

11 November 2016

Wentronic Holding GmbH to make recommended proportional takeover offer for Cellnet

Wentronic Holding GmbH (**Wentronic**) and Cellnet Group Limited (**Cellnet**) are pleased to announce that they have entered into a Bid Implementation Agreement under which Wentronic will make a conditional proportional off market takeover bid for 83% of the shares in Cellnet (**Offer**).

A copy of the Bid Implementation Agreement is **attached**.

Offer consideration

Under the Offer, Cellnet shareholders will be offered \$0.28 per Share for each of their Cellnet shares subject to the Offer.

The Offer values Cellnet at approximately \$14.6 million.

The consideration represents a premium of:

- 7.7% to the last trade price of Cellnet shares on the ASX on 9 November 2016 before the company went into trading halt; and
- 8.4% to the 5 day volume weighted average price of Cellnet shares on the ASX on the 5 trading days up to and including 9 November 2016 before the company went into trading halt.

Wentronic funding

Under the Offer, Wentronic would need to pay consideration to Cellnet shareholders of up to approximately \$12.26 million¹ (**Maximum Cash Consideration**).

The cash required to fund the Maximum Cash Consideration will be funded as follows:

- the majority of the funding will be provided by Volksbank eG Braunschweig Wolfsburg; and
- the balance of the funding will be provided out of Wentronic's cash reserves.

Further details in respect of Wentronic's funding arrangements will be set out in Wentronic's bidder's statement (**Bidder's Statement**).

Rationale for the Offer

Wentronic is a privately owned company incorporated in Braunschweig, Germany. Wentronic and its subsidiaries (**Wentronic Group**) have approximately 200 employees and branches in Hong Kong, China, the United Kingdom and Italy.

¹This assumes that all Cellnet Shareholders will accept the Offer and that if any Cellnet Shareholders' acceptance of the Offer leaves them with less than a Marketable Parcel of Cellnet Shares, the Offer will be extended to all of those Cellnet Shares subject to the modification to section 618(2) of the Corporations Act made by ASIC under Class Order [CO 13/521].

As a distributor of electronic accessories, the Wentronic Group is one of the leaders in the sector in Europe marketing its comprehensive product range to wholesalers, mail order dealers, online retailers, and conventional retailers, as well as industrial companies all over the world.

Further information about Wentronic is available at <https://www.wentronic.com>.

If the Offer is successful, it is anticipated that Cellnet will be able to better leverage the relationships that Wentronic has worldwide to sell its own products, including Cellnet's 3SIXT brand and penetrate new markets, as well as better servicing existing customers.

Wentronic also expects that closer alignment between Cellnet and Wentronic will also provide Cellnet the opportunity to increase the volume and range of products that Cellnet sells and to diversify Cellnet's distribution channels.

Bid supported by CVC and the Cellnet Board

Each of the Cellnet directors intends to recommend the bid to Cellnet shareholders and intends to accept the Offer, in the absence of a Superior Proposal and subject to the independent expert nominated by Cellnet (Lonergan Edwards & Associates) (**Independent Expert**) concluding that the Offer is either fair and reasonable or not fair but reasonable.

Cellnet understands that CVC Limited (**CVC**), Cellnet's largest shareholder (holding approximately 58.44% of Cellnet's issued share capital) currently intends to accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is either fair and reasonable or not fair but reasonable.

The aggregate of the relevant interest held by CVC and the Cellnet directors is approximately 62.69% of Cellnet's issued shares.

Other details of the Offer

The conditions to the Offer are set out in the Bid Implementation Agreement and include:

- 50.1% minimum acceptance;
- no Prescribed Occurrences;
- no regulatory action affecting the Offer by any Public Authority;
- no material adverse event affecting Cellnet; and
- Cellnet complying with certain limitations on the conduct of its business until the end of the Offer period.

Cellnet has also agreed to customary "no shop" and "no talk" provisions until the end of the Offer period, subject to a customary fiduciary exception to allow it to consider competing proposals.

Under the terms of the Bid Implementation Agreement, where Cellnet terminates the Bid Implementation Agreement or breaches certain of its obligations under the Bid Implementation Agreement, Cellnet has also agreed to reimburse Wentronic's costs (up to a maximum of \$150,000) under certain circumstances.

If Wentronic is entitled to be registered as the holder of not less than 50.1% of the Target Shares, the Offer has become unconditional and Wentronic has paid the consideration to all Shareholders who have accepted the Offer, the current Cellnet directors will resign and Wentronic will be entitled to nominate up to five directors to the Cellnet board.

As at the date of this announcement, Wentronic proposes to nominate Michael Wendt, Brian Danos, Kevin Gilmore, Alan Sparks and Michael Reddie to the Cellnet Board. Further details of the directors proposed to be appointed by Wentronic will be included in the Bidder's Statement.

Timetable

An indicative timetable showing proposed timing of key steps under the Offer follows.

Subject to its obligations under the Corporations Act, Wentronic has reserved the right to vary the key events and dates without notice and there is no guarantee that one or more dates or events will take place at any given time.

Announcement Date	11 November 2016
Wentronic despatches Bidder's Statement to Cellnet Shareholders and Offer opens	21 November 2016
Conditions Notice Date	14 December 2016
Close of Offer (unless extended)	21 December 2016

Further information about the Offer, including acceptance timing and other details, will be provided in the Bidder's Statement.

Performance Rights

In accordance with the Performance Rights Plan Rules, the Cellnet Board has determined that, subject to the Plan Rules:

- 356,000 Performance Rights will vest immediately; and
- 2,313,667 Performance Rights will vest 5 business days prior to the Last Exercise Date under their original conditions of grant (being 5.00pm Brisbane time on the date that is 30 business days following the date FY17 audited results are released to the market by the Company) and 500,000 Performance Rights will vest on 11 November 2018, in each case if the Offer is successfully completed by 31 January 2017 (in the manner described in the Bid Implementation Agreement) and the holder of the performance rights is not a bad leaver (as defined in the Plan Rules) on the vesting date. Further details in respect of these arrangements are as described in the Bid Implementation Agreement and will be further set out in the Bidder's Statement.

Options

Alexander Beard and Elliot Kaplan (**Sellers**), two of the current Cellnet directors, have entered into conditional option sale agreements with Messrs Wendt, Danos and Gilmore (**Buyers**), three of the directors proposed to be appointed by Wentronic.

Under those agreements, the Sellers will sell all their options over Cellnet Shares to the Buyers, conditional upon the appointment of the Buyers to the Cellnet Board. The options will be purchased at \$0.03 per option, which is less than the price per option assessed under an independent valuation of the options.

Additional details in respect of the sale and purchase of the options will be provided in the Bidder's Statement.

Advisors

Cellnet is being advised by Allunga Advisory and Thomson Geer Lawyers.

Wentronic is being advised by Reddie Lawyers.

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Bid Implementation Agreement

between

Cellnet Group Limited
ACN 010 721 749
(Target)

and

Wentronic Holding GmbH
(Bidder)

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This agreement is made on

November 2016

between **Cellnet Group Limited** ACN 010 721 749 of 59 – 61 Qantas Drive, Eagle Farm, Queensland 4009 (**Target**)

and **Wentronic Holding GmbH** of Pillmannstraße 12, 38112 Braunschweig, Germany (**Bidder**).

Recitals

- A. The Bidder proposes to make a proportional off-market takeover offer, in accordance with Chapter 6 of the Corporations Act, to acquire 83% of the Target Shares.
- B. The Target Directors propose to recommend that Target Shareholders accept the Offer in respect of the Target Shares subject only to the qualifications that no Superior Proposal emerges and the Independent Expert concluding that the Bid is either fair and reasonable or not fair but reasonable to Target Shareholders,
- C. The Bidder and the Target have agreed to co-operate with each other in respect of the Offer on the terms of this Agreement.

Now it is agreed as follows:

1 Definitions and interpretation

1.1 Definitions

In this agreement, unless the context requires otherwise:

Affiliate in relation to an entity means:

- (a) any entity which the first entity Controls;
- (b) any entity which Controls that entity; and
- (c) any entity under the Control of any entity referred to in paragraph (b) of this definition.

Agreed Announcement means the announcement agreed between the parties in the form in the Annexure to this Agreement.

Agreement means this bid implementation agreement.

Announcement Date means the date on which the Agreed Announcement is made.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that expression in sections 12-15 of the Corporations Act.

ASX means ASX Limited or the securities market operated by ASX Limited, as the case requires.

Bad Leaver has the meaning given to that term in the Performance Rights Plan.

Bid means a proportional off-market bid within the meaning of the Corporations Act by the Bidder in accordance with the Offer Terms.

Bidder's Statement means the bidder's statement (that term having the meaning given in section 9 of the Corporations Act) prepared by the Bidder in respect of the Bid.

Business Day means a day on which the banks are open for business in Brisbane, Queensland, Australia excluding a Saturday, Sunday or public holiday.

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Competing Proposal means any expression of interest, proposal, offer or transaction, which if completed, would mean a person (other than the Bidder or one of its Related Bodies Corporate) would directly or indirectly, acquire an interest in, a relevant interest in, become the holder of, or enter into a cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to:

- (a) more than 10% of the Target Shares or more than 10% of the shares in any of the Target's Subsidiaries;
- (b) the whole or a material part of the business or property of the Target or any of its Subsidiaries;
- (c) acquire Control of the Target;
- (d) otherwise acquire or merge (including by scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership, reverse takeover bid or dual listed company structure) with Target; or
- (e) result in the Bid not being able to be implemented on the basis set out in this Agreement.

Condition means a condition of the Bid as set out in paragraph 4 of the Schedule.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Control has the same meaning in section 50AA of the Corporations Act 2001 and **Controlled** has a corresponding meaning.

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

Dispose includes sell, transfer, grant an option over or interest in, declare a trust over, surrender, allow to lapse or Encumber.

Eligible Employees has the meaning given to that term in the Performance Rights Plan.

End Date means the date on which the Offer Period ends.

Exercise Condition has the meaning given to that term in the Performance Rights Plan.

Encumbrance means:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien;
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or gives a creditor priority over secured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase); or
- (e) an agreement to create anything referred to above or to allow any of them to exist,

and **Encumber** has a corresponding meaning;

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

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Independent Expert means Lonergan Edwards & Associates Limited or such other independent expert the Target may appoint to determine whether the Bid is fair and reasonable to Target Shareholders.

Key Customer means any individual customer of the Target whose purchases of the Target's products derived sales revenue to the Target for the financial year ended 30 June 2016 of at least \$7.4 million.

Key Supplier means any supplier of the Target who has supplied products which represent sales revenue to the Target of at least \$7.4 million for the year ended 30 June 2016.

Last Exercise Date means the date which is 30 Business Days after the release of the Target's audited accounts for the financial year ended 30 June 2017.

Listing Rules means the listing rules of ASX;

Material Adverse Event in relation to the Target means any change, event, effect, occurrence or state of facts that is, or would reasonably be expected to be, material and adverse to the assets, liabilities (including contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, financial condition or prospects of the Target and any of its Subsidiaries taken as a whole, and, for the avoidance of doubt, the Target acknowledges and agrees that it will be a Material Adverse Event if, during the Condition Period, either wholly or partly because of the Offer:

- (a) any Key Customer:
 - (i) ceases to be a customer of the Target; or
 - (ii) advises the Target of its intention to cease being a customer of the Target;
- (b) any two or more Key Customers advise the Target of their intention to reduce the amount of products purchased from the Target, which would result in a diminution of sales revenue for the financial year ending 30 June 2017 of \$7.4 million or more; or
- (c) any Key Supplier:
 - (i) ceases to be a supplier of the Target; or
 - (ii) advises the Target of its intention to cease to be a supplier of the Target; or
- (d) any two or more Key Suppliers advise the Target of their intention to reduce the amount of products supplied to the Target through a variation in the terms of supply which would result in a diminution of sales revenue for the financial year ending 30 June 2017 of \$7.4 million or more;

Offer means each offer to acquire Target Shares made in connection with the Bid, the consideration for which is the Proposed Offer Price.

Offer Close Date means the date that the Offer closes, being one month after the Offer Open Date, subject to the Bidder's rights under the Corporations Act.

Offer Open Date means the date that the Offer opens for acceptance, being 21 November 2016 unless varied by the Bidder in accordance with this Agreement.

Offer Period means the period that the Offer is open for acceptance, being the period commencing on the Offer Open Date and ending on the Offer Close Date.

Offer Terms means the terms and conditions in the Schedule to this Agreement.

Options means options over fully paid ordinary shares as approved by the Target at its annual general meeting held on 24 October 2014 as issued to each of Mr Alexander Beard and Mr Elliott Kaplan.

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Performance Rights means the rights to acquire Target Shares granted by the Target to its Eligible Employees pursuant to the Performance Rights Plan.

Performance Rights Plan means the 'Cellnet Group Limited Performance Rights Plan' dated 24 October 2014.

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

PPS Security Interest means a security interest that is subject to the PPSA.

Prescribed Occurrence means the occurrence of any of the following where that occurrence was not consented to in writing by the Bidder or expressly contemplated by this Agreement:

- (a) the Target or any Subsidiary of the Target converting all or any of its shares into a larger or smaller number;
- (b) the Target or any Subsidiary of the Target resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) the Target or any Subsidiary of the Target:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) the Target or a Subsidiary of the Target issuing shares (including upon the vesting of Performance Rights in accordance with rules 7.4(a) or (b) of the Performance Rights Plan), securities or other instruments convertible into shares, debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option;
- (e) the Target or a Subsidiary of the Target disposes of, or agrees to dispose, of the whole, or a substantial part, of its business, assets or property;
- (f) the Target or a Subsidiary of the Target gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (g) the Target or a Subsidiary of the Target resolves to be wound up;
- (h) a liquidator or provisional liquidator of the Target or a Subsidiary of the Target is appointed;
- (i) a Court makes an order for the winding up of the Target or a Subsidiary of the Target;
- (j) an administrator of the Target or a Subsidiary of the Target is appointed under the Corporations Act;
- (k) the Target or a Subsidiary of the Target executes a deed of company arrangement; or
- (l) a receiver, or a receiver and manager, is appointed in relation to the whole, or substantial part, of the property of the Target or any Subsidiary of the Target.

Proposal has the meaning given to that term in clause 4.1(a).

Proposed Announcement Date means no later than 9:00 am on the Business Day immediately following the date of execution of this Agreement.

Proposed Offer Price means the price specified in item 2 of the Offer Terms.

Register means the register of Target Shares kept by Target.

Related Bodies Corporate has the meaning in the Corporations Act.

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Related Entity has the meaning given to that term in section 9 of the Corporations Act.

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

Representative means any officer, employee, agent, financier, professional adviser or consultant of a party.

Subsidiary has the meaning given in section 46 of the Corporations Act.

Superior Proposal means a Third Party Proposal which the Target Directors reasonably determine after consultation with their external legal and financial advisers is likely to:

- (a) provide greater value to Target Shareholders than the Offer Terms, taking into account all of the terms and conditions of the Third Party Proposal; and
- (b) which is reasonably capable of being completed on a timely basis.

Target Directors means the directors of the Target, except those appointed in accordance with clause 5.4.

Target Share means a fully paid ordinary share in the capital of the Target.

Target Shareholder means a holder of Target Shares.

Target's Statement means a target's statement (that term having the meaning given in section 9 of the Corporations Act) prepared by the Target in respect of the Bid.

Third Party means a person other than the Bidder and its Affiliates or Representatives.

Third Party Proposal means any bona fide expression of interest, proposal, offer, transaction or arrangement by or with any person to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms would result in:

- (a) a Third Party directly or indirectly acquiring an interest, a Relevant Interest in or becoming the holder of:
 - (i) greater than 20% of the shares in the Target; or
 - (ii) the whole or a substantial part or a material part of the business or property of the Target or any of its Related Entities;
- (b) a Third Party acquiring Control of the Target; or
- (c) a Third Party otherwise acquiring or merging (including by way of takeover bid, scheme of arrangement, capital reduction, reverse takeover bid, security buy back, sale or purchase of assets, joint venture, partnership, dual listed company structure) with the Target.

Timetable means the timetable set out in clause 4.6.

Vested Employee means Charlie Williams.

Voting Power is as defined in the Corporations Act.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) a reference to:
 - (i) one gender includes the others;
 - (ii) the singular includes the plural and the plural includes the singular;

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- (iii) a recital, clause, schedule or annexure is a reference to a clause of or recital, schedule or annexure to this Agreement and references to this Agreement include any recital, schedule or annexure;
- (iv) any contract (including this Agreement) or other instrument includes any variation or replacement of it and as it may be assigned or novated;
- (v) a statute, ordinance, code or other law includes subordinate legislation (including regulations) and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (vi) a person or entity includes an individual, a firm, a body corporate, a trust, an unincorporated association or an authority;
- (vii) a person includes their legal personal representatives (including executors), administrators, successors, substitutes (including by way of novation) and permitted assigns;
- (viii) a group of persons is a reference to any two or more of them taken together and to each of them individually;
- (ix) an entity which has been reconstituted or merged means the body as reconstituted or merged, and to an entity which has ceased to exist where its functions have been substantially taken over by another body, means that other body;
- (x) time is a reference to legal time in Sydney, New South Wales, Australia;
- (xi) a reference to a day or a month means a calendar day or calendar month;
- (xii) money (including '\$', 'AUD' or 'dollars') is to Australian currency;
- (b) unless expressly stated, no party enters into this Agreement as agent for any other person (or otherwise on their behalf or for their benefit);
- (c) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', 'for example' or similar words are not words of limitation;
- (d) the words 'costs' and 'expenses' include reasonable charges, expenses and legal costs on a full indemnity basis;
- (e) headings and the table of contents are for convenience only and do not form part of this Agreement or affect its interpretation;
- (f) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (g) the time between two days, acts or events includes the day of occurrence or performance of the second but not the first day act or event;
- (h) if the last day for doing an act is not a Business Day, the act must be done instead on the next Business Day;
- (i) where there are two or more persons in a party each are bound jointly and severally; and
- (j) a provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.

2 Exclusivity and deal protection

2.1 No continuing discussions

Target represents and warrants to Bidder that as at the date of this Agreement:

- (a) it and its Representatives have terminated all discussions with any Third Party in relation to, or which could reasonably be expected to lead to, a Competing Proposal;
- (b) any due diligence access granted to any Third Party in relation to a Competing Proposal has been terminated; and
- (c) any Third Party to whom material non-public information in relation to the Target or its Subsidiaries (**Non-public Information**) has been provided or made available in relation to a Competing Proposal has been requested to immediately return or destroy that Non-public Information to the extent of, and in accordance with, any agreed terms of confidentiality.

2.2 No shop, no talk, no due diligence

During the Condition Period, the Target must:

- (a) immediately terminate any and all existing negotiations, dealings or discussions in respect of any transaction with any party which, if completed, would mean a person (other than the Bidder) would directly or indirectly acquire an interest (direct or indirect) in the Target or its assets or business;
- (b) not and procure that its Affiliates or Representatives do not directly or indirectly solicit, initiate, encourage or initiate an enquiry, or participate in any discussions or negotiations in relation to or which may reasonably be expected to lead to, a Third Party Proposal;
- (c) not and procure that its Affiliates or Representatives do not directly or indirectly enter into any agreement, arrangement or understanding in relation to or which may reasonably be expected to lead to a Third Party Proposal;
- (d) provide or make available to any Third Party any Non-public Information where provision of that information may reasonably be expected to lead to a Competing Proposal; or
- (e) not and procure that its Affiliates or Representatives do not disclose any non-public information about the business or affairs of the Target to a Third Party with a view to obtaining or which may reasonably be expected to lead to receipt of a Third Party Proposal.

2.3 Notification

Until the end of the Condition Period, the Target must, within two Business Days, notify the Bidder in writing if the Target or any of the Target's Related Entities or Representatives receives an unsolicited approach by a Third Party in relation to a Third Party Proposal. Notice from the Target to the Bidder must include, if specified, the consideration, conditions, structure, timing, break fee, financing and due diligence requirements.

2.4 Fiduciary carve out

Clauses 2.1 and 2.3 will not apply where failing to respond to a Third Party Proposal would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of the Target Directors if (and only to the extent that) the Target Directors have acted in good faith and after receiving legal advice from external legal advisers.

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2.5 Costs

If the Target:

- (a) breaches any of its obligations under this clause 2; or
- (b) unlawfully terminates this Agreement during the Condition Period,

the Target agrees that it will reimburse upon demand by the Bidder and the provision of reasonable evidence, all of the Bidder's costs and those of the Bidder's Representatives of and incidental to:

- (c) preparation and planning for the Bid; and
- (d) the due diligence undertaken by the Bidder in connection with the Bid,

including but not limited to:

- (e) professional fees incurred by the Bidder's lawyers and accountants;
- (f) travel and accommodation costs of the Bidder and the Bidder's Representatives; and
- (g) all other direct transaction costs incurred by the Bidder or the Bidder's Representatives,

up to but not exceeding a maximum amount of \$150,000.

2.6 Normal provision of information

Nothing in this Agreement:

- (a) requires the Target or any of its Affiliates or Representatives to perform any obligation which is unlawful;
- (b) prevents the Target or any of its Affiliates or Representatives from providing information:
 - (i) to its directors on a confidential basis for the purpose of carrying out its obligations under this Agreement or otherwise implementing the Proposed Transaction and associated transactions or seeking professional advice in relation to it; or
 - (ii) to its professional advisors or financiers; or
 - (iii) required to be provided by law, a Court or any public authority.

3 Mutual exchange of information

3.1 Provision of information

Each of the Bidder and the Target will:

- (a) give the other through its employees, agents, representatives, financial advisers, accountants and lawyers full and free access to all information required for the purpose of the preparation of any documents required to be prepared by Bidder or Target under chapter 6 of the Corporations Act in connection with the Bid, and includes the Bidder's Statement by the Bidder or the Target's Statement by the Target respectively, any supplementary statement in respect of the Bidder's Statement or Target's Statement and any notices required to be prepared by the Bidder (including under section 630(3), 650D(1) or 650F(1) of the Corporations Act; and

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- (b) respond as soon as reasonably practicable (but in any event no later than 5.00pm on the second Business Day after the notice of the query or request has been received) to any queries or requests for further information.

3.2 Bidder's Statement and Target's Statement

- (a) The Bidder will give the Target a reasonable opportunity to review an advanced draft of the Bidder's Statement and any supplementary Bidder's Statement, and will consult in good faith with the Target with respect to any comments the Target may have.
- (b) The Target will give the Bidder a reasonable opportunity to review an advanced draft of the Target's Statement and any supplementary Target's Statement and will consult in good faith with the Bidder with respect to any comments the Bidder may have.
- (c) The co-operation between the Bidder and Target contemplated in this clause 3.2 will not result in either of them having any responsibility for the documents prepared by the other.

3.3 Independent Expert's Report

The parties acknowledge and agree that Target will, as soon as reasonably practicable after the date of this Agreement, commission the Independent Expert to commission its report for the Target's Statement in relation to the Bid. Bidder agrees that it will provide any assistance or information reasonably requested by either Target or the Independent Expert in connection with the preparation of the report by the Independent Expert.

3.4 Confidentiality

Information provided under this Agreement (including, without limitation under clause 3.1) (**Information**) is confidential information of the Target. The Bidder agrees to treat the Information as if it was 'Confidential Information' under a confidentiality agreement dated 24 June 2016 between the Target and Wentronic Asia Pacific Ltd (**Confidentiality Agreement**) and agrees to comply with the Confidentiality Agreement as if it was a party to the Confidentiality Agreement as the Recipient (as that term is defined in the Confidentiality Agreement).

4 Offer

4.1 Offer

The Bidder must:

- (a) no later than the Proposed Announcement Date or such later date as the parties may agree, publicly propose to make the Bid (**Proposal**) and consent to the Target releasing the Proposal to the company announcements platform of ASX;
- (b) as soon as reasonably practicable (and no later than 21 November 2016) serve on the Target the Bidder's Statement; and
- (c) ensure despatch of the Bidder's Statement to the Target Shareholders is completed:
 - (i) within a 3 Business Day period commencing on Thursday 17 November 2016; and
 - (ii) by no later than 21 November 2016.

4.2 Bidder may use Subsidiary

The Bidder may satisfy its obligations under clause 4.1 by causing a wholly owned Subsidiary to do the things referred to in clause 4.1. If the Bidder does that, references to:

- (a) the Bid are references to the takeover bid by the Subsidiary; and

- (b) the Bidder making the Bid are references to the Bidder causing the Subsidiary to make the Bid.

4.3 Target's assessment of the Offer Terms

The Target represents and warrants that:

- (a) the Target Directors have met as a board and considered the possibility of the Bidder agreeing to make the Bid; and
- (b) all of the Target Directors have informed the Target that if:
 - (i) the Bidder complies with clause 4.1(a); and
 - (ii) the Independent Expert concludes that the Bid is either:
 - (A) fair and reasonable; or
 - (B) not fair but reasonable,
 to Target Shareholders,

they will unanimously recommend that Target Shareholders accept the Offer subject only to a qualification that the recommendation is subject to no Superior Proposal being made.

4.4 Target to recommend Bid

If the Bidder makes the Bid on terms no less favourable to the Target Shareholders than the Offer Terms, the Target will:

- (a) release an announcement in the form of the Agreed Announcement at the same time as, or immediately following, the Bidder publicly proposing the Bid in accordance with clause 4.1(a);
- (b) release an announcement that the Target Directors will:
 - (i) unanimously recommend that Target Shareholders accept the Offer; and
 - (ii) accept the Offer in respect of any shares in the Target that they own or control the right to Dispose of,
 subject in each case to there being no Superior Proposal and to the Independent Expert concluding that the Bid is either:
 - (iii) fair and reasonable; or
 - (iv) not fair but reasonable,
 to Target Shareholders; and
- (c) use its reasonable endeavours to lodge the Target's Statement with ASX, ASIC and the Bidder by no later than 1 December 2016.

4.5 Fiduciary exception

Nothing in clause 4.3 or clause 4.4 prevents the Target or the Target Directors from taking, or failing to take, action where to do otherwise would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of the Target Directors if (and only to the extent that) the Target Directors have acted in good faith and after receiving legal advice from external legal advisers.

4.6 Indicative Timetable

The Bidder and Target will each use their best endeavours to implement the Bid in accordance with the following indicative timetable (amended by the parties by agreement from time to time):

Action	Date
• Bidder to make Proposal	11 November 2016
• Execute Bid Implementation Agreement	
• Target to release Agreed Announcement	
Bidder to lodge Bidder's Statement with ASX, ASIC and Target	14 November 2016
Bidder's Statement despatched and Offer Period commences	21 November 2016
Target to lodge Target's Statement with ASX, ASIC and Bidder	1 December 2016
Offer Period closes (unless extended)	21 December 2016

5 Facilitation of Offer

5.1 Early despatch of the Offer

- (a) For the purposes of item 6 in section 633(1) of the Corporations Act, the Target agrees that the Offer may be sent to Target Shareholders on the day on which the Bidder's Statement is sent to the Target or within 28 days after that date, provided that:
- (i) the Bidder complies with its obligations under clause 3.2(a);
 - (ii) the Bidder's Statement and accompanying documents (and any drafts of the same) must not contain any information which differs, or which was omitted, from the information provided by the Bidder to the Target prior to the date of this Agreement; and
 - (iii) the grant of such consent would not, in the reasonable opinion of the Target Directors, constitute a breach of any of the statutory or fiduciary duties of the Target Directors.
- (b) The Target agrees to use its reasonable endeavours to ensure that its Target's Statement is despatched to the Target Shareholders as soon as practicable after the Bidder sends its Bidder's Statement to Target Shareholders.

5.2 Target Director recommendation

During the Offer Period, subject to there being no Superior Proposal and the Independent Expert concluding that the Bid is either:

- (a) fair and reasonable; or
- (b) not fair but reasonable,

to Target Shareholders, the Target represents and warrants:

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- (c) that all of the Target Directors maintain (including by statements in the Target's Statement) their recommendation that Target Shareholders accept an Offer under the Bid; and
- (d) the Target Directors will not withdraw, revise or revoke or qualify or make any public statement inconsistent with, the recommendations in paragraph 5.2(c).

5.3 Conditions

- (a) Each of the parties must, to the extent within its power, use its reasonable endeavours to ensure that the Conditions are satisfied as soon as practicable after the date of this Agreement and that no Conditions are breached or not satisfied.
- (b) The Target agrees not to do (or omit to do) anything which will, or is likely to, result in any of the Conditions being breached.
- (c) If any event occurs or becomes apparent which would cause:
 - (i) any of the Conditions to be breached or become (either immediately or at some future point in time) incapable of satisfaction, or
 - (ii) satisfaction of a Condition to be unreasonably withheld or delayed,
 the Target and the Bidder must, to the extent that they are aware of such information, immediately notify the other party of that event.

5.4 Appointment / resignation of directors

Subject to:

- (a) the Bidder being entitled to be registered as the holder of not less than 50.1% of the Target Shares;
- (b) the Offer having become unconditional; and
- (c) the Bidder having paid the consideration to all persons who have accepted the Offer as at the time the Offer becomes unconditional,

the Target must take all actions necessary to cause:

- (d) the Target to resolve in favour of the appointment of up to five persons nominated by the Bidder (each a **Proposed Director**) as directors of the Target and each of its Subsidiaries within five (5) Business Days of the date that all of the conditions in paragraphs (a) - (c) above have been satisfied, subject to the provision of consents to act from each Proposed Director; and
- (e) the Target to accept the resignation of each of Mr Alexander Beard, Mr Elliott Kaplan and Mr Mel Brookman as directors of the Target and each of its Subsidiaries within five (5) Business Days of the date that all of the conditions in paragraphs (a) - (c) above have been satisfied.

5.5 Fiduciary exception

Nothing in clause 5 prevents the Target or the Target Directors from taking, or failing to take, action where to do otherwise would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of the Target Directors if (and only to the extent that) the Target Directors have acted in good faith and after receiving legal advice from external legal advisers.

5.6 Access to information

Target agrees to provide to Bidder such information about Target Shareholders as reasonably requested by Bidder to make the Offer and solicit acceptances, including the Register and any updates to it.

5.7 Announcements

- (a) Subject to clause 5.7(b), each party must use its best endeavours to consult with the other party prior to making any public announcements in connection with the Bid, other than the Agreed Announcement.
- (b) Where a party is required by applicable law, the Listing Rules or stock exchange rules to make an announcement or public disclosure relating to the Bid, (including any supplementary bidder's statement or target's statement), it may do so only after it has, to the extent reasonably possible in the circumstances:
- (i) given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by the Listing Rules or any other stock exchange rules, any applicable law or a Government Agency; and
 - (ii) has consulted with the other party as to the context of that announcement or public disclosure.
- (c) Upon the request of the Bidder, the Target will send to the ASX any notice issued to it by the Target in respect of the Bid and it must ensure that a copy of such announcement is lodged on the ASX platform of the Target.

6 Performance Rights

- (a) The Bidder consents to the Target and the Target Directors, in full consultation with the Bidder, taking such actions as may be required in respect of the Performance Rights in order to procure that:
- (i) each Eligible Employee, other than the Vested Employee, who holds Performance Rights at the date of this Agreement may exercise all those Performance Rights on the vesting date specified in the table below (**Vesting Date**), subject in each case to:
 - (A) the rules of the Performance Rights Plan;
 - (B) the following occurring on or prior to 31 January 2017:
 - (I) the Bidder being entitled to be registered as the holder of not less than 50.1% of the Target Shares;
 - (II) the Offer having become unconditional; and
 - (III) the Bidder having paid the consideration to all persons who have accepted the Offer as at the time the Offer becomes unconditional,
 - (C) the holder of the performance rights not being a bad leaver (as defined in the Plan Rules) on the Vesting Date:

Name	Performance Rights	Vesting Date
Alan Sparks	1,157,000	5 Business Days prior to the Last Exercise Date
Chris Barnes	266,667	5 Business Days prior to the Last Exercise Date
Dave Clark	445,000	5 Business Days prior to the Last Exercise Date

Name	Performance Rights	Vesting Date
Craig Kingshott	445,000	5 Business Days prior to the Last Exercise Date
Tony Peck	300,000	11 November 2018
Brett Perkins	200,000	11 November 2018

- (ii) the Company enters into voluntary escrow agreements with Messrs Sparks, Barnes, Clark and Kingshott in respect of any Target Shares pursuant to their Performance Rights from the period of issue until 11 November 2018;
- (iii) any Target Shares issued to Mr Peck and Mr Perkins will not be subject to an escrow period; and
- (iv) the Vested Employee's Performance Rights shall vest and be capable of exercise before the Offer Period commences and that:
- (A) any Target Shares issued to the Vested Employee on exercise of those Performance Rights shall not be subject to an escrow period;
- (B) any escrow period in relation to the 44,000 Target Shares that have been issued to the Vested Employee on exercise of his Performance Rights prior to the date of this Agreement (**Vested Shares**) shall cease with effect from the date of this Agreement; and
- (C) the Vested Employee may accept the Offer in respect of that portion of the Target Shares issued on the exercise of those Performance Rights to which the Offer extends.
- (b) For the purpose of Condition 4.2 (Prescribed Occurrences) and for all other purposes, the Bidder irrevocably consents to the issue of up to 356,000 Target Shares to the Vested Employee and the waiver of any escrow period in respect of those Target Shares and the Vested Shares and agrees that the issue of those Target Shares shall not constitute a breach of Condition 4.2 (Prescribed Occurrences) or any other Condition.

7 Offer – Variation and Waiver

7.1 Variation

The Bidder may vary the terms and conditions of the Bid in any manner which is permitted by the Corporations Act, provided the varied terms and conditions are not less favourable to the Target Shareholders than the Offer Terms.

7.2 Waiver of conditions and extension

Subject to the Corporations Act (and the Target's rights under clause 9.2(a)(iii)), the Bidder may declare the Bid to be free from any Condition or extend the Bid at any time before the end of the Offer Period.

8 Warranties

8.1 Warranties by each party

Each party represents and warrants to the other that, at the date of this Agreement:

- (a) it is duly incorporated under the laws of the place of its incorporation;

- (b) it has the power and authority to sign this Agreement and perform and observe all its terms;
- (c) this Agreement has been duly executed and is a legal, valid and binding agreement, enforceable against it in accordance with its terms;
- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform this Agreement;
- (e) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or deregistration or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets, and no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Agreement; and
- (f) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being triggered, except as disclosed by the party to the other party in writing prior to the date of this Agreement.

9 Termination

9.1 Termination by either party

This agreement may be terminated by either party by notice in writing to the other if:

- (a) the other party is in material breach of this Agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by the other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) any Target Directors:
 - (i) recommend, endorse or otherwise support a Superior Proposal;
 - (ii) recommend, endorse or otherwise support a Competing Proposal
 - (iii) withdraw their recommendation of the Bid;
 - (iv) fail to make or withdraw, change, revise, revoke or qualify or make a public statement inconsistent with their recommendation of the Bid;
- (c) if a person that does not hold 19.9% of more Voting Power in the Target at the date of this Agreement obtains Voting Power in the Target of more than 19.9%;
- (d) the Independent Expert determines that the Bid is anything other than:
 - (i) fair and reasonable; or
 - (ii) not fair but reasonable; or
- (e) the Bidder having made the Bid, the Bid lapses for any reason (including non-satisfaction of a Condition).

9.2 Other termination rights

- (a) The Target may terminate this Agreement at any time by notice to the Bidder if:
 - (i) the Bidder fails to lodge the Bidder's Statement with ASIC or dispatch the Bidder's Statement to the Target Shareholders in accordance with the Corporations Act by the date set out in the Timetable;

- (ii) the Bidder withdraws the Offer for any reason including non-satisfaction of a Condition; or
 - (iii) the Bidder extends the Offer Period so that the Offer Period closes after 24 December 2016.
- (b) The Bidder may terminate this Agreement at any time by notice to the Target if the Target recommends:
- (i) a Third Party Proposal; or
 - (ii) a Competing Proposal,
- to Target Shareholders.
- (c) This Agreement automatically ends on the End Date.

9.3 Effect of termination

If this Agreement is terminated by a party under this clause 9:

- (a) each party will be released from its obligations under this Agreement except its obligations under clauses 3.3 (Confidentiality), 10 (GST) and 11.6 (Costs of agreement);
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this Agreement; and
- (c) in all other respects, all future obligations of the parties under this Agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Offer.

10 GST

10.1 Interpretation

In this clause 10, a word or expression defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) has the meaning given to it in that Act.

10.2 GST gross up

- (a) Subject to clause 10.2(b), if a party makes a supply under or in connection with this Agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 10.2 (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 10.2(a) does not apply to any consideration that is expressed in this Agreement to be inclusive of GST.

10.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 10.2.

10.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this Agreement until it receives a tax invoice for the supply to which the payment relates.

11 Miscellaneous

11.1 Notices

- (a) All notices, requests, consents and other documents authorised or required to be given by or pursuant to this Agreement must be given in writing and either personally served, sent by pre-paid post or sent by email addressed as follows:

Target

To: Cellnet Group Limited
 Address: 59 - 61 Qantas Drive, Eagle Farm, Queensland 4009
 Attention: Charlie Williams
 Email: CWilliams@cvc.com.au

Bidder

To: Wentronic Holding GmbH
 Address: Pillmannstraße 12, 38112 , Germany
 Attention: Brian Danos / Michael Wendt
 Email: Brian.Danos@wentronic.com / Michael.Wendt@wentronic.com

- (b) Notices, requests, consents and other documents (**Notices**) must be deemed served or given:
- (i) if personally served by being left at the address of the party to whom the Notice is given during business hours, then in such case at the time the Notice is so delivered;
 - (ii) if sent by email, on the date and time at which it enters the addressee's information system (as shown in a confirmation delivery report from the sender's information system which indicates the email was sent to the email address of the addressee);
 - (iii) any party may change its address for receipt of Notices at any time by giving notice to the other party. Any Notice given under this Agreement may be signed on behalf of any party by the duly authorised director of that party and must be sent to all other parties to this Agreement.
- (c) If delivery or receipt of a notice under this clause is on a day which is not a Business Day or is after 4pm (addressee's time) it is regarded as received at 9am on the following Business Day.

11.2 Waiver

- (a) The failure, delay or omission by a party to exercise any power or right conferred upon such party by this Agreement must not operate as a waiver of such power or right, nor must any single exercise of any such power or right preclude any other or future exercise of the power, or the exercise of any other power or right under this Agreement.
- (b) A waiver of any provision of this Agreement, or consent to any departure by a party from any provision of this Agreement, must be in writing and signed by all parties and is effective only to the extent for which it is given.
- (c) All remedies afforded to the parties under this Agreement are cumulative.

11.3 Entire agreement

This agreement and documents referred to herein comprise the entire agreement between the parties and no earlier representation or agreement, whether oral or in writing, in relation to any matter dealt with in this Agreement must have any effect from the date of this Agreement.

11.4 Counterparts

This agreement may be executed in any number of counterparts and all such counterparts when executed and taken together must constitute this Agreement.

11.5 No merger

None of the terms or conditions of this Agreement, or any act, matter or thing done under or by virtue of this Agreement or any other agreement, instrument or document, or judgment or order of any Court or judicial proceeding, operate as a merger of any of the rights and remedies of the parties under this Agreement, and those rights and remedies must at all times continue in force.

11.6 Costs of agreement

Save as specified in clause 2.5, each party must bear its own legal costs in relation to the negotiation, preparation, execution and completion of this Agreement.

11.7 Amendments in writing

No amendment to this Agreement has any force unless it is in writing and signed by both of the parties to this Agreement.

11.8 Governing law and jurisdiction

This agreement must be governed by and construed in accordance with the laws for the time being in force in the State of Queensland, Australia, and the parties submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in respect of the State of Queensland, Australia.

11.9 Further assurances

The parties agree that they will sign, execute and will do all such further documents as may be necessary to properly give effect to and for carrying out the intent of this Agreement.

11.10 Mutual conduct

The parties agree that in all of their dealings with each other, and fulfilling their respective obligations under this Agreement, they will act reasonably and in good faith.

11.11 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this Agreement or any power which is prohibited in any jurisdiction is, in that jurisdiction, in effective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this Agreement which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or unenforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Where a clause is void, illegal or unenforceable it may be severed without affecting the enforceability of the other provisions in this Agreement.

11.12 Assignment

Neither party may assign or otherwise transfer any of its rights arising under this Agreement without the prior written consent of the other party.

11.13 Time is of the essence

Time is of the essence in respect of this Agreement.

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Executed as an agreement

Executed by Cellnet Group Limited ACN 010
721 749 in accordance with section 127 of the
Corporations Act 2001 (Cth):

Director

*Director/*Company Secretary

Name of Director
BLOCK LETTERS

Name of *Director/*Company Secretary
BLOCK LETTERS
*please strike out as appropriate

Executed by Wentronic Holding GmbH in
accordance with its constituent documents and
the laws of the place of its incorporation and in
the presence of:

Witness signature

Managing Director

Name of Witness
BLOCK LETTERS

Name
BLOCK LETTERS

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Schedule Offer Terms

1 Proportional Offer

The Offer will be made for 83% of each Target Shareholder's Target Shares (subject to section 618(2) of the Corporations Act).

2 Proposed Offer Price

\$0.28 per Target Share.

3 Offer period

One (1) month after the Offer Open Date, subject to the Bidder's right to extend the Offer Period and its right to withdraw during that period under the Corporations Act.

4 Conditions

The Offer, and any contract resulting from its acceptance, is subject to the fulfilment of all of the following conditions any of which the Bidder may waive if it is entitled to do so under the Corporations Act.

- 4.1 **(Minimum acceptance)** At the end of the Condition Period, the Bidder has a Relevant Interest in more than 50.1% (by number) of the Target Shares on issue at that time.
- 4.2 **(Prescribed Occurrences)** No Prescribed Occurrence occurs during the Condition Period.
- 4.3 **(Conduct of business)** During the Condition Period, none of the Target, nor any Subsidiary of the Target, without the written consent of the Bidder:
- (a) declares, or distributes any dividend, bonus or other share of its profits or assets;
 - (b) issues or grants options over, or agrees to issue or grant options over, or otherwise make any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issue or agree to issue any convertible securities (other than the issue of up to 400,000 Target Shares pursuant to the exercise of Performance Rights);
 - (c) makes any changes in its constitution or passes any special resolution;
 - (d) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
 - (e) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
 - (f) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
 - (g) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director or manager or makes or agrees to make any substantial change in the basis or amount of remuneration of any director or manager (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);

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- (h) conducts its business otherwise than in the ordinary course;
- (i) borrow or agree to borrow any money, other than borrowing in the ordinary course of business from the Target's financier, as at the date of this Agreement, up to, but not more than, any limits imposed by such financier as at the date of this Agreement;
- (j) enter or agree to enter into any contract of service except for the employment of a person below manager level in the ordinary course of business, or vary or agree to vary any existing contract of service with any director or manager, or pay or agree to pay any existing contract of service with any director or manager, or pay or agree to pay any benefit (including retirement benefit), bonus, allowance to any director, manager or other employee, or make or agree to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law);
- (k) increase the total remuneration for its employees by greater than 1% overall increase in the total remuneration costs incurred by the Target and its Subsidiaries as a whole as at the Announcement Date or otherwise vary the employment arrangements of any of its employees;
- (l) accelerates the rights, including the Performance Rights, of any of its non-executive directors, senior executives or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the Announcement Date or as contemplated under this agreement);
- (m) make any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards and except for the adoption of hedge accounting;
- (n) enter into, offer to enter into or announce that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$100,000 or any dual listed company structure, or makes an announcement about such a matter;
- (o) except in the ordinary course of business, incurs or commits to, or grants to another person a right the exercise of which would involve the Target or a Subsidiary of the Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$150,000 or makes an announcement about such a commitment;
- (p) except in the ordinary course of business, incurs, commits to or brings forward the time for incurring or committing, or grants to another person a right the exercise of which would involve the Target or a Subsidiary of the Target incurring or committing to, any capital expenditure or liability, or forgoes any revenue, for one or more related items or amounts of greater than \$150,000;
- (q) acquires or Disposes of, or agrees to acquire or dispose of any business, assets, entity or undertaking the value of which exceeds \$100,000 or makes an announcement about such acquisition or disposal;
- (r) discloses the existence of any matter described in paragraphs 4.3(a) - 4.3(q) above, or announces an intention or proposal to do anything described in paragraphs 4.3(a) - 4.3(q).

4.4 **(Material Adverse Event)** No Material Adverse Event occurs, is announced or becomes known to the Bidder or the Target during the Condition Period (whether or not it becomes public).

4.5 **(No regulatory action)** During the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;

- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made by any Government Agency (other than by the Bidder and each of its Related Bodies Corporate).

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of panels and discretions conferred by the Corporations Act or the applications to ASX contemplated by this Agreement), which:

- (d) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
 - (i) the making of the Offer or the completion of any transaction contemplated by the Offer; or
 - (ii) the rights of Bidder in respect of the Target or the Target Shares; or
- (e) requires the divestiture by the Bidder of any Target Shares or the divestiture of any assets of the Target and its Subsidiaries.

4.6 **(Litigation)** During the Condition Period, no person commences any bona fide litigation against the Target nor a Subsidiary of the Target (whether in aggregate or for any single litigation) which may reasonably result in a judgement against the Target or any Subsidiary of more than \$200,000 (individually or in aggregate).

4.7 **(Independent Expert)** The Independent Expert is of the opinion that the Bid is:

- (a) fair and reasonable; or
- (b) not fair but reasonable,

and does not change that opinion during the period between the Announcement Date and the end of the Offer Period.

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Annexure
Agreed Announcement

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