
Share Purchase Agreement

(for shares in VerifyNow Pty Ltd)

The persons listed in column 1 of Schedule 1 (each a **Seller** and together the **Sellers**)
Accurate Background UK Limited (**Buyer**)

Execution version

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Parties

- 1 The persons listed in column 1 of Schedule 2 (each a **Seller** and together the **Sellers**); and
 - 2 **Accurate Background UK Limited** (Company Number 11954722) of C/O Legalinx Limited, Tallis House, 2 Tallis Street, Temple, London, England, EC4Y 0AB (**Buyer**)
- (the **parties**).
-

Background

- A VerifyNow Pty Ltd (ACN 643 420 311) (**Company**) is a company registered in the Australian Capital Territory and has its registered office at Level 1, 11 Fitzroy Street, Forrest ACT 2603.
- B The Sellers are the registered holders of the Sale Shares, being all the issued shares in the capital of the Company.
- C The Buyer agrees to buy, and the Sellers agree to sell, the Sale Shares on the terms and conditions set out in this agreement.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1, has the meaning given in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this agreement.

2 Sale and price

2.1 Sale of Sale Shares

- (a) Each Seller must sell the Sale Shares set out next to its name in Schedule 2 to the Buyer and the Buyer must buy those Sale Shares:
 - (i) for that Seller's Respective Proportion of the Purchase Price;
 - (ii) on the Completion Date;

- (iii) free from any Security Interest;
 - (iv) with all rights, including dividend rights, attached to or accruing to them on and from the date of Completion; and
 - (v) on the terms and conditions of this agreement.
- (b) Legal and beneficial ownership and risk in the Sale Shares:
- (i) until Completion, remains solely with the Sellers; and
 - (ii) passes to the Buyer with effect on and from Completion.

2.2 Purchase Price

- (a) The total consideration for the Sale Shares to be paid or provided by the Buyer to the Sellers is an amount equal to the Purchase Price, as adjusted in accordance with this agreement.
- (b) The Purchase Price will be paid and provided in the form of:
- (i) the Initial Consideration in accordance with clause 5.4(a);
 - (ii) the Cogent Loan Payout Amount in accordance with clause 5.4(b); and
 - (iii) any other adjustments to the Purchase Price payable in accordance with this agreement.

2.3 Consent to the Sale

Each Seller:

- (a) waives all restrictions on transfer (including pre-emptive rights) that might exist in respect of the Sale Shares; and
- (b) consents to the Sale for all purposes.

3 Conditions precedent

3.1 Conditions precedent to Completion

The Buyer and the Sellers are only obliged to Complete if the following Conditions are satisfied or waived by the party or parties identified as being entitled to the benefit of that Condition:

Condition	Party entitled to benefit
(Change of Control) consent to the Transaction is received from the Australian Criminal Intelligence Commission either without conditions, or with conditions that are acceptable to the Buyer and the Sellers.	Buyer and Sellers
(New employment contracts) Khai Ngo enters into a new employment contract with the Company on terms reasonably acceptable to the Mr Ngo and the Buyer, the	Buyer

Condition	Party entitled to benefit
terms of which must not be less favourable to Mr Ngo than his terms of employment with the Company as at the date of this agreement.	
(Amended Consultant Agreement) the Company and Jeremy Cade enter into an amendment to the Consultant Agreement on terms reasonably acceptable by Mr Cade and the Buyer, the terms of which must not be less favourable to Mr Cade than his terms of his consultant agreement with the Company as at the date of this agreement.	Buyer
(Amended Service Agreement) the Company and Cogent enter into an amendment to the Service Agreement on terms reasonably acceptable to the Buyer.	Buyer
(Change of Control) the Company having delivered notice to the AFP of the Transaction (in a form reasonably agreed with the Buyer) and the AFP not having provided any indication that it does not approve of otherwise has an issue with the Transaction.	Buyer

3.2 Satisfaction or waiver of Conditions

- (a) The Buyer and the Sellers must each use their reasonable endeavours to satisfy the Conditions before 11.59pm on the date that is 40 Business Days after the date of this agreement (**Conditions Precedent Date**):
 - (i) supplying the other parties with all necessary and appropriate information for the purpose of enabling the Conditions to be satisfied;
 - (ii) not taking any action that would or would be likely to prevent or hinder the satisfaction of any Condition; and
 - (iii) keeping the other parties informed in a timely manner of the status of any discussions or negotiations with relevant third parties regarding the Conditions.
- (b) The Buyer and the Sellers must each promptly notify each other if it becomes aware that a Condition is:
 - (i) satisfied; or
 - (ii) becomes incapable of being satisfied before the Conditions Precedent Date.
- (c) The Buyer may, at any time before the Conditions Precedent Date, waive a Condition by giving written notice to the Sellers specifying that it no longer requires the Condition to be fulfilled.

- (d) The Buyer or the Sellers may terminate this agreement by giving not less than 5 Business Days written notice to the other parties at any time before Completion subject to this clause 3 if:
 - (i) a Condition is not satisfied or waived by the party(ies) entitled to benefit from that Condition by the Conditions Precedent Date; or
 - (ii) the party(ies) entitled to benefit from a Condition have given a notice to the other parties that a Condition is incapable of being reasonably satisfied by the Conditions Precedent Date (and that Condition is not waived by such party(ies)).
-

4 Conduct before Completion

4.1 Conduct of business

Between the date of this agreement and Completion, except as expressly disclosed in, or permitted or contemplated by this agreement or as consented to by the Buyer in writing, the Sellers must procure that:

- (a) the Company:
 - (i) conducts its business only in the ordinary course; and
 - (ii) must only deal with its assets in the ordinary course,in each case subject to the restrictions in this clause 4.1;
- (b) the Company uses its reasonable endeavours to preserve and protect its business, including the goodwill of its business and its current business relationships;
- (c) the Company does not:
 - (i) conduct a reorganisation of its share capital; or
 - (ii) acquire all or substantially all of the securities or the business or assets of any other person;
- (d) no change is made to the constitution of the Company;
- (e) the Company does not:
 - (i) reduce its share capital;
 - (ii) allot or issue any securities or any loan capital convertible into securities;
 - (iii) purchase, buy back, redeem, retire or acquire any such securities; or
 - (iv) create any Security Interest over any of its securities;
- (f) the Company does not declare or pay any dividend or make any other distribution or return of capital, including by way of repayment, redemption or repurchase of capital of the Company;
- (g) the Company does not:

- (i) enter into a capital commitment for an amount exceeding \$10,000, other than as an operational expense in the course of business, including the Loan;
 - (ii) declare itself trustee of or create any Security Interest over any assets (other than a Permitted Security Interest over assets other than the Sale Shares);
 - (iii) acquire or dispose of or otherwise deal with any assets having a value exceeding \$5,000 (whether individually or in aggregate for a series of related contracts and commitments forming one overall transaction); or
 - (iv) make any unusual or extraordinary expenditures for an amount exceeding \$5,000;
- (h) the Company does not:
 - (i) enter into, vary in a material manner or voluntarily terminate any Material Contract; or
 - (ii) enter into any arrangement which is not on arm's length, commercial terms and in the ordinary course of business;
- (i) the Company does not enter into any joint venture, partnership, unincorporated association or similar arrangement;
- (j) insurance cover existing as at the date of this agreement for the Company is not terminated, and any premiums due in respect of such insurance cover are paid when due;
- (k) the Company complies in all material respects with all applicable laws and maintains all licences, consents and authorisations of any nature whatsoever (public or private) existing at the date of this agreement which are material and necessary to carry on its Business;
- (l) other than in the ordinary course of its business, including the Loan, the Company does not:
 - (i) borrow any money;
 - (ii) accept any financial facility or financial accommodation; or
 - (iii) make or grant any loans, capital advance or any financial facility or financial accommodation;
- (m) the Company does not enter into any guarantee or indemnity on behalf of any person or provides any security for the obligations of any person;
- (n) the Company does not make any Tax or Duty election (including any change of residence), lodge or amend any Tax Return, adopt a position in relation to Tax or Duty, or settle or compromise any liability relating to Tax or Duty;
- (o) the Company does not commence or settle any Claim or Action against another party;
- (p) the Company does not offer employment to, alter the terms and conditions or terminate the employment of any Employee other than for cause; or

- (q) the Company does not grant any licence, assignment or other right or interest in respect of intellectual property, other than in the ordinary course of business;
- (r) no resolution is passed for the winding up or dissolution of the Company; and
- (s) the Company does not authorise or agree (conditionally or otherwise) to do any of the things which it is prevented from doing under this clause 4.1.

4.2 Maintenance of records

Until Completion, the Sellers must ensure that all Business Records:

- (a) are fully and properly maintained and contain accurate records of all material matters required to be entered in them by the Accounting Standards;
- (b) do not contain or reflect any material inaccuracies or discrepancies; and
- (c) give a true and fair view of the trading transactions and the financial and contractual position of the Company and the business and assets of the Company.

4.3 Access

Between the date of this agreement and the Completion Date, the Sellers must:

- (a) allow the Buyer and persons authorised by the Buyer:
 - (i) reasonable access during normal business hours to the Premises (subject to any applicable visitor security requirements) and to senior management of the Company; and
 - (ii) to inspect the books of account and other records of the Company;
- (b) keep the Buyer fully and promptly informed about the conduct of the business of the Company and all material matters that relate to the business of the Company and the Company itself; and
- (c) promptly provide the Buyer with all explanations and information it reasonably requests about the Company, the business of the Company, the assets of the Company and the Business Records.

4.4 Conditions of access

The Buyer may only exercise its right of access under clause 4.3 if:

- (a) the Buyer has provided the Sellers with reasonable prior notice of the access that the Buyer requires (including the identity of the representatives who are to exercise that right of access on behalf of the Buyer);
- (b) the access will not result in the Sellers or any of their Related Bodies Corporate breaching any obligation of confidentiality or other restriction as to disclosure of information to the Buyer; and
- (c) the Buyer and each of its representatives provided with access agree to comply with the Sellers' reasonable requirements and directions in relation to that access.

4.5 Sellers' Completion Statement

At least 5 Business Days before Completion, the Sellers must deliver to the Buyer the Sellers' Completion Statement setting out:

- (a) the Estimated Net Debt (including a breakdown of the items comprising the Estimated Net Debt);
- (b) the Estimated Working Capital (including a breakdown of the items comprising the Estimated Working Capital);
- (c) the Initial Adjustment Amount;
- (d) each adjustment or allowance required under this agreement including allowances for the Debt and Cash; and
- (e) the Initial Consideration payable to each Seller on the Completion Date.

5 Completion

5.1 Date and place for Completion

Completion must take place electronically in the Australian Capital Territory, Australia at 11.00am (AEST time) on the first day of the following month after the last Condition is met or waived (as applicable), or any other time and date that the Buyer and Sellers agree.

5.2 Approvals

Prior to Completion, the Sellers must procure that a meeting of the directors of the Company is held at which the directors approve the following resolutions, subject to Completion, with effect on and from Completion:

- (a) Timothy Dowd, David Wheeler and Bryan Fujioka be appointed as directors, and Khai Ngo be appointed as secretary, of the Company;
- (b) Anthony Blumer and Helen Hill resign as directors, and Helen Hill resign as secretary, of the Company;
- (c) Bryan Fujioka and Luis Rivera be added as signatories to the bank accounts held by the Company;
- (d) Anthony Blumer and Helen Hill be removed as signatories to the bank accounts held by the Company;
- (e) the transfer of the Sale Shares to the Buyer and the entry of the name of the Buyer in the share register of the Company;
- (f) the cancellation of the existing certificate(s) for the Sale Shares if certificate(s) have been issued; and
- (g) the issue and delivery of new share certificates for the Sale Sales in the name of the Buyer.

5.3 Sellers' obligations at Completion

At Completion, provided that the Buyer has complied with its obligations under clause 5.4, the Sellers must deliver to, or at the direction of, the Buyer:

- (a) duly executed instruments of transfer of the Sale Shares in favour of the Buyer;
- (b) the existing certificates for the Sale Shares or, if no certificates have been issued or have been lost or destroyed, then a statutory declaration attesting to the loss or non-existence of the share certificates for the Sale Shares;
- (c) new share certificates for the Sale Shares in the name of the Buyer;
- (d) a copy of the share register of the Company, updated to reflect the Buyer as the legal owner of the Sale Shares;
- (e) written resignations by each of Anthony Blumer and Helen Hill as a director and Helen Hill as a secretary of the Company with effect from the Completion Date in a form agreed between the parties acting reasonably;
- (f) copies of the resolutions of the directors passed in accordance with clause 5.2;
- (g) electronic access to the minute books, statutory books and registers, books of account, annual statements, trading and financial records, copies of Tax Returns and other documents and papers of the Company, and a list of all bank accounts kept by the Company;
- (h) in respect of each PPS Security Interest over:
 - (i) the Sale Shares; or
 - (ii) the Company's assets (other than a Permitted Security Interest),
which is registered on the PPS Register immediately before Completion:
 - (iii) a deed executed by the person named in the PPS Register as the secured party in relation to the PPS Security Interest, releasing the PPS Security Interest with effect from Completion and undertaking to procure the removal of the PPS Security Interest from the PPS Register within 5 Business Days after Completion, or where applicable, a deed of partial release executed by the person named in the PPS Register as the secured party in relation to the PPS Security Interest, partially releasing the Sale Shares from the PPS Security Interest registered in its favour on the PPS Register; and
 - (iv) such other documents required by the Buyer (acting reasonably) to evidence the full or partial release of the PPS Security Interest (as applicable) and the removal of the PPS Security Interest from the PPS Register;
- (i) in respect of each Security Interest over:
 - (i) the Sale Shares; or
 - (ii) the assets of the Company (other than a Permitted Security Interest),
which is not registered on the PPS Register immediately before Completion, evidence satisfactory to the Buyer (acting reasonably) that the Security Interest has been released, or will be released, with effect from Completion;

- (j) all documents evidencing (to the satisfaction of the Buyer, acting reasonably) that the Cogent Loan Payout Amount has been settled or repaid in full without any negative tax consequences to the Company or the Buyer;
- (k) the ASIC Corporate Key of the Company;
- (l) duly executed deed of termination of the Owners' Agreement executed by each Seller;
- (m) an electronic copy of the Data Room;
- (n) a copy of the notification submitted to the Australian Federal Police prior to Completion in respect of the change of control of the Company arising from this agreement in a form agreed between the Buyer and the Sellers (each acting reasonably); and
- (o) evidence that the registration of the domain name 'verifynow.com.au' is transferred to the Company,

in each case, in a form and substance satisfactory to the Buyer (acting reasonably).

5.4 Buyer's obligations at Completion

At Completion, provided that each Seller has complied with its obligations under clause 5.3, the Buyer must:

- (a) pay the Initial Consideration to the Sellers into the following account in Immediately Available Funds:

Account name: MEYER VANDENBERG PTY LTD LAW PRACTICE
GENERAL TRUST ACCOUNT
BSB: 082-902
Account number: 43-211-7640
BIC/SWIFT: NATAAU3303M

- (b) provide (by way of unsecured loan) to the Company the necessary funds (in addition to the Cash) to enable the Company to pay the Cogent Loan Payout Amount or pay such amounts directly if so directed.

Payment of the Initial Consideration into the account set out in clause 5.4(a) shall constitute a full and final discharge of the Buyer's obligation to pay the Initial Consideration at Completion and the Buyer shall not be responsible for the disbursement of the Initial Consideration to the Sellers thereafter.

5.5 Interdependence

- (a) The obligations of the Buyer and the Sellers under this clause 5 are interdependent.
- (b) Unless otherwise stated, all actions required to be performed by a party at Completion are taken to have occurred simultaneously on the Completion Date.
- (c) Completion will not occur unless all of the obligations of the Buyer and the Sellers to be performed at Completion under this clause 5 are complied with and are fully effective. If one action does not take place, then without prejudice to any rights available to any party as a consequence:

- (i) there is no obligation on any party to undertake or perform any of the other actions;
 - (ii) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
 - (iii) the Sellers and the Buyer must each return to the other all documents delivered to them under clauses 5.3 and 5.4 and must each repay to the other all payments received by it under clause 5.4.
- (d) The Buyer may, in its sole discretion, waive any or all of the actions that a Seller is required to perform under clause 5.3, and the Sellers may, in their sole discretion, waive any or all of the actions that the Buyer is required to perform under clause 5.4.

5.6 When Completion occurs

Completion occurs only once the Buyer and the Sellers have each satisfied their respective obligations under clauses 5.3 and 5.4.

6 Completion Accounts

Preparation of Completion Accounts

- (a) The Sellers must as soon as reasonably possible after the Completion Date (and in any event, within 20 Business Days after that date) prepare a draft of the Completion Accounts and deliver it to the Buyer together with relevant supporting information and working papers.
- (b) The Completion Accounts must be prepared in the format and using only those line items set out in Schedule 5 and in accordance with the Accounting Principles specified in Schedule 6 to show the value of the:
 - (i) accounting trial balance;
 - (ii) financial statements of the Company including balance sheet and income statement;
 - (iii) Completion Net Debt;
 - (iv) Completion Working Capital; and
 - (v) Final Adjustment Amount.

6.2 Review of draft Completion Accounts

- (a) The Buyer must, within 10 Business Days after receipt of the draft Completion Accounts, complete their review of the draft Completion Accounts and notify the Sellers in writing whether they agree or disagree with the draft Completion Accounts.
- (b) If the Buyer disagrees acting reasonably with the draft Completion Accounts (or any item in the draft Completion Accounts) the Buyer must, within the timeframe in clause 6.2(a), notify the Sellers in writing (**Dispute Notice**) of the items in respect of which they disagree including the reasons for the disagreement and the Buyer's submissions as to the correct amount for each such item (**Disputed Matters**).

- (c) If the Buyer notifies the Sellers that they agree with the draft Completion Accounts or fails to notify the Sellers in accordance with clause 6.2(b), then the draft Completion Accounts will be the final Completion Accounts and will be conclusive, final and binding on the parties.
- (d) The Sellers must provide, or ensure the provision of, access to all relevant personnel and information requested by the Buyer in relation to the review of, and agreement to, the draft Completion Accounts.
- (e) A Dispute Notice issued under clause 6.2(b) is not effective for any amount unless:
 - (i) each individual amount in dispute is at least \$1,000; and
 - (ii) the aggregate amount in dispute is greater than \$25,000.

6.3 Disagreement

- (a) If the Buyer notifies the Sellers in accordance with clause 6.2(b) of any Disputed Matters then the Buyer and the Sellers must enter into good faith negotiations and use all reasonable endeavours to agree the Disputed Matters.
- (b) If the Buyer and the Sellers cannot agree the Disputed Matters within 10 Business Days after delivery of a Dispute Notice under clause 6.2(b) (or such longer period as the Buyer and the Sellers agree) then the unresolved Disputed Matters must be referred for resolution to an independent accountant as agreed by the Buyer and the Sellers within a further 5 Business Days or, failing agreement within 5 Business Days after the Buyer or the Sellers first request the appointment of an expert, who is nominated by the Resolution Institute to act in accordance with the Expert Determination Rules of the Resolution Institute (**Independent Accountant**).
- (c) The Independent Accountant will act as an expert, not as an arbitrator, in determining the dispute and the Independent Accountant's decision is final, conclusive and binding on the Buyer and the Sellers (except in the case of manifest error).
- (d) The Independent Accountant must make any determination by applying Schedule 5 and the Accounting Principles specified in Schedule 6.
- (e) The Independent Accountant's determination of any value must be within the range for such items claimed by the Sellers and the Buyer. To the extent that the Independent Accountant's determination assigns a value outside of this range, the value for such items claimed by either the Sellers or the Buyer that is closest to the Independent Accountant's determination shall be used instead.
- (f) The Independent Accountant must be instructed to decide the matters in dispute and finish its determination and provide it to the Sellers and the Buyer no later than 20 Business Days after the date he/she is appointed pursuant to clause 6.3(b).
- (g) Each party must bear its own costs in complying with this clause 6 and the cost of the Independent Accountant must be shared equally and paid by the Buyer (50%) and the Sellers (as to 50%).
- (h) The Buyer and the Sellers must direct the Independent Accountant to provide its determination with regards to each Disputed Matter in the form of a single value that the Independent Accountant determines should be reflected in the Completion Accounts. If the Independent Accountant provides its determination with regards to any Disputed Matter in the form of a range of values, the parties must instruct the

Independent Accountant to revisit that determination and provide its revised determination in the form of a single value. If the Independent Accountant is unwilling to provide a determination with regards to any Disputed Matter in the form of a single value, the mid-point of the range of values that the Independent Accountant determined will be used instead.

6.4 Adjustments to Purchase Price

- (a) If the Final Adjustment Amount is:
 - (i) a positive number then, on the Final Payment Date, the Buyer must pay an amount equal to that number to the Sellers (in their Respective Proportions) by depositing such amount into the account of the Sellers' Lawyers, and the Purchase Price will be increased accordingly; or
 - (ii) a negative number then, on the Final Payment Date, the Sellers must pay an amount equal to that number (expressed as a positive number) to the Buyer, and the Purchase Price will be reduced accordingly.
- (b) A party required to make a payment to another party under this clause 6.4 must make the payment within 5 Business Days after the finalisation of the Completion Accounts or determination by the Independent Accountant (as applicable) (**Final Payment Date**).

7 Tax Indemnity

The Sellers give the indemnity set out in Schedule 4 subject to the limitations and qualifications set out in clause 9 and Schedule 4.

8 Seller Warranties

8.1 Giving of Seller Warranties

- (a) Each Seller:
 - (i) represents and warrants to the Buyer that each of the Seller Warranties is true and accurate as at the date of this agreement and will be true and accurate as at the Completion Date (unless expressly provided otherwise in the relevant Seller Warranty);
 - (ii) acknowledges that the Buyer has entered into this agreement in reliance on the Seller Warranties; and
 - (iii) subject to the limitations in clause 9, indemnifies the Buyer in respect of Loss suffered by the Buyer or the Company arising directly or indirectly from a breach of a Seller Warranty.
- (b) Each Seller Warranty must be construed independently and is not limited by reference to another Seller Warranty.
- (c) The Seller Warranties survive Completion for the periods specified in clause 9.4(b).
- (d) The Sellers must immediately, but in any event by no later than 2 Business Days from becoming aware, disclose to the Buyer any information of which it becomes aware in the period between the date of this agreement and the Completion Date

which may result in any of the Seller Warranties being untrue or inaccurate when repeated at the Completion Date.

8.2 No extinguishment

The Seller Warranties are not extinguished or affected by any investigation made by or on behalf of the Buyer or any other person (including the Representatives of the Buyer) into the affairs of the Company or the Business or by any other event or matter:

- (a) unless the Buyer has given a specific written waiver or release; or
- (b) except as expressly provided in clauses 7 and 9.

8.3 Sellers' knowledge and enquiries

Where a Seller Warranty is qualified by the expression "so far as each Seller is aware" or any similar expression, the parties agree that the expression refers to all matters within the actual knowledge and awareness of each Seller and each Relevant Individual having made due and reasonable enquiries of their direct reports to ensure that all information given in the Seller Warranty is true and accurate.

9 Limitations on liability

9.1 Disclosure and public records

The Seller Warranties (other than Title and Authority Warranties and Tax Warranties) are given subject to and are qualified by, and the liability of the Sellers in respect of any breach of any Seller Warranty (other than a Title and Authority Warranty or Tax Warranty) will be extinguished where the breach arises in direct connection with:

- (a) any matter or information which has been Fairly Disclosed in the Disclosure Materials;
- (b) any information or matters that would have been Fairly Disclosed to the Buyer had the Buyer conducted searches of records open to public inspection by ASIC and the PPS Register on the date which is 5 Business Days prior to the date of this agreement; or
- (c) facts, matters or circumstances within the actual knowledge of the Buyer Deal Team as at the date of this agreement.

9.2 No liability

The Sellers are not liable to the Buyer for any Claim or Loss under this agreement:

- (a) to the extent that a provision, reserve or accrual in relation to the facts, matters or circumstances giving rise to the Claim or Loss was specifically included in the Completion Statement;
- (b) to the extent that the Claim would not have arisen but for some act, omission, transaction or arrangement carried out at the written request or with the written approval of the Buyer, its Related Bodies Corporate or their respective Officers or the Buyer Deal Team, before Completion;
- (c) if the liability for that Claim is a contingent liability, unless and until the liability is an actual liability and is due and payable;

- (d) the Claim or Loss would not have arisen but for:
 - (i) the enactment or amendment of any legislation or regulations;
 - (ii) a change in the judicial or administrative interpretation of the law; or
 - (iii) a change in the practice or policy of any Government Agency,after Completion, including legislation, regulations, amendments, interpretation, practice or policy that has a retrospective effect provided that such change was announced prior to the date of this agreement and is implemented in substantially the same form; or
- (e) if it is remediable, provided it is remedied to the satisfaction of the Buyer, acting reasonably, within 20 Business Days after the Sellers receive written notice of the Claim under clause 9.4(a).

9.3 Indirect or consequential loss

The Sellers are not liable to the Buyer or the Company for any Claim for breach of a Seller Warranty to the extent such Claim relates to any liability that is an indirect, remote or abnormal loss.

9.4 Notice and time limits on Claims

- (a) The Buyer must notify the Sellers of any Claim it has against the Sellers under this agreement (including any Claim for breach of any Seller Warranty), setting out reasonable details of the facts, matters or circumstances giving rise to the breach, the nature of the breach and, if known at the time of notification, an estimate of the amount of Loss arising from the Claim, as soon as practicable after it becomes aware of it.
- (b) The Buyer may not make and the Sellers are not liable for any Claim for a breach of a Seller Warranty unless details of the Claim have been notified to the Sellers:
 - (i) in the case of the Seller Warranties (other than the Title and Authority Warranties and the Tax Warranties), by the second (2nd) anniversary of the Completion Date; and
 - (ii) in the case of the Tax Warranties, by the fifth (5th) anniversary of the Completion Date.

9.5 Maximum liability

- (a) The Sellers' total aggregate liability for Loss or damage arising in respect of all Claims:
 - (i) under or in connection with this agreement, but excluding for any breach of Seller Warranty, is limited in aggregate to 100% of the Purchase Price; or
 - (ii) for breach of a Seller Warranty (other than Title and Authority Warranties, which are subject to clause 9.5(a)(i)) is limited in aggregate to 70% of the Purchase Price.
- (b) For the avoidance of doubt, the parties acknowledge and agree that Sellers' total aggregate liability for Loss or damage arising in respect of all Claims under clause 9.5(a) must not exceed in aggregate 100% of the Purchase Price.

9.6 Duty to mitigate

Each party is under a duty to mitigate its Loss in relation to any Claim. The Sellers liability for any Loss will be reduced or extinguished (as the case may be) to the extent that the Buyer has failed to take reasonable actions to mitigate its Loss.

9.7 Reduction in Purchase Price

If payment is made for a breach of a Seller Warranty, the payment is to be treated as a reduction in the Purchase Price, subject to any applicable laws.

9.8 Independent limitations

Each qualification and limitation in this clause 9 is to be construed independently of the others and is not limited by any other qualification or limitation.

9.9 Damages only remedy

If any of the Seller Warranties are incorrect, untrue or misleading, the Buyer's only remedy is in damages and the Buyer may not rescind, terminate or revoke this agreement (other than in accordance with its terms).

9.10 Fraud or wilful misconduct

None of the limitations on the liability of the Sellers set out in this clause 9 apply to any Claim against the Sellers to the extent that the Claim arises from fraud or wilful misconduct on the part of the Sellers.

10 Holdback

10.1 Holdback

The parties agree that an amount equal to the Holdback Amount shall be withheld from the Purchase Price to cover any potential claims arising in respect of a breach of any Seller Warranty or the Tax Indemnity during the period from Completion to the Holdback Payment Date.

10.2 Agreed Claims

- (a) If a W&I Claim becomes an Agreed Claim, the parties agree that the Holdback Amount shall be reduced by the Agreed Claim Amount provided that if the Agreed Claim Amount is greater than the Holdback Amount then the Holdback Amount shall be reduced to zero.
- (b) Nothing in this clause 10 shall prejudice the Buyer's ability to recover directly against the Sellers in respect of any Losses in excess of the Holdback Amount, which shall at all times remain subject to clause 9.5.

10.3 Notice of Unagreed Escrow Claims

The Buyer must, acting in good faith, in respect of each Unagreed Claim (if any), provide to the Sellers at least within 10 Business Days of the Holdback Payment Date:

- (a) an estimate in a single dollar amount of the amount of that Unagreed Claim based on the facts, matters or circumstances relating to the Unagreed Claim which are then known to the Buyer (**Holdback Claimed Amount**); and

- (b) a notice setting out all the particulars and basis reasonably satisfactory to the Seller for the estimate based on the information then available to the Buyer in respect of the facts, matters or circumstances relating to the Unagreed Claim.

10.4 Mediation for Unagreed Claims

If the parties fail to reach a solution in accordance with clause 10.3 within 5 Business Days (or such other time frame agreed between the parties), the parties must refer the Unagreed Claim to mediation. The mediator will be agreed between the parties within 10 days of written notice of the referral by the referring party to the other party, or, failing agreement, as appointed by the president of the Law Society of the Australian Capital Territory or other relevant authority or Government Agency.

10.5 Payment on Holdback Payment Date

- (a) Within 5 Business Days following the Holdback Payment Date, the Buyer must pay the Sellers in their Respective Proportions an amount equal to the Holdback Amount less the aggregate of all Holdback Claimed Amounts.
- (b) If, at any time following the Holdback Payment Date:
 - (i) a Holdback Claim becomes an Agreed Claim for an amount less than the applicable Holdback Claimed Amount;
 - (ii) a Holdback Claim is withdrawn in writing by the Buyer; or
 - (iii) it is agreed or finally determined by a court of competent jurisdiction after all avenues of appeal have been exhausted, waived or not exercised that a Holdback Claim, is not, or has ceased to be, valid or enforceable against the Sellers,

then, within 5 Business Days of the relevant date under this clause 10.5(b), the Buyer must pay to the Sellers in their Respective Proportions an amount equal to:

- (iv) in the case of clause 10.5(b)(i), the difference between the relevant Holdback Claimed Amount and the relevant Agreed Claim Amount; or
- (v) in the case of clauses 10.5(b)(ii) and 10.5(b)(iii), the relevant Holdback Claimed Amount.

11 Buyer Warranties

11.1 Buyer Warranties

The Buyer warrants to each Seller that each of the following statements is true and accurate as at the date of this agreement and at the Completion Date:

- (a) it is duly incorporated and validly exists under the law of its place of incorporation;
- (b) the execution and delivery of this agreement has been properly authorised by all necessary corporate action of the Buyer;
- (c) it has full power and lawful authority to execute and deliver this agreement and to consummate and perform or cause to be performed its obligations under this agreement;

- (d) this agreement constitutes a legal, valid and binding obligation of the Buyer enforceable in accordance with its terms; and
- (a) The execution, delivery and performance by the Buyer of this agreement does not or will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
 - (i) any provision of the constitution of the Buyer;
 - (ii) any material term or provision of any security arrangement (including any Security Interest), undertaking, agreement or deed to which it is bound;
 - (iii) any writ, order or injunction, judgement, or law to which it is a party or is subject or by which it is bound;
- (e) no Insolvency Event has occurred in relation to the Buyer; and
- (f) it Buyer is not entering into this agreement as trustee of any trust or settlement.

11.2 Reliance

The Buyer acknowledges that each Seller has entered into this agreement and agreed to take part in the Transactions that this agreement contemplates in reliance on the Buyer Warranties .

11.3 Independent warranties

Each Buyer Warranty must be construed independently and is not limited by reference to another Buyer Warranty .

11.4 Survival

The Buyer Warranties survive Completion.

11.5 Indemnity

The Buyer indemnifies the Sellers against any Loss that the Sellers may incur to the extent caused by any breach of the Buyer Warranties.

12 Default and termination

12.1 Failure by a party to Complete

- (a) If a party does not Complete when required to do so, other than as a result of default by the other party, the non-defaulting party may, give the defaulting party notice, including the following details:
 - (i) specifying the default and what is required from the defaulting party to remedy the default;
 - (ii) giving to the defaulting party not less than 10 Business Days' notice (commencing on the Business Day immediately following the day on which the defaulting party receives the notice) to remedy the default and making time of the essence; and

- (iii) indicating that on the defaulting party's failure to remedy the default in accordance with the notice, that the non-defaulting party will be entitled to terminate this agreement.
- (b) When a notice is given under clause 12.1(a) time will be of the essence under this agreement.

12.2 Specific performance or termination

If the defaulting party does not Complete within the period specified in clause 12.1, the non-defaulting party may choose either to seek specific performance or terminate this agreement.

12.3 Effect of termination

- (a) Termination of this agreement will not affect any other rights the parties have against one another at law or in equity.
- (b) On termination of this agreement:
 - (i) each party is released from its obligations under this agreement other than the parts of this agreement specified in clause 17.6;
 - (ii) each party retains any rights it has against any other party in connection with any right or Claim which arises before termination;
 - (iii) the Buyer must within 10 Business Days of the termination date, destroy (providing written confirmation) or return to the Sellers all documents and other materials in any medium in its possession, power or control which contain information relating to the Sellers or the Company and which have been disclosed to or provided to the Buyer by or on behalf of the Sellers (except for documents that can be retained in accordance with bona fide document retention policies or as required by law); and
 - (iv) the Sellers must within 10 Business Days of the termination date, destroy (providing written confirmation) or return to the Buyer all documents and other materials in any medium in their possession, power or control which contain any information relating to the Buyer and which have been disclosed to or provided to the Sellers by or on behalf of the Buyer (except for documents that can be retained in accordance with bona fide document retention policies or as required by law).

13 Restraints

13.1 Restraint

For the purposes of protecting the goodwill in the Company, each Seller undertakes to the Buyer that it will not and will procure that its Relevant Individuals and each of its and their Affiliates do not, directly or indirectly, during the Restraint Period:

- (a) subject to clause 13.8, be Involved within the Restraint Area in a Restrained Business;

- (b) directly or indirectly solicit the custom of, or perform any work with, any person who was a customer, client or supplier of the Business or the Company in the 12 month period before Completion;
- (c) directly or indirectly entice or endeavour to entice any customer, client or supplier of the Business or the Company to terminate or restrict their dealings with the Company; or
- (d) directly or indirectly entice or endeavour to entice from the Company any person who is, or was during the then preceding 12 months, an employee, consultant or officer in a managerial role of the Company. This clause does not restrict the Sellers, their Relevant Individuals and each of their Affiliates from employing or engaging the services of a person who was an employee of the Company or the Buyer Group at Completion or within 12 months prior to Completion by general employment advertising (not being an advertisement targeted specifically at the person concerned or employees of the Company or the Buyer Group generally).

13.2 Restraint Period

In this clause 13, **Restraint Period** means the period commencing on the Completion Date and ending on the date that is:

- (a) 3 years after Completion;
- (b) 2 years after Completion; or
- (c) 1 year after Completion.

13.3 Acknowledgment

Each Seller and Relevant Individual acknowledges that:

- (a) each Restraint is reasonable in the circumstances and necessary to protect the goodwill of the Business;
- (b) damages are not an adequate remedy if it breaches clause 13.1; and
- (c) it has received independent legal advice as to the operation and effect of this clause 13.

13.4 Deletion of restrictions

If any part of the Restraint goes beyond what is reasonable in the circumstances and necessary to protect the goodwill of the Business but would be reasonable and necessary if any activity were deleted or a period or area were reduced, then the Restraint applies with that activity deleted or period or area reduced by the minimum amount necessary to make the Restraint reasonable in the circumstances.

13.5 Severance

Each part of the Restraint has effect as a separate and severable restriction and is to be enforced accordingly.

13.6 Exception

Nothing in this clause 13 prohibits a Seller from performing obligations owing to the Company pursuant to an employment, consultancy or other agreement with the Company.

13.7 Injunctive relief

Each Seller and Relevant Individual acknowledges that:

- (a) monetary damages alone may not be adequate compensation to the Buyer for a breach of clause 13.1 by the Seller, a Relevant Individual or their Affiliates; and
- (b) the Buyer may apply for injunctive relief if it believes a Seller or Relevant Individual is likely to breach this clause 13 or if a Seller or Relevant Individual has breached or threatened to breach this clause 13.

13.8 Cogent Exception

The parties acknowledge and agree as follows:

- (a) prior to the date of this agreement, Cogent has been operating a business that specialises in personnel security vetting for Government Agencies, which is a separate and independent business from the Business being sold under this Transaction;
- (b) Cogent will continue to operate its business after Completion of this Sale, and such operation will not amount to a breach of the restrictive covenants specified in clause 13.1(a), provided that Cogent does not vary its business to carry out pre-employment screening or any other form of Restrained Business during the Restraint Period;
- (c) as at the date of this agreement, except for Marieanne Curnow and JL Cade Super Fund Pty Ltd (ACN 659 773 056) as trustee for JL Cade Super Fund, all the Sellers are also shareholders of Cogent;
- (d) all the Sellers that are also shareholders of Cogent will remain shareholders of Cogent after Completion of this sale, and such shareholding will not amount to a breach of the restrictive covenants specified in this clause 13.1(a), provided Cogent does not undertake pre-employment screening or any other form of Restrained Business;
- (e) for the avoidance of doubt, unless Cogent undertakes pre-employment screening or any other form of Restrained Business, the restrictive covenants under this clause 13.1(a) do not apply to the operation of the Cogent's business or to the Seller's shareholding in Cogent.

13.9 Excluded IP and Permitted Services

The parties acknowledge and agree as follows:

- (a) prior to the date of this agreement, Khai Ngo:
 - (i) created and used the Excluded IP, and as such he owns all Intellectual Property Rights in the Excluded IP;
 - (ii) has been providing the Permitted Services;

- (b) Khai Ngo may at his discretion continue to use the Excluded IP and provide the Permitted Services prior to and after Completion of the Sale, consistently with the terms of his employment with the Company from that date onwards, and such conduct will not amount to a breach of the restrictive covenant in clause 13.1(a), provided the Excluded IP and Permitted Services do not relate to any form of pre-employment screening or any form of Restrained Business.

14 Costs and expenses

14.1 Costs and expenses

Unless otherwise provided in this agreement, each party must pay its own costs and expenses of negotiating, preparing, signing, delivering and registering this agreement and any other agreement or document entered into or signed under this agreement.

14.2 Costs of performance

A party must bear the costs and expenses of performing its obligations under this agreement, unless otherwise provided in this agreement.

15 GST

15.1 Taxable Supplies

- (a) Any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with clause 15.1(e) if required) (**Consideration**) is exclusive of GST. The parties acknowledge that the sale contemplated by this agreement is input-taxed and that the parties' intention is that the sale will not be subject to GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing the Consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 15.1(b) is payable without set off or deduction at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice as a precondition to payment of the Additional Amount.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply made under or in connection with this agreement (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 15.1(b):
 - (i) the Supplier must provide as a precondition for payment by the Recipient of the GST, a tax invoice or a document that the relevant Government Agency will treat as a tax invoice;
 - (ii) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;

- (iii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iv) the Supplier must notify the Recipient of the refund, credit or further amount within 10 Business Days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 5 Business Days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 10 Business Days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this agreement:
- (i) if an amount payable under or in connection with this agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred; and
 - (ii) no Additional Amount is payable under clause 15.1(b) in respect of a Supply made under or in connection with this agreement to which section 84-5 of the GST Law applies.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of the GST Group of which that party is a Member is entitled.

16 Notices

16.1 General

- (a) Unless expressly stated otherwise in this agreement, a notice, consent or other communication given under this agreement including a request, certificate, demand, consent, waiver or approval, to or by a party to this agreement (**Notice**):
- (i) must be in legible writing and in English (or accompanied by a certified translation into English);
 - (ii) must be addressed to the party to whom it is to be given (**Addressee**) at the address or email address set out below or to any other address or email address as notified by the Addressee for the purposes of this clause:
 - (A) If to the Buyer:

Address: 7515 Irvine Center Drive, Irvine, California 92618, USA
Attention: David Wheeler
Email: dwheeler@accurate.com

Copy to Gilbert + Tobin:

Address: Level 35, Tower Two, International Towers Sydney, 200
Barangaroo Avenue, Barangaroo, NSW 2000
Attention: Muli Zhou
Email: mzhou@gtlaw.com.au

(B) If to the Sellers:

Address: 74 Colechin St Yagoona NSW 2199
Attention: Khai Ngo
Email: khai@verifynow.com.au

Copy to MV Law:

Address: Level 2, 121 Marcus Clarke Street Canberra City ACT
2601
Attention: Massimo Di Maio
Email: Massimo.dimaio@mvlaw.com.au

- (iii) must be signed by or on behalf of the sender (if an individual) or an Officer of the sender;
- (iv) must be either:
 - (A) delivered by hand or sent by pre-paid mail (by airmail if sent to or from a place outside of Australia) to the Addressee; or
 - (B) sent by email to the Addressee's email address; and
- (v) is deemed to be received by the Addressee in accordance with clause 16.1(b).
- (b) Without limiting any other means by which the sender may be able to prove that a Notice has been received by the Addressee, a Notice is deemed to be received:
 - (i) if delivered by hand, when delivered to the Addressee;
 - (ii) if sent by post, on the 6th Business Day after the date of posting, or if to or from a place outside Australia, on the 10th Business Day after the date of posting; or
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) 30 minutes after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (Addressee's time) it is deemed to be received at 9.00 am on the following Business Day.

17 General

17.1 Choice of law and jurisdiction

- (a) This agreement is governed by the laws of the Australian Capital Territory.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the Australian Capital Territory including, for the avoidance of doubt, the Federal Court of Australia sitting in the Australian Capital Territory.

17.2 Invalidity

- (a) If a provision of this agreement or a right or remedy of a party under this agreement is invalid or unenforceable in a particular jurisdiction:
 - (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause is not limited by any other provision of this agreement in relation to severability, prohibition or enforceability.

17.3 Survival of indemnities

- (a) Each indemnity contained in this agreement is an additional, separate and independent obligation and no one indemnity limits the generality of another indemnity.
- (b) Each indemnity contained in this agreement survives completion under this agreement as specified in this agreement.

17.4 Foreign resident capital gains tax withholding

Each Seller makes a declaration under section 14-225 of Schedule 1 of the TAA that it is, and will be, an Australian resident (as defined under the ITAA 1997) from the date of this agreement up to and including Completion.

17.5 Entire agreement

This agreement supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties about its subject matter.

17.6 Survival and merger

- (a) No term of this agreement merges on completion of any transaction contemplated by this agreement.
- (b) Clauses 13, 16 and 17 survive termination or expiry of this agreement together with any other term which by its nature is intended to do so.

17.7 Variation

No variation of this agreement is effective unless made in writing and signed by each party.

17.8 Waiver

- (a) No waiver of a right or remedy under this agreement is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.
- (b) A single or partial exercise of a right or remedy under this agreement does not prevent a further exercise of that or of any other right or remedy.
- (c) Failure to exercise or delay in exercising a right or remedy under this agreement does not operate as a waiver or prevent further exercise of that or of any other right or remedy.

17.9 Cumulative rights

Except as expressly provided in this agreement, the rights of a party under this agreement are in addition to and do not exclude or limit any other rights or remedies provided by law.

17.10 Counterparts

This agreement may be executed in any number of counterparts and signatures on behalf of a party may be on different counterparts. Delivery of a counterpart of this agreement by email attachment (pdf) with confirmation of receipt constitutes an effective mode of delivery.

17.11 Severability

Any term of this agreement which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this agreement is not affected.

17.12 Further assurances

Except as expressly provided in this agreement, each party must, at its own expense, do all things reasonably necessary to give full effect to this agreement and the matters contemplated by it.

17.13 Assignment, novation and other dealings – consent required

A party must not assign or novate this agreement or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of each other party which consent may be withheld at the absolute discretion of the party from whom consent is sought.

17.14 Legal advice

Each Seller acknowledges that it has received legal advice about this agreement, or has had the opportunity of receiving legal advice about this agreement.

17.15 Third party rights

Except as expressly provided in this agreement:

- (a) each person who executes this agreement does so solely in its own legal capacity and not as agent or trustee for or a partner of any other person; and

- (b) only those persons who execute this agreement have a right or benefit under it.

17.16 Consent to electronic execution

- (a) Each party consents to the signing of this agreement by electronic means. The parties agree to be legally bound by this agreement signed in this way.
- (b) Any party may provide each other party with the ability to sign this agreement by electronic means, including by giving access to software or to an online service for this purpose.

17.17 Media announcement

- (a) No party may, before or after Completion, make or send a public announcement, communication or circular concerning the transactions referred to in this agreement unless it has first obtained the written consent of the other parties.
- (b) Clause 17.17(a) does not apply to a public announcement, communication or circular required by law or the requirements of a regulatory body (including the ASX and any other relevant stock exchange), if the party required to make or send it has, if practicable, first consulted and taken into account the reasonable requirements of the other parties.

Schedule 1 Dictionary

1.1 Dictionary

In this agreement:

Accounting Principles means the principles and methodology set out in Schedule 6 to be applied in preparing the Completion Accounts.

Accounting Standards means the accounting policies adopted as determined appropriate by the directors of the Company for the purposes of complying with its statutory obligations whilst having regard to generally accepted accounting policies established to show a true and fair presentation of the Company's financial position and as reflected within the report issued by Bates & Pickering for the 30 June 2022 financial statements.

Accounts means the balance sheet of the Company as at the Accounts Date and the income statement and statement of cash flows of the Company for the 12-month period ending on the Accounts Date.

Accounts Date means 30 June 2022.

ACIC means the Australian Criminal Intelligence Commission.

Addressee has the meaning given in clause 16.1(a)(ii).

Agreed Claim means any W&I Claim which has been resolved by:

- (a) the Sellers and the Buyer agreeing the amount due to the Buyer in respect of such W&I Claim; or
- (b) a court of competent jurisdiction making a final order against the Sellers after all avenues of appeal have been exhausted, waived or not exercised in respect of the subject matter of the W&I Claim, in liquidated amount.

Agreed Claim Amount means the amount agreed or judicially determined against the Sellers respect of the Agreed Claim.

Affiliate means:

- (a) in respect of a person (**Primary Person**), a person:
 - (i) Controlled directly or indirectly by the Primary Person;
 - (ii) Controlling directly or indirectly the Primary Person;
 - (iii) directly or indirectly Controlled by a person who Controls the Primary Person (whether alone or with another person or persons); or
 - (iv) directly or indirectly under the common Control of the Primary Person and another person or persons; and
- (b) in respect of a Seller or Relevant Individual who is an individual:
 - (i) any Relative of the Seller or Relevant Individual; or

- (ii) any Family Company or Family Trust of the Seller or Relevant Individual.

AFP means the Australian Federal Police.

ASIC means the Australian Securities and Investments Commission.

Authorisation includes:

- (a) any authorisation, consent, approval, registration, filing, agreement, notice of non objection, notarisation, certificate, accreditation, licence, permit, authority or exemption from, by or with a Government Agency;
- (b) in relation to anything which will be prohibited or restricted in whole or in part by law if a Government Agency intervenes or acts in any way within a specific period after lodgement, filing registration, registration or notification, the expiry of that period without intervention or action; and
- (c) for the avoidance of doubt, any authorisation or accreditation with the ACIC and the AFP.

Business means the pre-employment screening business of the Company as carried on at the date of this agreement.

Business Day means a day on which banks are open for business excluding Saturdays, Sundays or public holidays in Sydney, Australia.

Business Intellectual Property means all Intellectual Property Rights owned by the Company or used in the operation of the Business including the following intellectual property:

- (a) technical documentation on the employment screening operating platform;
- (b) employment screening operating platform version 1 - customer front end, but excluding back end which is owned by OneBlink Pty Ltd;
- (c) employment screening operating platform version 2, which, as at the date of this agreement, has not been fully developed yet;
- (d) the Trade Marks;
- (e) Service agreement with V1 we own IP for customer Front end (OneBlink owns back end);
- (f) Service agreement to continue using the back end until March 2023;
- (g) domain name 'verifynow.com.au'; and
- (h) unregistered business name 'VerifyNow',

but excludes the Excluded IP.

Business Records means original and certified copies of all books, files, reports, financial and other records, documents, correspondence, information, accounts and data (whether machine readable or in printed form) owned by or relating to the Company or the property of the Company and any source material used to prepare them.

Buyer Deal Team means Dan Shoemaker, Bryan Fujioka, Rashid Ismail and David Wheeler.

Buyer Warranties means the representations and warranties set out in clause 11.1.

Calculation Time means 11.59pm on the day immediately preceding Completion.

Cash means the aggregate amount of cash and cash equivalents of the Company (whether on hand or credited to an account with a banking, financial, lending or other similar institution or organisation), including all interest accrued thereon, as at the Calculation Time as recorded in the reconciled general ledgers of the Company.

Claim means any allegation, cause of action, claim or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Cogent means Cogent Business Solutions Pty Ltd (ACN 076 633 200).

Cogent Loan Payout Amount means the amount owed by the Company to Cogent under the Loan immediately before Completion in respect of the financial accommodation provided to it by Cogent, which also covers the Working Capital. The current loan amount as at 12 January 2023 is \$586,621.53.

Company has the meaning given in paragraph A of the Background section.

Completion means completion of the Sale under clause 3 and Complete has a corresponding meaning.

Completion Accounts means the accounts prepared in accordance with clause 6 and the Accounting Principles, and in the form set out in Schedule 6.

Completion Date means the date on which Completion occurs.

Completion Net Debt means the amount of Net Debt as at the Calculation Time, as determined in accordance with clause 6 and set out in the Completion Accounts.

Completion Net Debt Adjustment means the amount of the Completion Net Debt *minus* the Estimated Net Debt (which may be a positive or negative number).

Completion Payment means:

- (a) the Enterprise Value;
- (b) *plus* the Initial Adjustment Amount.

Completion Working Capital means the Company's Working Capital balance as at the Calculation Time, as determined in accordance with clause 6 and set out in the Completion Accounts.

Completion Working Capital Adjustment means the amount of the Completion Working Capital *minus* the Estimated Working Capital Amount (which may be a positive or negative number).

Condition means a condition precedent set out in clause 3.1.

Conditions Precedent Date has the meaning given in clause 3.2(a).

Consolidated Group means a consolidated group or a MEC group as those terms are defined in section 995- 1 of the ITAA 1997.

Consultant Agreement means the consultant agreement between the Company and Jeremy Cade dated 12 October 2021.

Control has the meaning given in the Corporations Act.

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

Cut-Off Time means the date of this Agreement.

Data Room means the materials contained in the online data room hosted on Dropbox as at the Cut-Off Time, the details of which shall be included on an electronic link to be delivered to the Buyer on Completion.

Debt means the aggregate of all amounts owing, as determined by the Sellers' accountants in accordance with the Accounting Standards (without double-counting an amount which may fall within one or more of the categories below and whether or not then due for payment and provided that they are not otherwise already included in the Cogent Loan Amount,) by the Company as at the Calculation Time in respect of the following:

- (a) the aggregate of any actual monetary indebtedness or other amounts owed by the Company for or in respect of:
 - (i) money borrowed or owing to financial institutions, including senior banks or mezzanine lenders; and
 - (ii) amounts of principal and interest payable to any person under the terms of any debt securities issued by the Company, including any bond, debenture, note or loan stock;
- (b) any unpaid transaction bonuses;
- (c) any unpaid transaction costs;
- (d) any dividends declared or other distributions payable but not yet paid;
- (e) any liabilities of the Company in relation to any leasing, hire purchase or similar arrangement (but for the avoidance of doubt, excluding operating leases in respect of motor vehicles);
- (f) amounts of principal and interest payable to any person under the terms of any debt securities issued by the Company, including any bond, debenture, note or loan stock;
- (g) any Income Tax Provision;
- (h) any related party debt, including the Cogent Loan Payout Amount (to the extent such amount has not been repaid by Completion);
- (i) 75% of any provision for annual leave (including on-costs and leave loading);
- (j) 75% of any provision for long service leave (including on-costs);

- (k) the amount outstanding in respect of any Shareholder Loans or other amount outstanding to a Seller or an Affiliate of a Seller; and
- (l) the amount outstanding in respect of unpaid payroll tax,

but excluding any amounts relating to any financing of the Buyer for the purposes of the transactions contemplated by this agreement or otherwise incurred with the consent of, or at the request of, the Buyer.

Disclosure Materials means:

- (a) the contents of the Data Room provided as at the Cut-Off Time; and
- (b) all written answers given before the Cut-Off Time to written questions submitted by or on behalf of the Buyer via email and on Microsoft Teams, including attachments to those answers.

Disputed Matter has the meaning given in clause 6.2(b).

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.

Dollars, A\$ and \$ means the lawful currency of Australia.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.

Employee means the employees of the Company as at the date of this agreement and any persons who become employees of the Company between the date of this agreement and Completion.

Enterprise Value means \$2,800,000.

Estimated Net Debt means the Sellers' bona fide estimate of the Completion Net Debt, as set out in the Sellers' Completion Statement.

Estimated Working Capital means the Estimated Working Capital Amount *minus* the Target Working Capital (which may be a positive or negative number).

Estimated Working Capital Amount means the Sellers' bona fide estimate of the Completion Working Capital, as set out in the Sellers' Completion Statement.

Excluded Assets means the following assets which do not form part of the Sale:

- (a) the collateral specified in the Unrelated Security Interest, which is a personal asset of Leonie Jayne Brosnahan, and as such, is not relevant to the Transaction;
- (b) any asset at the Premises that is not included in the Inventory, and that belongs to Cogent; and
- (c) the Excluded IP.

Excluded IP means all Intellectual Property Rights owned by Khai Ngo in 'HR Think Tank Podcast', which does not form part of this Sale.

Fairly Disclosed in relation to a fact, matter or circumstance means disclosed in reasonably sufficient detail, or otherwise evident from the information, to a sophisticated purchaser (experienced in transactions of the nature of the Transaction contemplated in this agreement) that it would reasonably be expected that such sophisticated purchaser would be aware of, identify or otherwise determine the substance and significant of the fact, matter or circumstance and would be aware of the nature and extent of the breach of a Seller Warranty.

Family Company means a body corporate which the Seller or Relevant Individual (either alone or with their Relative) Controls and where all of the shares in the body corporate are owned, legally and beneficially, by the Seller or Relevant Individual and/or Relatives of the Seller or Relevant Individual and/or trustees of a Family Trust of the Seller or Relevant Individual.

Family Trust means a trust which the Seller or Relevant Individual Controls (either alone or with their Relative) and where all the beneficiaries or potential beneficiaries are the Seller or Relevant Individual and/or Relatives of the Seller or Relevant Individual and/or charities.

Final Adjustment Amount means the aggregate of the Completion Working Capital Adjustment minus the Completion Net Debt Adjustment (which may be a positive or negative number).

Final Payment Date has the meaning given in clause 6.4(a).

Government Agency means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local.

GST means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.

GST Law has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Head Company has the meaning given by section 995-1 of the ITAA 1997.

Holdback Amount means an amount equal to \$280,000, less any Agreed Claim Amounts in accordance with clause 10.2(a).

Holdback Claim means:

- (a) Agreed Claims that are unpaid as at the Holdback Payment Date; and
- (b) Unagreed Claims as at the Holdback Payment Date.

Holdback Claimed Amount has the meaning given in clause 10.3(a).

Holdback Payment Date means the date that is 12 months after the Completion Date.

Immediately Available Funds means cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account, provided that for the purposes of Completion, this will be satisfied by the evidence of SWIFT remittance notices for the Initial Consideration into the Sellers' nominated bank account(s).

Income Tax Provision means the current liability for the estimated amount of income Tax which is assessable on the taxable income of the Company in respect of the period

up to the Calculation Time (to the extent that such Tax has not been already paid) calculated in accordance with the Accounting Principles.

Independent Accountant has the meaning given by clause 6.3(b).

Initial Adjustment Amount means the aggregate of the Estimated Working Capital *minus* the Estimated Net Debt (which may be a positive or negative number), as set out in the Sellers' Completion Statement.

Initial Consideration means the amount determined in accordance with the following formula:

$$IC = CP - HA$$

Where:

IC is the Sellers' collective Initial Consideration amount;

CP is the Completion Payment;

HA is the Holdback Amount (which on Completion shall be \$280,000).

Insolvency Event means the occurrence of any one or more of the following events in relation to any person (other than an individual):

- (a) an application is made to a court for an order, or an order is made, that it be wound up, or that a provisional liquidator or receiver or receiver and manager be appointed, and the application is not withdrawn, struck out or dismissed within 15 Business Days of it being made;
- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator is appointed to it under sections 436A, 436B or 436C of the Corporations Act;
- (d) a Controller (as defined in section 9 of the Corporations Act) is appointed to it or any of its assets;
- (e) a receiver is appointed to it or any of its assets;
- (f) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it proposes a winding-up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (h) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent, is presumed to be insolvent under an applicable law (including under sub-section 459C(2) or section 585 of the Corporations Act) or otherwise is, or states that it is, unable to pay all its debts as and when they become due and payable;
- (i) it is taken to have failed to comply with a statutory demand as a result of sub-section 459F(1) of the Corporations Act or any other applicable law;
- (j) a notice is issued under sections 601AA or 601AB of the Corporations Act and not withdrawn or dismissed within 15 Business Days;

- (k) a writ of execution is levied against it or a material part of its property which is not dismissed within 15 Business Days;
- (l) it ceases to carry on business or threatens to do so, other than for reorganisation or restructuring in accordance with the terms of this agreement; or
- (m) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition,

or, in respect of any person who is an individual:

- (n) a trustee or similar officer is appointed in respect of the person or any of the person's assets;
- (o) an order is made for the bankruptcy of the person or his or her estate or an event occurs that would give a court the right to make such an order;
- (p) a moratorium of any debts of the person, a personal insolvency agreement or any other assignment, composition or arrangement with the person's creditors or any similar proceeding or arrangement by which the assets of the person are subjected conditionally or unconditionally to the control of the person's creditors or a trustee is ordered or applied for;
- (q) it is declared or taken under any applicable law to be insolvent or unable to pay his or her debts or admits in writing that he or she is insolvent or unable to pay his or her debts as and when they fall due;
- (r) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made or issued against or in relation to any asset of the person; or
- (s) 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 (n) to (r) above (inclusive).

Intellectual Property Rights means all industrial and intellectual property rights of whatever nature throughout the world conferred under statute, common law or equity, whether existing now or at any time in the future, in the Business Intellectual Property, and includes rights in respect of or in connection with copyright, inventions (including patents), formulae, databases, business processes and methods, circuit layouts, plant varieties, trade marks, service marks, trading names (including both business and company names), domain names, designs, confidential information, trade secrets and know-how and similar industrial and intellectual property rights, whether or not registered or registrable, and includes the right to apply for or renew the registration of such rights.

Inventory means the list of all equipment that the Company owns and is located at the Premises, and which is specified in the Data Room, and which excludes any assets that are at the Premises which are owned by Cogent.

Involved means:

- (a) to carry on, participate in, provide finance or services to (including licence intellectual property rights to or from) or otherwise be directly or indirectly involved in, support, contribute to or have an interest in, directly or indirectly (including through any interposed body corporate, trust, partnership, entity or other person) and in any capacity whatsoever, including as a shareholder, unitholder, securityholder, director, consultant, adviser, contractor, principal, agent, manager, employee, beneficiary, partner, associate, trustee or financier; and

- (b) managing, advising or influencing, whether for direct remuneration or benefit or otherwise, including influencing through any association or arrangement with any person in, or over which, any interest or influence (absolute or partial) is held.

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

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

Loan means the loan arrangements between the Company and Cogent pursuant to which the Company owes the Cogent Loan Amount to Cogent.

Loss means any cost (including legal costs and expenses of whatsoever nature or description), damages, debt, expense, liability or loss and includes Taxes and Duties.

Material Contract means a contract or commitment of a material nature to which the Company is a party that:

- (a) requires or may require payments to or by the Company in excess of \$100,000 in aggregate;
- (b) cannot be performed fully within 12 months from the date it was entered into or terminated by the Company on 3 months' notice or less;
- (c) contains a restraint of trade enforceable against the Company;
- (d) is not entered into on arm's length terms; or
- (e) might otherwise reasonably be expected to be material to the operation or profitability of the business carried on by the Company; and
- (f) for the avoidance of doubt, includes any agreement, authorisation, or accreditation between the Company and each of the ACIC and the AFP.

Net Debt means Debt less Cash.

Officer means, in relation to a body corporate, a director or secretary of that body corporate.

Owners' Agreement means the agreement entered into between the Sellers governing their shareholding interests in the Company dated 25 July 2022.

Permitted Security Interest means any:

- (a) Security Interest registered by the Buyer;
- (b) lien that arises by the operation of law in the ordinary course of business which is not more than 60 days overdue and does not arise by reason of an event of default (howsoever defined) existing under the underlying arrangement that the lien relates to (unless being contested or litigated in good faith);
- (c) Security Interest in respect of personal property acquired by the Company in the ordinary course of business arising from the sale of that property in favour of the seller of that property securing all or part of the purchase price for the property provided that there is no event of default (howsoever defined) existing under the underlying arrangement that the Security Interest relates to; and

- (d) deemed security interest under section 12(3) of the PPS Act (or its equivalent in any other jurisdiction) which does not secure payment or performance of an obligation.

Permitted Services means the psychometric assessment and consultancy services that Khai Ngo has provided prior to the date of this agreement in connection with Lumina Learning UK.

PPS Act means the *Personal Property Securities Act 2009* (Cth) (or its equivalent in any other jurisdiction).

PPS Register means the Personal Property Securities Register established under the PPS Act (or its equivalent in any other jurisdiction).

Premises means unit 2, 9 Lyell Street Fyshwick ACT 2609.

Privacy Act means the *Privacy Act 1988* (Cth).

Privacy Laws means any applicable legislation related to data security, data processing, surveillance, privacy or the handling of personal information whether in Australia or elsewhere, including the Privacy Act.

Purchase Price has the meaning given in clause 2.2.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Individual means the person set out in column (3) of Schedule 2.

Representative means in relation to a person or entity, its Affiliates and the Officers, employees, agents, advisers, partners, consultants, members and financiers of it and its Affiliates.

Respective Proportion means the proportion set out next to the relevant Seller's name in column (5) of Schedule 2.

Restrained Business means any form of pre-employment screening business similar to or competitive to the Business of the Company as at the date of this agreement.

Restraint means the prohibitions and restraints contained in clause 13.1.

Restraint Area means:

- (e) Australia;
- (f) each State and Territory of Australia in which the Business operates at Completion;
- (g) the Australian Capital Territory;
- (h) within a 50km radius of the registered office of the Company at Completion; and
- (i) within a 25km radius of the registered office of the Company at Completion.

Sale means the sale of the Sale Shares contemplated by this agreement.

Sale Shares means the 200 fully paid ordinary shares (being all of the issued shares in the capital of the Company) held, or which will be held, until Completion, by the Sellers.

Security Interest means any third party rights or interests including a mortgage, bill of sale, charge, lien, pledge, trust, encumbrance, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements, or any arrangement option, right to acquire, right of pre-emption, assignment by way of security, the provision of cash collateral to a third party, trust arrangement for the purpose of providing security or any arrangement having a similar effect, including any security interest as defined in the PPS Act, and includes any agreement to create any of them or allow any of them to exist.

Seller Warranties means the warranties set out in Schedule 3.

Sellers' Completion Statement means the notification to be delivered by the Sellers to the Buyers in accordance with clause 4.5.

Service Agreement means the service agreement between the Company and Cogent dated 1 July 2022.

Shareholder Loans means all loans advanced by the Sellers or an Affiliate of a Seller to the Company, or by the Company to a Seller or an Affiliate of a Seller other than Cogent.

TAA means *Taxation Administration Act 1953* (Cth).

Target Working Capital means an amount of \$126,000 including Cash, as agreed by the Parties in the email exchange on 24 January 2023 between Khai Ngo for the Sellers and David Wheeler for the Buyer.

Tax means a tax, levy, charge, impost, fee, deduction, compulsory loan or withholding of any nature, including, without limitation, any goods and services tax (including GST), value added tax or consumption tax, which is assessed, levied, imposed or collected by a Government Agency, except where the context requires otherwise. This includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts, but excludes Duty.

Tax Demand means:

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

Tax Law means any law relating to either Tax or Duty as the context requires.


Tax Return means any return relating to Tax or Duty including any document which must be lodged with a Government Agency administering a Tax or Duty or which a taxpayer must prepare and retain under a Tax Law (such as an activity statement, amended return, application, schedule or election and any attachment).

Tax Warranties mean the warranties given in clause 17 of Schedule 3.

Third Party Claim means any Claim brought by a person or entity (other than the Sellers, the Company or the Buyer) which may give rise, or otherwise relates, to a Claim by the Buyer against the Sellers.

Title and Authority Warranties means the warranties in paragraphs 1, 2 and 3 of Schedule 3.

Trade Marks means the following registered trade marks:

Logo – Registration Number 2126026

Registered 14 October 2020 (Filing Date)
Word – Registration Number 2126025
VerifyNow
Registered 14 October 2020 (Filing Date)

Transaction means the sale and purchase of the Sale Shares under this agreement.

Unagreed Claim means a W&I Claim that is not an Agreed Claim.

Unrelated Security Interest means the Security Interest granted by Leonie Jayne Brosnahan in favour of Westpac Banking Corporation, and registered with the PPS Register, registration number 202002140020011, registration start date 14/02/2020 10:53am, with collateral "Motor Vehicle", serial number (VIN) WVGZZZ5NZKW910555, being a 'Purchase Money Security Interest', which does not form part of the Company's assets and as such is not relevant to the Transaction.

W&I Claim means a Claim made by the Buyer in respect of this agreement which has been notified to the Sellers on or before the Holdback Payment Date.

Working Capital means the Company's debtors, work-in-progress, trade creditors, trade debtors, superannuation payments, GST payments, PAYG payments, payroll tax payments and all other current assets and liabilities not specified as third party debt.

1.2 Interpretation

In this agreement the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not words of limitation;
- (f) a reference to:

- (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
- (ii) a thing (including a chose in action or other right) includes a part of that thing;
- (iii) a party includes its agents, successors and permitted assigns;
- (iv) a document includes all amendments or supplements to that document;
- (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this agreement;
- (vi) this agreement includes all schedules and attachments to it;
- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
- (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation under it;
- (ix) an agreement other than this agreement includes an undertaking, or legally enforceable arrangement or understanding whether or not in writing; and
- (x) a monetary amount is in Australian dollars and all amounts payable under or in connection with this agreement are payable in Australian dollars;
- (g) an agreement on the part of two or more persons binds them jointly and not severally/severally and not jointly/jointly and each of them severally;
- (h) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement or any part of it;
- (i) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (j) in determining the time of day where relevant to this agreement, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this agreement, the time of day in the place where the party required to perform an obligation is located;
- (k) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement or any clause of it;
- (l) a day is the period of time commencing at midnight and ending immediately before the next midnight is to occur; and
- (m) if a period of time is calculated from a particular day, act or event (such as the giving of a notice), unless otherwise stated in this agreement, it is to be calculated exclusive of that day, or the day of that act or event.

Schedule 2 Sellers

(1) Seller	(2) Notice details	(3) Relevant Individual	(4) Sale Shares	(5) Respective Proportion (%)
Peter Timothy Wheen as trustee for Think District Trust	16 Yambina Crescent Waramanga ACT 2611	Peter Timothy Wheen	30 ordinary shares	15%
Marieanne Curnow	Unit 2, 380 Toorak Road, South Yarra VIC 3141	Marieanne Curnow	10 ordinary shares	5%
Leonie Jayne Bosnahan	27 Mundang Crescent Ngunnawal ACT 2913	Leonie Jayne Bosnahan	20 ordinary shares	10%
Practical Risk Solutions Pty Ltd (ACN 088 141 557) as trustee for Practical Risk Solutions Trust	34-36 Dalry Avenue, Park Orchards VIC 3114	Anthony David Blumer	40 ordinary shares	20%
VK Ngo Pty Ltd (ACN 657 838 367) as trustee for VK NGO Family Trust	74 Colechin Street, Yagoona NSW 2199	Van Khai Ngo	50 ordinary shares	25%
Helen Hill as trustee for Hill Family Trust	41 Nunan Crescent, Oxley ACT 2903	Helen Louise Hill	40 ordinary shares	20%
JL Cade Super Fund Pty Ltd (ACN 659 773 056) as trustee for JL Cade Super Fund	11 Newman Road, Moorooka QLD 4105	Jeremy Cade	10 ordinary shares	5%
Total			200 ordinary shares	100%

Schedule 3 Seller Warranties

1 The Sellers' authority

- (a) Each Seller that is not a natural person is duly incorporated and validly exists under the law of its place of incorporation.
- (b) Each Seller has full power and authority to own the Sale Shares.
- (c) No Insolvency Event has occurred in relation to any Seller or Relevant Individual.
- (d) The execution and delivery of this agreement has been properly authorised by all necessary corporate action of each Seller.
- (e) Each Seller has full power and lawful authority to execute and deliver this agreement and to consummate and perform or cause to be performed its obligations under this agreement.
- (f) This agreement constitutes a legal, valid and binding obligation of each Seller enforceable in accordance with its terms.
- (g) The execution, delivery and performance by each Seller of this agreement does not or will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
 - (i) any provision of the constitution of that Seller;
 - (ii) any material term or provision of any security arrangement (including any Security Interest), undertaking, agreement or deed to which it is bound;
 - (iii) any writ, order or injunction, judgement, or law to which it is a party or is subject or by which it is bound.
- (h) Unless this agreement expressly states that a Seller has entered into this agreement in its capacity as trustee of a trust, the Seller has entered into this agreement in its personal capacity and not as the trustee of a trust or as the agent, attorney, nominee, representative or trustee of any other person.
- (i) Where a Seller has entered into this agreement in its capacity as trustee of a trust:
 - (i) it has been validly appointed as trustee of the trust and it is the only trustee of the trust and it is not aware of any action to remove it as trustee of the Trust;
 - (ii) it has power under the trust deed of the trust to enter into and observe its obligations under this agreement and it has entered into this agreement in its capacity as trustee of the trust;
 - (iii) it has the authorisations necessary to enter into this agreement and perform its obligations under this document;
 - (i) the Trust has been validly created and is in existence;
 - (ii) all details regarding the Trust set out in this agreement (including the Trust name) are correct;

- (iii) a date has not been declared under the Trust as the date on which the Trust will be vested or come to an end;
 - (iv) it has the right to be indemnified out of the assets of the trust in respect of its obligations under this agreement and the transactions contemplated by this agreement, and the trust fund of the trust is sufficient to satisfy such right of indemnity.
-

2 Incorporation and existence

- (a) The Company is duly incorporated and validly exists under the law of its place of incorporation.
 - (b) The Company has the power to own its assets and to carry on its business as it is now being conducted.
 - (c) The business and affairs of the Company have at all times been and continue to be conducted in accordance with its constitution.
 - (d) No Insolvency Event has occurred in relation to the Company.
 - (e) So far as each Seller is aware, there are no facts, matters or circumstances which could reasonably be expected to give rise to an Insolvency Event in respect of the Company.
 - (f) The Company does not own any shares or interests in any other company, entity or trust.
-

3 The Sale Shares

- (a) Each Seller will hold the number of Sale Shares set out next to its name in column (4) of Schedule 2.
- (b) The Sale Shares comprise the whole of the issued share capital of the Company.
- (c) Each Seller is the legal and beneficial owner (other than where a Seller holds the Sale Shares as trustee, in which case the Seller is the legal owner and the trust noted in Schedule 2 the beneficial owner) of, and can transfer, the Sale Shares set out next to its name in column (4) of Schedule 2 free from all Security Interests.
- (d) There are no facts or circumstances that could result in the creation of a Security Interest over the Sale Shares other than a Permitted Security Interest.
- (e) The Sale Shares have been validly allotted and are fully paid and no moneys are owing in respect of them.
- (f) Other than the Owners' Agreement, there is no shareholder agreement, voting trust, proxy or other agreement or understanding relating to the voting of the Sale Shares.
- (g) There are no agreements, arrangements or understandings in place in respect of either the Sale Shares under which the Company is obliged at any time to issue any shares, convertible securities or other securities in the Company.

- (h) There are no outstanding Shareholder Loans, and there are no outstanding loans to or from the Company to any Seller or any Affiliate of any Seller, other than the Loan with Cogent, which will be dealt with by the Buyer in accordance with clause 5.4(b).

4 Financial position

- (a) The Accounts:
 - (i) were prepared in accordance with applicable laws, regulations and the Accounting Standards;
 - (ii) present fairly the financial position and affairs of the Company as at the Accounts Date and the financial performance and operation of the Company for the financial period ending on the Accounts Date;
 - (iii) so far as each Seller is aware, contain proper and adequate provision for and full disclosure of all liabilities, whether actual, contingent or otherwise;
 - (iv) are not affected by any unusual, exceptional or non-recurring item; and
 - (v) are not misleading or deceptive in any respect, whether by omission or otherwise.
- (b) The Company has managed its working capital requirements, cash and liabilities in the ordinary course consistent with past practice since the Accounts Date.
- (c) Since the Accounts Date, other than as contemplated by this agreement:
 - (i) so far as each Seller is aware, there has been no event, occurrence, fact or circumstance affecting the business, assets, condition (financial or otherwise), liabilities, results of operations or prospects of the Company which may have a material adverse effect upon the Company or the Company's business;
 - (ii) no dividend or distribution of capital or income has been declared, made, paid or determined to be payable in respect of any share capital of the Company;
 - (iii) the Company has not issued any shares, securities, units or loan capital convertible into shares or units or bought back any shares or reduced or otherwise altered or agreed to alter its share capital;
 - (iv) the Company has not entered into any contracts or arrangement with its shareholders or any of their related entities other than the Loan with Cogent; and
 - (v) the Company has carried on its business in the ordinary, regular and normal course, no material asset has been acquired or disposed of, no material liability has been incurred, except in the ordinary course of business, no material contingent liability has been incurred by the Company other than the Loan with Cogent.
- (d) The management accounts of the Company, as included in the Due Diligence Materials:

- (i) have been prepared in good faith and with reasonable care and attention, in accordance with the Seller's accounting policies, principles, practices, categorisations and month reporting procedures as consistently applied to the historical accounts and management accounts of the Company;
 - (ii) present fairly the financial position and affairs of the Company as at the date at which they were prepared and the financial performance and operation of the Company for the financial period ending on the date at which they were prepared; and
 - (iii) are not misleading or deceptive in any respect, whether by omission or otherwise.
-

5 Information

- (a) The information in the Disclosure Material:
 - (i) is true and accurate in all material respects;
 - (ii) is complete in all material respects; and
 - (iii) not misleading or deceptive (or reasonably likely to mislead or deceive) in any material respect.
 - (b) The Disclosure Material was prepared in good faith for the purpose of informing prospective buyers of the Sale Shares and no information has been knowingly or recklessly omitted from the Disclosure Material that could be expected to be material to a buyer's valuation of the Sale Shares.
-

6 Intellectual Property Rights

6.1 Ownership

All Business Intellectual Property is either:

- (a) legally and beneficially owned by the Company free from any Security Interests; or
- (b) licensed to the Company under a valid and subsisting licence.

6.2 Validity and maintenance

- (a) The Business Intellectual Property is valid, subsisting and enforceable.
- (b) There are no claims, challenges, disputes or proceedings, pending or threatened, that may adversely affect the Business Intellectual Property and the Company has not received any notice of, nor are there any facts that could give rise to any claims, challenges, disputes or proceedings of these kinds.

6.3 Infringement

No Business Intellectual Property (whether registered or not) is being or has in the last 5 years been infringed by a third party or, so far as each Seller is aware, is the subject of a threat or complaint of infringement.

6.4 Sufficiency

The Business Intellectual Property comprises all the Intellectual Property Rights used by the Company to carry on its Business in the manner and to the extent which it is presently conducted.

7 IT Systems

- (a) The information technology and telecommunications systems, hardware and software owned or used by the Company (**Systems**):
 - (i) comprise all the Systems necessary for the conduct of its Business by the Company as conducted in the last 12-months;
 - (ii) materially perform their intended functions and have sufficient scalability, capacity, functionality and performance to enable, in all material respects, the operation of the business as currently conducted;
 - (iii) are, and have been for the last 12 months, under current support and maintenance arrangements with the relevant third party vendor of those Systems; and
 - (iv) are either owned by the Company, or are provided for use by the Company under valid and binding written agreements or licences with the relevant third party vendor.
- (b) The Sellers have disclosed in the Disclosure Material all of the material Systems that are owned, operated or otherwise used by the Company.

8 Privacy

- (a) All collection, holding, use, transfer or disclosure of Personal Information by the Company during the last 12 months:
 - (i) is consistent with any privacy statement or privacy policy issued in respect of the Business; and
 - (ii) complies with all Privacy Laws.
- (b) In the last 12 months:
 - (i) Personal Information held by or on behalf of the Company:
 - (A) has been protected by such steps as are reasonable in the circumstances to protect that information from any misuse, interference, loss or any unauthorised access, modification or disclosure; and
 - (B) has not been subject to any Data Security Breach; and
 - (ii) the Company has not been subject to an obligation under the Privacy Laws to notify any individual or Government Agency of a Data Security Breach.

9 Litigation

- (a) The Company is not engaged in or subject to any prosecution, litigation, arbitration or other dispute resolution proceedings.
- (b) So far as each Seller is aware, no material prosecution, litigation, arbitration or other dispute resolution proceedings are pending or threatened in writing by or against the Company.
- (c) The Company has not received written notice that it is to be investigated for breach of any law, including by any Government Agency, and so far as each Seller is aware, there are no facts or circumstances likely to give rise to any such investigation.

10 Premises

The Company is legally entitled to occupy the Premises under the Service Agreement with Cogent and is not in default under the Service Agreement.

11 Contracts

- (a) True and complete copies of all Material Contracts (where such arrangements have been documented) are included in the Data Room and there are no unwritten agreements or arrangements affecting the terms of the Material Contracts.
- (b) So far as the Sellers are aware:
 - (iii) the Company is not in material default of any Material Contract, nor has anything occurred or been omitted which would be a material default but for the requirements of notice or lapse of time or both under that Material Contract;
 - (iv) no person is in material breach or default under any Material Contract with the Company, nor has anything occurred or been omitted which would be a material breach or default but for the requirements of notice or lapse of time or both under any Material Contract;
 - (v) there are no grounds for invalidity, termination, rescission, avoidance or repudiation of any Material Contract.
- (c) The Company is not party to any agreement with a Seller, any of its directors or any of their Affiliates, other than the Service Agreement.
- (d) The Company is not a party to any agreement which restricts or will restrict its freedom to conduct the Business in a manner which was consistent with its operation as at the date of this agreement.

12 Employees

12.1 Employee details

The Sellers have disclosed in the Data Room a complete and accurate list, as at the date of this agreement, of all the Employees engaged in the Business as at the date of this agreement.

12.2 Contracts

The Sellers have disclosed in the Data Room all the material terms of employment, codes of conduct and human resources policies and practices which apply to the Employees.

12.3 Independent contractors

- (a) The Data Room contains a list of all contractors engaged by the Company to perform services for the Company.
- (b) There is no existing, pending or, so far as each Seller is aware, threatened, claim, dispute or investigation by any person, including a regulatory authority, in relation to an allegation that an independent contractor to the Company (or any person engaged by or working on behalf of the independent contractor) was an employee at common law or deemed to be an employee of the Company, including without limitation that minimum wage obligations, workers compensation insurance or superannuation obligations have not been met.

12.4 Payments

- (a) No Employee is entitled to any retention payment or payment of an entitlement which is triggered by the execution or completion of this agreement.
- (b) No commitment has been given by the Company to increase or supplement the wages, salaries, rostered days off, annual leave and leave loading, long service leave, personal/carer's leave or any other remuneration, compensation, gratuities or benefits of any Employee.
- (c) Neither the Sellers nor the Company operates or has agreed to operate a share incentive scheme, share option scheme, bonus scheme, profit sharing scheme or other employee incentive scheme with an Employee.

12.5 Claims

- (a) There is no actual or pending Claim by an Employee (or a previous employee of the Company) against the Company and there are no facts which may give rise to any such Claim.
- (b) Neither the Sellers nor the Company have been ordered to pay any damages, compensation or award to any Employee or a previous employee of the Company.

12.6 Industrial disputes

So far as each Seller is aware, there is no current, threatened or pending industrial dispute with an employee, trade union or employees' association at any time within the 5 year period before the date of this agreement and there are no circumstances likely to give rise to such a dispute.

12.7 Awards and Agreements

- (a) The Company is not a party to any agreement with any union or industrial or employees' organisation.
- (b) No modern awards, enterprise agreements or other industrial instruments (whether registered or not) apply to any Employee other than as Fairly Disclosed in the Data Room.

12.8 Compliance

The Company has complied with their obligations under each agreement, statute, modern award, enterprise agreement or other industrial instrument relating to the Employees or persons engaged or for the 6 years prior to the date of this agreement previously engaged or employed in the Business.

13 Cogent

- (a) Other than the Service Agreement and the Loan, there are no transactions or agreements (whether written or unwritten) between the Company and Cogent (or an Affiliate of Cogent).
- (b) The Company owns the assets that form part of the Inventory, which are located at the Premises, which are required to carry out the Business as carried out immediately prior to the date of this agreement and, other than as provided for under the Service Agreement, the Company does not require any service or assistance from Cogent to operate the Business.

14 Compliance with laws

- (a) The Company's business has been conducted at all times in all material respects in accordance with applicable laws, regulations and Authorisations.
- (b) The Company has not received written notice from a Government Agency within the last 5 years advising they have not complied with any law, regulation, code of conduct or Authorisation.
- (c) The Company has all of the material relevant Authorisations required to conduct the Business and these Authorisations are valid and in good standing and will continue to be so at and following Completion.
- (d) So far as each Seller is aware, the Company's business can continue to be conducted in the same manner after Completion without breaching applicable laws, regulations or Authorisations.
- (e) So far as each Seller is aware, the Company has not done or omitted to do, nor are the Sellers aware of, any act or thing that might prejudice the continuance, renewal, issue or extension of any Authorisation after Completion.

15 Assets

- (a) The Company has legal or beneficial ownership of, or the rights to use and possession of all assets that are necessary to enable that member to continue to

carry on its business in substantially the same manner carried on at the date of this agreement.

- (b) No Security Interest exists over any of the assets of the Company other than a Permitted Security Interest.
- (c) So far as each Seller is aware, there are no facts or circumstances that could result in the creation of a Security Interest (other than a Permitted Security Interest) over the assets of the Company and so far as the Sellers are aware, the Company has not received a written demand or notice from a third party indicating an intention to exercise or enforce a right that it may have with respect to a Security Interest over any of its assets.
- (d) The Excluded Assets do not form part of this Sale.

16 Finder's fee

Other than any payment in accordance with the terms of this agreement, no person has received or will receive any payment, fee, commission or other benefit or compensation, nor will the Buyer or the Company have any obligation to pay any amount, fee, commission, benefit or compensation as a result of the consummation of the transactions contemplated by this agreement.

17 Tax

17.1 Tax and Duty

- (a) All Tax or Duty arising or payable under any Tax Law, regardless of the due date for payment, in respect of the Company in relation to any period or part period up to and including the Accounts Date, or any act, transaction, event or omission, or an instrument executed or performed, on or before the Completion Date, have been paid
- (b) The Company does not have any liability in respect of unpaid or unassessed Tax as at the Completion Date.
- (c) All copies of notices, Tax Returns or other information submitted by the Company about Tax which have been supplied by the Sellers or their advisers to the Buyer in the Disclosure Materials are true and complete copies of the originals.

17.2 Withholding tax

All amounts required to be deducted or withheld by the Company under any Tax Law from any payment made, or deemed by any applicable Tax Law to be made (including withholding tax in respect of royalties, dividends, interest and salary and wages, as well as other amounts required to be withheld under the Pay As You Go withholding provisions) by the Company on or before Completion have been deducted or withheld and, where required by the Tax Law to be paid to a Government Agency, have been duly paid.

17.3 GST

The Company has complied with all of its obligations to register for the purposes of GST or other purchase, value added, sales or other similar Tax in any part of the world and has complied in all material respects with its obligations under any applicable Tax law.

17.4 Records

The Company has up to and including Completion, kept and maintained proper and adequate records to enable it to comply with its obligations to:

- (a) prepare and submit any information, notices, computations, Tax Returns and payments required in respect of any Tax Law;
- (b) prepare any accounts necessary for compliance with any Tax Law (including any franking accounts); and
- (c) retain necessary records as required by any Tax Law.

17.5 Returns submitted

- (a) All Tax Returns, information, notices, computations and documents required by law to be made, prepared, lodged or filed by the Company have been made, prepared, lodged or filed with the appropriate Government Agency and have been or will be made by the due dates for filing such Tax Returns.
- (b) All submitted Tax Returns, information, notices, and computations have been fully and accurately completed and any deduction, rebate, credit, refund, allowance or other relief from Tax or Duty has been properly claimed and is duly allowable.

17.6 Returns accurate

All Tax Returns submitted to any Government Agency by the Company on or before Completion:

- (a) disclose all material facts that should be disclosed under any Tax Law;
- (b) are not misleading;
- (c) have been submitted on time; and
- (d) to the extent that there have been any reportable intercompany transactions, such transactions have been correctly reported and comply with the transfer pricing rules in all relevant jurisdictions.

17.7 No disputes

- (a) The Company does not have any outstanding dispute with any Government Agency in respect of any liability to any Tax or Duty recoverable from the Company, nor has the Company received notice (written or otherwise) of any pending or threatened dispute.
- (b) The Company has never entered into or been a party to any transaction which will cause any anti-avoidance provisions of any Tax Law to apply or which will allow a Government Agency, acting reasonably, to apply any such anti-avoidance provisions.

17.8 No agreement with Government Agency

No agreement extending the period for assessment or collection of any Tax or Duty of the Company has been executed or filed with any Government Agency.

17.9 No prejudicial action

The Company has not taken any action or made any omission which does or might adversely affect or prejudice an arrangement or agreement with a Government Agency or a Tax or Duty ruling from a Government Agency under any Tax Law. Every ruling or determination in respect of Tax obtained in relation to the Company prior to Completion has been disclosed and provided to the Buyer and no applications for any such ruling or determination are pending.

17.10 No Tax or Duty audit, investigation or dispute

The Company is not the subject of a Tax or Duty audit, investigation or dispute by a Government Agency, and the Sellers are not aware of, nor has the Company received notice (written or otherwise) of, any current, pending or threatened Tax or Duty audit or investigation.

17.11 No indemnity, arrangement or agreement to reimburse

The Company has not entered into or been a party to an arrangement, agreement or indemnity whereby it is liable to reimburse or indemnify another party in respect of Tax or Duty, other than pursuant to customary gross up clauses.

17.12 Residence

The Company has at all times up to and including Completion been a resident for tax purposes only in Australia and has never had a taxable presence in a jurisdiction outside of Australia. The office of public officer (as required under the Tax Law) has always been validly occupied.

17.13 Share Capital Account

The Company has never had a tainted share capital account within the meaning of the Tax Act and the Company has never taken any action that might cause its share capital account to become a tainted share capital account.

17.14 Franking Account

The Company:

- (a) will not have a franking deficit immediately before or after Completion;
- (b) has not ever taken any action or made omission which would cause it to be liable for any franking tax (within the meaning of section 214-40 of the Tax Act);
- (c) has not, in respect of a distribution, ever breached the benchmark rule in Division 203 of the Tax Act;
- (d) has not ever paid any amount other than a duly declared dividend, which would or may constitute a dividend under any Tax Law;
- (e) has not, in respect of each duly declared dividend it has paid, ever failed to issue a valid distribution statement within the time allowed by the Tax Law; and
- (f) is not or has not ever been an exempting entity or a former exempting entity (each within the meaning of the Tax Act).

Schedule 4 Tax indemnity

1 Tax Indemnity

The Sellers indemnify the Buyer against, and must pay to the Buyer the amount of, any:

- (a) Tax payable by the Company, to the extent that the Tax relates to any period, or part period, up to and including Completion;
- (b) Duty payable by the Company, to the extent that the Duty Relates to any act, transaction, event or omission, or an instrument executed or performed, on or prior to Completion (other than any Duty payable under this agreement); and
- (c) 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 clauses 1(a) and 1(b) of this Schedule,

except to the extent that the Sellers' liability for the Tax or Duty is limited or qualified under clause 9.

2 Tax Demand Claims against the Company

- (a) The Buyer must notify the Sellers if:
 - (i) a Tax Demand is made against the Company that may give rise to a Claim against the Sellers;
 - (ii) the Buyer decides to make a Claim against the Sellers; or
 - (iii) the Buyer becomes aware of any events, matters or circumstances (including any potential threatened Tax Demand against the Company) that may give rise to a Claim against the Sellers.
- (b) The Buyer must include in a notice given under clause 2(a) of this Schedule all relevant details (including the amount) then known to the Company of:
 - (i) the Tax Demand;
 - (ii) any Claim which will be made against the Sellers as a result of the Tax Demand; and
 - (iii) the events, matters or circumstances giving rise to the potential threatened or actual Tax Demand or Claim.
- (c) The Buyer must also include in a notice given under clause 2(a) of this Schedule an extract of:
 - (i) any part of a Tax Demand that identifies the liability or amount to which the Claim relates or other evidence of the amount of the Tax Demand to which the Claim relates; and
 - (ii) if available or relevant, any corresponding part of any adjustment sheet or other explanatory material issued by a Government Agency that specifies

the basis for the Tax Demand to which the Claim relates or other evidence of that basis.

- (d) The Buyer must provide a copy of any document referred to in clause 2(c) of this Schedule to the Sellers as soon as practicable after the receipt of that document by the Buyer or the Company (as the case may be).
- (e) The Buyer is not obliged to waive legal professional privilege in relation to a Claim notified under clause 2(a) of this schedule. The Sellers must comply with any steps requested by the Buyer to preserve legal professional privilege and confidentiality.

3 Tax Demands

- (a) The Buyer must not, and must ensure that the Company does not:
 - (i) accept, compromise or pay;
 - (ii) agree to arbitrate, compromise or settle; or
 - (iii) make any admission or take any action in relation to,

a Tax Demand that may lead to liability on the part of the Sellers under a Claim without the Sellers' prior written approval (which must not be unreasonably withheld or delayed). However, the Company may pay any Tax or Duty to a Government Agency by the due date for payment without affecting any of the Buyer's rights under this agreement.
- (b) Regardless of whether or not the Sellers advise the Buyer that it wishes to contest a Tax Demand, the Sellers must pay in Immediately Available Funds the amount notified by the Buyer to the Buyer or Government Agency (as the Buyer directs) by the later of:
 - (i) 2 Business Days before the due date for payment to the Government Agency; or
 - (ii) 10 Business Days after receipt of the notice given by the Buyer under clause 2(a) of this Schedule.
- (c) Following receipt of a notice under clause 2(a) of this Schedule in respect of a Claim that arises from or involves a Tax Demand, the Sellers may, by written notice to the Buyer no later than 5 Business Days before the due date for payment of the relevant Tax or Duty advise the Buyer that it wishes to contest the Tax Demand at its sole cost.
- (d) If the Sellers advise the Buyer that it wishes to contest the Tax or Duty the subject of the Tax Demand, then at the Sellers' written request, the Buyer must take, or procure that the person required to pay the Tax or Duty takes, at the Sellers' cost, such Disputing Action in a timely manner in relation to the Tax Demand as the Sellers may reasonably require.
- (e) If the Sellers contest the Tax or Duty the subject of a Tax Demand, then the Buyer must follow, and must procure that the Company follows, all reasonable directions of the Sellers relating to the conduct of any Disputing Action referred to in clause 3(d) of this Schedule and in this clause 3(e), including using professional advisers nominated by the Sellers. In making any directions under this clause 3(e), the Sellers must:

- (i) act in good faith;
 - (ii) liaise with the Buyer in relation to the conduct of the Disputing Action referred to in this clause 3;
 - (iii) provide the Buyer with prompt and reasonable access to a copy of any notice, correspondence or other document relating to that Disputing Action; and
 - (iv) act reasonably in all the circumstances, including having regard to the likelihood of a success, the reputation of the Buyer and the Company, and the goodwill of the Business carried on by the Company.
- (f) The Buyer must provide, and must procure that the Company provides, the Sellers with all reasonable assistance requested by it in relation to the Tax Demand and the Disputing Action contemplated by this clause 3 including providing, at the Sellers' cost, access to witnesses and documentary or other evidence relevant to the Tax Demand or the Disputing Action, allowing it and its legal advisers to inspect and take copies of all relevant books, records, files and documents, and providing it with reasonable access to the personnel, premises and chattels of the Company, but the Buyer is not obliged to waive legal professional privilege. The Sellers must comply with any steps requested by the Buyer to preserve legal professional privilege and confidentiality.

Schedule 5 Completion Accounts

[Attached separately]

Schedule 6 Accounting Principles

Part A

1. The Completion Accounts will be drawn up in accordance with the following, in order of precedence:
 - a. the accounting principles, policies, procedures, categorisations, definitions, methods, practices and techniques set out in Part B below;
 - b. to the extent not otherwise addressed in paragraph (a) above, the accounting principles, policies, procedures, categorisations, assets recognition bases, definitions, methods, practices and techniques adopted in the 30 June 2022 financial statements of the Company which were prepared for the purposes of complying with the Company's annual statutory obligations.

For the avoidance of doubt, paragraph (a) will take precedence over paragraph (b).

Part B

1. The Completion Accounts must be prepared as if Completion were occurring at a month-end, so that in the event that the Completion Date is not a month-end date, amounts to be included in the Completion Accounts will be included, measured or pro-rated as required for the period between the month-end date immediately prior to the Calculation Time and the Calculation Time.
2. The Completion Accounts will be prepared using the information extracted from the accounting records of the Company and in accordance with those specific procedures that would be adopted at a financial year end, including detailed analysis of accruals and prepayments and cut-off procedures.
3. An aggregate materiality limit of \$25,000 will be applied in the preparation and review of the Completion Accounts / Statement. For the avoidance of doubt, any individual items that are identified below \$1,000 are de minimus for the purpose of calculating aggregate materiality limit.
4. The Completion Accounts must be prepared on the basis that:
 - a. items that form part of Completion Working Capital, the debit balances are presented as a positive number and credit balances are presented as a negative number; and
 - b. The 30 June 2022 financial statements and subsequent interim financials include a loan obligation payable to Cogent that shall be excluded from Debt along with any other related-party obligations not previously presented as Debt.
5. No new general ledger accounts will be created in the Company accounting records between Accounts Date and Completion, other than the following 3 general ledger accounts: 2-1135 provision for payroll tax, 2-1140 accrued expenses, and 9-1100 payroll tax.
6. The Completion Accounts will be drawn up as at the Calculation Time. Adjusting Events (as defined in AASB Standard 110 ("Events After The Reporting Period")) will be taken into

account after the Calculation Time up to the date that the draft Completion Accounts are delivered by the Buyer to the Seller (the **Completion Accounts Cut-Off Time**).

7. For the avoidance of doubt, the Completion Accounts will exclude the funds flow arising as a consequence of Completion except for the expected settlement of Cogent loan.
8. The parties acknowledge the agreed intention that the Completion Accounts will be prepared on a 'business as usual' basis and no change in the valuation of assets and liabilities arising as a result of Completion and / or the consequential change of control of the Company will be reflected in the Completion Accounts.
9. The provisions of this Schedule 5 will be interpreted so as to avoid double counting (whether positive or negative) of any item to be included in the Completion Accounts.
10. The Completion Accounts will be prepared in Australian dollars. Assets and liabilities in the Completion Accounts denominated in a currency other than Australian dollars will be converted into Australian dollars at the rates agreed between the Buyer and the Sellers' Representative, acting reasonably, by citing third-party sources available through financial institutions such as banks or through registered foreign exchange dealers.
11. Any provisions for long service leave to be included in the Completion Accounts will be calculated applying the same methodologies and assumptions (including with respect to the application and calculation of on-costs, discount rates and probability factors) used in the preparation of the Accounts. The 30 June 2022 financial statements and subsequent interim financials, however, did not reflect any such provisions. However, to the extent that the accrual for long service leave is required by statutory accounting standards, the liability should be reflected within the Completion Accounts and as otherwise agreed by the Parties in the email exchange on 21 January 2023 between Khai Ngo for the Sellers and David Wheeler for the Buyer.
12. Any provisions for annual leave to be included in the Completion Accounts will be calculated applying the same methodologies and assumptions (including with respect to the application and calculation of on-costs and leave loading) used in the preparation of the Accounts. All related calculations and corresponding support should be available to Buyers for review.
13. Bonus accruals in respect of bonus scheme periods which bridge the Completion Date will be calculated on a pro-rata basis, based on the performance against the bonus target up to the Completion Date. Any such bonuses, however, should be presented in the Completion Working Capital calculation.
14. The Completion Accounts will include a provision for any Tax accrued but unpaid by the Company as at the Calculation Time, less any instalment payments, calculated in accordance with all applicable Tax Law, in respect of:
 - a. any taxable period ending on or before Calculation Time;
 - b. the portion of any taxable period beginning before and ending after Calculation Time to the extent that corresponds to the period that ends on or before Calculation Time

The provision will take into account estimates of the tax attributable to actual or potential inquiries, audits, adjustments or assessments on the part of the relevant Tax authority in respect of any taxable period ending on or before Calculation Time.

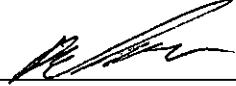
Although the 30 June 2022 financial statements did not reflect any tax-related provisions, the current reporting period may require such provisions based on operating results.

15. No charges related to the Sellers transaction costs should be recorded within the Company or reflected within the Completion Accounts.
16. A provision for bad and doubtful debt will be included in the Completion. The provision will be calculated as follows:
 - a. Any outstanding trade debtor balances which are not in liquidation from customers which the Sellers' consider at risk for non-payment and for which no provision has been previously recognized ;
 - b. Accounts where the customer is (or where steps have been taken to place the customer) in liquidation, receivership or administration, where the debt has been placed into the hands of lawyers or collection agents for collection or for any other debt where there is doubt about full collection being foreseeable will be provided for in full.
 - c. full provision will be made against receivables recognised as at the Calculation Time to the extent a credit note has been issued prior to the Completion Accounts Cut-Off Time.
17. All amounts owed to the Seller or Seller's related parties which have not been repaid prior to Calculation Time will be excluded from the Completion Accounts and, consequently, from Completion Working Capital as at Calculation Time.
18. For the purpose of calculating the provision for unpaid Tax at the Calculation Time, no income tax deductions can be taken into account in respect of any employee bonuses and associated costs which are unpaid at the Completion Time.
19. Cash and cash equivalents at Calculation Time will exclude any restricted cash. However, no restricted cash has been previously included or disclosed within the 30 June 2022 financial statements or subsequent interim financials.

Execution page

Executed as an agreement.

Signed by **Peter Timothy Wheen** as trustee for
Think District Trust in the presence of:



Signature of witness



Signature of **Peter Timothy Wheen**



Name of witness (print)

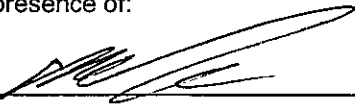
Signed by **Marieanne Curnow** in the presence
of:

Signature of witness

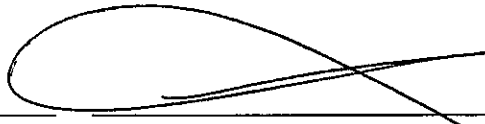
Signature of **Marieanne Curnow**

Name of witness (print)

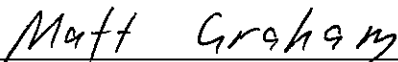
Signed by **Leonie Jayne Bosnahan** in the
presence of:



Signature of witness



Signature of **Leonie Jayne Bosnahan**



Name of witness (print)

Signed by **Practical Risk Solutions Pty Ltd**
(ACN 088 141 557) as trustee for **Practical**
Risk Solutions Trust in accordance with section
127 of the *Corporations Act 2001* (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Execution page

Executed as an agreement.

Signed by **Peter Timothy Wheen** as trustee for
Think District Trust in the presence of:

Signature of witness

Signature of **Peter Timothy Wheen**

Name of witness (print)

Signed by **Marianne Curnow** in the presence
of:



Signature of witness



Signature of **Marianne Curnow**

JOHN PRITCHARD

Name of witness (print)

Signed by **Leonie Jayne Bosnahan** in the
presence of:

Signature of witness

Signature of **Leonie Jayne Bosnahan**

Name of witness (print)

Signed by **Practical Risk Solutions Pty Ltd**
(ACN 088 141 557) as trustee for **Practical**
Risk Solutions Trust in accordance with section
127 of the *Corporations Act 2001* (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Execution page

Executed as an agreement.

Signed by **Peter Timothy Wheen** as trustee for
Think District Trust in the presence of:

Signature of witness

Signature of **Peter Timothy Wheen**

Name of witness (print)

Signed by **Marieanne Curnow** in the presence
of:

Signature of witness

Signature of **Marieanne Curnow**

Name of witness (print)

Signed by **Leonie Jayne Bosnahan** in the
presence of:

Signature of witness

Signature of **Leonie Jayne Bosnahan**

Name of witness (print)

Signed by **Practical Risk Solutions Pty Ltd**
(ACN 088 141 557) as trustee for **Practical**
Risk Solutions Trust in accordance with section
127 of the *Corporations Act 2001* (Cth) by:

Signature of director

ANTHONY D. BLUMER

Name of director (print)

Signature of director/secretary

ANNE BLUMER

Name of director/secretary (print)

Signed by **VK Ngo Pty Ltd (ACN 657 838 367)**
as trustee for VK NGO Family Trust in
accordance with section 127 of the *Corporations*
Act 2001 (Cth) by:



Signature of director

Lesley-Anne Brassel Ngo

Name of director (print)

Signature of director/secretary

Name of director/secretary (print)

Signed by **Helen Hill as trustee for Hill Family**
Trust in the presence of:

Signature of witness

Signature of **Helen Hill**

Name of witness (print)

Signed by **JL Cade Super Fund Pty Ltd (ACN**
659 773 056) as trustee for JL Cade Super
Fund in accordance with section 127 of the
Corporations Act 2001 (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed by **VK Ngo Pty Ltd (ACN 657 838 367)**
as trustee for VK NGO Family Trust in
accordance with section 127 of the *Corporations*
Act 2001 (Cth) by:


Signature of director

Signature of director/secretary

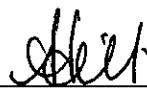
Name of director (print)

Name of director/secretary (print)

Signed by **Helen Hill as trustee for Hill Family**
Trust in the presence of:



Signature of witness



Signature of **Helen Hill**

Matt Graham

Name of witness (print)

Signed by **JL Cade Super Fund Pty Ltd (ACN**
659 773 056) as trustee for JL Cade Super
Fund in accordance with section 127 of the
Corporations Act 2001 (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed by **VK Ngo Pty Ltd (ACN 657 838 367)**
as trustee for VK NGO Family Trust in
accordance with section 127 of the *Corporations*
Act 2001 (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed by **Helen Hill as trustee for Hill Family**
Trust in the presence of:

Signature of witness

Signature of **Helen Hill**

Name of witness (print)

Signed by **JL Cade Super Fund Pty Ltd (ACN**
659 773 056) as trustee for **JL Cade Super**
Fund in accordance with section 127 of the
Corporations Act 2001 (Cth) by:

Signature of director

Signature of director/secretary

Jeremy Cade

Name of director (print)

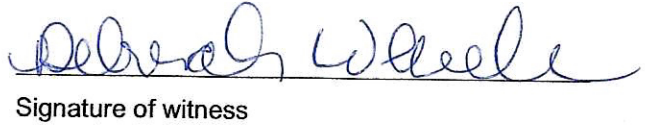
Name of director/secretary (print)

Signed by **Accurate Background UK Limited** in
the presence of:



Signature of director

DAVID WHEELER
Name of director (print)



Signature of witness

Deborah Wheeler
Name of witness (print)