received in respect of any Shares in BGL which have been transferred or issued to the Trustees shall first be applied to reducing the debt owed by the Trustees or the Employee which is outstanding in respect of any Shares in BGL which are retained by the Employee or the Trustees, until such time as the amounts outstanding have been repaid to the Funding Facility Provider and BGL Depository No. 2 Limited (as the case may be) in full, except to the extent stated otherwise in any irrevocable direction executed by the Trustees in a form acceptable to the Funding Facility Provider;

- (c) at all times indemnify each of the BGL Parties in respect of any loss, damage or cost (excluding consequential loss or damage) suffered or incurred by that party as a direct or indirect result of a breach by the Trustees of any of their obligations under the Agreement or this deed, acknowledging the powers reserved to the Board in the Agreement and this deed to require the Shares to be sold, including in, but not limited to, such circumstances of breach;
- (d) notify the BGL Parties prior to any change to the Appointor(s) or any significant change to the beneficiaries of the Trust or their respective entitlements under the Trust or to the terms of the Trust; and
- (e) where the Trustees do not include the Employee, and do include a corporate trustee, the following covenants are provided, unless the corporate trustee is an independent professional trustee approved by the Board and listed in Schedule A of this deed (or notified to and accepted in writing by BGL as an independent professional trustee):
 - (i) the Trustees covenant that the Employee is and shall be a director of the corporate trustee and shall be one of the people having the power to appoint or remove directors of the corporate trustee;
 - (ii) all the director(s) of the corporate trustee personally guarantee the corporate trustee's performance of and compliance with the terms of this deed;
 - (iii) all of the shareholders of any corporate trustee personally guarantee that:
 - (a) the director(s) of the corporate trustee shall not be changed; and
 - (b) they shall not transfer their shares,without prior written approval from the Board.

4. The Employee and the Trustees each covenant in favour of the BGL Parties that:

- (a) if any change in the trustees of the Trust is proposed, they shall:
 - (i) obtain the prior written approval of the Board to the change, which shall be subject to compliance with paragraph (ii) of this clause 4; and
 - (ii) ensure that the Employee, the new trustee(s) and any continuing trustee(s) execute a Deed of Covenant, replacing this deed, and any other documents required by the Board in the form required by the Board, and
- (b) the Employee shall be and remain an Appointor and beneficiary of the Trust.

The Trustees hereby irrevocably waive any entitlement to dividends or other distributions in respect of any Shares in BGL, and acknowledge that no transfer of Shares in connection with the change shall be effective, until the requirements of this clause 4 have been met.

5. In consideration of the Board approving the Trustees as a party to the Agreement, the Trustees covenant in favour of the BGL Parties that the Trustees shall be bound to the terms of the Agreement as if the Trustees were an original party to the Agreement.

6. In addition to the provisions above, the Requisite Majority of the Directors having approved the Trustees to be a Shareholder pursuant to clause 2.3 of the Agreement, the Trustees:
- (a) irrevocably appoint the Employee as their duly authorised agent to attend on their behalf any shareholder meetings of BGL, to sign on their behalf all documents required of them in their capacity as parties to the Agreement or otherwise desirable relating to the Shares or any Funding Facility, accept all notices, do all things necessary to comply with or give effect to this deed or the Agreement and give instructions to BGL or its advisors relating to the Shares or any Funding Facility;
 - (b) covenant that they will not at any time, encumber in any manner the Shares held by them;
 - (c) covenant that upon receipt of a notice in writing from the Employee to do so, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement;
 - (d) covenant that upon receipt of a notice in writing from the Requisite Majority of the Directors to do so, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement;
 - (e) covenant that upon the Employee and/or the Related Persons of an Employee ceasing to be beneficiaries under the Trust, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement;
 - (f) agree that if a Transfer Notice is not given within five Business Days after the date of the notice given under paragraphs (c) or (d) above or after the change in beneficiaries under paragraph (e) above then a Transfer Notice will be deemed to have been given on the expiry of that period by the Trustees pursuant to the Agreement and the provisions of clause 8 of the Agreement shall apply accordingly;
 - (g) covenant to comply with the sell down rules as prescribed in clause 13.4 of the Agreement, and any other transfer, redemption, conversion or sell down provisions in the Agreement or policies that the Board may implement from time to time as if they were the Employee, in which event, all references in the Agreement or policies relating to the transfer of the Shares (where the context requires) by the Employee shall be read as the transfer of Shares by the Trustee; and
 - (h) in the event they fail to comply with this clause 6 promptly or in the timeframes stipulated by the Requisite Majority of the Directors, irrevocably appoint any Director of BGL as their attorney to transfer the Shares or execute any document required to transfer Shares in accordance with the Agreement or this deed.
7. The Employee and the Trustees acknowledge and agree that:
- (a) they have had an opportunity to seek independent legal, financial, tax and/or other professional advice prior to entering into this deed;
 - (b) the decision to transfer or issue, or procure the transfer or issue of, Shares to a Family Trust and subsequent consequences, whether legal, financial, tax or otherwise, are solely the responsibility of the Employee and the Trustees and not of BGL or its related companies (as defined in the Companies Act 1993) or their directors, officers, advisers, employees and representatives or the BGL Parties (together the "Relevant Parties");
 - (c) in relation to entry into this deed, the transfer or issue of Shares to the Trust and any subsequent effects, incidents or consequences (whether in relation to financial, tax, legal or other matters) to the maximum extent permitted by law:

- (i) other than those expressly set out in the SSA, none of the Relevant Parties gives any warranty or representation concerning BGL;
 - (ii) other than those expressly set out in the SSA, they do not rely on any statement, representation, warranty, condition, forecast or other conduct which may have been made, or may be made in the future, by or on behalf of the Relevant Parties; and
 - (iii) they agree in favour of the Relevant Parties that the Relevant Parties shall not have any liability, whether in contract, tort (including negligence), equity, under statute or otherwise.
- 8. The Employee and the Trustees acknowledge and agree that, for the purposes of the Agreement:
 - (i) the Trust is a “Family Trust” (as defined in clause 1.1 of the Agreement) and an “Associated Person” (as defined in clause 1.3 of the Agreement) of the Employee; and
 - (ii) (given that all of the Consideration Shares will be transferred to the Trustees pursuant to the SSA, notwithstanding the usual requirement regarding Family Trusts that the Employee must hold at least one Share (and therefore also be a Shareholder for the purposes of the Agreement)) the Employee shall be deemed to be a Shareholder for the purposes of the Agreement applying to the Trustees, irrespective of whether the Employee holds at least one Share or not.
- 9. The Employee acknowledges that shareholding is distinct from the Employee’s employment and is solely governed by the Agreement, this deed, the share transfer form pursuant to which Shares were transferred to the Employee (or the Trustees, as the case may be) and the Constitution.
- 10. The Employee and each Trustee consents to the collection, use, storage, transfer and disclosure of their respective personal information as set out or referred to in the Beca Privacy Statement (accessible on the beca.com website).
- 11. The liability of any independent trustee(s) of the Trust and/or, in the case of a corporate trustee, any independent director(s) or shareholder(s) in each case listed in Schedule A of this deed (or notified to and accepted in writing by BGL as an independent trustee) for any act or omission (except for gross negligence or willful misconduct), in relation to the Trust, shall be limited to the net assets of the Trust.
- 12. This deed may be executed in one or more counterpart copies which, read together, shall constitute one and the same instrument. Any facsimile copy of this deed (including any facsimile copy of any document evidencing the execution of this deed by either party) may be relied upon by the other party as though it were an original copy.
- 13. Each party consents to the signing of this deed by electronic means. The parties agree to be legally bound by this deed signed in this way.
- 14. This deed shall be deemed to apply from 1 April 2022.
- 15. This deed is governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this deed.

SCHEDULE A

Independent Trustee, Director Or Shareholder (See clause 12)

Independent Professional Trustee approved by the Board (see clause 3(e))

EXECUTION

SIGNED by

EMPLOYEE in the presence of:



EMPLOYEE (Employee)

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by

TRUSTEE 1 in the presence of:



TRUSTEE 1 (Trustee)

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by

TRUSTEE 2 in the presence of:



TRUSTEE 2 (Trustee)

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

[or – for Corporate Trustees]

SIGNED by)
TRUSTEE, [insert company name] ACN [insert)
number] in accordance with s 127(1) of the)
Corporations Act 2001:)

.....

Signature of Director

.....

Signature of Director/Company Secretary

.....

Print full name

.....

Print full name

[Where applicable: for family trusts with corporate trustees execution blocks will added for each director and shareholder of the corporate trustee (who will also be listed in Schedule A above) – refer clauses 3(e)(ii) and (iii) above.]

- (f) “**Ordinary Share**” means a non-voting ordinary share in BGL being the Shares described as Ordinary Shares in the Constitution;
 - (g) “**Share**” includes an Ordinary Share;
 - (h) “**SSA**” means the Share Sale Agreement between Beca Pty Ltd (as the Buyer), BGL, Hunter H2O Holdings Pty Limited (as the Company) and the Sellers listed in Schedule 1 to that Agreement dated [insert date];
 - (i) “**Superannuation Law**” means any law of the Commonwealth of Australia including the SIS Act, Corporations Act 2001 and the Social Security Act 1991, which deals with any aspect of superannuation or taxation in relation to superannuation, or any lawful requirement in relation to the fund by the Commissioner of Taxation, the Australian Taxation Office, APRA, ASIC or any other body that has responsibility in connection with the regulation of superannuation. It includes changes to any superannuation law after the date of this Agreement.
 - (j) words and phrases defined in the Agreement have the same meaning where they are used in this deed unless defined otherwise in this deed.
2. The Employee covenants in favour of the BGL Parties that from the time that the Trustees become the Shareholder of Shares in BGL, the Employee shall:
- (a) observe all the provisions of this deed, the Agreement, the Guidelines, and any policies that the Board may from time to time implement as if the Employee were also a Shareholder of the Shares held by the Trustees;
 - (b) at all times indemnify each of the BGL Parties in respect of any loss, damage or cost (excluding consequential loss or damage) suffered or incurred by that party as a direct or indirect result of a breach by the Employee of his/her or the Trustees of any of their obligations under the Agreement or this deed;
 - (c) accept any Transfer Notice pursuant to clause 11.3 of the Agreement, or any other transfer notice, given by the Trustees to the Employee; and
 - (d) notify the BGL Parties prior to any change to the Appointor(s) or any significant change to the members of the Trust or their respective rights and obligations under the Trust or to the terms of the Trust, and upon any request by or on behalf of the BGL Parties to notify the BGL Parties of confirmatory details of the same.
3. The Trustees covenant in favour of the BGL Parties that from the time that the Trustees become the Shareholder of Shares in BGL, the Trustees shall:
- (a) observe all the provisions of this deed, the Agreement, the Guidelines and any policies that the Board may from time to time implement;
 - (b) at all times indemnify each of the BGL Parties in respect of any loss, damage or cost (excluding consequential loss or damage) suffered or incurred by that party as a direct or indirect result of a breach by the Trustees of any of their obligations under the Agreement or this deed, acknowledging the powers reserved to the Board in the Agreement and this deed to require the Shares to be sold, including in, but not limited to, such circumstances of breach;
 - (c) notify the BGL Parties prior to any change to the Appointor(s) or any change to the members of the Trust or their respective rights and obligations under the Trust or to the terms of the Trust; and
 - (d) where the Trustees do not include the Employee, and do include a corporate trustee, the following covenants are provided, unless the corporate trustee is an independent

professional trustee approved by the Board and listed in Schedule A of this deed (or notified to and accepted in writing by BGL as an independent professional trustee):

- (i) the Trustees covenant that the Employee is and shall be a director of the corporate trustee and shall be one of the people having the power to appoint or remove directors of the corporate trustee;
- (ii) all the director(s) of the corporate trustee personally guarantee the corporate trustee's performance of and compliance with the terms of this deed;
- (iii) all of the shareholders of any corporate trustee personally guarantee that:
 - (a) the director(s) of the corporate trustee shall not be changed; and
 - (b) they shall not transfer their shares,without prior written approval from the Board.

4. The Employee and the Trustees each covenant in favour of the BGL Parties that:

- (a) if any change in the trustees of the Trust is proposed, they shall:
 - (i) obtain the prior written approval of the Board to the change, which shall be subject to compliance with paragraph (ii) of this clause 4; and
 - (ii) ensure that the Employee, the new trustee(s) and any continuing trustee(s) execute a Deed of Covenant, replacing this deed, and any other documents required by the Board in the form required by the Board, and
- (b) the Employee shall be and remain an Appointor and member of the Trust.

The Trustees hereby irrevocably waive any entitlement to dividends or other distributions in respect of any Shares in BGL, and acknowledge that no transfer of Shares in connection with the change shall be effective, until the requirements of this clause 4 have been met.

5. In consideration of the Board approving the Trustees as a party to the Agreement, the Trustees covenant in favour of the BGL Parties that the Trustees shall be bound to the terms of the Agreement as if the Trustees were an original party to the Agreement.

6. In relation to any transfer of Shares or Private Sale where the Transferor is the Trustees and the Transferee is the Employee, the Spouse of the Employee, or a Family Trust of the Employee, if the Transferor and the Transferee wish to agree a consideration per Share that is higher or lower than Fair Value (an **Agreed Consideration**) in order to comply with Superannuation Law, and there is an applicable provision in the Agreement that would not permit the transfer of the Shares in question at the Agreed Consideration, BGL agrees pursuant to clause 8.12 of the Agreement that such provision is relaxed to the extent necessary to permit the Shares in question to be transferred by the Transferor to the Transferee at the Agreed Consideration.

7. In addition to the provisions above, the Requisite Majority of the Directors having approved the Trustees to be a Shareholder pursuant to clause 2.3 of the Agreement, the Trustees:

- (a) irrevocably appoint the Employee as their duly authorised agent and attorney (and warrant that they have the power to do so) to attend on their behalf any shareholder meetings of BGL, to sign on their behalf all documents required of them in their capacity as parties to the Agreement or otherwise desirable relating to the Shares, accept all notices, do all things necessary to comply with or give effect to this deed or the Agreement and give instructions to BGL or its advisors relating to the Shares;

- (b) covenant that they will not at any time, encumber in any manner the Shares held by them;
- (c) covenant that upon receipt of a notice in writing from the Employee to do so, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement;
- (d) covenant that upon the Employee and/or the Related Persons of an Employee ceasing to be members of the Trust, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement ;
- (e) agree that if a Transfer Notice is not given within five Business Days after the date of the notice given under paragraphs (c) above or after the change in beneficiaries under paragraph (d) above then a Transfer Notice will be deemed to have been given on the expiry of that period by the Trustees pursuant to the Agreement and the provisions of clause 8 of the Agreement shall apply accordingly;
- (f) covenant to comply with the sell down rules as prescribed in clause 13.4 of the Agreement, and any other transfer, redemption, conversion or sell down provisions in the Agreement or policies that the Board may implement from time to time as if they were the Employee, in which event, all references in the Agreement or policies relating to the transfer of the Shares (where the context requires) by the Employee shall be read as the transfer of Shares by the Trustee; and
- (g) in the event they fail to comply with this clause 7 promptly or in the timeframes stipulated by the Requisite Majority of the Directors, irrevocably appoint any Director of BGL as their attorney (and warrant that they are empowered to do so) to transfer the Shares or execute any document required to transfer Shares in accordance with the Agreement or this deed.

8. The Employee and the Trustees warrant, acknowledge and agree that:

- (b) the Trust is a regulated and complying self-managed superannuation fund under Superannuation Law;
- (c) they have had an opportunity to seek independent legal, financial, tax and/or other professional advice prior to entering into this deed;
- (b) the decision to transfer or issue, or procure the transfer or issue of, Shares to a Trust and subsequent consequences, whether legal, financial, tax or otherwise, are solely the responsibility of the Employee and the Trustees and not of BGL or its related companies (as defined in the Companies Act 1993) or their directors, officers, advisers, employees and representatives or the BGL Parties (together the "Relevant Parties");
- (c) in relation to entry into this deed, the transfer or issue of Shares to the Trust and any subsequent effects, incidents or consequences (whether in relation to financial, tax, legal or other matters) to the maximum extent permitted by law:
 - (j) other than those expressly set out in the SSA, none of the Relevant Parties gives any warranty or representation concerning BGL;
 - (ii) other than those expressly set out in the SSA, they do not rely on any statement, representation, warranty, condition, forecast or other conduct which may have been made, or may be made in the future, by or on behalf of the Relevant Parties; and

- (iii) they agree in favour of the Relevant Parties that the Relevant Parties shall not have any liability, whether in contract, tort (including negligence), equity, under statute or otherwise.
9. The obligations of the Employee and Trustees to the BGL Parties under this Deed and the Agreement are not affected by any limitations imposed on the Employee or Trustees in any way connected with the Trust by Superannuation Law.
10. The Employee and the Trustees acknowledge and agree that, for the purposes of the Agreement:
- (iii) the Trust is a “Family Trust” (as defined in clause 1.1 of the Agreement) and an “Associated Person” (as defined in clause 1.3 of the Agreement) of the Employee; and
 - (iv) (given that all of the Consideration Shares will be transferred to the Trustees pursuant to the SSA, notwithstanding the usual requirement regarding Family Trusts that the Employee must hold at least one Share (and therefore also be a Shareholder for the purposes of the Agreement)) the Employee shall be deemed to be a Shareholder for the purposes of the Agreement applying to the Trustees, irrespective of whether the Employee holds at least one Share or not.
11. The Employee acknowledges that shareholding is distinct from the Employee’s employment and is solely governed by the Agreement, this deed, the share transfer form pursuant to which Shares were transferred to the Employee (or the Trustees, as the case may be) and the Constitution.
12. The Employee and each Trustee consents to the collection, use, storage, transfer and disclosure of their respective personal information as set out or referred to in the Beca Privacy Statement (accessible on the beca.com website).
13. The liability of any independent trustee(s) of the Trust and/or, in the case of a corporate trustee, any independent director(s) or shareholder(s) in each case listed in Schedule A of this deed (or notified to and accepted in writing by BGL as an independent trustee) for any act or omission (except for gross negligence or willful misconduct), in relation to the Trust, shall be limited to the net assets of the Trust.
14. This deed may be executed in one or more counterpart copies which, read together, shall constitute one and the same instrument. Any facsimile copy of this deed (including any facsimile copy of any document evidencing the execution of this deed by either party) may be relied upon by the other party as though it were an original copy.
15. Each party consents to the signing of this deed by electronic means. The parties agree to be legally bound by this deed signed in this way.
16. This deed shall be deemed to apply from 1 April 2022.
17. This deed is governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this deed.

SCHEDULE A

Independent Trustee, Director Or Shareholder (See clause 14)

Independent Professional Trustee approved by the Board (see clause 3(d))

EXECUTION

SIGNED by

EMPLOYEE in the presence of:



EMPLOYEE (Employee)

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by)
TRUSTEE, [insert company name] ACN [insert)
number] in accordance with s 127(1) of the)
Corporations Act 2001:)

.....
Signature of Director

.....
Signature of Director/Company Secretary

.....
Print full name

.....
Print full name

Signed by **[insert name]** in the presence of:

)

)

Signature

.....

Signature of witness

.....

Print full name of witness

[Note: execution blocks will added for each director and shareholder of the corporate trustee (who will also be listed in Schedule A above) – refer clauses 3(d)(ii) and (iii) above.]

SIGNED on behalf of **Beca Group Limited** by:

Director

Director

Annexure F – BGL Shareholders Agreement

STRICTLY CONFIDENTIAL TO SHAREHOLDERS ONLY



CONSOLIDATED COPY
OF
THE SHAREHOLDERS AGREEMENT
RELATING TO BECA GROUP LIMITED DATED 22 DECEMBER
1994

**(AND INCORPORATING THE AMENDMENTS DATED 22 MAY 1996, 30 MARCH 2001,
4 JULY 2002, 15 APRIL 2005, 6 MARCH 2006, 23 MARCH 2006, 24 AUGUST 2006, 6 NOVEMBER 2007,
2 SEPTEMBER 2008, 25 SEPTEMBER 2008, 7 OCTOBER 2009, 17 DECEMBER 2009,
26 FEBRUARY 2010, 27 FEBRUARY 2013, 29 FEBRUARY 2016, 1 MARCH 2018 AND 25 OCTOBER
2018, effective from 1 APRIL 2019)**



HESKETH HENRY
Lawyers

THE PERSONS NAMED AND DESCRIBED IN SCHEDULE 1

(Original Shareholders)

BGL DEPOSITARY LIMITED

(BGLD)

BGL NOMINEES LIMITED

(the Nominee)

BGL DEPOSITARY NO. 2 LIMITED

(BGLD2)

**SHAREHOLDERS AGREEMENT RELATING TO
BECA GROUP LIMITED**

BROOKFIELDS
SOLICITORS
AUCKLAND & MANUKAU

SHAREHOLDERS AGREEMENT RELATING TO
BECA GROUP LIMITED

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SHAREHOLDERS AGREEMENT RELATING
TO BECA GROUP LIMITED

AGREEMENT dated the 22nd day of December 1994

PARTIES

1. The Persons Named and Described in Schedule 1 ("the Original Shareholders")
2. BGL DEPOSITARY LIMITED ("BGLD")
3. BGL NOMINEES LIMITED ("the Nominee")
4. BGL DEPOSITARY NO. 2 LIMITED ("BGLD2")

INTRODUCTION

- A. The Original Shareholders (such Original Shareholders being the original holders of Management Shares) have incorporated a company called "Beca Group Limited" ("the Company") and subscribed for all of the initial shares in the capital of the Company.
- B. This agreement provides for the conduct of the Company's operations and records the rights of and restrictions on the parties as shareholders in the Company.
- C. BGLD, BGLD2 and the Nominee enter into this agreement to record the functions they perform as BGLD, BGLD2 and Nominee respectively for the holders of the ordinary shares and redeemable shares in the Company.

AGREEMENT

1. DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 In this agreement, unless the context otherwise requires:

"Act" means the Companies Act 1993 as amended from time to time.

"Annual Meeting" means an annual meeting of the Company in terms of the Constitution.

"Associated Company" means:

- (a) a company (the first named company) in which the Company has a direct or indirect shareholding of not more than 50% and is designated as an Associated Company by the Requisite Majority of the Directors; or
- (b) a Related Company of a first named company and is designated as an Associated Company by the Requisite Majority of the Directors; or
- (c) any company or entity designated as such by the Requisite Majority of the Directors.

"Board" means Directors who number not less than the quorum for a Directors' meeting (as set out in the Constitution) acting as a board of directors of the Company.

"Business Day" means a day on which registered banks are open for business in Auckland, excluding Saturdays, Sundays and public holidays.

"Constitution" means the constitution of the Company, a copy of the current constitution is attached as Attachment 1.

"Consultation" means such limited consultation as the person or body or the Requisite Majority of the Directors required to exercise it thinks is appropriate in the circumstances and "Consult" shall have a similar meaning. For the avoidance of doubt, the Requisite Majority of the Directors may specify such procedures and timeframes that they consider appropriate during the consultation process.

"Customary Payment Terms" means the customary payment terms as described in clause 8.10.

"Director" means a person appointed to and holding the office of a director of the Company from time to time.

"Domestic Partner" means, in relation to an Employee, a person whom the Employee designates as such.

"Employee" means a natural person who is an employee of the Company, any Subsidiary or Associated Company, and "Employment" has a corresponding meaning.

"Fair Value" means the Fair Value of the Shares as determined pursuant to clause 7.

"Family Trust" means a trust established primarily for the benefit of an Employee and/or Related Persons of an Employee and a trust that is so established shall be deemed to have been established by the Employee.

"Financial Year" means the financial year of the Company as set by the Board from time to time, the current financial year beginning 1 April in one year and ending on 31 March of the following year.

"Funding Facility" means any shareholder funding facility offered by any external lender and approved by the Requisite Majority of the Directors pursuant to clause 3.6.

"Management Shares" means the Shares described as such in the Constitution.

"Minimum Holding" in relation to:

- (a) Management Shares, means such number as may be specified from time to time by the Requisite Majority of the Directors and unless and until so specified means 1;
- (b) Ordinary Shares, means such number as may be specified from time to time by the Requisite Majority of the Directors and unless and until so specified means 2,500; and
- (c) Redeemable Shares, means such number as may be specified from time to time by the Requisite Majority of the Directors and unless and until so specified means 1.

"Nominee" means BGL Nominees Limited

"Ordinary Shares" means the Shares described as such in the Constitution.

"Personal Representative" means:

- (a) In relation to a deceased party, the executor, administrator or trustee of the estate of that party;
- (b) In relation to a bankrupt party, the assignee in bankruptcy of that party; and
- (c) In relation to any other individual party, a person appointed or deemed to have been appointed to administer the property of that party under the Protection of Personal and Property Rights Act 1988, a manager of the property of that party appointed or deemed to have been appointed under that Act, and a donee of an enduring power of attorney granted by that party in compliance with that Act.

"Prescribed Number" means, in relation to the number of Management Shares to be held by a Management Shareholder, the number of Management Shares that the Requisite Majority of the Directors may determine in relation to that Management Shareholder from time to time and subject to any such determination, the Management Shares will be allocated equally among all Management Shareholders.

"Redeemable Share" means a non cumulative convertible redeemable preference share issued by the Company on the terms and conditions set out in Schedule 2 (and "Redeemable Shareholder" shall be construed accordingly).

"Related Company" means a related company as defined by the Act.

"Related Person of an Employee" means the Spouse, Domestic Partner, parent, grandparent, child, grandchild, brother or sister of that Employee.

"Requisite Majority of the Directors" means not less than two thirds of Directors of the Company.

"Review Date" means the review date as described in clause 5.2.

"Share" means a share in the capital of the Company and includes Management Shares and Ordinary Shares (and "Management Shareholder" and "Ordinary Shareholder" shall be construed accordingly) and the Redeemable Shares (except to the extent expressly stated otherwise in Schedule 2).

"Shareholder" means a party whose name is entered in the Share Register and (where the context so requires) includes a party whose Ordinary Shares or Redeemable Shares (except to the extent expressly stated otherwise in Schedule 2) stand in the name of the Nominee in the Share Register.

"Share Register" means the share register maintained by the Company or by an agent of the Company pursuant to section 87 of the Act.

"Specified Date" means:

- (a) 31 December in each year; or
- (b) such other date as the Requisite Majority of the Directors may agree from time to time.

"Specified Number of Shares" means such number of Ordinary Shares specified by the Requisite Majority of the Directors from time to time which presently is 15,000.

"Spouse" means the spouse of an Employee and includes the Domestic Partner of an Employee.

"Subsidiary" means any company that is or becomes a subsidiary of the Company within the meaning of section 5 of the Act.

"Transfer Notice" means a notice in writing given or deemed to have been given by a Shareholder in accordance with any provision of this agreement for the transfer of his or her Shares.

"Transferor" means a vendor of Shares.

"Transferee" means a purchaser of Shares.

Interpretation

1.2 In this agreement:

- (a) References to a section number are references to all the clauses of this agreement identified by that number as their initial number.
- (b) References to sections, clauses, schedules and attachments are references to sections and clauses in, and the schedules and attachments to, this agreement, unless stated otherwise. Each such schedule and attachment forms part of this agreement.
- (c) Where the context permits, the singular includes the plural and vice versa.
- (d) As well as referring to the Original Shareholders, BGLD, BGLD2 and the Nominee, references to a party are also references to:
 - (i) Any person who becomes a party to this agreement by complying with clause 2.1 and (where it applies), clause 2.3; and
 - (ii) The Personal Representative of a party.
- (e) Where the context permits, references to a "person" include an individual, firm, company, corporation or unincorporated body of persons.
- (f) Words or expressions appearing in this agreement and which are defined in the Constitution shall, subject to any express contrary provision in this agreement, have the meaning given to them in the Constitution.
- (g) Any matter specified in this agreement that is to be decided by the Requisite Majority of the Directors shall, unless otherwise expressly stated or subject to applicable law, be at the absolute discretion of the Requisite Majority of the Directors.

Associated Persons

1.3 For the purposes of this agreement:

- (a) The Spouse of a Shareholder and a Family Trust established or deemed to have been established by that Shareholder are Associated Persons of that Shareholder; and
- (b) A Shareholder and a Family Trust established or deemed to have been established by a Shareholder are Associated Persons of the Spouse of that Shareholder; and

- (c) A Shareholder and the Spouse of that Shareholder are Associated Persons of the Family Trust established or deemed to have been established by that Shareholder.

Decision making by Requisite Majority of the Directors

- 1.4 A Requisite Majority of the Directors shall comprise a standing committee of the Board with the authority to exercise the powers conferred on a Requisite Majority of the Directors by this agreement. The provisions of the Constitution relating to the proceedings of Directors shall apply with the necessary modifications to the proceedings of that standing committee.

Relationship Between Agreement Act and Constitution

- 1.5 The provisions of this agreement shall take effect subject to the Act, but notwithstanding any contrary provisions in the Constitution (as amended or substituted from time to time). In the event of any inconsistency or contrary provisions in the Constitution, the Shareholders will take all necessary steps to amend the Constitution.

2. SHAREHOLDING RESTRICTIONS

New Parties

- 2.1 No person may become a party to this agreement unless that person:
- (a) Has received an invitation from a Requisite Majority of the Directors to be a Shareholder; and
 - (b) Within 5 Business Days (or such longer period as the Board in any particular case may approve) has accepted that invitation by signing and depositing with the Company at its registered office a deed of covenant in or substantially in the form appearing as Attachment 2; or
 - (c) Is a Spouse or Trustee of a Family Trust approved for the purposes of clause 2.3 who has complied with such conditions of approval as the Requisite Majority of the Directors may think fit to impose from time to time.

Only Parties May Hold Shares

- 2.2 No Shares shall be issued or transferred to any person who is not named as a party to this agreement or who does not become a party pursuant to clause 2.1.

Spouse or Family Trust as Shareholder

- 2.3 At the request of an Employee, a Requisite Majority of the Directors may in their discretion approve the issue or transfer of some but not all of the Shares that would otherwise have been issued or transferred to that Employee to the Spouse of that Employee or the trustee or trustees of a Family Trust established or deemed to have been established by that Employee. Any such approval shall be:
- (a) In writing; and
 - (b) Conditional upon:
 - (i) The Requisite Majority of the Directors approving the trustees and the terms of the Family Trust; and

- (ii) The Employee and those trustees or Spouse (as the case may be) first signing a deed of covenant in or substantially in the form appearing as Attachment 3. In the event that the Shares are to be issued to a Spouse, Attachment 3 shall be modified accordingly for such a situation; and
- (iii) Those deeds of covenant being deposited with the Company at its address for service of notices; and
- (iv) The transfer of those Shares to the Nominee in terms of section 3.

To the extent not inconsistent with this clause 2.3, clause 8 applies to a transfer pursuant to this clause 2.3.

- 2.3A The documents in Attachment 2 and Attachment 3 are the deeds of covenant presently specified by the Requisite Majority of the Directors. The Requisite Majority of the Directors may from time to time add, amend or replace either or both those deeds or any other documents related to the transfer to or holding of Shares by parties other than an Employee without the need for the agreement of the Shareholders. All Ordinary Shareholders and Management Shareholders must however be advised in writing of any amendment or replacement considered by the Requisite Majority of the Directors to be material.

Parties Ceasing to be Shareholders

- 2.4 Upon any party ceasing to hold any Shares, that party shall also cease to be a party to this agreement but shall continue to be bound by the provisions of:
- (a) Clause 16.7 and sections 18, 20, 21, 22 and 23; and
 - (b) Any other provisions of this agreement which are incidental, and required in order to give effect, to that clause and those sections,

(but without prejudice to the rights of any other party in respect of any antecedent breach of this agreement by the party ceasing to hold Shares).

Minimum Holdings

- 2.5 No Shareholder (inclusive of the Shares held by any Associated Persons of that Shareholder) shall hold less than the Minimum Holding of Shares.

Management Shareholders

- 2.6 A Requisite Majority of the Directors shall determine from time to time which Shareholder or Shareholders may hold Management Shares and the Prescribed Number each such Shareholder shall hold.

Issue or Transfer of Management Shares

- 2.7 Upon the acceptance by a Shareholder of the offer from the Requisite Majority of the Directors to hold Management Shares pursuant to clause 2.6, the Requisite Majority of the Directors shall transfer or issue to the Shareholder the number of Management Shares on offer.

Changes in Management Shareholders or Shareholding

2.8 If a Requisite Majority of the Directors notifies a Management Shareholder in writing that he or she should:

- (a) no longer hold Management Shares; or
- (b) reduce the number of Management Shares held,

that Management Shareholder shall within 5 Business Days of receiving the notification give a Transfer Notice comprising all his or her Management Shares or such number of them as are required to effect the notified reduction. If such a Transfer Notice is not given within that period it shall be deemed to have been given on the first Business Day following the expiry of that period and the provisions of section 14 shall apply accordingly.

3. EXERCISE OF SHAREHOLDERS RIGHTS

Nominee, Trustee and New Trustee to hold all Ordinary Shares

3.1 On:

- (a) becoming entitled to acquire by transfer any Ordinary Shares (in this case in respect of the Ordinary Shares acquired); or
- (b) giving notice referred to in clause 3.4(b) (in this case in respect of the Ordinary Shares in the Transfer Notice accompanying that Notice that are not disposed of pursuant to sections 8 to 15); or
- (c) becoming entitled to be issued Ordinary Shares,

the party in question irrevocably authorises the Company to forthwith transfer (or procure the transfer of) or issue the Ordinary Shares in question to BGLD or BGLD2 (as specified by the Board). BGLD or BGLD2 (as the case may be) shall contemporaneously transfer such Ordinary Shares to the Shareholder. Pursuant to the terms of this agreement, the Shareholder shall forthwith transfer such Ordinary Shares to the Nominee which shall hold such Ordinary Shares on trust for the Shareholder pursuant to the terms of this agreement.

3.2 A party who transfers Ordinary Shares to the Nominee under clause 3.1 (whether or not that party has borrowed from the BGLD to acquire those Ordinary Shares) irrevocably authorises the Nominee, in relation to the Ordinary Shares it holds for that party:

- (a) to be entered on the Share Register as the holder of all those Ordinary Shares; and
- (b) to exercise the rights and powers conferred by those Ordinary Shares in such manner as the Nominee thinks fit in the interests of that party and in terms of this agreement; and
- (c) in relation to Ordinary Shares to be transferred to the Nominee pursuant to clause 3.1 to execute the transfer of those shares as the agent of that party as Transferor; and
- (d) on receipt by the Nominee of notice in writing from the Board that:

- (i) it intends to make a request under clause 13.3 or 15.1 for the transfer of the number of Ordinary Shares of that party specified in the Notice; or
- (ii) it intends to issue a requisition under clause 15.2 in relation to the number of Ordinary Shares of that party specified in the notice,

the Nominee shall transfer to that party his or her Ordinary Shares specified in the Notice.

3.3 Each party relieves the Nominee from any obligation (express or implied) to provide to that party:

- (a) a copy of any annual report of the Company (in view of the provisions of clause 19.2); or
- (b) a copy of the financial statements and auditors report referred to in clause 19.4.

Obligations of the Nominee

3.4 The authority conferred by a party on the Nominee pursuant to clause 3.2 is subject to the conditions that, in relation to the Ordinary Shares which the Nominee holds for that party:

- (a) the Nominee accounts to that party for all distributions it receives in respect of those Ordinary Shares (unless that party has irrevocably directed the Nominee or the Company to account in writing for all or part of the distribution to a third party); and
- (b) on receiving from that party or his or her Personal Representative:
 - (i) written notice that the notifier desires to give a Transfer Notice in respect of those Ordinary Shares; and
 - (ii) that Transfer Notice,

the Nominee will forthwith transfer the Ordinary Shares referred to in that Transfer Notice to the notifier and at the same time give the Transfer Notice to the Board pursuant to clause 8.1.

No Notice on Share Register

- 3.5 In compliance with section 92 of the Act no notice of any trust or fiduciary obligation of the Nominee toward any party will be entered on the Share Register and the Company may treat the Nominee as the only person entitled in relation to the Ordinary Shares of which its name is entered on the Share Register to:
- (a) receive notices; and
 - (b) receive a distribution in respect of those Shares; and
 - (c) exercise the other rights and powers attaching to those Shares,
- in conformity with section 89(2) of the Act.

External Funding of Shares

- 3.6 Where a Shareholder proposes to obtain a Funding Facility for the purpose of acquiring Shares or replacing any indebtedness to BGLD, the Shareholder must first obtain the approval of the Requisite Majority of the Directors, such approval shall be conditional upon:
- (a) the Requisite Majority of the Directors approving the lender and the amount and conditions of its credit;
 - (b) the lender consenting to advise BGLD2 in writing of any default by the Shareholder in observing those conditions and agreeing not to enforce those conditions to the extent that any breach in its conditions is remedied on behalf of the Shareholder by BGLD2; and
 - (c) any other requirements that the Requisite Majority of the Directors may require in the circumstances.

On receipt of any advice pursuant to clause 3.6(b) the Shareholder will be informed forthwith by BGLD2 and therefrom the Requisite Majority of the Directors may deem the Shareholder to have given a Transfer Notice pursuant to clauses 12, 13 or 14 (whichever clause is relevant) in respect of all or part of the Shares held by that Shareholder which are subject to funding by the lender. The proceeds of the sale of those Shares transferred in accordance with this clause, or any amount otherwise received in respect of the disposal or redemption of any Ordinary Shares or Redeemable Shares shall be paid to the lender pursuant to any undertakings given by BGLD2 to the lender to satisfy the debt. However, for the avoidance of doubt, BGLD2 is not obliged to accelerate the payment (or increase the quantum of each installment payment) of such proceeds to the lender over and beyond what would have been received by the Shareholder in the normal course of business if the Transfer Notice had actually been given by that Shareholder.

- 3.7 Unless otherwise agreed in writing by the Requisite Majority of the Directors, or expressly permitted by this agreement, no Shareholder shall mortgage, pledge, charge or otherwise encumber (whether by way of assignment or otherwise) all or any portion of its Shares in the Company or its interest under this agreement.

4. AMENDMENTS

- 4.1 A proposal to vary this agreement or the Constitution may be made at any time by a written instrument or instruments setting forth the variation and signed by the parties who hold together not less than 80 per cent of all the Shares.
- 4.2 More than one such written instrument, all in identical form and each signed by one or more parties together holding Shares aggregating the requisite majority of all the Shares shall be effective for the purposes of clause 4.1.
- 4.3 On being satisfied (having taken if necessary professional advice on the effect of the proposal) that the proposal will not have a material adverse effect on the Company or its existing Shareholders as a whole, the Board will implement the proposal.

5. DIRECTORS

Number of Directors

- 5.1 The following provisions shall apply:
- (a) The Management Shareholders may determine the maximum number of Directors. In the absence of such determination, the maximum number of Directors shall not be more than 11.
 - (b) Subject to clause 5.1(d), the Constitution shall continue to provide for all Management Shareholders to hold office as Directors or if a Management Shareholder is not a natural person, to appoint Directors to represent that Management Shareholder while it holds Management Shares.
 - (c) Non natural person Management Shareholders may at any time by written notice to the Company, appoint persons (whether a Shareholder or not) to be Directors up to the number that is the number in 5.1(a) less the number of Directors who are natural persons Management Shareholders for a term not exceeding 3 years. Any person so appointed is eligible for reappointment.
 - (d) Subject to the approval of the Management Shareholders, a Management Shareholder may hold Management Shares without being a Director.
 - (e) A Director who is a natural person Management Shareholder shall cease to be a Director when he/she ceases to hold Management Shares.

Review Dates

- 5.2 For the purpose of clause 5.3 the first Review Date is the first Business Day in April 1998 and thereafter subsequent Review Dates occur on the first Business Day in April at three yearly intervals thereafter.

Review of Management Shareholders

- 5.3 On each Review Date the composition of the Management Shareholders and the Board shall be reviewed by the existing Management Shareholders after Consultation with the existing Ordinary Shareholders and Management Shareholders as to which persons shall hold Management Shares and be on the Board.

Review Decisions

- 5.4 Before the expiry of the month of April in which a Review Date falls, a Requisite Majority of the Directors shall decide on:
- (i) Any changes in the composition of the Management Shareholders or the Board;
and
 - (ii) The date when any changes are to be effective.

Management Shareholders who are to Retire

- 5.5 Where a decision is made under clause 5.4 that a holder of Management Shares resign from the Board, that holder may be required by the Requisite Majority of the Directors on the date that his or her resignation is to become effective, or any subsequent date or dates, to give a Transfer Notice or Transfer Notices comprising all or part of his or her Management Shares. If that holder does not give a Transfer Notice within 5 Business Days after that date then a Transfer Notice comprising all the Management Shares of that holder or such number of them as are required to effect the required reduction will be deemed to have been given on the next Business Day and the provisions of Section 14 shall apply accordingly.

6. NEW SHARE ISSUES

- 6.1 All new Shares shall be issued at the Fair Value and on such terms as the Board considers are fair and reasonable to the Company and all existing Shareholders.
- 6.2 Unless the Board otherwise determines:
- (a) All new Shares shall be issued in a Minimum Holding ; and
 - (b) All issues of new Shares shall be made only once in each Financial Year on or before the Specified Date in that Financial Year. In relation to any Dividends (as defined in clause 8.4(c)) declared in the Financial Year that the new Shares are issued, those Shares are only entitled to be paid and to receive such Dividends (if any) as set out in clause 8.4(d) and 8.4(e).
- 6.3 If, in any one Financial Year, the Board wishes to issue any new Ordinary Shares which will in aggregate exceed 10% of the total number of Shares on issue as at the commencement of that Financial Year, the Board shall Consult with the Ordinary Shareholders and the Management Shareholders. For the purposes of calculating the 10% threshold, any treasury stock in the Company shall not be included.

Terms of Issue

- 6.4 All Shares issued by the Board shall be issued on the terms that they may be transferred only in accordance with the provisions of sections 8 to 15 ("the Terms of Transfer"). In the event of any inconsistency between any Terms of Transfer and any other terms on which Shares are issued, the Terms of Transfer shall prevail.

7. FAIR VALUE OF SHARES

- 7.1 Where the Fair Value of a Share falls to be determined by the Board, it shall be so determined:

- (a) Without regard to the distinctions between the Management Shares and the Ordinary Shares which classes of shares shall be treated as a single class of Shares ranking uniformly in all respects; and
- (b) On the advice of a duly qualified chartered accountant appointed by the Board to give that advice; and
- (c) In an amount that is fair and reasonable:
 - (i) On the issue of new Shares; to the Company and to all existing Shareholders.
 - (ii) On the transfer of a Share; to the transferor and the transferee on the basis of immediate payment (even though payment may be deferred on the terms applicable to the transfer pursuant to sections 8 to 15).

TRANSFER OF SHARES

Introduction to Sections 8 to 15

These sections prescribe the rights of and restrictions on the Shareholders to transfer their Shares within the limited market of existing and future employees of the Beca group and are intended to generally facilitate:

1. Sales of Shares by staging the disposal by Shareholders of their Shares progressively thereby avoiding large holdings being offered beyond the capacity to acquire them at the Fair Value; and
2. Purchases of Shares by maintaining a share pool for new Shareholders and Shareholders who increase their holdings.

Section 8 is of general application; it provides for the giving of Transfer Notices; the timing of transfers (ordinarily in the first half of a Financial Year); setting the Fair Value or price (ordinarily uniform for each Financial Year); the Customary Payment Terms (over 5 years) that apply unless provided otherwise; the ability to accelerate payment; and the Board's power to relax restrictions in the case of hardship and decide any disputes as to the meaning or effect of the transfer provisions as a whole.

Section 9 deals with the transfer of Shares to and by BGLD and BGLD2. Most changes in Shareholdings are likely to be processed through BGLD or BGLD2 acting as the Transferee from those disposing of Shares and Transferor to those acquiring Shares, to accommodate differences in amounts and timing between receipts and payments. With the approval of a Requisite Majority of the Directors, Ordinary Shares may be transferred directly between Shareholders.

Section 10 imposes a limitation on the number of Ordinary Shares that may be transferred in any one year.

Section 11 deals with private sales of Ordinary Shares.

Section 11A deals with transfers of Shares to non-Employee persons.

Section 12 deals with transfers by Shareholders holding the Specified Number of Shares or less.

Section 13 deals with transfers by Shareholders holding more than the Specified Number of Shares.

Section 14 deals with transfers of Management Shares.

Section 15 empowers the Board to adjust Shareholdings annually and to enforce the transfer of Shares in specified circumstances.

This introduction is no more than a summary of sections 8 to 15. The provisions of those sections prevail where there is any inconsistency between them and this introduction.

8 GENERAL PROVISIONS

When Transfer Notice Required

- 8.1 A Shareholder (other than BGLD, BGLD2 or the Nominee), or the Personal Representative of a Shareholder ("the Transferor") who wishes to sell, transfer or otherwise dispose of any Shares, must give a Transfer Notice to the Board specifying the class and number of Shares to be transferred (which, unless otherwise agreed in writing by the Requisite Majority of the Directors, must be not less than a Minimum Holding unless all the Shares of the Transferor are specified).

Effect of Transfer Notice

- 8.2 The giving of a Transfer Notice has the effect:
- (a) As to the Management Shares it specifies, of irrevocably authorising a Requisite Majority of the Directors to dispose of all those Shares in terms of section 14;
 - (b) As to the Ordinary Shares it specifies, of irrevocably authorising a Requisite Majority of the Directors to dispose of all or any of those Shares in terms of sections 12 and 13; except where they are disposed by Private Sale pursuant to section 11;
 - (c) As to both Management Shares and Ordinary Shares, of irrevocably authorising any one of the Directors to effect the transfer of the Shares disposed of to the Transferee if the Transferor fails to execute the transfer of those Shares within 5 Business Days of becoming bound to do so; and
 - (d) Of precluding the Transferor from calling in question the validity of any transfer.
- 8.3 A Transfer Notice as set out in clause 8.2 that is deemed to have been given by any provision in this agreement has the same effect.

Date When Transfer Is To Occur and Dividend Entitlement

- 8.4 The date when the transfer of any of the Shares in (i) a Transfer Notice, or (ii) a share transfer form pursuant to which Shares are purchased by a Shareholder ("Purchase Form"), is deemed to occur:
- (a) Where the Transfer Notice or Purchase Form is given or deemed to have been given on or after the first day of a Financial Year but on or before the Specified Date occurring in that Financial Year, is either:
 - (i) The first day of that Financial Year; or

- (ii) If the Board in its discretion decides on any later date, being a date in that Financial Year, then that date.
- (b) Where the Transfer Notice or Purchase Form is given or deemed to have been given after the occurrence of the Specified Date in any Financial Year but on or before the last day in that Financial Year, is either:
 - (i) The first day of the next Financial Year; or
 - (ii) If the Board in its discretion decides on any earlier date, being a date in that Financial Year, then that date.
- (c) For the purposes of this clause 8.4 and in relation to a Dividend declared in a particular Financial Year:

"Dividend" means a dividend or other distribution including, without limitation, a bonus issue or shares issued in lieu of dividends in accordance with the Constitution;

"Dividend Entitlement Date" means the date fixed by the Board for the purpose of determining the Shareholders who are entitled to receive the Dividend (pursuant to section 125(2) of the Act, such date must not precede by more than 20 working days the date on which the Board declares the Dividend) or, if the Board does not fix a date for that purpose, the day on which the Board declares the Dividend;

"Ordinary Dividend" means a Dividend that the Board declares as an ordinary Dividend. Without limiting the Board's discretion as to what constitutes an ordinary Dividend or what amount to declare as a Dividend (if any), an ordinary Dividend will generally relate to the Company's earning for the previous Financial Year;

"Special Dividend" means a Dividend other than an Ordinary Dividend and which the Board declares as a special Dividend; and

- (d) In relation to a particular Financial Year, the Shareholders agree that the Shareholders (other than BGLD, BGLD2 or the Nominee) of:
 - (i) Shares that stand (including, those deemed to stand pursuant to clause 8.4(a) or 8.4(b)) in the name of the Nominee in the Share Register as at the first day of that Financial Year, but excluding Shares deemed to be purchased on the first day of that Financial Year pursuant to clause 8.4(a) or 8.4(b) and excluding new Shares issued on the first day of that Financial Year; and
 - (ii) Shares deemed to be sold on the first day of that Financial year pursuant to clause 8.4(a) or 8.4(b),

will be entitled to be paid and to receive, in relation to such Shares, any Ordinary Dividend declared in that Financial Year.

- (e) In relation to a Special Dividend declared in a particular Financial Year, the Shareholders agree that the Shareholders (other than BGLD, BGLD2 or the Nominee) of Shares that stand (including, those deemed to stand pursuant to clause 8.4(a) or 8.4(b)) in the name of the Nominee in the Share Register as at the Dividend Entitlement Date:

- (i) including Shares deemed to be purchased pursuant to clause 8.4(a) or 8.4(b) on or before the Dividend Entitlement Date; and
- (ii) including, unless the Board determines otherwise, new Shares issued on or prior to the Dividend Entitlement Date; but
- (iii) excluding Shares deemed to be sold pursuant to clause 8.4(a) or 8.4(b) on or before the Dividend Entitlement Date,

will be entitled to be paid and to receive, in relation to such Shares, that Special Dividend.

- (f) To the extent that the entitlement of any Shareholder to any Dividend under section 125(2) of the Act differs from that provided for in clauses 8.4(d) or 8.4(e), the Shareholders agree to take, and direct that any person holding relevant Shares on the Shareholder's behalf (including BGLD, BGLD2 and the Nominee) take, all such steps as are necessary to make such payments and withholdings as may be required to give effect to clauses 8.4(d) and 8.4(e). Any Shareholder receiving any Dividends in error otherwise than as specified in clauses 8.4(d) and 8.4(e), will, as required, hold those Dividends on trust for the person or entity entitled to be paid and to receive those Dividends in accordance with clauses 8.4(d) and 8.4(e) above.
- (g) BGLD, BGLD2 and the Nominee waive any rights to receive any Dividends in relation to any Shares that are held by BGLD, BGLD2 or the Nominee in their own right as opposed to being held on behalf of a Shareholder.

When Transferee Becomes Shareholder

- 8.5 Notwithstanding the provisions of clause 8.4, a Transferor does not cease to be a Shareholder of the Shares transferred and the Transferee does not become a Shareholder of those Shares:
- (a) Where the Transferee is not already a party to this agreement, until that Transferee has complied with clause 2.1 and, where appropriate, clause 2.3; and
 - (b) In all cases, until the name of the Transferee or the Nominee on behalf of the Transferee is entered on the Share Register.

All Transfers to be at Fair Value

- 8.6 All Shares shall be transferred at the Fair Value determined by the Board pursuant to clause 7.1.

Fair Value Applicable

- 8.7 The Fair Value applicable to all transfers of Shares will be so determined as follows:
- (a) On or before the Specified Date in each Financial Year, the Board shall determine the Fair Value per Share of all Shares on issue at the beginning of that Financial Year.
 - (b) Unless an Unusual Event or a variation in the number of Shares on issue occurs between the beginning and end of a Financial Year, the Fair Value determined pursuant to paragraph (a) of this clause will apply to all transfers of Shares occurring or deemed to occur in the Financial Year in which the determination is made.
 - (c) Whenever an Unusual Event or a variation in the number of Shares on issue occurs in the course of a Financial Year, the Fair Value applying to transfers of Shares:
 - (i) Occurring or deemed to occur before the first such Unusual Event or variation, is the Fair Value determined pursuant to paragraph (a) of this clause in that Financial Year; and
 - (ii) Occurring or deemed to occur after one such Unusual Event or variation but before the next, is the Fair Value determined by the Board to apply to the Shares in those transfers.

For the purpose of this clause 8.7, an "Unusual Event" is an event which, in the opinion of the Board, has a material affect on the value of the Shares.

Transferor Bound to Transfer

- 8.8 Where, pursuant to the provisions of sections 11 to 15, a Transferor is notified in writing by the Board (or a Requisite Majority of the Directors as the case may be) of a Transferee for all or any of the Shares specified in:
- (a) The Transfer Notice given or deemed to have been given by the Transferor; or
 - (b) An adjustment made pursuant to clause 15.1; or
 - (c) A requisition made pursuant to clause 15.2.

The Transferor becomes:

- (d) Bound to transfer the Shares forthwith to the Transferee; and
- (e) Entitled to payment of the Fair Value of those Shares on the terms applicable to the transfer.

Transferor has no Lien or Claim

- 8.9 For the avoidance of doubt, it is expressly declared that a Transferor has no charge, lien or claim at law or in equity on any Share transferred, as unpaid vendor or otherwise. This clause does not apply to the BGLD or BGLD2 as an unpaid Transferor or Shareholder.

Customary Payment Terms

- 8.10 Where payment of the Fair Value for Shares transferred is required to be made on the Customary Payment Terms, payment shall be made by the Transferee of those Shares together with interest as follows:
- (a) In 20 quarterly instalments in succession on the last Business Day in March, June, September and December in each Financial Year ("a Quarter Day").
 - (b) The first instalment shall be payable on the first Quarter Day after the date on which the transfer is deemed to occur in terms of clause 8.4 and in an amount which:
 - (i) Equals one twentieth of the Fair Value; or
 - (ii) (If the Fair Value has not then been determined) the Board decides to be approximately one twentieth of the likely Fair Value.
 - (c) Each successive instalment shall be in an amount equal to one nineteenth of the difference between the amount of the first instalment and the Fair Value.
 - (d) On the date for payment of the first instalment of the Fair Value, no interest will be payable. On the date for payment of each successive instalment, interest will be payable at a rate per annum decided from time to time by the Board on the amount of the Fair Value outstanding during the quarter ending on the date for payment of the instalment.
 - (e) Notwithstanding the foregoing, if any instalment is payable pursuant to this clause 8.10 on a Quarter Day prior to the date of the Transfer Notice, then actual payment of such instalment(s) shall be made on the first Quarter Day after receipt of the Transfer Notice.

Accelerated Payment

- 8.11 A Transferee of Shares may accelerate the payment of the Fair Value of the Shares transferred whereupon the interest (if any) payable on instalments of the Fair Value shall abate accordingly.

Relaxation

- 8.12 The Board may relax on such terms and conditions as it decides, any of the provisions relating to the transfer of Shares in any particular case or generally so as to avoid hardship to any potential Transferor or Transferee.

Interpretation

- 8.13 The Board has power to decide conclusively any question arising as to the interpretation, application or operation of any provision in sections 8 to 15 and its decision will be binding on all the parties to this agreement and their Personal Representatives. The provisions of section 21 shall not apply to the resolution of any such question.

Delegation

- 8.14 The Board may delegate any of its powers under sections 8 to 15 (other than those powers that by virtue of section 130 of the Act may not be delegated) to a committee of its members comprising a Requisite Majority of the Directors.

- 8.15 In the event that a Shareholder does not execute any document that he, she or it is required by this agreement to execute, give appropriate notice or carry out any obligation, for the purposes of clauses 8 to 15 (inclusive) (unless the context otherwise requires), each Shareholder irrevocably appoints any one of the Directors to act as his, her or its attorney to execute such documents, give such notice or do all things necessary and/or advisable to carry out the purpose and/or intent of that relevant provision.

9. BGLD AND BGLD2

No Notice Required by BGLD or BGLD2

- 9.1 BGLD and BGLD2 may each transfer any Shares it holds from time to time without giving a Transfer Notice. BGLD and BGLD2 may transfer Shares to any party to this agreement who is approved and nominated by the Board (or a Requisite Majority of the Directors as the case may require) as a Transferee.

BGLD or BGLD2 as Purchaser

- 9.2 Where the Board proposes BGLD or BGLD2 as the Transferee of any Ordinary Shares pursuant to any clause in sections 11 to 15, the following provisions shall apply:
- (a) The Board will request BGLD or BGLD2 (as the case may be) to purchase those Shares.
 - (b) BGLD or BGLD2 (as the case may be) will notify the Board in writing whether it has decided to purchase or not to purchase all or any of those Shares.
 - (c) The Board will notify the Shareholder whose Shares have been put to BGLD or BGLD2 (as the case may be) of its decision and (where it has decided to purchase) the number of Shares purchased.
 - (d) If BGLD or BGLD2 (as the case may be) has decided to purchase all or any of those Shares, the Transferor shall be notified accordingly and:
 - (i) the provisions of clause 8.8 shall take effect; and
 - (ii) BGLD or BGLD2 (as the case may be) shall pay to the Transferor the Fair Value of the Shares purchased on the terms set forth in the clause pursuant to which the purchase is made.
 - (e) If BGLD or BGLD2 (as the case may be) has decided not to purchase all or any of those Shares, the Transfer Notice shall lapse as to the number of Shares not purchased and where the Transfer Notice was in fact given by a Shareholder, that Shareholder may not give another Transfer Notice until at least 6 months have elapsed after the Shareholder is notified of the decision and in the meantime shall re-transfer those Shares to the Nominee in compliance with clause 3.1.

Exception For Private Sale (as defined in clause 11.1)

- 9.3 Where BGLD or BGLD2 (as the case may be) has decided not to purchase all or any Ordinary Shares that it has been requested to purchase those shares may be disposed of by Private Sale notwithstanding the provisions of clause 9.2(e).

BGLD or BGLD2 as VendorOffer to sell

- 9.4 BGLD or BGLD2 may offer to transfer Ordinary Shares of which it is the holder to any party on the recommendation in writing of a Requisite Majority of the Directors.

Limitation on offers

- 9.5 BGLD or BGLD2 shall not offer any Ordinary Shares to a party;
- (a) unless a Requisite Majority of the Directors has approved that party as a recipient of those Ordinary Shares; and/or
 - (b) Subject to clause 2.5, in a number less than:
 - (i) a Minimum Holding; or
 - (ii) the number necessary to make up the number of Ordinary Shares held by the Transferee to a Minimum Holding.

Other offers by BGLD or BGLD2

- 9.6 Where BGLD or BGLD2 offers to sell Ordinary Shares to a party, the following provisions shall apply:
- (a) The Fair Value of the Ordinary Shares offered shall be determined pursuant to clause 8.7 as if, for the purposes of clause 8.4, the date of the offer were the date of giving a Transfer Notice in respect of the Ordinary Shares offered.
 - (b) The offer shall be made by notice in writing to that party ("the Offeree") specifying:
 - (i) The number of Ordinary Shares offered;
 - (ii) The Fair Value; and
 - (iii) The terms of payment.
 - (c) The Offeree may accept that offer by notice in writing to the Company within 5 Business Days of its date (or such other date as may be agreed by the Requisite Majority of the Directors).
 - (d) If the offer is not so accepted it will lapse.
 - (e) If the offer is so accepted the Offeree will purchase the number of Ordinary Shares offered at the Fair Value and on the terms and conditions offered.

10. YEARLY LIMITATION ON DISPOSAL OF ORDINARY SHARES

- 10.1 Unless the Board in its discretion otherwise determines, no action will be taken to dispose of Ordinary Shares in a Transfer Notice that is in fact given if (or to the extent that) the Ordinary Shares in that Transfer Notice when added to the Ordinary Shares in all previous Transfer Notices given or deemed to have been given in the same Financial Year results in a number of Ordinary Shares that exceeds 5% of all Ordinary Shares on issue at the time the Transfer Notice is given. The Transfer Notice will be returned to the

sender with an explanation that it has been declined in whole or in part for the reason set forth in this clause.

11. PRIVATE SALES OF ORDINARY SHARES

Interpretation

11.1 In this section 11:

"Approved" means, in relation to a purchaser of shares, the approval of that purchaser by a Requisite Majority of the Directors.

In sections 8 to 15:

"Private Sale" means a sale of Ordinary Shares made in terms of clause 11.5

Application of this Section

11.2 This section applies only where:

- (a) BGLD or BGLD2 has been requested to purchase Ordinary Shares and has declined to do so; or
- (b) A transfer of Ordinary Shares has been declined on the grounds of section 10; or
- (c) An Employee has resumed ownership of Ordinary Shares pursuant to clause 5 of Attachment 3.

Transfers

11.3 Where this section applies:

- (a) The Ordinary Shares, the transfer of which has been declined, may be transferred to an existing Shareholder who is Approved as the Transferee; and
- (b) The Ordinary Shares resumed by an Employee may be transferred to that Employee.

Notification

11.4 The Transferor will be notified in writing within 20 Business Days of receipt of the Transfer Notice whether or not a Transferee under clause 11.3(a) is Approved.

Where Purchaser Approved

- 11.5 If that Transferee is Approved or where the Ordinary Shares have been resumed by an Employee, the Ordinary Shares comprised in the Transfer Notice may be transferred at the Fair Value of those Ordinary Shares determined pursuant to clause 8.7 or any lesser price (in the case of Ordinary Shares resumed by an Employee) as that Employee and the Transferor may agree.

Where Purchaser not Approved

- 11.6 If the Purchaser is not Approved the Transfer Notice shall lapse but the Transferor may within 5 Business Days of receiving notification to that effect, offer the Ordinary Shares to another existing Shareholder subject to this section.

11A TRANSFER OF SHARES TO NON-EMPLOYEE SHAREHOLDER

- 11A.1 Notwithstanding anything herein contained, in the event that the Requisite Majority of the Directors:

- (a) have been requested to approve a non-Employee person as a Transferee proposing to hold in excess of 10% of the total number of Ordinary Shares on issue (as at the commencement of that Financial Year); or
- (b) wish to issue further Shares to a non-Employee Shareholder, or have been requested to approve a non-Employee Shareholder as a Transferee of further Shares, such Shares taken together with the Shares already held by that non-Employee Shareholder being in excess of 10% of the total number of Ordinary Shares on issue (as at the commencement of that Financial Year),

then before the Requisite Majority of the Directors makes its decision on the relevant matter, it shall first Consult with all Ordinary Shareholders and Management Shareholders. References in this clause to an "Employee" also includes the Employee's Associated Persons. For the purposes of calculating the 10% threshold, any treasury stock in the Company shall not be included.

12 TRANSFERS BY SHAREHOLDERS HOLDING THE SPECIFIED NUMBER OF SHARES OR LESSInterpretation

- 12.1 Clause 12.2 applies to those Shareholders and their Associated Persons (called "Vendors" in that clause) who, at the time of giving a Transfer Notice:
- (a) Hold the Specified Number of Shares or less; and
 - (b) Are not in the course of disposing of their Ordinary Shares under any provision of section 13 (including, for the avoidance of doubt, any rules prescribed under clause 13.4).

Transfer

- 12.2 Where a Transfer Notice is given by a Vendor, the following provisions shall apply:
- (a) The Board will propose BGLD or BGLD2 as the Transferee of the Ordinary Shares comprised in the Transfer Notice.

- (b) If BGLD or BGLD2 (as the case may be) decides to purchase all or any of those Shares, the Board shall notify the Vendor in writing accordingly and the provision of clause 8.8 shall take effect.
- (c) BGLD or BGLD2 (as the case may be) shall pay to the Transferor the Fair Value of the Shares purchased in one sum:
 - (i) Where the Transfer Notice is given before the Specified Date in a Financial Year, no later than 20 Business Days after that Specified Date; or
 - (ii) Where the Transfer Notice is given after the Specified Date in a Financial Year, then on the first Business Day of the following Financial Year.

13. TRANSFERS BY SHAREHOLDERS HOLDING MORE THAN THE SPECIFIED NUMBER OF SHARES

Interpretation

13.1 In this Section 13 references to:

- (a) The Ordinary Shares of a Shareholder, are also references to the Ordinary Shares held by the Associated Persons of that Shareholder;
- (b) A Shareholder also refers to the Associated Persons of that Shareholder.

Transfer by Shareholder Leaving Employment

13.2 Clause 13.3 applies to a Shareholder who holds more than the Specified Number of Shares and:

- (a) Who has resigned as an Employee; or
- (b) Whom the Board considers on reasonable grounds is about to cease to be an Employee,

where, in either case the Board has reason to believe that the Shareholder intends to continue to practice his or her profession or skill in the New Zealand market or any overseas market in which any Subsidiary or Associated Company is or is about to be operating.

13.3 Where a Shareholder to whom this clause applies:

- (a) Gives a Transfer Notice or receives a requisition pursuant to clause 15.2(b) in respect of all his or her Ordinary Shares; and
- (b) (Where that Shareholder also holds Management Shares) gives under clause 2.8 or is deemed to have given a Transfer Notice in respect of all his or her Management Shares;

then the following provisions shall apply:

- (c) If the Transfer Notice does not comprise all the Ordinary Shares and, if required by the Requisite Majority of the Directors pursuant to clause 2.8, the Management Shares of the Shareholder, it will be deemed to comprise all those Shares.

- (d) Any Management Shares comprised in the Transfer Notice will be disposed of pursuant to clause 14.1.
- (e) The Board will propose BGLD and/or BGLD2 as the Transferee of the Ordinary Shares comprised in the Transfer Notice.
- (f) If BGLD or BGLD2 (as the case may be) decides to purchase all or any of those Ordinary Shares:
 - (i) The Board shall notify the Transferor in writing accordingly and the provisions of clause 8.8 shall take effect; and
 - (ii) BGLD or BGLD2 (as the case may be) shall pay to the Transferor the Fair Value of those Ordinary Shares on the Customary Payment Terms except that:
 - (A) the first instalment shall not be payable until the last Business Day in June of the second Financial Year after the Financial Year in which the date of the Transfer is deemed to occur in terms of clause 8.4; and
 - (B) interest will not accrue until the first day of that second Financial Year.

Rules Relating to Shareholders

- 13.4 The Board may from time to time and in Consultation with Shareholders prescribe rules that are applicable to Shareholders (or any particular class of Shareholder) for the progressive reduction over a period of sequential Financial Years in the number of Shares held by those Shareholders.

Progressive Transfers

- 13.5 On the first Business Day in each of the sequential Financial Years in which, according to the rules referred to in clause 13.4, a reduction is to be effected in the number of Shares to be held by a Shareholder pursuant to clause 13.4, a Transfer Notice comprising the number of Ordinary Shares needed to effect the reduction (if not given in fact) shall be deemed to have been given by the relevant Shareholder .

Purchase Provisions Where Clause 13.5 Applies

- 13.6 Where a Transfer Notice is given or is deemed to have been given in terms of clause 13.5, the following provisions shall apply:
- (a) The Board will propose BGLD or BGLD2 as the Transferee of the Ordinary Shares comprised in the Transfer Notice.
 - (b) If BGLD or BGLD2 (as the case may be) decides to purchase all or any of those Shares, the Board shall notify the Transferor in writing accordingly and the provisions of clause 8.8 shall take effect.
 - (c) BGLD shall pay to the Transferor the Fair Value of the Shares purchased in the amounts and at the times set forth in the rules referred to in clause 13.4.

Voluntary Transfers by Shareholders

- 13.7 Where a Shareholder to whom clauses 13.3 or 13.5 do not apply wishes to dispose of all or any of his or her Ordinary Shares, he or she shall give a Transfer Notice specifying the number of Ordinary Shares to be disposed of whereupon the following provisions apply:
- (a) The Board will propose BGLD or BGLD2 as the Transferee of the Ordinary Shares comprised in the Transfer Notice.
 - (b) If BGLD or BGLD2 (as the case may be) decides to purchase all or any of those Shares:
 - (i) The Board shall notify the Transferor in writing accordingly and the provisions of clause 8.8 shall take effect; and
 - (ii) BGLD or BGLD2 (as the case may be) shall pay the Fair Value of the Shares purchased to the Transferor on the Customary Payment Terms.

14. DISPOSAL OF MANAGEMENT SHARES

Disposal of Management Shares

- 14.1 Where a Transfer Notice is given or is deemed (pursuant to clauses 2.8 or 5.5) to have been given in relation to Management Shares, a Requisite Majority of the Directors shall follow this procedure:
- (a) In the first instance a decision will be made as to whether or not to offer all or any of those Management Shares to a Shareholder at the Fair Value.
 - (b) The selection of a Shareholder as the Transferee shall be made in Consultation with all the existing Shareholders as to the persons who will hold Management Shares.
 - (c) If no such decision is made or if such a decision is made in respect of some but not all of the Management Shares comprised in the Transfer Notice, then those Shares (or the residue of them) will be apportioned among the continuing Management Shareholders in proportion to their respective holdings of Management Shares at the Fair Value.
 - (d) When a Transferee has been selected, the Transferor shall be notified in writing accordingly and the provisions of clause 8.8 shall take effect.
 - (e) The Transferee will pay the Fair Value of the Shares transferred on the Customary Payment Terms.

Requirement to Transfer

- 14.2 Where Management Shares are held:
- (a) In the name of a Shareholder who has ceased to be in Employment; or
 - (b) By a Shareholder to whom clause 13.3 applies who does not give a Transfer Notice within 5 Business Days of receiving written notice from the Board to do so; or

(c) By the Personal Representative of a Management Shareholder,

a Requisite Majority of the Directors may, by notice in writing to the holder of those Management Shares or to any person having the power to dispose of those Management Shares ("the Transferor"), require the Transferor to give a Transfer Notice in respect of all those Management Shares. If a Transfer Notice is not given within 5 Business Days after the date of the notice given under this clause a Transfer Notice will be deemed to have been given on the next Business Day.

14.3 Clause 14.1 also applies to Management Shares that are requisitioned under clause 14.2 or disposed of pursuant to clause 13.3.

Status Preserved

14.4 Subject to clause 5.1(d), a Shareholder whose Management Shares are progressively transferred pursuant to clause 13.5 retains his or her right to be a Director, until in the course of those progressive transfers the reduction in his or her holding of Management Shares to nil is achieved.

15. ADJUSTMENT, REQUISITION AND TRANSFERS BACK OF SHARES

Adjustments to Shareholdings

15.1 The Board may require an Ordinary Shareholder in writing to reduce the number of Ordinary Shares held by transferring the number of Ordinary Shares specified by the Board. In that case, the following provisions shall apply:

- (a) The Board will propose BGLD or BGLD2 as the Transferee of the Ordinary Shares specified in the request.
- (b) If BGLD or BGLD2 (as the case may be) declines to purchase all those Shares, the request will be withdrawn.
- (c) If BGLD or BGLD2 (as the case may be) agrees to purchase all those Shares, the Board will notify the Transferor in writing accordingly and the provisions of clause 8.8 shall take effect.
- (d) BGLD or BGLD2 (as the case may be) shall pay to the Transferor the Fair Value of the Shares purchased on the last Business Day of the next quarter after the date of the notice of adjustment (each such quarter commencing on the first Business Day in April, July, October and January respectively).
- (e) The date on which the transfer pursuant to this clause 15.1 is deemed to occur will be determined in accordance with clause 8.4 as if the date of adjustment were the date of a Transfer Notice in respect of the adjusted shares for the purpose of that clause.

Requisition of Shares

15.2 Where Ordinary Shares are held:

- (a) In the name of a Shareholder who has ceased to be in Employment; or
- (b) By a Shareholder (as referred to in clause 13.1 and where clause 13.3 applies) who does not give a Transfer Notice within 5 Business Days of receiving written notice from the Board to do so; or

- (c) By an Associated Person of a Shareholder who has ceased to be in Employment; or
- (d) By the Personal Representative of a Shareholder; or
- (e) By a Shareholder whose continued status as such is, in the reasonable opinion of the Board, detrimental to the interests of the Company or its other existing Shareholders,

the Board may, by notice in writing to the holder of those Shares or to any person having the power to dispose of those Shares ("the Transferor") requisition the transfer of those Shares and the Shares of Associated Persons of those Transferors, to BGLD or BGLD2 (as specified by the Board).

Effect of Requisition

15.3 Where Ordinary Shares are requisitioned pursuant to clause 15.2:

- (a) If BGLD or BGLD2 (as the case may be) decides not to purchase all those Shares, the requisition shall be withdrawn.
- (b) If BGLD or BGLD2 (as the case may be) decides to purchase all those Shares:
 - (i) The Board shall notify the Transferor in writing accordingly and the provisions of clause 8.8 shall take effect; and
 - (ii) BGLD or BGLD2 (as the case may be) shall pay to the Transferor the Fair Value of those Shares:
 - (aa) Where the Requisition is made under clause 15.2(b); on the basis set out in clause 13.3; and
 - (bb) Where the number of Ordinary Shares requisitioned does not exceed the Specified Number of Shares; on the basis set out in clause 12.2; and
 - (cc) In any other case on the Customary Payment Terms.
- (c) The date on which the Transfer is deemed to occur will be determined in accordance with clause 8.4 as if the date of requisition were the date of a Transfer Notice in respect of the requisitioned shares for the purpose of that clause.

Transfer Back by Spouse or Family Trust

15.4 A party who is the Spouse of an Employee or the Trustees of a Family Trust established or deemed to have been established by an Employee shall observe and be bound by the provisions of clause 5 of the Deed of Covenant appearing as Attachment 3.

16. ADVANCES BY SHAREHOLDERS AND CURRENT ACCOUNTS

Advances

16.1 The amount of additional working capital (if any) required by the Company shall be determined by the Board from time to time. Each Shareholder shall at the request in writing of the Board contribute his or her share of additional working capital as an

advance by way of loan in the same proportion as the proportion which the number of Shares held by that Shareholder and the Associated Persons of that Shareholder bears to the total number of Shares in the capital of the Company at that time held by all Shareholders and their Associated Persons. This clause 16.1 ceases to have effect if the Company has a receiver, statutory manager or liquidator appointed over the Company and all or part of its assets, provided that any request by the Board for additional working capital contributions made prior to the appointment of a receiver, statutory manager or liquidator shall remain effective notwithstanding such appointment.

Exemptions

- 16.2 The Board may exempt Shareholders holding less than the Specified Number of Shares from the provisions of clause 16.1 on any occasion when a request is made under that clause but an exemption granted on one or more such occasion does not prevent a request being made under clause 16.1 on a subsequent occasion.

Current Accounts

- 16.3 The Company, BGLD, BGLD2 and/or Nominee may create and maintain a current account for any Shareholder. Each current account will be:

- (a) Credited with:
- (i) Any advances made by the Shareholder pursuant to clause 16.1; and
 - (ii) All dividends declared from time to time on the Shares held by the Shareholder; and
 - (iii) Any other payment authorised by the Board to be made to the Shareholder; and
 - (iv) Any payments by BGLD or BGLD2 representing:
 - (A) Any instalments received on account of the Fair Value of any Shares that have been sold by the Shareholder and his or her Associated Persons and any interest on that Fair Value; and
 - (B) Any payments that accrue to the Shareholder and his or her Associated Persons in respect of his, her or their beneficial interest in the Shares for the time being held by BGLD or BGLD2; and
 - (v) Any other periodic payment due to that Shareholder.

The Requisite Majority of the Directors may decide which Shareholder and what criteria applies before a current account may be created for a particular Shareholder.

- (b) Debited with:
- (i) His or her drawings;
 - (ii) Any instalments payable on account of the Fair Value of any Shares that have been issued to that Shareholder or his or her Associated Persons and any interest payable on those instalments;

- (iii) any payments to BGLD or BGLD2 representing any payment or instalments payable on account of the Fair Value of any Shares issued to or purchased by the Shareholder or his or her Associated Persons and any interest payable on that Fair Value; and
- (iv) Any payments that may lawfully become payable by the Shareholder as a debtor of the Company or as an Employee including (but not limited to) any payments for any superannuation or other benefits that have been granted to the Shareholder.

Authority

- 16.4 Each Shareholder irrevocably authorises the Company to make the payments to be credited and debited to his or her current account pursuant to this section 16.

Drawing

- 16.5 No Shareholder shall be entitled to draw upon his or her current account except on the terms (if any) then imposed on drawings by the Board.

Interest

- 16.6 Interest, at a rate decided by the Board from time to time, will be calculated on a daily basis or such other basis as may be determined by the Requisite Majority of Directors on the balance of the current account(s) of a Shareholder (whether it is in credit or debit). Interest will be charged or credited on the last Business Day of June, September, December and March in each Financial Year.

Shareholder and Associated Persons Ceasing to Hold Shares

- 16.7 Upon a Shareholder and his or her Associated Persons all ceasing to hold Shares the following provisions shall apply:
- (a) All of any credit in the Current Account of that Shareholder in excess of any advances by that Shareholder under clause 16.1 to working capital will be paid out within six months after the date when that Shareholder and his or her Associated Persons all cease to hold Shares.
 - (b) The balance of any credit in that Current Account will be repaid as soon as is practicable by the Company but in any event no later than one year after that same date.

Partial Disposal of Shares

- 16.8 Where only some of the Shares held by a Shareholder and his or her Associated Persons are disposed of, the provisions of clause 16.7 shall apply to the same proportion of the Current Account of that Shareholder as the proportion which the number of Shares disposed of bears to the number of Shares held in the aggregate by that Shareholder and his or her Associated Persons.

17. UNANIMOUS AGREEMENT TO THE ACQUISITION OF SHARES AND GIVING OF FINANCIAL ASSISTANCE

Agreement

- 17.1 Whether or not their names are entered in the Share Register, all the parties agree to the exercise by the Board from time to time of the following powers:
- (a) The acquisition of shares in the Company otherwise than in accordance with sections 59 to 65 of the Act;
 - (b) The giving of financial assistance (within the meaning of section 76(6) of the Act) for the purpose of or in connection with the purchase of Shares otherwise than in accordance with sections 76 to 80 of the Act; and
 - (c) The redemption by the Company of redeemable shares issued by the Company otherwise than in accordance with sections 69 to 72 of the Act.

Withdrawal from Agreement

- 17.2 Any party whose name is entered in the Share Register and the Nominee at the direction of a party for whom it acts as nominee, may withdraw from the agreement in clause 17.1 by notice in writing to the Company.

Concurrence By Interested Parties

- 17.3 Where any person whose name is not entered in the Share Register has, under the Constitution, any of the rights and powers of a Shareholder the agreement or concurrence in writing of any such person to the exercise of either of the powers in clause 17.1 will, with the standing agreement of all the parties referred to in that clause, authorise the exercise of that power.

18. FUNDING BGLD AND BGLD2

- 18.1 In this section 18 "Shortfall" means the amount by which, at any given time, the moneys immediately payable by BGLD and/or BGLD2 exceed at that same time the moneys immediately receivable by BGLD and/or BGLD2 as the case may be.
- 18.2 If a Shortfall exists, BGLD or BGLD2 (as the case may be), after consultation with the Directors, may (notwithstanding anything herein contained) at their discretion do any or all of the following (without any penalty whatsoever):
- (a) defer the payment of monies to any Transferor; and/or
 - (b) implement a payment regime (whether on a pro-rata basis or not) for any or all Transferors; and/or
 - (c) decline to purchase any Shares from any Shareholder or Associated Person for a specified time; and/or
 - (d) may defer or decline to pay interest on any amounts owed or owing; and/or
 - (e) sell, pledge, mortgage or use the Shares held by BGLD or BGLD2 as security (as the case may be) to raise funds to meet some or all of the Shortfall,

and BGLD or BGLD2 (as the case may be) shall notify any affected former Shareholders that such Shortfall exists and BGLD's or BGLD2's (as the case may be) action pursuant to this clause 18.2.

- 18.3 Where the Directors believe the Shortfall is more than temporary, BGLD or BGLD2 (as the case may be) may at their absolute discretion notify all Shareholders that such a Shortfall exists.

19 DISCLOSURE OF FINANCIAL STATEMENT AND REPORTS

Waiver

- 19.1 Whether or not their names are entered on the Share Register, all the parties:
- (a) Agree that each annual report of the Company prepared pursuant to section 211(3) of the Act need not comply with paragraphs (a) and (e) to (j) of section 211(1) of the Act; and
 - (b) Waive the right to receive a copy of each annual report of the Company and of all other documents from the Company.

Annual Report to be Available

- 19.2 A copy of each annual report of the Company prepared in terms of section 211(1) of the Act (but having regard to clause 19.1) will be available for inspection by any Shareholder in the manner prescribed by section 217 of the Act.

Financial Summaries

- 19.3 The Board will present at any meeting of the parties that the Board convenes in any Financial Year:
- (a) Summaries of:
 - (i) The financial performance of the Company during the previous Financial Year.
 - (ii) The financial position of the Company at the end of that previous Financial Year.
 - (iii) The movements in the Shareholders' funds of the Company between the beginning and end of that previous Financial Year.
 - (b) Such other information as is necessary to give the parties a thorough understanding of the performance of the Company and its future prospects.

Financial Statements

- 19.4 Copies of the financial statements and auditors reports referred to in section 210 of the Act will be sent to all parties whose names are entered on the Share Register in compliance with that section.

20. CONFIDENTIALITY

- 20.1 Each party shall maintain as confidential all information (including without limitation any financial or management information and any other material whether recorded in a tangible form or not) directly or indirectly concerning or relating to the business affairs of the Company, any Subsidiary or any Associated Company, and shall not at any time directly or indirectly:
- (a) Disclose or permit to be disclosed to any person; or
 - (b) Use to the detriment of the Company or any Subsidiary or Associated Company, any such information except:
 - (i) To the extent required by law; or
 - (ii) As is already public knowledge without a breach of this clause by the party seeking to disclose or use such information; or
 - (iii) As authorised in writing by each other party; or
 - (iv) As is reasonably necessary in order to give effect to this agreement or for the conduct of the relevant Company's affairs.

21. DISPUTES

- 21.1 Unless a party has first complied with clauses 21.2 and 21.4 that party may not commence court proceedings or arbitration relating to any dispute arising from this agreement (except where the party seeks urgent interlocutory relief, in which case that party need not comply with this clause before seeking such relief) and where that party fails to so comply with those clauses, the other party need not comply with those clauses before referring the dispute to arbitration or commencing court proceedings relating to that dispute.
- 21.2 Any party (referred to in this clause as "the First Party") claiming that a dispute has arisen under this agreement between itself and any other party shall give written notice to the other party to the dispute (referred to in this clause as "the Second Party") specifying the matter in dispute and designating as its representative in negotiations relating to the dispute a person with authority to settle the dispute. The Second Party shall, within 5 Business Days after receiving the First Party's notice, give written notice to the First Party, designating as its representative in negotiations relating to the dispute, a person with similar authority.
- 21.3 The parties to the dispute shall use their reasonable endeavours to procure that the persons designated under clause 21.2 shall, within 10 Business Days of the last designation required by that clause, following whatever investigations each such person deems appropriate, seek to resolve the dispute.
- 21.4 If the dispute is not resolved within the period referred to in clause 21.3 (or within such longer period as their respective representatives may agree is appropriate) the parties to the dispute shall within a further period of 10 Business Days (or such longer period as the representatives may agree is appropriate) use their reasonable endeavours to agree, in good faith, on a process for resolving the whole or part of the dispute through means other than litigation or arbitration (including, without limitation, further negotiations, mediation, conciliation, or independent expert determination) and on:
- (a) The procedure and timetable for any exchange of documents and other information relating to the dispute.

- (b) Procedural rules and a timetable for the conduct of the selected mode of proceedings.
 - (c) A procedure for selection and compensation of any neutral person who may be employed by the parties to the dispute.
 - (d) Whether the parties to the dispute should seek the assistance of a dispute resolution organisation.
- 21.5 After the expiry of the time established by or agreed under clause 21.4 for agreement on a dispute resolution process, a party which has complied with the provisions of clauses 21.1 to 21.4 may, by written notice to the other party to the dispute, terminate the dispute resolution process provided for in those clauses and may then refer the dispute to arbitration or commence court proceedings relating to the dispute.
- 21.6 Subject to clauses 21.1 to 21.4 either party to the dispute may, by written notice to the other, require that, if a dispute between those parties arising out of this agreement is not resolved within 5 Business Days of receipt of such notice by the other party, the dispute shall be immediately submitted for determination by a single arbitrator nominated by the President, for the time being, of the Auckland District Law Society after consultation with the parties.
- 21.7 In the event of a submission to arbitration pursuant to clause 21.6:
- (a) The arbitration shall be conducted pursuant to the Arbitration Act 1996; and
 - (b) The parties' respective responsibilities for the costs of the arbitration shall be determined by the arbitrator.

22. GENERAL

Relationship Between Parties

- 22.1 Nothing expressed or implied in this agreement shall constitute any party as the partner, agent, employee or officer of, or as a joint venturer with, any other party, the Company, any Subsidiary, or Associated Company or any of their respective subsidiaries, and no party shall make any contrary representation to any other person.

Entire Arrangement

- 22.2 This agreement records the entire arrangement between the parties relating to the matters dealt with in this agreement, and supersedes all previous arrangements, whether written, oral or both, relating to such matters.

Non Assignment

- 22.3 No party may transfer any of his or her or its rights under this agreement to any other person nor arrange for any other person to assume his her or its liabilities under this agreement.

Governing Law and Jurisdiction

- 22.4 This agreement is governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this agreement.

Partial Invalidity

- 22.5 If any provision of this agreement is or becomes invalid or unenforceable, that provision shall be deemed deleted from this agreement and such invalidity or unenforceability shall not affect the other provisions of this agreement, all of which shall remain in full force and effect to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provisions.

No Standing Waiver

- 22.6 No waiver of any breach, or failure to enforce any provision, of this agreement at any time by any party shall in any way limit or waive the right of that party to subsequently enforce and compel strict compliance with this agreement.

Further Assurances

- 22.7 Each party shall do all things and execute all documents reasonably required in order to give effect to the provisions and intent of this agreement.

Contracts (Privity) Act 1982

- 22.8 The provisions of this agreement that confer or are intended to confer a benefit on the Company, or any other person or group of persons named or described in this agreement, are enforceable at the suit of the Company, that other person or those other persons in terms of the Contracts (Privity) Act 1982.

23. NOTICES

Notices to the Company

- 23.1 Any written notice required to be given to the Company pursuant to this agreement shall (without limitation) be deemed validly given if delivered by hand or facsimile transmission (provided that the sender's facsimile machine confirms transmission to the Company) to the Company's registered office or facsimile number.
- 23.2 For the purposes of clause 23.1, any notice transmitted by facsimile or delivered after 5.00pm on a Business Day, or at any time on a non Business Day, shall be deemed received at 9.00am on the next Business Day.

Notices to Shareholders

- 23.3 Any written notice required to be given to a party pursuant to this agreement shall (without limitation) be deemed validly given if given in accordance with section 391 of the Act. Any written notice required to be given to a Shareholder pursuant to this agreement may be sent by electronic mail ("email") to the email address last provided by that Shareholder to the Company, or if that Shareholder is an Employee, to that Shareholder's Beca email address. Transmission of such an email to such an email address shall be deemed delivery of the written notice.

EXECUTION BY THE ORIGINAL SHAREHOLDERS

SIGNED by)
 RONALD POWELL CARTER)
 in the presence of:)

[R P Carter – signed] _____
 ([22 December 1994])

 [A Way witnessed]
 (Signature of Witness)

 (Name of Witness)

 (Occupation of Witness)

 (Address of Witness)

SIGNED by)
 RICHARD HAMMOND AITKEN)
 in the presence of:)

[R H Aitken signed] _____
 ([22 December 1994])

 [A Way witnessed]
 (Signature of Witness)

 (Name of Witness)

 (Occupation of Witness)

 (Address of Witness)

SIGNED by)
 IAN CLIVE MACKLEY)
 in the presence of:)

[I C Mackley signed] _____
 ([22 December 1994])

 [A Way witnessed]
 (Signature of Witness)

 (Name of Witness)

 (Occupation of Witness)

 (Address of Witness)

SIGNED by)
 LESLIE GAVIN CORMACK)
 in the presence of:)

[L G Cormack signed] _____
 ([22 December 1994])

 [A Way witnessed]
 (Signature of Witness)

 (Name of Witness)

 (Occupation of Witness)

(Address of Witness)

SIGNED by)
IAN ALEXANDER NICHOLSON)
FRASER in the presence of:)

[I A N Fraser signed]
([22 December 1994])

[A M Price witnessed]
(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by)
RODERICK OWEN BARKER))
in the presence of:)

[R O Baker signed]
([22 December 1994])

[A Way witnessed]
(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by)
PETER BAIRD HAY))
in the presence of:)

[P B Hay signed]
([22 December 1994])

[A Way witnessed]
(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by)
ANDREW COLLOW))
in the presence of:)

[A Collow signed]
([22 December 1994])

[P B Steel witnessed]
(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

(Address of Witness)

EXECUTED by BGL DEPOSITARY LIMITED

[L G Cormack signed 28 March 1995]
Director

[R H Aitken signed 28 March 1995]
Director

EXECUTED by BGL NOMINEES LIMITED

[L G Cormack signed 28 March 1995]
Director

[R H Aitken signed 28 March 1995]
Director

SIGNED by)
PATRICK JAMES FAIL)
in the presence of:)

[P J Fail signed]
([22 December 1994])

[A C Gray witnessed]
(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SCHEDULE 1The Original Shareholders

<u>Full Name</u>	<u>Occupation</u>	<u>Residential Address</u>
Ronald Powell Carter	Engineer	379 Riddell Road Glendowie Auckland
Richard Hammond Aitken	Engineer	6 Glade Place Birkenhead Auckland
Ian Clive Mackley	Engineer	6 Westridge Road Auckland 7
Leslie Gavin Cormack	Engineer	12A Alverson Street Parnell
Ian Alexander Nicholson Fraser	Engineer	41 Wadestown Road Wellington
Roderick Owen Barker	Engineer	33 Kopiko Road Titirangi
Peter Baird Hay	Engineer	5 Ringwood Street Auckland
Andrew Collow	Engineer	8 Kowhai Road Kelburn Wellington
Patrick James Fail	Engineer	120 Botany Road Howick Auckland

SCHEDULE 2

TERMS AND CONDITIONS OF NON-CUMULATIVE REDEEMABLE SHARES

INTERPRETATION AND CONSTRUCTION

Interpretation

1.1 In these Terms of Issue, except where the context otherwise requires:

“Conversion Date” means the date of conversion specified by the Company in a Conversion Notice.

“Conversion Notice” has the meaning given to that term in clause 8 of these Terms of Issue.

“Conversion Rate” means, in respect of each Redeemable Share, the number of Ordinary Shares equal to the Issue Price plus any unpaid Dividends, divided by the Fair Value as at the date of conversion.

“Date of Redemption” means the date upon which the Company elects to redeem Redeemable Shares.

“Dividend” means any dividend or other distribution (including, without limitation, a bonus issue or shares issued in lieu of dividends in accordance with the Constitution) on the Redeemable Shares payable pursuant to clause 2 of these Terms of Issue.

“Dividend Amount” means, in relation to a particular Financial Year, in respect of each Redeemable Share, the nominal rate of return (if any) determined by the Requisite Majority of the Directors on \$1.00 for that Financial Year or the relevant part of that Financial Year as the case may be, provided that such a Dividend shall not exceed an amount equal to 38.9% multiplied by the Ordinary Dividend per Ordinary Share declared in respect of that Financial Year.

“Issue Date” means the date on which the Redeemable Shares are issued.

“Issue Price” means \$1.00 in respect of each Redeemable Share.

“Liquidation Amount” means, for each Redeemable Share, the lesser of:

- (a) the Issue Price plus any unpaid Dividends in respect of the Redeemable Share; and
- (b) an amount equal to the amount specified in paragraph (a) divided by the value of each Ordinary Share to be returned to the Shareholder of that Ordinary Share in the liquidation, counting each Redeemable Share as 38.9% of an Ordinary Share for the purposes of this calculation.

“Ordinary Dividend” has the meaning set out in clause 8.4 (c) of the Shareholders Agreement).

“Redemption Amount” has the meaning given to that term in clause 4 of these Terms of Issue.

“Redeemable Share” means a non-cumulative convertible redeemable preference share issued by the Company on the terms set out in these Terms of Issue, each of which constitutes a redeemable share under section 68 of the Companies Act 1993.

“Redeemable Shareholder” in respect of a Redeemable Share means a person whose name is entered in the Share Register as the holder for the time being of that Redeemable Share and (where the context so requires) includes a person whose Redeemable Shares stand in the name of the Nominee in the Share Register.

“Shareholders Agreement” means the Shareholders Agreement relating to Beca Group Limited dated 22 December 1994 (as amended from time to time).

“Terms of Issue” means this document entitled Terms and Conditions of Non-Cumulative Redeemable Shares.

Whenever in these Terms of Issue, there is a reference to a date, and that date is not a Business Day, the reference shall be deemed to be to the next day which is a Business Day.

Construction

1.2 In these Terms of Issue capitalised terms (which are not separately defined in clause 1.1 of these Terms of Issue) have the meaning given to those capitalised terms in clause 1.1 of the Shareholders Agreement, unless the context otherwise requires.

1.3 Clauses 1.2 and 1.4 of the Shareholders Agreement apply to these Terms of Issue.

2 Dividends

The Requisite Majority of the Directors may, in respect of each Financial Year on or about the date upon which the Board declares any Ordinary Dividend on Ordinary Shares for that Financial Year, declare a Dividend on the Redeemable Shares and specify the terms of such Dividend including, without limitation, the date or dates for payment of such Dividend. If such a Dividend is declared, the dividend per Redeemable Share shall be equal to the Dividend Amount. Redeemable Shares do not carry any fixed entitlement to a dividend. The Company may make from Dividends any deduction or withholding on account of tax or on any other account which the Company is required by law to make.

3 Redemption

The Company may from time to time, at the discretion of a Requisite Majority of the Directors, redeem some or all of the Redeemable Shares at its option at any time after the Issue Date provided that the Company must ensure that any declared Dividends have been paid or satisfied in full on or prior to the date of redemption.

4 Redemption payment

If the Company redeems any Redeemable Shares, the Company shall on redemption pay to each relevant Redeemable Shareholder an amount equal to the Issue Price in respect of each Redeemable Share redeemed (“**Redemption Amount**”).

5 Notice of Redemption

If the Company elects to redeem any Redeemable Shares, the Company shall give notice to each relevant Redeemable Shareholder not later than 5 Business Days before the Date of Redemption. That notice shall specify the Date of Redemption, the number of the Redeemable Shareholder’s Redeemable Shares to be redeemed and the terms applicable to the redemption, including as applicable to payment of the Redemption Amount.

6 Capital

Each Redeemable Shareholder shall have the right in a liquidation of the Company to payment in priority to the holders of Management Shares and Ordinary Shares of the Company, of the Liquidation Amount for the Redeemable Shares held by that Redeemable Shareholder. In the event of liquidation of the Company, all claims of creditors of the Company rank ahead of the claims of Redeemable Shareholders in

respect of Redeemable Shares and the claims of a Redeemable Shareholder in respect of Redeemable Shares will rank equally with the claims of all other Redeemable Shareholders.

7 Voting

Redeemable Shareholders shall have no right to vote at meetings of shareholders of the Company.

8 Conversion

The Company, at the discretion of a Requisite Majority of the Directors, may elect to convert some or all of the Redeemable Shares into Ordinary Shares at the Conversion Rate. If the Company elects to convert any Redeemable Shares, the Company will give notice to the Redeemable Shareholders in accordance with this clause 8 (“**Conversion Notice**”). The Conversion Notice must specify the Conversion Date and set out the number of Ordinary Shares (calculated pursuant to the Conversion Rate) that each Redeemable Shareholder shall receive. On the Conversion Date the Redeemable Shares specified in any such Conversion Notice shall be deemed to be cancelled contemporaneously with the issue or transfer of the Ordinary Shares specified in the Conversion Notice to the relevant Redeemable Shareholder.

9 Restrictions on Transfer of Redeemable Shares

As contemplated by the Constitution, Redeemable Shares are issued on terms that they may not be transferred except with the prior approval of a Requisite Majority of the Directors and on such terms and conditions that the Requisite Majority of the Directors determines or otherwise approves in writing as being applicable for the purpose of that transfer.

10 Selective Redemptions and Conversions

For the avoidance of doubt, the Company is not required to redeem or convert Redeemable Shares on a pro rata basis, and may from time to time redeem or convert Redeemable Shares held by any individual Redeemable Shareholder, or by any Redeemable Shareholders selected on a basis determined by a Requisite Majority of the Directors.

11 Application of Shareholders Agreement

The provisions of the Shareholders Agreement shall apply to the Redeemable Shares and to Redeemable Shareholders (with such consequential amendments as may be deemed necessary by the Requisite Majority of the Directors) except that:

11.1 in the event of any inconsistency between the provisions of the Shareholders Agreement and these Terms of Issue, these Terms of Issue shall prevail;

11.2 where these Terms of Issue state that a provision of the Shareholders Agreement does not apply to Redeemable Shares or Redeemable Shareholders then in any such provision the terms “Share” and “Shareholder” shall be deemed not to include a “Redeemable Share” and a “Redeemable Shareholder” respectively, unless expressly stated otherwise in the relevant provision or these Terms of Issue;

11.3 section 3 (Exercise of Shareholders Rights) of the Shareholders Agreement applies to the Redeemable Shares and Redeemable Shareholders, apart from clauses 3.2(d) and 3.6 which shall not apply, such that for the purposes of these Terms of Issue, each reference to any Ordinary Share in that section shall be deemed to refer and apply to the Redeemable Shares and each reference to any Shareholder in that section shall be deemed to refer and apply to the Redeemable Shareholders;

- 11.4 clauses 6.1, 6.2 and 6.4 do not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.5 section 7 (Fair Value of Shares) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.6 section 8 (General Provisions) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders, apart from clauses 8.4(g), 8.5, 8.9, 8.12, 8.13, 8.14 and 8.15 which shall apply;
- 11.7 section 9 (BGLD and BGLD2) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.8 section 10 (Yearly Limitation on Disposal of Ordinary Shares) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.9 section 11 (Private Sales of Ordinary Shares) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.10 section 12 (Transfers by Shareholders Holding the Specified Number of Shares or Less) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.11 section 13 (Transfers by Shareholders Holding More than the Specified Number of Shares) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.12 section 14 (Disposal of Management Shares) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.13 section 15 (Adjustment, Requisition and Transfers back of Shares) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders, apart from clause 15.4 which shall apply;
- 11.14 section 16 (Advances by Shareholders and Current Accounts) of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders, apart from clauses 16.3, 16.4, 16.5, 16.6, 16.7 and 16.8 which shall apply;
- 11.15 clause 17.2 of the Shareholders Agreement does not apply to Redeemable Shares or to Redeemable Shareholders;
- 11.16 section 19 (Disclosure of Financial Statement and Reports) does not apply to Redeemable Shares or to Redeemable Shareholders (such that the reference to "parties" in clause 19.3 shall be deemed not to include a Redeemable Shareholder), apart from clause 19.1 which shall apply.

Constitution of Beca Group Limited

(attached)

DEED OF COVENANT FOR INTENDING SHAREHOLDERS

DEED dated the day of 2010

PARTIES

(full name) ("Intending Party")

THIS DEED records that:

1. In this deed:
 - (a) "Agreement" means the Beca Group Limited Shareholders Agreement dated 22 December 1994, as may be amended from time to time.
 - (b) Words and Phrases defined in the Agreement have the same meaning where they are used in this Deed.
 - (c) "Other Parties" means every party to the Agreement other than any party becoming a party by operation of this deed; and
2. In consideration of the Board approving the Intending Party as a party to the Agreement the Intending Party covenants in favour of the Other Parties that the Intending Party shall be bound to the terms of the Agreement as if the Intending Party were an original party to the Agreement
3. The Intending Party acknowledges and agrees in favour of Beca Group Limited, its directors, officers, advisers, employees and the Other Parties that to the maximum extent permitted by law none of them give any warranty or representation concerning Beca Group Limited and in providing the covenants in this deed and proceeding with the issue or transfer of Ordinary Shares the Intending Party does not rely on any statement, representation, warranty, condition, forecast or other conduct which may have been made or may be made in the future by or on behalf of Beca Group Limited or the Other Parties.

EXECUTION
SIGNED by the
Intending Party
in the presence of:



(Intending Party's signature)

(Signature of Witness)

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

(Occupation of Witness)

(Address of Witness)

- (f) **"Guidelines"** means the Guidelines for Transfer or Issue of Shares to the Trustees of an Employee's family trust prepared by BGL, as may be amended from time to time;
 - (g) **"Ordinary Share"** means a non-voting ordinary share in BGL being the Shares described as Ordinary Shares in the Constitution;
 - (h) **"Share"** includes an Ordinary Share and a Redeemable Share and includes, but is not limited to, any Share acquired by the Trustees in the future pursuant to clause 2.3 of the Agreement; and
 - (i) words and phrases defined in the Agreement have the same meaning where they are used in this deed unless defined otherwise in this deed.
2. The Employee covenants in favour of the BGL Parties that from the time that the Trustees become the Shareholder of Shares in BGL, the Employee shall:
- (a) observe all the provisions of this deed, the Agreement, the Guidelines, and any policies that the Board may from time to time implement as if the Employee were also a Shareholder of the Shares held by the Trustees;
 - (b) at all times indemnify each of the BGL Parties in respect of any loss, damage or cost (excluding consequential loss or damage) suffered or incurred by that party as a direct or indirect result of a breach by the Employee of his/her or the Trustees of any of their obligations under the Agreement or this deed;
 - (c) accept any Transfer Notice pursuant to clause 11.3 of the Agreement, or any other transfer notice, given by the Trustees to the Employee; and
 - (d) notify the BGL Parties prior to any change to the Appointor(s) or any significant change to the beneficiaries of the Trust or their respective entitlements under the Trust or to the terms of the Trust, and upon any request by or on behalf of the BGL Parties to notify the BGL Parties of confirmatory details of the same.
3. The Trustees covenant in favour of the BGL Parties that from the time that the Trustees become the Shareholder of Shares in BGL, the Trustees shall:
- (a) observe all the provisions of this deed, the Agreement, the Guidelines and any policies that the Board may from time to time implement;
 - (b) irrevocably direct that where:
 - (i) the Employee continues or the Trustees continue to retain Shares in BGL; and
 - (ii) there are amounts outstanding to the Funding Facility Provider or BGL Depository No. 2 Limited on any of those Shares,

any dividends paid or other amounts received in respect of any Shares in BGL which have been transferred or issued to the Trustees shall first be applied to reducing the debt owed by the Trustees or the Employee which is outstanding in respect of any Shares in BGL which are retained by the Employee or the Trustees, until such time as the amounts outstanding have been repaid to the Funding Facility Provider and BGL Depository No. 2 Limited (as the case may be) in full, except to the extent stated otherwise in any irrevocable direction executed by the Trustees in a form acceptable to the Funding Facility Provider;

- (c) at all times indemnify each of the BGL Parties in respect of any loss, damage or cost (excluding consequential loss or damage) suffered or incurred by that party as a direct or indirect result of a breach by the Trustees of any of their obligations under the Agreement or this deed, acknowledging the powers reserved to the Board in the Agreement and this deed to require the Shares to be sold, including in, but not limited to, such circumstances of breach;
- (d) notify the BGL Parties prior to any change to the Appointor(s) or any significant change to the beneficiaries of the Trust or their respective entitlements under the Trust or to the terms of the Trust; and
- (e) where the Trustees do not include the Employee, and do include a corporate trustee, the following covenants are provided, unless the corporate trustee is an independent professional trustee approved by the Board and listed in the Schedule to this deed (or notified to and accepted in writing by BGL as an independent professional trustee):
 - (i) the Trustees covenant that the Employee is and shall be a director of the corporate trustee and shall be one of the people having the power to appoint or remove directors of the corporate trustee;
 - (ii) all the director(s) of the corporate trustee personally guarantee the corporate trustee's performance of and compliance with the terms of this deed;
 - (iii) all of the shareholders of any corporate trustee personally guarantee that:
 - (a) the director(s) of the corporate trustee shall not be changed; and
 - (b) they shall not transfer their shares,
 - without prior written approval from the Board.

4. The Employee and the Trustees each covenant in favour of the BGL Parties that:

- (a) if any change in the trustees of the Trust is proposed, they shall:
 - (i) obtain the prior written approval of the Board to the change, which shall be subject to compliance with paragraph (ii) of this clause 4; and
 - (ii) ensure that the Employee, the new trustee(s) and any continuing trustee(s) execute a Deed of Covenant, replacing this deed, and any other documents required by the Board in the form required by the Board, and
- (b) the Employee shall be and remain an Appointor and beneficiary of the Trust.

The Trustees hereby irrevocably waive any entitlement to dividends or other distributions in respect of any Shares in BGL, and acknowledge that no transfer of Shares in connection with the change shall be effective, until the requirements of this clause 4 have been met.

5. In consideration of the Board approving the Trustees as a party to the Agreement, the Trustees covenant in favour of the BGL Parties that the Trustees shall be bound to the terms of the Agreement as if the Trustees were an original party to the Agreement.

6. In addition to the provisions above, the Requisite Majority of the Directors having approved the Trustees to be a Shareholder pursuant to clause 2.3 of the Agreement, the Trustees:
- (a) irrevocably appoint the Employee as their duly authorised agent to attend on their behalf any shareholder meetings of BGL, to sign on their behalf all documents required of them in their capacity as parties to the Agreement or otherwise desirable relating to the Shares or any Funding Facility, accept all notices, do all things necessary to comply with or give effect to this deed or the Agreement and give instructions to BGL or its advisors relating to the Shares or any Funding Facility;
 - (b) covenant that they will not at any time, encumber in any manner the Shares held by them;
 - (c) covenant that upon receipt of a notice in writing from the Employee to do so, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement or transfer the Redeemable Shares then held by the Trustees to the Employee pursuant to clause 9 of Schedule 2 of the Agreement;
 - (d) covenant that upon receipt of a notice in writing from the Requisite Majority of the Directors to do so, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement and the Redeemable Shares then held by the Trustees to the Employee pursuant to clause 9 of Schedule 2 of the Agreement;
 - (e) covenant that upon the Employee and/or the Related Persons of an Employee ceasing to be beneficiaries under the Trust, the Trustees will forthwith transfer the Ordinary Shares then held by the Trustees to the Employee by way of Private Sale pursuant to clause 11 of the Agreement and transfer any Redeemable Shares then held by the Trustees to the Employee pursuant to clause 9 of Schedule 2 of the Agreement;
 - (f) agree that if a Transfer Notice is not given within five Business Days after the date of the notice given under paragraphs (c) or (d) above or after the change in beneficiaries under paragraph (e) above then a Transfer Notice will be deemed to have been given on the expiry of that period by the Trustees pursuant to the Agreement and the provisions of clause 8 of the Agreement and, in respect of Redeemable Shares, clause 7 of this deed shall apply accordingly;
 - (g) covenant to comply with the sell down rules as prescribed in clause 13.4 of the Agreement, and any other transfer, redemption, conversion or sell down provisions in the Agreement or policies that the Board may implement from time to time as if they were the Employee, in which event, all references in the Agreement or policies relating to the transfer of the Shares (where the context requires) by the Employee shall be read as the transfer of Shares by the Trustee; and
 - (h) in the event they fail to comply with this clause 6 promptly or in the timeframes stipulated by the Requisite Majority of the Directors, irrevocably appoint any Director of BGL as their attorney to transfer the Shares or execute any document required to transfer Shares in accordance with the Agreement or this deed.
7. Where the Trustees are notified in writing by the Board (being a Requisite Majority of Directors pursuant to clause 9 of Schedule 2 of the Agreement) of a Transferee for all or any of the Redeemable Shares the Trustees shall become bound to transfer those

Redeemable Shares forthwith to the Transferor specified in the written notice provided by the Board.

8. The Employee and the Trustees acknowledge and agree that:
- (a) they have had an opportunity to seek independent legal, financial, tax and/or other professional advice prior to entering into this deed;
 - (b) the decision to transfer or issue, or procure the transfer or issue of, Shares to a Family Trust and subsequent consequences, whether legal, financial, tax or otherwise, are solely the responsibility of the Employee and the Trustees and not of BGL or its related companies (as defined in the Companies Act 1993) or their directors, officers, advisers, employees and representatives or the BGL Parties (together the "Relevant Parties");
 - (c) in relation to entry into this deed, the transfer or issue of Shares to the Trust and any subsequent effects, incidents or consequences (whether in relation to financial, tax, legal or other matters) to the maximum extent permitted by law:
 - (i) none of the Relevant Parties gives any warranty or representation concerning BGL;
 - (ii) they do not rely on any statement, representation, warranty, condition, forecast or other conduct which may have been made, or may be made in the future, by or on behalf of the Relevant Parties; and
 - (iii) they agree in favour of the Relevant Parties that the Relevant Parties shall not have any liability, whether in contract, tort (including negligence), equity, under statute or otherwise.
9. The liability of any independent trustee(s) of the Trust and/or, in the case of a corporate trustee, any independent director(s) or shareholder(s) in each case listed in the Schedule to this deed (or notified to and accepted in writing by BGL as an independent trustee) for any act or omission (except for gross negligence or willful misconduct), in relation to the Trust, shall be limited to the net assets of the Trust.
10. This deed may be executed in one or more counterpart copies which, read together, shall constitute one and the same instrument. Any facsimile copy of this deed (including any facsimile copy of any document evidencing the execution of this deed by either party) may be relied upon by the other party as though it were an original copy.
11. This deed shall be deemed to apply from 1 April of the Financial Year in which this deed is executed. This deed is in substitution and replacement of any earlier Deed of Covenant entered into in relation to Shares in BGL held by the Trust, which shall, upon this deed becoming effective, be terminated.

SCHEDULE

Independent Trustee, Director Or Shareholder (See clause 9)

N/A

Independent Professional Trustee approved by the Board (see clause 3(e))

N/A

EXECUTION

SIGNED by
EMPLOYEE in the presence of: } _____
(Signature of Witness) } **EMPLOYEE (Employee)**

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by
TRUSTEE 1 in the presence of: } _____
(Signature of Witness) } **TRUSTEE 1 (Trustee)**

(Name of Witness)

(Occupation of Witness)

(Address of Witness)

SIGNED by
TRUSTEE 2 in the presence of: } _____
(Signature of Witness) } **TRUSTEE 2 (Trustee)**

(Name of Witness)

(Occupation of Witness)

(Address of Witness)