

ASX Release
30 March 2015

RELEASE OF SCHEME BOOKLET AND CONVENING OF SCHEME MEETING

Amcom Telecommunications Limited ("Amcom") (ASX:AMM) today announces that the Australian Securities and Investments Commission has registered the Scheme Booklet in relation to its previously announced scheme of arrangement ("Scheme") under which Vocus Communications Limited ("Vocus") (ASX:VOC) will acquire the outstanding 90% of shares that it does not own in Amcom. Under the proposed Scheme, Amcom shareholders will receive 0.4614 new Vocus shares for each Amcom share they hold.

The release of the Scheme Booklet follows orders made by the Federal Court of Australia today to convene a meeting of Amcom shareholders ("Scheme Meeting") on Wednesday, 6 May 2015 to consider and vote on the Scheme.

The Amcom directors have considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal. Each Amcom director intends to vote in favour of the Scheme in relation to the Amcom shares held or controlled by them, in the absence of a superior proposal.

PricewaterhouseCoopers Securities Ltd was appointed by the Amcom directors to prepare an Independent Expert Report's on the Scheme and have concluded that the Scheme is in the best interests of Amcom shareholders, in the absence of a superior proposal.

Scheme Booklet

The full Scheme Booklet, including the Independent Expert's Report and a personalised proxy form, is expected to be sent to Amcom shareholders on or about 2 April 2015. A copy of the Scheme Booklet, including the Independent Expert's Report, is attached to this announcement and also available on Amcom's website (www.amcom.com.au). Shareholders are encouraged to read the Scheme Booklet in its entirety as it contains important information in relation to the Scheme.

Scheme Meeting

The Scheme Meeting will be held at 11.00 am (Perth time) on Wednesday, 6 May 2015 at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia.

All Amcom shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy vote by 11.00 am (Perth time) on Monday, 4 May 2015. Details of how to lodge a proxy vote are included in the Scheme Booklet.

The important dates in relation to the Scheme are set out fully in the Scheme Booklet.

Shareholder Information Line

Amcom shareholders who have questions regarding the Scheme or the Scheme Booklet should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

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Amcom Telecommunications Limited

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Scheme Booklet

**for the recommended scheme of arrangement in relation to
the proposed acquisition of all of your Amcom Shares by
Vocus Communications Limited**



A Notice of Scheme Meeting is included as Annexure F of this Scheme Booklet

☒ **Vote Yes**

**Your Amcom Directors unanimously recommend that you vote in favour of the
Scheme, in the absence of a Superior Proposal**

**The Independent Expert has concluded that
the Scheme is in the best interests of Amcom Shareholders,
in the absence of a Superior Proposal**

This is an important document and requires your immediate attention. You should read this Scheme Booklet in its entirety prior to deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to how to deal with this Scheme Booklet, please consult your legal, financial or other professional adviser immediately. If you have sold all of your Amcom Shares, please ignore this Scheme Booklet.

If you have any questions in relation to this Scheme Booklet or the Scheme you should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

Financial Adviser to Amcom

Legal Adviser to Amcom

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CLAYTON UTZ

Contents

Important notices	3
Important dates.....	9
Letter from the Chairman of Amcom.....	10
Letter from the Chairman of Vocus	11
What you should do	12
Reasons to vote in favour of the Scheme.....	14
Reasons to vote against the Scheme.....	19
Other considerations relevant to your vote on the Scheme	21
1. Summary of the Scheme	23
2. Frequently asked questions	29
3. How to vote.....	35
4. Information on Amcom.....	38
5. Information on Vocus	50
6. Profile of the Combined Group.....	82
7. Risk factors.....	97
8. Implementation of the Scheme.....	106
9. Tax implications of the Scheme	117
10. Additional information.....	121
11. Definitions.....	126
Annexure A Independent Expert's Report	131
Annexure B Independent Limited Assurance Report.....	210
Annexure C Scheme Implementation Agreement.....	218
Annexure D Scheme.....	297
Annexure E Deed Poll	310
Annexure F Notice of Scheme Meeting.....	320

Important notices

Date of Scheme Booklet

This Scheme Booklet is dated 30 March 2015.

General

Amcom Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you are in any doubt as to how to deal with this Scheme Booklet, please consult your legal, financial or other professional adviser immediately.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved), and to provide such information as is prescribed or otherwise material to the decision of Amcom Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the Explanatory Statement required by section 412(1) of the Corporations Act in relation to the Scheme.

Responsibility statement

Except as set out in paragraphs (a) to (c) below, this Scheme Booklet has been prepared by, and is the responsibility of, Amcom and has been unanimously approved by the Amcom Directors:

- (a) The Vocus Information (being information with respect to Vocus and the Combined Group) contained in the "Letter from the Chairman of Vocus", Sections 5, 6, 7.1 and 7.2 of this Scheme Booklet has been prepared by, and is the responsibility of, Vocus (except to the extent that the Vocus Information is based on information about Amcom, for which Amcom takes responsibility). Vocus and its directors, officers, employees and advisers do not assume any responsibility for the accuracy or completeness of any information in this Scheme Booklet other than the Vocus Information which is the responsibility of Vocus (except to the extent that the Vocus Information is based on information about Amcom, for which Amcom takes responsibility).
- (b) The Independent Expert's Report contained in this Scheme Booklet has been prepared by, and is the responsibility of, PwCS, the Independent Expert. Amcom does not assume any responsibility for the accuracy or completeness of the Independent Expert's Report except in relation to information given by it to the Independent Expert or its directors, officers or employees for the purposes of the Independent Expert preparing its report. The Independent Expert and its partners, officers and employees are not responsible for the accuracy and completeness of any other part of this Scheme Booklet.
- (c) The Independent Limited Assurance Report contained in this Scheme Booklet has been prepared by, and is the responsibility of, Ernst & Young Transaction Advisory Services Limited, the Investigating Accountant. Amcom does not assume any responsibility for the accuracy or completeness of the Independent Limited Assurance Report except in relation to information given by it to the Investigating Accountant or its directors, officers or employees for the purposes of the Investigating Accountant preparing the Independent Limited Assurance Report. The Investigating Accountant and its directors, officers and employees are not responsible for the accuracy and completeness of any other part of this Scheme Booklet.

ASIC, the ASX and the Court

A copy of this Scheme Booklet has been provided to ASIC for the purpose of section 411(2) of the Corporations Act and registered by ASIC for the purpose of section 412(6) of the Corporations Act.

ASIC has reviewed a copy of this Scheme Booklet. Amcom has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the hearing on the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to the ASX.

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

The Court has ordered the convening of the Scheme Meeting pursuant to section 411(1) of the Corporations Act. The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

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

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, taxation position and particular needs of Amcom Shareholders. The information in this Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme or Amcom Shares. Amcom Shareholders should seek independent financial, taxation or other professional advice before making any decision regarding the Scheme.

Forward looking statements

Certain statements in this Scheme Booklet, including statements relating to Amcom's or Vocus' plans, intentions or expectations of future costs relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Amcom or Vocus to be materially different from future results, performance or achievements expressed or implied by such statements. Such material risks, uncertainties and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

Assumptions upon which forward looking statements related to the Scheme are based include, without limitation: (a) that Amcom Shareholders will approve the Scheme; (b) that the Court will approve the Scheme; and (c) that all other Conditions to the completion of the Scheme will be satisfied or waived. Many of these assumptions are based on factors and events that are not within the control of Amcom or Vocus and may not prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include, but are not limited to: the parties' ability to consummate the Scheme; the Conditions to the completion of the Scheme, including the receipt of Amcom Shareholder approval, or Court approval on the terms expected or on the anticipated schedule; the parties' ability to meet expectations regarding the timing of completion; and accounting and tax treatments of the Scheme and the factors identified under Section 7 of this Scheme Booklet, as well as in Amcom's recent annual, half-yearly financial reports, which are available from Amcom's website at www.amcom.com.au.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report appearing as Annexure A of this Scheme Booklet may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described herein and therein.

Other than as required by law, neither Amcom nor Vocus nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. Amcom Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of Vocus reflect its present intentions as at the date of this Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Scheme Booklet and neither Amcom nor Vocus undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

Estimates, targets and forecasts

Unless otherwise indicated, all references to estimates, targets and forecasts and derivatives of the same in this Scheme Booklet are references to estimates, targets and forecasts by management of either Amcom or Vocus (as applicable). Management estimates, targets and forecasts are based on views held only at the date of this Scheme Booklet, and actual events and results may be materially different from them.

Each of Amcom and Vocus believe that any forecast attributed to it in this Scheme Booklet has been made on reasonable grounds. However, readers are cautioned that the estimates, targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material. Forward looking information generally involves risks and uncertainties as described above, which are in many instances beyond Amcom and Vocus' control, including amongst other things, global economic conditions, specific market conditions, regulatory developments, exchange rates, interest rates and regulatory changes. A description of certain risks are set out in Section 7 of this Scheme Booklet.

These could cause actual events and results to vary significantly from those included in or contemplated by such statements.

Any estimates, targets or forecasts reflect certain assumptions by Amcom and/or Vocus which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Amcom and Vocus' control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Amcom and Vocus' future performance or that actual events and results would not differ materially from them.

Disclosure to Amcom Shareholders eligible to participate in Scheme

Based on the information available to Amcom as at the date of this Scheme Booklet, Amcom Shareholders whose addresses are shown in the Amcom Share Register on the Record Date for the Scheme as being in the following jurisdictions will be entitled to have New Vocus Shares allotted and issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia and its external territories;
- New Zealand; and
- any other person or jurisdiction in respect of which Amcom reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue New Vocus Shares to an Amcom Shareholder with a Registered Address in such a jurisdiction.

Notice to Amcom Shareholders in New Zealand

This Scheme Booklet does not constitute a New Zealand product disclosure statement, prospectus or investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the *Securities Act 1978 (NZ)* or the *Financial Markets Conduct Act 2013 (NZ)*. The disclosure materials are being distributed in New Zealand only to persons to whom securities may be offered in New Zealand pursuant to the *Securities Act (Overseas Companies) Exemption Notice 2013* (or any replacement of that notice).

The offer of New Vocus Shares will comply with the laws of Australia applicable to the offer of New Vocus Shares.

The taxation treatment of Australian securities is not the same as for New Zealand securities. The offer of New Vocus Shares may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Amcom Shareholders in jurisdictions outside Australia and New Zealand

This Scheme Booklet is subject to Australian disclosure requirements. Financial information in this Scheme Booklet has been prepared in accordance with Australian Accounting Standards and is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in a financial report prepared in accordance with the Corporations Act. Australian disclosure requirements and Australian Accounting Standards may be different from those applicable in other jurisdictions.

Scheme Shareholders in jurisdictions outside Australia and its external territories, and New Zealand are Ineligible Overseas Shareholders under the Scheme and should refer to the "What you should do" Section on page 12 of this Scheme Booklet. Vocus is not obliged to issue New Vocus Shares to any Ineligible Overseas Shareholder unless Vocus is satisfied that it is lawful and not unduly onerous or impracticable.

Amcom Shareholders should consult their tax adviser as to the applicable tax consequences of the Scheme.

This Scheme Booklet and the Scheme do not, either individually or in combination, constitute an offer to sell to Amcom Shareholders or a solicitation of an offer to purchase from Amcom Shareholders any securities in Amcom or Vocus in any jurisdiction where such an offer or solicitation would be illegal.

Scheme Shareholders who reside outside of Australia but who do not constitute Ineligible Overseas Shareholders should note that this Scheme Booklet has been prepared (in accordance with the requirements in Australia) for the sole purpose of allowing you to consider the Scheme. It must not be distributed, reproduced or disclosed (in whole or part) to other persons or used for any purpose other than consideration of the Scheme. This Scheme Booklet has not been filed with or considered or approved by any regulatory body in any country other than Australia and Amcom Shareholders should consult with their professional advisers as to whether any other formalities or consents are required to permit them to receive New Vocus Shares pursuant to the Scheme.

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Amcom and Vocus disclaim all liabilities to such persons.

Amcom Shareholders who are nominees, trustees or custodians may forward the Scheme Booklet to all beneficial shareholders resident in Australia or New Zealand but they may not send the Scheme Booklet into any other country except to beneficial shareholders who are institutional or professional investors in the other countries listed in, and to the extent permitted as disclosed under the heading "Disclosure in regards to permitted shareholders" and are advised to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

Notice to Amcom Shareholders resident in the United States

The New Vocus Shares to be issued in connection with the Scheme have not been registered under the United States Securities Act of 1933, as amended (the **US Securities Act**) or any United States state securities laws and will not be issued to Shareholders in the United States. Shareholders in the United States will be Ineligible Overseas Shareholders under the Scheme and should refer to the "What you should do" Section on page 12 of this Scheme Booklet for further information.

Privacy and personal information

Amcom, Vocus and the Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details and details of the securityholdings of Amcom Shareholders, and the names of individuals appointed by Amcom Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Amcom Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 763 915 (within Australia only) or +61 3 9415 4000 (outside Australia) if they wish to exercise these rights.

The personal information is collected for the primary purpose of implementing the Scheme. The personal information may be disclosed to Amcom and Vocus' share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to effect the Scheme.

If the information outlined above is not collected, Amcom may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

Amcom Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meeting should inform such an individual of the matters outlined above.

Interpretation

Information contained in this Scheme Booklet is given as of 30 March 2015, unless otherwise stated to the contrary. Capitalised terms and certain abbreviations used in this Scheme Booklet have the defined meanings set out in Section 11 of this Scheme Booklet.

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

All references to times in this Scheme Booklet are references to time in Perth, Australia, unless otherwise stated. All dates in the timetable are indicative only and subject to change.

All references in this Scheme Booklet to "\$", "A\$", "AUD", "Australian dollars" and "cents" are to Australian currency.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure F of this Scheme Booklet.

No internet site is part of this Scheme Booklet

Amcom and Vocus each maintain an internet website. Any references in this Scheme Booklet to a website is a textual reference for information only and no information in any website forms part of this Scheme Booklet.

Questions and supplementary information

Amcom Shareholders who have any questions in relation to this Scheme Booklet or the Scheme should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

Amcom Shareholders should seek independent legal, financial or other professional advice before making any decision regarding the Scheme.

In certain circumstances, Amcom may provide additional disclosure to Amcom Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, Amcom Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Scheme.

Important dates

Event	Time and Date
First Court Date	30 March 2015
Despatch of Scheme Booklet and Notice of Scheme Meeting to Amcom Shareholders	2 April 2015
Latest time and date by which completed Proxy Forms for the Scheme Meeting must be received by the Share Registry	11.00 am (Perth time) on 4 May 2015
Time and date for determining eligibility to vote of registered Amcom Shareholders at the Scheme Meeting (Voting Record Date)	5.00 pm (Perth time) on 4 May 2015
Scheme Meeting (to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia)	11.00 am (Perth time) on 6 May 2015
If the Scheme is approved by the Requisite Majorities, the expected timetable for implementation of the Scheme is:	
Second Court Date	13 May 2015
Effective Date	14 May 2015
Suspension of trading in Amcom Shares	Close of trading on 14 May 2015
Commencement of trading in New Vocus Shares on a deferred settlement basis on the ASX	15 May 2015
Date for determining entitlements to Scheme Consideration (Record Date)	7.00 pm (Perth time) on 21 May 2015
Implementation Date	28 May 2015
Payment of Scheme Consideration to be made to Amcom Shareholders	28 May 2015
Last day of deferred settlement trading in New Vocus Shares	28 May 2015
New Vocus Shares commence trading on a normal settlement basis on the ASX	29 May 2015

All dates and times are references to the date and/or time in Perth, Australia, unless otherwise stated. This timetable is indicative only. The actual timetable will depend upon the time at which the Conditions to the Scheme are satisfied or, if applicable, waived. Those Conditions are summarised in Section 8.8 of this Scheme Booklet and set out in section 3.1 of the Scheme Implementation Agreement (a copy of which is set out in Annexure C of this Scheme Booklet).

Amcom has the right to vary the timetable set out above subject to the approval of such variation by Vocus, the Court and ASIC where required. Any variation to the timetable set out above will be publicly announced and posted on Amcom's website and on the ASX.

Letter from the Chairman of Amcom

Dear Amcom Shareholder,

On behalf of the Amcom Directors, I am pleased to provide this Scheme Booklet to you which sets out the details of the proposed combination between Amcom Telecommunications Limited and Vocus Communications Limited and matters relevant to your vote on the Scheme.

On 17 December 2014, Amcom and Vocus announced that they had entered into a Scheme Implementation Agreement, subject to certain conditions, under which Vocus will acquire the outstanding 90% of shares that it does not own in Amcom.

If the Scheme is approved, Amcom Shareholders will receive 0.4614 New Vocus Shares for each Amcom Share owned. Based on Vocus' pre approach share price, the offer represents an implied value of \$2.45 for each Amcom Share. This represents a significant premium of:

- 31.7% based on Amcom's pre approach closing share price; and
- 28.7% based on Amcom's pre approach 30 day VWAP.

The Scheme brings together two highly complementary businesses and creates a national telecommunications infrastructure provider, enhancing and diversifying Amcom's current WA, SA and NT focused business with the addition of Vocus' East Coast and New Zealand focused business.

The combination is expected to realise c.\$13-15 million p.a. of cost synergies by the end of FY2017 as well as significant revenue synergies through cross selling of an expanded product offering across an enhanced distribution platform. If the Scheme is implemented, Amcom Shareholders will own 51.6% of the Combined Group and will therefore enjoy more than half of the value associated with these synergies.

The Amcom Directors appointed PwCS to prepare an Independent Expert Report on the Scheme. The Independent Expert concluded that the Scheme is in the best interests of Amcom Shareholders, in the absence of a Superior Proposal.

The Amcom Directors have considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal. Each Amcom Director intends to vote in favour of the Scheme in relation to the Amcom Shares held or controlled by them, in the absence of a Superior Proposal.

The Scheme can only be implemented if approved by Amcom Shareholders at the Scheme Meeting to be held at 11.00 am (Perth time) on 6 May 2015 at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia.

Your vote is important and I strongly encourage you to read this Scheme Booklet carefully and cast an informed vote on the Scheme at the Scheme Meeting. If you are unable to attend the Scheme Meeting in person, I encourage you to vote by completing the enclosed personalised Proxy Form and returning it to Amcom's Share Registry so that it is received no later than 11.00 am (Perth time) on 4 May 2015.

If you have any questions regarding the Scheme or this Scheme Booklet you should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time). You should also consult your legal, investment, taxation or other professional adviser.

On behalf of the Amcom Directors I would like to take this opportunity to thank you for your ongoing support and I look forward to your participation at the Scheme Meeting.

Yours sincerely,

Tony Grist
Chairman
Amcom Telecommunications Limited

Letter from the Chairman of Vocus

Dear Amcom Shareholder,

On behalf of the Vocus Board and management, it is my pleasure to present the compelling opportunity to participate in the combination of Vocus and Amcom, which brings together two highly complementary businesses with unique assets to create a major national telecommunications infrastructure provider.

The Scheme has been unanimously recommended by the Amcom Board and each Amcom Director has also indicated that they intend to vote their shares in favour of the Scheme in the absence of a Superior Proposal. The Independent Expert has concluded that the Scheme is in the best interests of Amcom Shareholders, in the absence of a Superior Proposal.

Vocus has a proven track record of achieving strong shareholder returns and the combination of Amcom and Vocus will create a company optimally positioned to capitalise on the evolving opportunities in the telecommunications sector.

Specifically, the combination offers the following key benefits:

- Accretion – the transaction is expected to be earnings and cash flow accretive in the first full financial year following completion
- Cost synergies – cost-outs estimated to be c.\$13-15 million p.a. by the end of FY2017 have been identified, with the potential to create substantial value for all shareholders
- Revenue enhancement opportunities – significant cross-selling opportunities via the provision of an expanded product suite to the respective Vocus and Amcom customer bases
- Enlarged data network and data centre footprint – a national fibre infrastructure footprint including c.2,800 on-net buildings in Australia, a c.4,250km fibre network in New Zealand and 22 data centres over 17 sites across Australia across and New Zealand
- Enhanced growth platform – an improved financial and operational profile to drive future growth, benefitting from earnings diversification, superior competitive positioning, complementary business divisions and additional scale

Amcom has been a great WA success story and Vocus is excited to combine the strength of Amcom and its personnel with Vocus.

Further details of the benefits of the combination to Amcom Shareholders are provided in the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet.

If the Scheme is approved, three Amcom Directors will be appointed to the Combined Group's board as representatives of existing Amcom Shareholders. Tony Grist, the Amcom Chairman, will be appointed as Deputy Chairman and a further two Amcom nominees, Paul Brandling and Anthony Davies, will also join the Combined Group's board as Non Executive Directors.

As an Amcom Shareholder, your vote is important to ensure that the Scheme is implemented and the benefits of the combination can be realised.

This Scheme Booklet provides important information in relation to the transaction, and on behalf of the Vocus Board, I encourage you to read it carefully and vote in favour of the Scheme at the Scheme Meeting to be held on 6 May 2015.

As Chairman of the Vocus Board, I am excited by the future of the Combined Group and I look forward to welcoming you as a shareholder of Vocus on the successful implementation of the Scheme.

Yours sincerely,

David Spence
Chairman

Vocus Communications Limited

What you should do

Step 1: Read this Scheme Booklet

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Scheme, before making any decision on how to vote on the Scheme Resolution.

Answers to various frequently asked questions about the Scheme are set out in Section 2 of this Scheme Booklet. If you have any additional questions in relation to this Scheme Booklet or the Scheme please consult your financial, legal or other professional adviser or contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

Step 2: Vote on the Scheme at the Scheme Meeting

Vote on the Scheme at the Scheme Meeting by doing one of the following:

- (a) **Vote in person** - attend the Scheme Meeting in person at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on 6 May 2015 at 11.00 am (Perth time).
- (b) **Vote by proxy** - complete and return the Proxy Form in accordance with the instructions set out on the Proxy Form so that it is received by the Share Registry by no later than 11.00 am (Perth time) on 4 May 2015.
- (c) **Vote by corporate representative** - an Amcom Shareholder or proxy who is a body corporate may vote at the Scheme Meeting by having their corporate representative attend the Scheme Meeting in person and vote on their behalf. The authorised corporate representative will be admitted to the Scheme Meeting upon providing, at the point of entry to the Scheme Meeting, written evidence of their appointment, their name and address and the identity of their appointer.
- (d) **Vote by attorney** - an Amcom Shareholder may vote at the Scheme Meeting by having their fully authorised attorney attend the Scheme Meeting in person and vote on their behalf. Amcom Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Amcom for notation, deliver to Amcom's Share Registry the original instrument appointing the attorney or a certified copy of it by 5.00 pm (Perth time) on 5 May 2015.

In order for the Scheme to proceed, the Scheme must be approved by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Amcom Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (b) at least 75% of the total number of votes which are cast at the Scheme Meeting.

If the Scheme is not approved by the Requisite Majorities of Amcom Shareholders at the Scheme Meeting, the Scheme will not proceed.

Please refer to Section 3 of this Scheme Booklet for further information on how to vote at the Scheme Meeting.

Step 3: Participate in the proposal

If you are eligible and wish to participate in the Scheme you will need to ensure that you do not sell your Amcom Shares prior to 7.00 pm (Perth time) on 21 May 2015, being the Record Date. Otherwise, you do not need to do anything to participate in the Scheme.

Ineligible Overseas Shareholders

An Amcom Shareholder will be an Ineligible Overseas Shareholder if their address as shown in the Amcom Share Register is a place outside of Australia and its external territories or New Zealand.

Ineligible Overseas Shareholders will not receive New Vocus Shares under the Scheme. Instead, the New Vocus Shares that would have otherwise been allotted and issued to Ineligible Overseas Shareholders under the Scheme will be issued to the Sale Nominee. Vocus will then procure that the Sale Nominee sell those New Vocus Shares on-market.

Unless Vocus is satisfied that the laws of an Ineligible Overseas Shareholder's country of residence (as shown in the register of Amcom Share Register) permit the issue of New Vocus Shares to the Ineligible Overseas Shareholders either unconditionally or after compliance with terms which Vocus reasonably regards as acceptable and practical, Vocus will be under no obligation under the Scheme to issue, and will not issue, any New Vocus Shares to Ineligible Overseas Shareholders, and instead will issue the New Shares that would otherwise have been issued to the Ineligible Overseas Shareholders to the Sale Nominee.

Vocus will procure that as soon as reasonably practicable and in any event no more than 15 Business Days after the Implementation Date, the Sale Nominee sell those New Vocus Shares on-market in such manner, at such price and on such other terms as the Sale Nominee determines in good faith. Settlement of the net proceeds (after deducting any applicable brokerage, stamp duty and other selling costs and taxes) of New Vocus Shares sold will occur on a T+3 basis into an account controlled by Vocus. After the last sale of those New Vocus Shares, Vocus will then remit the portion of the proceeds it receives from the sale of the New Vocus Shares by the Sale Nominee to each Ineligible Overseas Shareholders in accordance with their entitlement. Each Ineligible Overseas Shareholder will receive, for each New Vocus Share to which they would otherwise have been entitled, an amount equivalent to the average price per New Vocus Share obtained by the Sale Nominee (after deducting any applicable brokerage, stamp duty and other selling costs and taxes). This means that the amount received by an Ineligible Overseas Shareholder may be more or less than the amount actually received by the Sale Nominee for the sale of the New Vocus Shares that the Ineligible Overseas Shareholder would otherwise have been entitled to receive under the Scheme.

The portion of the proceeds attributable to each Ineligible Overseas Shareholder will be paid as soon as reasonably practicable by cheque in Australian dollars and sent by prepaid post (at the risk of the Ineligible Overseas Shareholder) to the address recorded in the Amcom Share Register at the Record Date.

Any fractional entitlement of the Scheme Shareholder to a part of a New Vocus Share will be rounded up or down to the nearest whole number of New Vocus Shares (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half).

Further information

Further information relating to details of the resolution are contained in the Notice of Scheme Meeting (which is set out in Annexure F of this Scheme Booklet).

Amcom Shareholders who have any questions or require further information in relation to this Scheme Booklet or the Scheme should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time). Amcom Shareholders should seek independent financial, taxation or other professional advice before making any decision regarding the Scheme.

Reasons to vote in favour of the Scheme

This Section should be read in conjunction with the "Reasons to vote against the Scheme" Section on page 19 of this Scheme Booklet which describes the disadvantages associated with the Scheme and the reasons to vote against the Scheme, and the "Other considerations relevant to your vote of the Scheme" Section on page 21 of this Scheme Booklet which sets out other relevant considerations.

The Amcom Directors believe the Scheme is in the best interests of Amcom Shareholders and recommend that Amcom Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal, for the reasons outlined below.

1. **The Amcom Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal**

The Amcom Directors have assessed the merits of a combination between Amcom and Vocus and unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting to be held on 6 May 2015, in the absence of a Superior Proposal.

In making their recommendation, the Amcom Directors have considered the advantages and disadvantages of the Scheme, including the information contained in:

- (a) the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet;
- (b) the "Reasons to vote against the Scheme" Section on page 19 of this Scheme Booklet;
- (c) Section 7 of this Scheme Booklet (Risk factors); and
- (d) Annexure A of this Scheme Booklet (Independent Expert's Report).

Each of the Amcom Directors intend to vote all of the Amcom Shares held or controlled by them as at the Voting Record Date in favour of the Scheme, in the absence of a Superior Proposal.

Further details of the interests of the Amcom Directors are contained in Section 10.1 of this Scheme Booklet.

2. **The Independent Expert has concluded that the Scheme is in the best interests of Amcom Shareholders, in the absence of a Superior Proposal**

The Amcom Directors appointed PwCS as the Independent Expert to prepare a report providing an independent assessment of the Scheme and an opinion as to whether the Scheme is in the best interests of Amcom Shareholders.

The Independent Expert has assessed the underlying value of Amcom Shares to be in the range of \$1.99 and \$2.41 per Amcom Share with a midpoint value of \$2.20, and the value implied by the Scheme Consideration to be in the range of \$2.65 and \$2.77 per Amcom Share with a midpoint value of \$2.71. As the value implied by the Scheme Consideration is above the estimate of the underlying value of the Amcom Shares, the Independent Expert has concluded that the Scheme is fair and in the best interests of Amcom Shareholders, in the absence of a Superior Proposal.

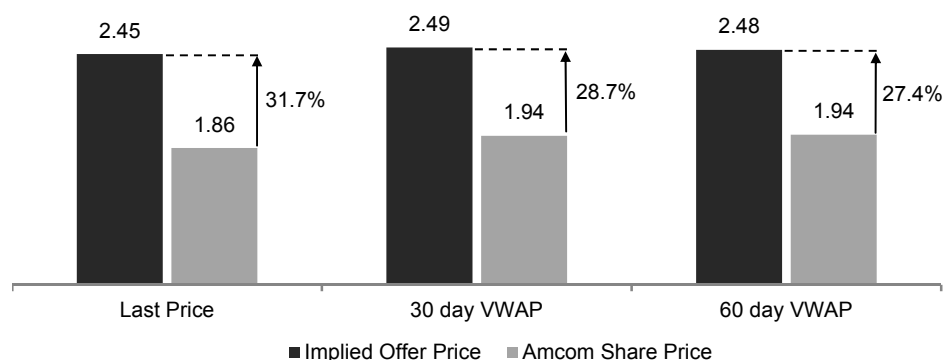
A full copy of the Independent Expert's Report is set out in Annexure A of this Scheme Booklet. The Amcom Directors encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Scheme.

3. The Scheme Consideration represents a significant premium to Amcom Shares based on undisturbed prices

The Scheme Consideration represents a significant premium over historical trading prices of the Amcom Shares. Based on the closing price of Vocus Shares of \$5.31 on 24 October 2014, being the last trading day prior to the announcement of Vocus' approach, the implied value of the Scheme Consideration is \$2.45 per Amcom Share, which represents a 31.7% premium to the closing price of Amcom Shares on 24 October 2014. This does not include value for Amcom's HY2015 dividend of 5 cents per Amcom Share and the synergies which Amcom Shareholders will benefit from as a result of the combination (see below).

The Scheme Consideration also represents:

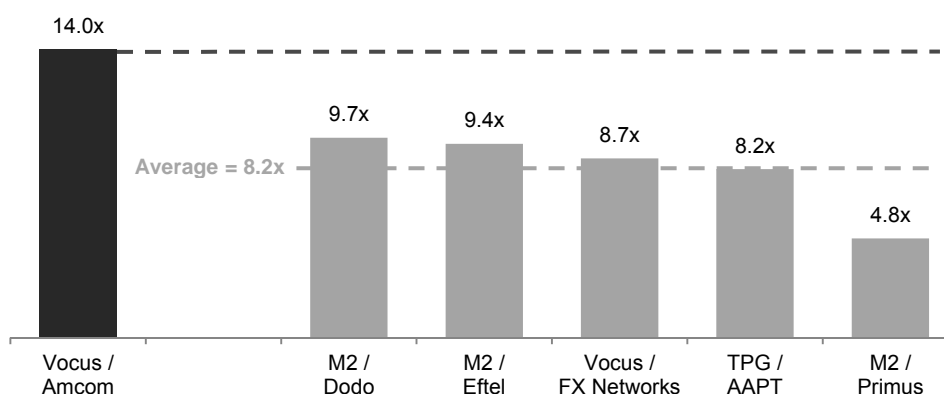
- (a) A c.28.7% premium based on Amcom and Vocus 30 day VWAPs to 24 October 2014; and
- (b) A c.27.4% premium based on Amcom and Vocus 60 day VWAPs to 24 October 2014.



Source: IRESS. IRESS has not consented to the use of any trading data in this Scheme Booklet.

4. The Scheme Consideration implies a valuation for Amcom Shares significantly in excess of comparable precedent transactions and broker valuations

The Scheme Consideration implies an Amcom EV/EBITDA (FY2014) multiple of 14.0x⁽¹⁾, a significant premium to selected precedents transactions, as shown in the chart below.



¹ Based on implied value of the Scheme Consideration of \$2.45 per Amcom Share, diluted shares outstanding of c.270.6m, net cash of c.\$7m and FY14 underlying EBITDA of c.\$46.7m

The implied value of Amcom Shares by the Scheme Consideration is also 15% above average broker valuations of Amcom Shares of \$2.12 per Amcom Share. The broker valuations are based on Amcom broker reports published prior to Vocus' approach and use methodologies commonly used to value companies in the Information, Communication and Technology sector⁽²⁾.

5. **The combination of Amcom and Vocus is highly complementary and is expected to generate significant cost and revenue synergies**

The combination of Amcom and Vocus brings together two highly complementary businesses, and is expected to offer the following key benefits:

- (a) **Creates an enhanced telecommunications infrastructure footprint across Australia and New Zealand, enhancing and diversifying Amcom's current Western Australia, South Australia and the Northern Territory focused business**

Amcom's Western Australia, South Australia and the Northern Territory business will complement Vocus' east coast and New Zealand business, creating a national fibre network and data centre footprint. The enhanced footprint will include over 3,000km of fibre connecting to c.2,800 on-net buildings in Australia, c.4,250km of fibre network in New Zealand and 22 data centres across Australia and New Zealand. The Combined Group will also have significant customer diversity, with over 3,700 customers across Australia and New Zealand in the wholesale, corporate and government sectors.

- (b) **The Combined Group is likely to have a significantly enhanced growth profile and an improved base to pursue further growth initiatives**

The Combined Group's enhanced distribution network, broader market reach and compelling product offering is likely to offer increased opportunities to drive and diversify sales growth. The Combined Group will have a truly national network with presence in all Australian and New Zealand capital cities, providing the ability to bid for new business that neither company would have been positioned to pursue on a standalone basis.

The Combined Group will have an enhanced market capitalisation of \$1.3 billion, positioning the company as a significant player in the Information, Communication and Technology sector and S&P ASX 200 Index and providing increased market presence as well as financial capacity to pursue further acquisitions and growth initiatives.

- (c) **The enhanced scale of the Combined Group is likely to improve competitive positioning**

The enhanced scale of the Combined Group is likely to result in meaningful cost benefits through expected supply savings, scale/volume discounts and efficiencies associated with spreading fixed costs across the combined entity's expanded base (that is, economies of scale and leveraging fixed cost base). This is expected to lower the Combined Group's cost base and improve its competitive positioning.

2 Based on discounted cash flow valuations of \$1.89 - \$2.38 per Amcom Share published by 6 brokers during 13-14 August 2014, being the most recent research reports available to Amcom prior to 24 October 2014 (i.e. the date Vocus announced the purchase of a 10.0% stake in Amcom). Credit Suisse Emerging Companies excluded due to advisory role with Vocus. The average broker valuation is included in this Scheme Booklet solely as an indication of market views as to the value of Amcom Shares. The Amcom Directors do not adopt or endorse any of the broker valuations or the average valuation. The Independent Expert Report provided in Annexure A of this Scheme Booklet contains a valuation of Amcom which values Amcom at \$1.99 – \$2.41 per Amcom Share. Broker valuations do not include a premium for control.

The combination of Amcom and Vocus is expected to generate c.\$13-15m of annualised cost synergy benefit by the end of FY2017. Key drivers of these cost synergies include:

- (i) Vocus assuming provision of Amcom's IP Transit requirements (\$2million);
- (ii) rationalisation of duplicate network infrastructure (\$3million);
- (iii) Removal of duplicate company costs (\$5-7million); and
- (iv) Aggregation and economies of scale in relation to input supplies (\$3million).

In addition to cost synergies, there are expected to also be significant revenue synergies associated with the combination, including:

- (i) Cross-selling of combined product suite (that is, Amcom selling on Vocus' east coast and New Zealand network and Vocus selling on Amcom's Western Australia, South Australia and the Northern Territory network);
- (ii) Vocus sale of enhanced Unified Communications product offering (for example, IP Tel, ACC); and
- (iii) Internet sales opportunities to Amcom customers, leveraging Vocus capacity.

As Amcom Shareholders will own approximately 51.6% of the Combined Group following implementation of the Scheme, more than half of any benefits from these synergies will flow to Amcom Shareholders, providing greater value than the premium alone.

6. Amcom's share price is more likely to fall than rise, in the near-term, if the Scheme is not implemented and no Superior Proposal emerges

Since the last trading day prior to the announcement of Vocus' approach on 27 October 2014, Amcom's share price has risen 45.7% up to \$2.71 on 27 March 2015, being the last practicable trading day prior to the date of this Scheme Booklet.

Given the many factors that are likely to affect the price of Amcom Shares, the Amcom Directors are unable to predict the price at which Amcom Shares will trade in the future, however, the Amcom Directors consider that, in the absence of the implementation of the Scheme and in the absence of a Superior Proposal, or speculation regarding an alternative proposal, the price of Amcom Shares is more likely to fall than rise from current levels.

7. Since the announcement of the Scheme, no Superior Proposal has emerged

Since the initial announcement of the Scheme on 17 December 2014 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the Amcom Directors are not aware of any Superior Proposal that is likely to emerge.

8. Amcom Shareholders may be eligible for CGT rollover relief

If the Scheme is implemented, Amcom Shareholders may be eligible for scrip-for-scrip CGT rollover relief on the disposal of Amcom Shares in exchange for New Vocus Shares.

The benefit of applying scrip-for-scrip rollover relief upon receiving New Vocus Shares will depend primarily on the individual circumstances of each Amcom Shareholder and all Amcom Shareholders are advised to obtain independent professional taxation advice in respect of the Scheme.

Further detail regarding the general Australian tax consequences of the transaction is contained in Section 9 of this Scheme Booklet.

Reasons to vote against the Scheme

This Section summarises the reasons identified by the Amcom Directors as to why you may consider voting against the Scheme.

The Amcom Directors consider that the potential disadvantages of, and other reasons to vote against, the Scheme outlined below are outweighed by the potential advantages of, and other reasons to vote in favour of, the Scheme (set out in the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet) and that the Scheme is in the best interests of Amcom Shareholders, in the absence of a Superior Proposal, but believe that Amcom Shareholders should take the potential disadvantages of, and other reasons to vote against, the Scheme set out below into consideration when deciding whether or not to vote in favour of the Scheme.

1. You may hold a different view to the Amcom Directors and the Independent Expert in relation to the Scheme

Notwithstanding the unanimous recommendation of the Amcom Directors and the conclusions of the Independent Expert, you may believe that the Scheme is not in your best interests.

There is no obligation to follow the recommendation of the Amcom Directors or to agree with the opinion of the Independent Expert.

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

You may believe that a Superior Proposal, which is more attractive for Amcom Shareholders than the Scheme, could emerge in the foreseeable future. Implementation of the Scheme will mean that existing Amcom Shareholders will not receive the benefit of any such proposal.

Since the announcement of the Scheme on 17 December 2014 and up to the date of this Scheme Booklet, the Amcom Directors have not received or become aware of a Superior Proposal and have no basis for believing that a Superior Proposal will emerge.

The Amcom Directors note that the Scheme Implementation Agreement prohibits Amcom from soliciting Competing Proposals, however, Amcom is permitted to respond to any Competing Proposals should the Amcom Directors determine that failing to do so would likely constitute a breach of their fiduciary or statutory duties. Further details of the key terms of the Scheme Implementation Agreement are provided in Section 8.8 of this Scheme Booklet.

3. You may believe it is in your best interests to maintain your current investment and risk profile

While Vocus operates a telecommunications business with a number of similar product and asset characteristics as Amcom, the operational profile, size, debt profile, dividend distribution policy and geographic exposure of the Combined Group will be different to that of Amcom on a standalone basis⁽³⁾. It is possible that you may wish to maintain an interest in Amcom as a standalone company because you are seeking an investment in a publicly listed company with the specific characteristics of Amcom.

One of the benefits of the Scheme is the potential for the Combined Group to realise the synergies, as detailed in Section 6.1 of this Scheme Booklet. However, you may believe that the integration of Amcom and Vocus may be more difficult or take more time than currently anticipated and there is a risk that the expected synergies may not be realised within the anticipated timeframe or to their full extent. Failure to achieve targeted synergies within the anticipated timeframe may have an adverse effect on the operations, financial performance and position of the Combined Group, and the value of Vocus Shares.

³ Refer to Section 6.2 and 6.6 for further information on Combined Group dividend policy and Combined Group financials respectively.

Further details of the risks associated with Vocus and the Combined Group are set out in Section 6.1 of this Scheme Booklet. Amcom Shareholders are encouraged to read this Section carefully and in its entirety.

Vocus Shares trade on the ASX. Accordingly, if you receive New Vocus Shares under the Scheme, and you do not wish to hold them after the Implementation Date, you will have the option to sell them on the ASX.

4. The value of the Scheme Consideration is not certain and will depend on the price at which New Vocus Shares trade on the ASX after the Implementation Date

If the Scheme is implemented, Amcom Shareholders will receive the Scheme Consideration of 0.4614 New Vocus Shares in respect of each Amcom Share they hold on the Record Date. The value of New Vocus Shares received by Amcom Shareholders on implementation of the Scheme will depend on the price at which Vocus Shares trade on the ASX as at the Implementation Date.

Following implementation of the Scheme, the price of Vocus Shares may rise or fall based on market conditions and the Combined Group's financial and operational performance. If the price of Vocus Shares falls, the value of the New Vocus Shares received as Scheme Consideration will decline. If the price of Vocus Shares increases, the value of the New Vocus Shares received as Scheme Consideration will increase.

Further, in circumstances where Amcom Shareholders do not intend to continue to hold their New Vocus Shares, there is a risk that a significant number of Amcom Shareholders may seek to sell their New Vocus Shares, which may adversely impact the price of Vocus Shares.

Accordingly, there is no guarantee as to the future value of the Scheme Consideration to be received under the Scheme.

5. The potential tax consequences pursuant to the Scheme may be adverse to your own financial position

If the Scheme proceeds, there may be tax consequences for you as an Amcom Shareholder which may include tax payable on any gain in the disposal of your Amcom Shares.

A general guide to the taxation implications of the Scheme is set out in Section 9 of this Scheme Booklet. This guide is expressed in general terms and you should seek independent professional advice regarding the tax consequences applicable to your own circumstances.

Other considerations relevant to your vote on the Scheme

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

1. **The Scheme may be implemented even if you vote against the Scheme or you do not vote at all**

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Amcom Shareholders and the Court. If this occurs, your Amcom Shares will be transferred to Vocus and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

2. **Implications for Amcom if the Scheme is not implemented**

If the Scheme does not proceed, Amcom Shareholders will not receive the Scheme Consideration.

If the Scheme is not approved or all outstanding Conditions are not satisfied or waived, the Scheme will not proceed. In that case, Amcom Shareholders will not receive the Scheme Consideration, Amcom will continue to operate as it does currently and Amcom Shares will remain listed on the ASX.

If the Scheme is not implemented, the advantages of the Scheme described in the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet will not be realised.

Amcom has incurred significant costs in respect of the Scheme. These costs include those incurred to conduct negotiations with Vocus, retention of advisers, provision of information to Vocus, facilitating Vocus' access to due diligence, engagement of the Independent Expert and preparation of this Scheme Booklet. If the Scheme is not implemented, then Amcom expects to incur total costs relating to the Scheme of approximately \$5 million.

3. **Conditionality of the Scheme**

The implementation of the Scheme is subject to a number of Conditions which are summarised in Section 8.8 of this Scheme Booklet and set out in section 3.1 of the Scheme Implementation Agreement (a copy of which is set out in Annexure C of this Scheme Booklet). If the Conditions are not satisfied or waived (as applicable), the Scheme will not proceed and Amcom Shareholders will not receive the Scheme Consideration.

4. **Warranty by Scheme Shareholders about their Amcom Shares**

Each Scheme Shareholder is deemed to have warranted to Amcom that all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of the transfer of them to Vocus, be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind. Refer to Section 8.6 of this Scheme Booklet for further information.

5. **Exclusivity**

Amcom and Vocus have entered into certain arrangements which restrict the ability of Amcom to enter into discussions with potential rival bidders (subject to various exceptions) and require Amcom to provide Vocus with certain rights in respect of matching any alternative offers, if they arise. Exclusivity arrangements also apply which restrict Vocus in a similar manner. Refer to Section 8.8(c) of this Scheme Booklet for further information.

6. Break fees

A break fee of \$4 million is payable by Amcom to Vocus and a break fee of \$4 million is payable by Vocus to Amcom in certain circumstances. Refer to Section 8.8(f) of this Scheme Booklet for further information.

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1. Summary of the Scheme

1.1 Background

On 27 October 2014, Amcom and Vocus announced that Vocus had acquired a 10% interest in Amcom. Amcom also confirmed on that date that Vocus had outlined to Amcom a confidential, conditional, incomplete and non-binding proposal to combine the businesses of Amcom and Vocus.

On 17 December 2014, Amcom and Vocus announced that they had entered into a Scheme Implementation Agreement, subject to certain Conditions, under which Vocus would acquire the outstanding 90% of Amcom shares that it does not own. The transaction is to be effected by way of a scheme of arrangement between Amcom and its shareholders.

A summary of the key terms of the Scheme Implementation Agreement can be found in Section 8.8 of this Scheme Booklet and a complete copy of the Scheme Implementation Agreement is set out in Annexure C of this Scheme Booklet.

If the Scheme is approved by Amcom Shareholders and by the Court, and all other Conditions are satisfied or waived, Amcom will become a Subsidiary of Vocus and an application will be made to delist the Amcom Shares from the ASX.

If the Scheme is not approved, the Scheme will not proceed and Amcom will continue as a standalone entity listed on the ASX (see Section 1.10 of this Scheme Booklet).

A copy of the Scheme is set out in Annexure D of this Scheme Booklet.

1.2 Amcom Director's recommendation

The Amcom Directors believe that the Scheme is attractive and in the best interests of Amcom Shareholders and recommend that Amcom Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

1.3 Voting intentions of the Amcom Directors

Each of the Amcom Directors intend to vote all of the Amcom Shares held or controlled by them as at the Voting Record Date in favour of the Scheme, in the absence of a Superior Proposal.

Details of the relevant interests of each Amcom Director in Amcom Shares are set out in Section 10 of this Scheme Booklet.

1.4 Independent Expert's conclusion

PwCS, the Independent Expert, has concluded that the Scheme is in the best interests of Amcom Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the underlying value of the Amcom Shares to be in the range of \$1.99 and \$2.41 per Amcom Share with a midpoint value of \$2.20, and the value implied by the Scheme Consideration to be in the range of \$2.65 and \$2.77 per Amcom Share with a midpoint value of \$2.71. As the value implied by the Scheme Consideration is above the estimate of the underlying value of the Amcom Shares, the Independent Expert has concluded that the Scheme is fair and in the best interests of Amcom Shareholders, in the absence of a Superior Proposal.

A full copy of the Independent Expert's Report is set out in Annexure A of this Scheme Booklet. The Amcom Directors encourage you to read this report in its entirety before making a decision as to whether or not to vote in favour of the Scheme.

1.5 Scheme Consideration

If the Scheme proceeds, Amcom Shareholders registered as Amcom Shareholders on the Amcom Share Register at the Record Date will be entitled to receive 0.4614 New Vocus Shares for every Amcom Share held at 7.00 pm (Perth time) on the Record Date.

If the number of Scheme Shares held by a Scheme Shareholder is such that the aggregate entitlement of that Scheme Shareholder to New Vocus Shares is not a whole number, then the entitlement in each case must be rounded up or down to the nearest whole number (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half).

The Scheme Consideration will not be adjusted by any interim or special dividend declared by Amcom or Vocus prior to implementation, subject to an agreed cap of \$0.05 per Amcom Share for Amcom and \$0.063 per Vocus Share for Vocus.

Ineligible Overseas Shareholders will not be issued New Vocus Shares. Instead, the New Vocus Shares that would otherwise have been issued to Ineligible Overseas Shareholders will be issued to a Sale Nominee who will sell those New Vocus Shares in accordance with the "What you should do" Section on page 12 of this Scheme Booklet and account to Vocus the net proceeds from that sale. Vocus will then remit the portion of proceeds it receives from the Sale Nominee to each Ineligible Overseas Shareholder in accordance with their entitlement. See the "What you should do" Section on page 12 of this Scheme Booklet for further details in respect of Ineligible Overseas Shareholders.

1.6 Key steps to implement the Scheme

The key steps to implement the Scheme are as follows:

- (a) Amcom Shareholders will vote on whether to approve the Scheme at the Scheme Meeting. Each Registered Shareholder at the Voting Record Date is entitled to vote at the Scheme Meeting.
- (b) If the Scheme is approved by the Requisite Majorities at the Scheme Meeting, Amcom will apply to the Court for orders approving the Scheme on the Second Court Date.
- (c) If the Court approves the Scheme, and all Conditions to the Scheme have been satisfied or waived, Amcom will lodge with ASIC an office copy of the Court orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
- (d) It is expected that suspension of trading in Amcom Shares on the ASX will occur from close of trading on the Effective Date;
- (e) On the Implementation Date, Amcom Shareholders will receive 0.4614 New Vocus Shares for every Amcom Share held on the Record Date; and
- (f) At a time after the Implementation Date to be determined by Vocus, Amcom will apply to the ASX for termination of official quotation of Amcom Shares and to have itself removed from the official list of the ASX.

Section 8 of this Scheme Booklet contains further details of the Scheme, including the approvals required in order for the Scheme to proceed.

1.7 Conditions

The Scheme is subject to a number of Conditions. These Conditions are summarised in Section 8.8 of this Scheme Booklet and are set out in full in clause 3.1 of the Scheme Implementation Agreement which is Annexure C of this Scheme Booklet.

As at the date of this Scheme Booklet, Amcom and Vocus are not aware of any circumstances that would cause the outstanding Conditions not to be satisfied or waived.

1.8 Treatment of Amcom Performance Rights

As at the date of this Scheme Booklet, Amcom has 4,185,000 Amcom Performance Rights on issue. The Amcom Performance Rights were issued pursuant to the Amcom Performance Rights Long Term Incentive Plan.

The Amcom Performance Rights Long Term Incentive Plan is designed to provide an incentive and reward structure aligned with longer term Amcom Shareholder value creation.

The Executive Directors and such other persons as the Amcom Board, in its discretion, determines are entitled to participate in the Amcom Performance Rights Long Term Incentive Plan, Non-Executive Directors are not eligible to participate.

The Amcom Performance Rights enable the participant to receive Amcom Shares. No amount is payable upon the grant or the issue of an Amcom Share following the vesting of an Amcom Performance Right. These rights cannot be transferred without Amcom Board approval and will be forfeited if vesting conditions are not satisfied by the end of the vesting period. Amcom uses relative Total Shareholder Return and employment retention as the vesting hurdles and in the case of the Amcom Performance Rights belonging to 'Tranche F' a target Amcom Share price. Participants will have full entitlements attaching to ordinary shares when converted. Further details of the Amcom Performance Rights Long Term Incentive Plan are set out in Amcom's 2014 Annual Report.

The Amcom Performance Rights Plan Rules provide that, upon the occurrence of a change of control, the Amcom Board has a broad discretion in determining how unvested Amcom Performance Rights will be dealt with.

With respect to the Amcom Performance Rights belonging to 'Tranche F' other than those held by Amcom's Chief Executive Officer (**Additional Performance Rights**), if a company (**Acquiring Company**) obtains control of Amcom as a result of the change of control, and both Amcom and the Acquiring Company agree:

- (a) 50% of the Additional Performance Rights will vest and a corresponding number of Amcom Shares will be issued; and
- (b) subject to Amcom obtaining any necessary approvals, 50% of the Additional Performance Rights will lapse and the Additional Performance Rights holder will be provided with performance rights in the Acquiring Company on substantially the same terms and subject to the same conditions as the Additional Performance Rights.

If Amcom and the Acquiring Company do not agree to the terms outlined in paragraph (b) above, or any necessary approvals have not been obtained, 100% of the Additional Performance Rights vest.

In accordance with the terms of the Scheme Implementation Agreement, the Amcom Board has determined that:

- (a) a total of 2,605,000 Amcom Performance Rights, comprising 1,025,000 Amcom Performance Rights belonging to 'Tranche D', 1,060,000 Amcom Performance Rights belonging to 'Tranche E' that are held by Amcom senior executives and key management, and 520,000 Amcom Performance Rights belonging to 'Tranche F' that are held by Amcom's Chief Executive Officer, will vest;
- (b) 790,000 Amcom Performance Rights belonging to 'Tranche F', being 50% of the Additional Performance Rights, will vest; and

- (c) subject to Amcom obtaining any necessary approvals, 790,000 Amcom Performance Rights belonging to 'Tranche F', being the remaining 50% of the Additional Performance Rights, will either be acquired by Vocus or cancelled for consideration which must comprise of such number of performance rights in Vocus to be calculated by multiplying the Adjusted Merger Ratio by the number of Additional Performance Rights held by that Amcom Performance Rights Holder and, subject to certain exceptions set out in Section 8.8(g) of this Scheme Booklet, be on terms no less favourable than the terms of the Additional Performance Rights.

In respect of those Amcom Performance Rights that vest, Amcom Shares will be issued such that the holders of those Amcom Shares are entitled to participate in the Scheme on the same basis as all other holders of Amcom Shares. Holders of those Amcom Shares will also be entitled to receive the dividend payment on the Amcom Shares outlined in Section 4.13 of this Scheme Booklet.

The holders of Amcom Performance Rights will be entitled to vote at the Scheme Meeting in respect of any Amcom Shares they hold at the date of the Scheme Meeting. The holders of those Amcom Performance Rights will not be entitled to vote at the Scheme Meeting with respect to their Amcom Performance Rights because those Amcom Performance Rights will only vest following approval of the Scheme by Amcom Shareholders at the Scheme Meeting.

With respect to paragraph (c) above, if any necessary approvals have not been obtained by the second Court hearing for the Scheme, but the Scheme proceeds, the Amcom Board has determined that the remaining 50% of the Additional Performance Rights will vest and those Amcom Performance Rights Holders will be issued a corresponding number of Amcom Shares on the date of a "change of control" of Amcom (as determined by the Amcom Board) in accordance with the terms of the Amcom Performance Rights belonging to 'Tranche F'. In such an event, those Amcom Performance Rights Holders will not receive Vocus Performance Rights.

Further details regarding the treatment of the Amcom Performance Rights are set out in Section 8.8(g) of this Scheme Booklet.

1.9 Taxation implications

A general guide to the taxation implications of the Scheme for certain Amcom Shareholders is set out in Section 9 of this Scheme Booklet. This guide is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Amcom Shareholder.

1.10 If the Scheme does not proceed

If the Scheme does not proceed, Amcom Shareholders will retain their Amcom Shares, Amcom will continue to operate as a standalone entity, listed on the ASX and Amcom Shareholders will not receive the Scheme Consideration.

Amcom will continue to focus on its current business plan and growth strategy. Amcom Shareholders will remain exposed to the risks of Amcom, as discussed in Section 7 of this Scheme Booklet.

1.11 Your choices as an Amcom Shareholder

As an Amcom Shareholder you have the following four options in relation to your Amcom Shares:

(a) **Vote in favour of the Scheme at the Scheme Meeting**

Your Amcom Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme. The reasons for your Amcom Directors' unanimous recommendation are set out in the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet.

(b) **Vote against the Scheme at the Scheme Meeting**

If, despite your Amcom Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting.

However, you should note that if all of the Conditions to the Scheme are satisfied or waived (as applicable), including receipt of the approval of the Requisite Majorities, the Scheme will bind all Amcom Shareholders, including those who vote against the Scheme at the Scheme Meeting or those who do not vote at all.

(c) **Sell your Amcom Shares on the ASX**

You can sell your Amcom Shares on the ASX. If you sell your Amcom Shares on the ASX you may incur brokerage costs. If the Scheme becomes Effective, trading in Amcom Shares on the ASX is expected to cease at the close of the second day of trading on the ASX following the time at which the Scheme becomes Effective. Accordingly, you may sell your Amcom Shares on market at any time before the cessation of trading of Amcom Shares on the ASX (although normal brokerage and other expenses on sale may be incurred).

(d) **Do nothing**

If, despite your Amcom Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the Conditions to the Scheme are satisfied or waived (as applicable), including receipt of the approval of the Requisite Majorities, the Scheme will bind all Amcom Shareholders, including those who vote against the Scheme at the Scheme Meeting or those who do not vote at all.

If you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majorities of Amcom Shareholders you will not be entitled to receive any Scheme Consideration.

1.12 Key agreements

The key agreements to effect the Scheme are the:

- (a) Scheme Implementation Agreement (a copy of which is set out in Annexure C of this Scheme Booklet);
- (b) Scheme (a copy of which is set out in Annexure D of this Scheme Booklet); and
- (c) Deed Poll (a copy of which is set out in Annexure E of this Scheme Booklet).

A summary of these key agreements is set out in Section 8 of this Scheme Booklet.

1.13 Further information for Amcom Shareholders

If you have any further questions in relation to this Scheme Booklet or the Scheme please consult your financial, legal or other professional adviser or contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

For personal use only

2. Frequently asked questions

This Scheme Booklet contains detailed information regarding the Scheme. This Section provides summary answers to some questions you may have and will assist you to locate further detailed information in this Scheme Booklet. It is not intended to address all relevant issues for Amcom Shareholders. This Section should be read together with the other parts of this Scheme Booklet

Question	Answer
The Scheme at a glance	
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are an Amcom Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.
What is the Scheme?	<p>On 17 December 2014, Amcom and Vocus announced that the parties had entered into the Scheme Implementation Agreement in relation to the Scheme. Pursuant to the Scheme, Vocus will acquire all the Amcom Shares held on the Record Date by Amcom Shareholders (other than the Amcom Shares that it already owns) in exchange for the Scheme Consideration of 0.4614 New Vocus Shares for each Amcom Share.</p> <p>If the Scheme is implemented, Amcom will become a Subsidiary of Vocus and Amcom Shares will be delisted from the ASX.</p> <p>A detailed description of the terms of the Scheme is set out in Section 1 of this Scheme Booklet.</p>
Who is Vocus Communications Limited?	<p>Vocus is a member of the S&P/ASX 200 Index and a leading telecommunications provider of dark fibre and Ethernet, Internet connectivity and data centres.</p> <p>Vocus owns approximately 690km of metro fibre in Australia and over 4,250km of intercity fibre in New Zealand. Vocus' metro fibre network currently connects over 1,250 buildings in capital cities.</p> <p>In addition to its fibre network, Vocus owns submarine cable capacity connecting Australia to Singapore, New Zealand and the United States, along with data centre facilities in Auckland, Sydney, Melbourne, Newcastle and Perth.</p> <p>Further information in relation to Vocus is set out in Section 5 of this Scheme Booklet.</p>
What is a "scheme of arrangement"?	A "scheme of arrangement" is a means of implementing an acquisition of securities under the Corporations Act. It requires a vote in favour of a resolution to implement the scheme of arrangement by the Requisite Majorities at a meeting of Shareholders, and also requires Court approval.
What do the Amcom Directors recommend?	<p>The Amcom Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. Each of the Amcom Directors intends to vote in favour of the Scheme in relation to Amcom Shares held or controlled by them as at the Voting Record Date, in the absence of a Superior Proposal.</p> <p>The reasons for this recommendation, and other matters that you may wish to take into consideration, are set out in the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet.</p>

What are the reasons to vote in favour of the Scheme?

The reasons to vote in favour of the Scheme are set out in the "Reasons to vote in favour of the Scheme" Section on page 14 of this Scheme Booklet.

What are the possible reasons not to vote in favour of the Scheme?

The possible reasons not to vote in favour of the Scheme are set out in the "Reasons to vote against the Scheme" Section on page 19 of this Scheme Booklet.

What is the conclusion of the Independent Expert?

The Amcom Directors engaged PwCS as an independent expert to provide a report on the Scheme.

The Independent Expert has concluded the Scheme is in the best interests of Amcom Shareholders, in the absence of a Superior Proposal.

A copy of the Independent Expert's Report, including the reasons for the Independent Expert's conclusion, is set out in Annexure A of this Scheme Booklet.

What if the Independent Expert changes its opinion?

If the Independent Expert changes its opinion, this will be announced to the ASX and the Amcom Directors will carefully consider the Independent Expert's revised opinion and advise you of their recommendation.

A copy of the Independent Expert's Report is set out in Annexure A of this Scheme Booklet.

What are the prospects of receiving a Superior Proposal?

Since the entry into the Scheme Implementation Agreement was announced on 17 December 2014, no Superior Proposal has emerged.

Amcom Shareholders should note that Amcom has agreed to certain exclusivity and break fee provisions in favour of Vocus, which are detailed in Section 8.8 of this Scheme Booklet.

What you will receive under the Scheme

What will I receive if the Scheme is implemented?

If the Scheme is implemented, Amcom Shareholders will receive 0.4614 New Vocus Shares for each Amcom Share held at the Record Date, representing a value of \$2.45 per Amcom Share based on Vocus' undisturbed closing share price on 24 October 2014.

Fractional entitlements will be rounded up or down to the nearest whole number (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half).

Ineligible Overseas Shareholders will not receive New Vocus Shares under the Scheme, but will instead receive a pro rata share of the proceeds from the sale by the Sale Nominee of the New Vocus Shares attributable to Ineligible Overseas Shareholders.

See the "What you should do" Section on page 12 of this Scheme Booklet for further details in respect of Ineligible Overseas Shareholders.

Am I eligible to receive the Scheme Consideration?

If you hold Amcom Shares on the Record Date (and provided you are not an Ineligible Overseas Shareholder), you will participate in the Scheme and be paid any Scheme Consideration to which you are entitled under, and in accordance with, the terms of the Scheme.

Do I need to sign anything to transfer my Scheme Shares?

No, if the Scheme becomes Effective, Amcom will automatically have authority to sign a transfer on your behalf, and the Scheme Consideration will be issued to you.

However, you should be aware that under the Scheme, you are deemed to have warranted to Vocus that all your Amcom shares (including any rights and entitlements attaching to those shares) will, at the date of transfer of them to Vocus, be fully paid and free from all Encumbrances, and that you have full power and capacity to transfer your Amcom shares.

When will the Scheme Consideration be paid?

If the Scheme is not approved by the Requisite Majorities of Amcom Shareholders at the Scheme Meeting or by the Court, the Scheme Consideration will not be paid.

If the Scheme becomes Effective, the Scheme Consideration (being New Vocus Shares) will be allotted and issued on or about the Implementation Date, which is expected to occur by 28 May 2015.

Ineligible Overseas Shareholders should refer to the "What you should do" Section on page 12 of this Scheme Booklet for details about the timing of the payment of consideration they will receive in accordance with the Scheme.

How will I receive the Scheme Consideration?

If you have a Registered Address in Australia, you will receive the Scheme Consideration to which you are entitled to under, and in accordance with, the terms of the Scheme.

Who is an Ineligible Overseas Shareholder for the purposes of the Scheme? What do they receive under the Scheme?

An Ineligible Overseas Shareholder is an Amcom Shareholder whose address as shown in the Amcom Share Register on the Record Date is a place outside Australia and its external territories and New Zealand (unless Vocus is satisfied that it is permitted to allot and issue New Vocus Shares to that Amcom Shareholder pursuant to the Scheme by the laws of that place).

The New Vocus Shares that would have otherwise been issued to Ineligible Overseas Shareholders will be issued to the Sale Nominee on the Implementation Date and subsequently sold on-market by the Sale Nominee and dealt with in the manner described in the "What you should do" Section on page 12 of this Scheme Booklet.

When can I start trading my New Vocus Shares on the ASX?

Trading in the New Vocus Shares will commence by the first Business Day after the Implementation Date, expected to be 29 May 2015.

What are the tax consequences of the Scheme for me?

Section 9 of this Scheme Booklet provides a description of the general tax implications of the Scheme for Australian residents.

You should consult with your own tax adviser regarding the consequences of receiving the Scheme Consideration and disposing of your Amcom Shares to Vocus in accordance with the Scheme in light of current tax laws and your particular investment circumstances.

Will I have to pay brokerage fees or stamp duty?

No. No brokerage or stamp duty will be payable on the disposal of your Amcom Shares under the Scheme.

Voting to approve the Scheme

Am I entitled to vote at the Scheme Meeting?

The time for determining eligibility of registered Amcom Shareholders to vote at the Scheme Meeting is 5.00 pm (Perth time) on 4 May 2015, being the Voting Record Date. Only those Amcom Shareholders entered on the Amcom Share Register at that time will be entitled to attend and vote at the Scheme Meeting.

When and where will the Scheme Meeting be held?

The Scheme Meeting will be held at 11.00 am (Perth time) on 6 May 2015 at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia.

What vote is required to approve the Scheme?

For the Scheme to be approved by Amcom Shareholders, votes in favour of the Scheme must be received from:

- unless the Court orders otherwise, a majority in number (more than 50%) of Registered Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Registered Shareholders, by corporate representative); and
- Registered Shareholders who together hold at least 75% of the total number of votes cast on the Scheme Resolution.

Even if the Scheme is approved by Registered Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court.

What choices do I have as an Amcom Shareholder?

As an Amcom Shareholder you have the following choices:

- vote in favour of the Scheme at the Scheme Meeting;
- vote against the Scheme at the Scheme Meeting;
- sell your Amcom Shares on the ASX; or
- do nothing.

Should I vote?

Voting is not compulsory. However, the Amcom Directors believe that the Scheme is important to all Amcom Shareholders and the Amcom Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting.

How do I vote?

Please refer to Section 3 of this Scheme Booklet for detailed information on how to vote on the Scheme.

What happens if I do not vote, or I vote against the Scheme?

The Scheme may not be approved at the Scheme Meeting by the Requisite Majorities of Amcom Shareholders. If this occurs, the Scheme will not proceed, you will not receive the Scheme Consideration and you will remain an Amcom Shareholder.

However, if the Scheme is approved and implemented, your Amcom Shares will be transferred to Vocus under the Scheme and you will receive the Scheme Consideration for each Amcom Share you hold at the Record Date.

This is so even if you did not vote at all or you voted against the Scheme.

What happens if the Scheme is not approved at the Scheme Meeting?

If the Scheme does not proceed, Amcom Shareholders will retain their Amcom Shares, Amcom will continue to operate as a standalone entity listed on the ASX and Amcom Shareholders will not receive the Scheme Consideration. Amcom will continue to focus on its current business plan and growth strategy.

Amcom's share price is also more likely to fall than rise, in the near-term, if the Scheme is not approved at the Scheme Meeting and no Superior Proposal emerges.

Amcom Shareholders will remain exposed to the risks of Amcom as discussed in Section 7 of this Scheme Booklet.

What happens if the Scheme is approved at the Scheme Meeting, but is not approved by the Court?

If the Scheme is approved at the Scheme Meeting, but is not approved by the Court, the Scheme will not proceed. Amcom Shareholders will retain their Amcom Shares and Amcom will continue to operate as a standalone entity listed on the ASX. Amcom Shareholders will not receive the Scheme Consideration if the Scheme does not proceed.

When will the results of the Scheme Meeting be available?

The results of the Scheme Meeting will be declared at the Scheme Meeting and will be announced publicly shortly after the conclusion of the Scheme Meeting.

Other

Do any of the Amcom Directors hold any Vocus securities?

No marketable securities of Vocus or any of its Subsidiaries are held by or on behalf of the Amcom Directors as at the date of this Scheme Booklet.

Can I keep my Amcom Shares?

If the Scheme is implemented, your Amcom Shares will be transferred to Vocus. This is so even if you did not vote at all or you voted against the Scheme at the Scheme Meeting.

Are any other approvals required?

The Scheme must be approved by the Court in addition to being approved by the Requisite Majorities of Amcom Shareholders. If the Scheme is approved by the Requisite Majorities of Amcom Shareholders at the Scheme Meeting, Amcom will apply to the Court for approval of the Scheme. The Court hearing for approval of the Scheme is expected to be held on 13 May 2015 (although this may change).

Implementation of the Scheme is subject to certain regulatory approvals, as summarised in Section 10.8 of this Scheme Booklet.

Is the Scheme subject to any Conditions?

Implementation of the Scheme is subject to a number of Conditions. These Conditions are summarised in Section 8.8 of this Scheme Booklet and are set out in full in the Scheme Implementation Agreement (a copy of which is set out in Annexure C of this Scheme Booklet).

Under what scenarios can Amcom or Vocus terminate the transaction?

The transaction can be terminated by Amcom and Vocus in certain circumstances which are set out in full in Section 8.8 of this Scheme Booklet.

What happens if a Superior Proposal emerges?

If a Superior Proposal emerges, this will be announced to the ASX and the Amcom Directors will carefully reconsider the Scheme and advise you of their recommendation.

Is there a break fee payable by Amcom?

Yes, a break fee of \$4 million will become payable by Amcom to Vocus in certain circumstances which are set out in full in the "Other considerations relevant to your vote on the Scheme" Section on page 21 of this Scheme Booklet and Section 8.8 of this Scheme Booklet.

Is there a break fee payable by Vocus?

Yes, a break fee of \$4 million will become payable by Vocus to Amcom in certain circumstances which are set out in full in the "Other considerations relevant to your vote on the Scheme" Section on page 21 of this Scheme Booklet and Section 8.8 of this Scheme Booklet.

When will Amcom Shares cease trading on the ASX?

Provided the Scheme becomes Effective, suspension of trading in Amcom Shares on the ASX is expected to occur from close of trading on the Effective Date. This is expected to occur on 14 May 2015.

What are Vocus' intentions for Amcom if the Scheme proceeds?

If the Scheme is implemented Vocus intends to operate Amcom largely in its current form. Full details of Vocus' intentions are outlined in Section 6.2 of this Scheme Booklet.

Who will be on the Combined Group's board?

The Combined Group's board will comprise of eight directors, including three current Amcom Directors and five current Vocus Directors. Current Vocus Chairman David Spence will be Chairman and current Amcom Chairman Tony Grist will be Deputy Chairman of the Combined Group's board. Full details of the Combined Group's board are outlined in Section 6.3 of this Scheme Booklet.

What will the dividend policy of the Combined Group be?

The dividend policy of the Combined Group will be determined by the Combined Group's board having regard to its profits, financial position and an assessment of the capital required to grow the businesses.

There is no guarantee that the Combined Group's dividend policy will be similar to Amcom's, however, Vocus currently intends for the Combined Group to continue to pay a dividend.

Further details of the Combined Group's dividend policy are outlined in Section 6.2(e) of this Scheme Booklet.

What are the potential risks associated with Amcom if the Scheme is not implemented?

If the Scheme is not implemented the risks outlined in Sections 7.3 and 7.4 will continue to be relevant to the future operating and financial performance of Amcom and the value of Amcom Shares.

What if I have other questions?

If you have any further questions concerning the Scheme, please consult your financial, legal, or other professional adviser or contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

3. How to vote

3.1 Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on 6 May 2015 at 11.00 am (Perth time).

If the Scheme is not approved by the Requisite Majorities of Amcom Shareholders at the Scheme Meeting, the Scheme will not proceed.

The Scheme must be approved by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Amcom Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (b) at least 75% of the total number of votes which are cast at the Scheme Meeting.

3.2 Entitlement to vote

If you are registered as a Registered Shareholder as at 5.00 pm (Perth time) on 4 May 2015, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting.

3.3 How to vote

Registered Shareholders can vote at the Scheme Meeting by doing one of the following:

(a) **Vote in person**

If you wish to vote in person, you should attend the Scheme Meeting.

(b) **Vote by proxy**

You can appoint a proxy by completing and returning to Amcom's Share Registry the enclosed Proxy Form for the Scheme Meeting. The Proxy Form must be received by the Share Registry (as indicated on the Proxy Form you receive) by no later than 11.00 am (Perth time) on 4 May 2015.

You must return the Proxy Form to Amcom's Share Registry by sending, delivering or faxing it as follows:

Mail to: Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Deliver to: Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth, Western Australia

Fax to: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Online: Please visit www.investorvote.com.au to submit your voting intentions

Custodians: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

If a proxy appointment is signed by or validly authenticated by an Amcom Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Scheme Meeting may act as proxy.

If:

- (i) an Amcom Shareholder nominates the chairman of the Scheme Meeting as the Amcom Shareholder's proxy; or
- (ii) a proxy appointment is signed by an Amcom Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the person acting as chairman in respect of an item of business at the Scheme Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chairman of the Scheme Meeting, the Amcom company secretary or any Amcom Director which do not contain a direction will be voted in support of the Scheme Resolution at the Scheme Meeting.

An Amcom Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be an Amcom Shareholder) to represent him, her or it at the Scheme Meeting, other than the chairman of the Scheme Meeting, by inserting the name of his chosen proxy in the space provided for that purpose on the Proxy Form.

An Amcom Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes. The Amcom Shares represented by proxy will be voted for or against or withheld from voting in accordance with instructions of the Amcom Shareholder on any ballot that may be called for, and if the Amcom Shareholder specifies a choice with respect to any matter to be acted upon, the Amcom Shares will be voted accordingly.

An Amcom Shareholder who has deposited a Proxy Form may revoke it prior to its use, by instrument in writing executed by the Amcom Shareholder or by his, her or its attorney duly authorised in writing or, if the Amcom Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at Amcom's Share Registry by 5.00 pm on the last Business Day preceding the day of the Scheme Meeting or with the chairman of the Scheme Meeting on the day of, and prior to the start of, the Scheme Meeting. An Amcom Shareholder may also revoke a proxy in any other manner permitted by law.

(c) **Vote by corporate representative (if you are a corporate Amcom Shareholder)**

To vote in person at the Scheme Meeting an Amcom Shareholder or proxy which is a body corporate may appoint an individual to act as its representative at the Scheme Meeting and exercise any of the powers the body corporate may exercise at the Scheme Meeting.

The authorised corporate representative will be admitted to the Scheme Meeting upon providing, at the point of entry to the Scheme Meeting, written evidence of their appointment, their name and address and the identity of their appointer.

The chairman of the meeting may permit a person claiming to be a representative to exercise the body's powers even if they have not produced satisfactory written evidence of their appointment.

(d) **Vote by attorney**

If an Amcom Shareholder executes or proposes to execute any document, or do any act, by or through an attorney which is relevant to the Amcom Shareholder's shareholding in Amcom, that Amcom Shareholder must deliver the instrument appointing the attorney to Amcom for notation.

Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Amcom for notation, deliver to Amcom's Share Registry (at the address or fax number provided above) the original instrument appointing the attorney or a certified copy of it by 5.00 pm on 5 May 2015.

Any power of attorney granted by an Amcom Shareholder will, as between Amcom and that Amcom Shareholder, continue in force and may be acted on, unless the contrary is evident from the express terms of the power of attorney, or express notice in writing of its revocation or the death of the relevant Amcom Shareholder has been lodged with Amcom.

You will be counted as being present at the Scheme Meeting if you vote in any of the ways outlined above.

The notice convening the Scheme Meeting is contained in Annexure F of this Scheme Booklet. A Proxy Form for the Scheme Meeting is enclosed with this Scheme Booklet.

4. Information on Amcom

4.1 Overview

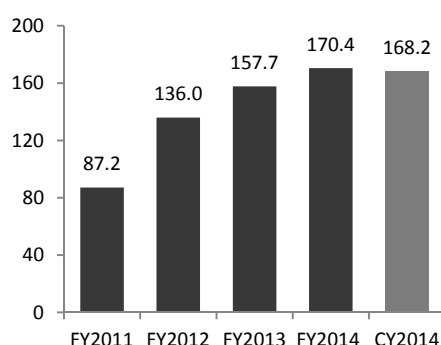
(a) Introduction

Amcom is a leading provider of IT and telecommunications services and delivers innovative, flexible and cost effective solutions, superior customer service and has become the provider of choice for the converging Information, Communication and Technology needs of business and government across Australia. The main operating entity of Amcom is Amcom Pty Ltd.

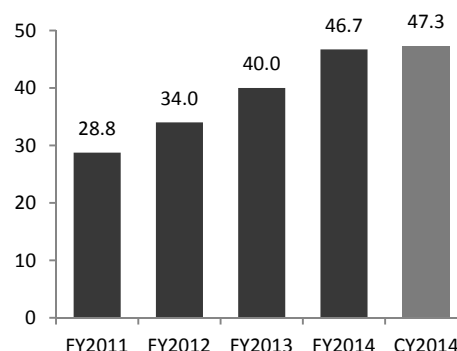
Amcom was incorporated on 28 October 1993 and was admitted to the ASX on 13 July 1994. The Company has grown to have offices in all major capital cities in Australia and currently employs 350 people.

The graphs below demonstrate Amcom's revenue and underlying EBITDA growth from FY2011 to CY2014 as Amcom has grown through strong performance in its core Data Networks business and complementary product offerings.

**Amcom Group Revenue
(A\$ millions)**



**Amcom Group Underlying
EBITDA (A\$ millions)**

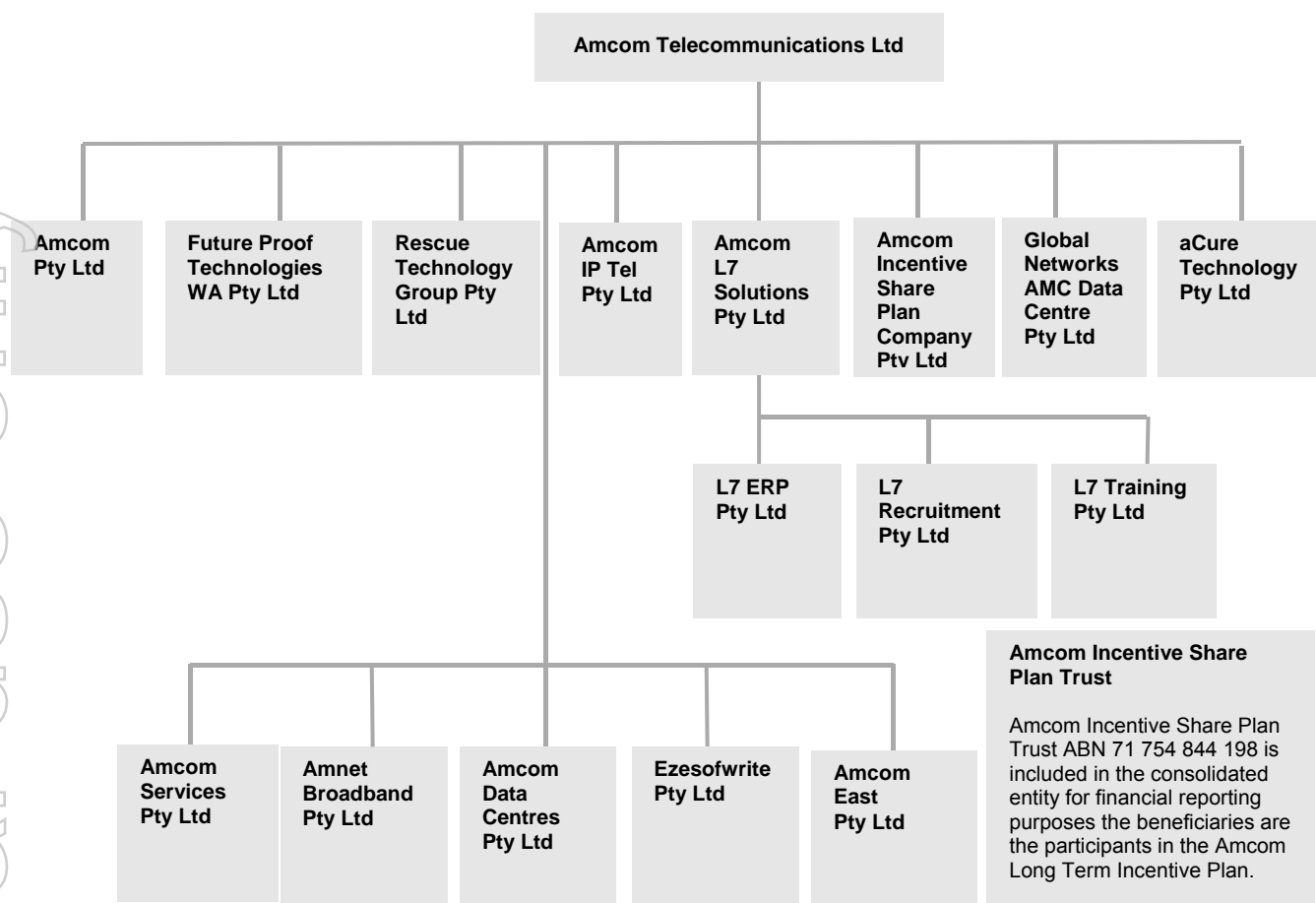


(b) Corporate timetable and key events

- (i) **October 1993:** The Company was incorporated as International Mineral Resources NL.
- (ii) **July 1994:** International Mineral Resources was listed on the ASX.
- (iii) **October 1999:** Changed name to Fibertel Limited.
- (iv) **June 2000:** Changed name to Amcom Telecommunications Limited.
- (v) **October 2003:** Acquired Amnet, an information technology service provider.
- (vi) **November 2005:** Amcom entered into a 20 year agreement with SABRENet to build and access data networks in Adelaide.
- (vii) **May 2006:** Acquired 20% stake in iiNet Limited.
- (viii) **April 2007:** Acquired People Telecom's corporate service business which included a data centre facility.
- (ix) **February 2010:** Amcom signed a \$20 million, 5 year contract with the Northern Territory Government.

- (x) **May 2010:** Acquired IP Systems Pty Ltd, an internet protocol service business delivering services in Australia and New Zealand.
- (xi) **July 2011:** Amcom signed a \$9 million Cloud partnership with the University of Western Australia.
- (xii) **August 2011:** Amcom completed in specie distribution of iiNet Limited's shares.
- (xiii) **September 2011:** Amcom completed a 1 for 3 Share consolidation.
- (xiv) **November 2011:** Acquired L7 Solutions Pty Ltd, an IT services company specialising in the provision of IT integration solutions, managed services, advisory and related services.
- (xv) **September 2013:** Completed the acquisition of aCure Technology Pty Ltd, a data centre provider and Global Networks AMC Data Centre Pty Ltd.
- (xvi) **June 2014:** Equity raising of \$40 million for acquisition funding purposes.
- (xvii) **July 2014:** Amcom signed a significant Unified Communications contract with the University of Melbourne.
- (xviii) **October 2014:** Vocus acquired 10% stake in Amcom and announced its intention to make a non-binding proposal to acquire the remaining 90%.
- (xix) **November 2014:** Acquired 180km of fibre assets and granted a 15 year access agreement to Superloop in Melbourne, Sydney and Brisbane.
- (xx) **November 2014:** Amcom entered into a 15 year access agreement with FirstPath for fibre linking to approximately 200 buildings in Sydney.
- (xxi) **December 2014:** Amcom and Vocus entered into the Scheme Implementation Agreement.

4.2 Corporate structure



*All entities are incorporated in Australia and are 100% owned.

4.3 Amcom's business

Amcom's product set includes national data network access delivering business grade data and internet services, business class Unified Communications and IP voice, data centre and cloud solutions and managed services; all supported by Amcom's extensive fibre-optic network and a range of IT services including integration solutions.

Amcom's business is operated in the following segments:

(a) Telecommunications

Amcom's telecommunications division comprises of Data Networks and Amnet.

(i) Data Networks

Amcom's data networks provide high-speed fibre based connectivity services, the development of high-speed technology links and the supply of last mile fibre optic network connections and business grade internet.

The company's fibre optic network has predominantly existed in Perth, Adelaide and Darwin passing over 1,600 buildings and is second only in size to Telstra Corporation's fibre networks in these cities.

In November 2014, Amcom announced the execution of its east coast data network expansion. This comprised the acquisition of 180 kilometres of fibre assets in Sydney, Melbourne and Brisbane, execution of a 15 year fibre access agreement with Sydney based network owner FirstPath and the establishment of Ethernet in the first mile infrastructure in 30 exchanges in Sydney, Melbourne and Brisbane.

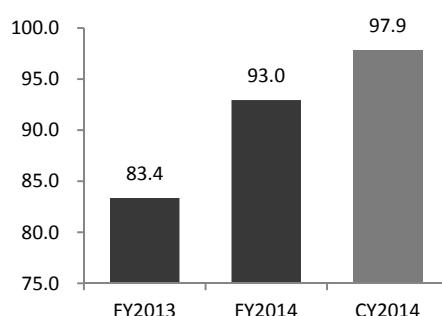
The data network operations utilises its own infrastructure and third party network providers to provide a seamless national capability delivering a range of high speed, business grade data and internet services to customers.

The data networks business generated \$44.8 million of revenue in HY2015 and \$82.7 million in FY2014.

(ii) **Amnet**

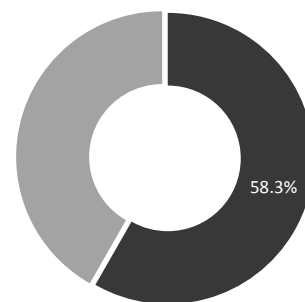
Acquired in 2003, Amnet is the retail Subsidiary of Amcom. It provides approximately 17,385 DSL, Voice, PSTN, Hosting and email services to approximately 15,737 residential consumers. Amnet generated \$5.1 million of revenue in HY2015 and \$10.2 million in FY2014.

**Telecommunications Revenue
(A\$ millions)**



**Excluding interest income*

**Telecommunications % Amcom
Revenue CY2014***



(b) **Hosted and cloud services**

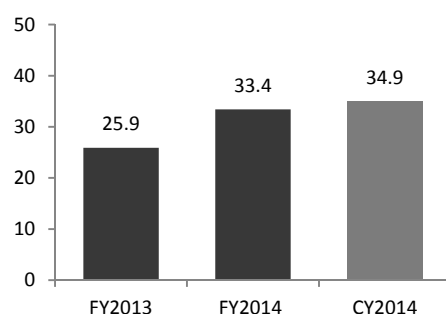
The hosted and cloud services comprise of Unified Communications voice services, cloud and data centre.

Amcom operates and owns under licence two Unified Communications voice platforms namely Cisco Hosted Collaboration Solution (HCS) and Broadsoft Broadworks. The Amcom Cloud Collaboration product (Cisco HCS) was established in 2014 and incurred losses in FY2014 and HY2015 during this start-up phase. As at 31 December 2014 these platforms provided hosted telephony SIP trunking services to over 2,900 customers (47,000 end users) across Australia.

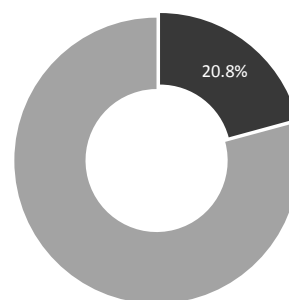
Amcom operates public and private cloud platforms, providing Infrastructure as a Service (IaaS) offerings.

Amcom owns and operates 7 data centres located in the Perth CBD and metro areas offering secure 24/7 co-location and hosting facilities. Combined with Amcom's data network capability Amcom offers connectivity into more than 38 third party data centres nationally.

Hosted and Cloud Services Revenue (A\$ millions)



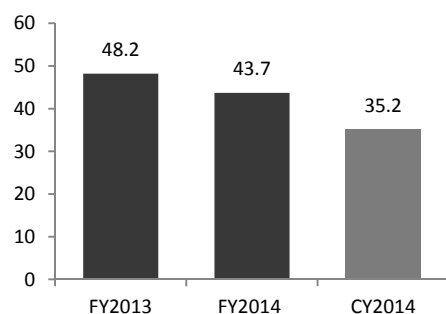
Hosted and Cloud Services % Amcom Revenue CY2014



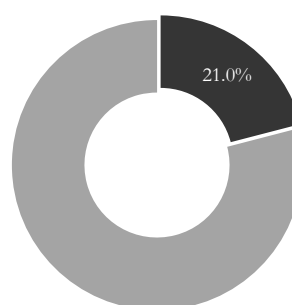
(c) **IT services**

Amcom's IT services include the sale of hardware, outsourced services and the provision of implementation consultancy services. This segment sells IT hardware specialising in Cisco and EMC, selling licences and maintenance, professional services and a range of managed services. IT Services was established following the acquisition of Amcom L7 Solutions in 2011.

IT Services Revenue (A\$ millions)



IT Services % Amcom Revenue CY2014



4.4 Board and senior management

(a) **Board**

The Amcom Board comprises the following directors:

Name	Position
Tony Grist	Non Executive Chairman
Ian Warner	Non Executive Deputy Chairman
Clive Stein	Managing Director and Chief Executive Officer
Paul Brandling	Non Executive Director
Peter Clifton	Non Executive Director
Craig Coleman	Non Executive Director
Anthony Davies	Non Executive Director

(b) **Senior management team**

Key members of Amcom's senior management team include:

Name	Position
Michael Knee	Chief Operating Officer
Richard Whiting	Chief Technology Officer
David Hinton	Chief Financial Officer and Company Secretary

4.5 Amcom's issued securities

The capital structure of Amcom as at the date of this Scheme Booklet is as follows:

Number of Amcom Shares	266,399,148
Number of Amcom Performance Rights	4,185,000

All Amcom Performance Rights were issued under Amcom's Performance Rights Long Term Incentive Plan.

Details regarding the treatment of Amcom Performance Rights if the Scheme proceeds are set out in Section 1.8 of this Scheme Booklet.

Refer to Section 10.1 of this Scheme Booklet for details of the Amcom Shares and Amcom Performance Rights held by or on behalf of Amcom Directors.

4.6 Notifiable interests

As at the date of this Scheme Booklet, the substantial shareholders of Amcom are as set out in the table below:

Name	Number of Amcom Shares in which they have voting power	Percentage of Amcom Shares on issue
Commonwealth Bank of Australia* and its Related Bodies Corporate	36,672,082	13.76%
Vocus Communications Limited	26,639,915	10%
AJA Super IW Pty Ltd	20,886,719	7.84%
TPG Telecom Limited	17,853,053	6.70%

* This includes the 26,639,915 Amcom Shares beneficially held by Vocus under the arrangements detailed in Vocus' Form 603 Notice of initial substantial holder dated 27 October 2014.

4.7 Trading price of Amcom Shares

The Amcom Shares are listed on the ASX under the trading symbol "AMM".

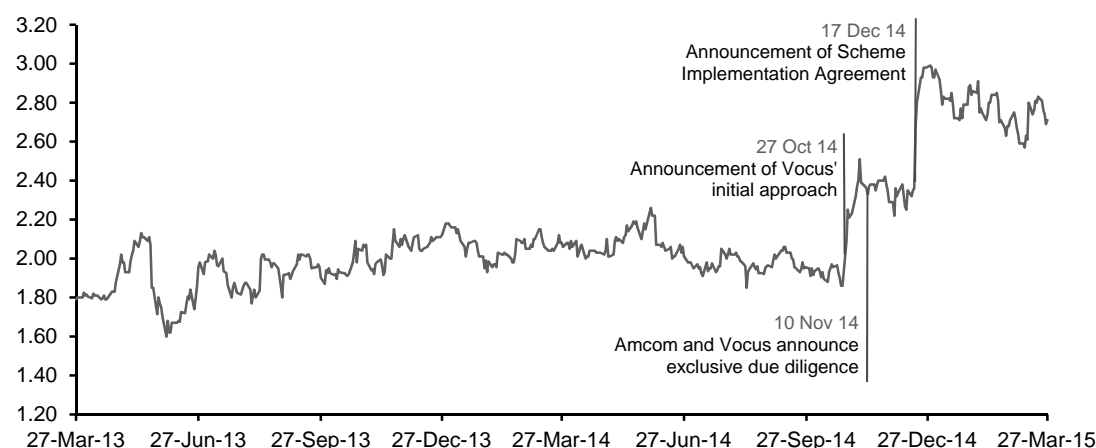
The closing price of Amcom Shares on the ASX on 24 October 2014 (i.e. the last trading day prior to Vocus' approach) was \$1.86. The closing price for Amcom Shares on the ASX on 27 March 2015, the last practicable trading day before the Scheme Booklet was lodged for registration was \$2.71.

During the three months ending 27 March 2015:

- (a) The highest recorded daily closing price for Amcom Shares was \$2.99 on 29 December 2014; and
- (b) The lowest recorded daily closing price for Amcom Shares on the ASX was \$2.57 on 10 March 2015.

The chart below shows Amcom's share price performance over the 24 months to 27 March 2015.

Historical Share Performance (A\$/share)



Source: IRESS. IRESS has not consented to the use of any trading data in this Scheme Booklet.

4.8 Litigation

Except as outlined below, as at the date of this Scheme Booklet, Amcom is not aware of any material contractual disputes or litigation matters in respect of Amcom, including with its customers or other third parties.

On 10 October 2014, Dallas Buyers Club Inc (**DBC**) filed an application in the Federal Court for preliminary discovery against Amnet, a Subsidiary of Amcom. Amnet is one of several ISPs who are respondents to the application. The application requests that the Court make an order that Amnet disclose the personal information of its customers to DBC who DBC allege have infringed the copyright in their film. The Judge has reserved his decision and it is anticipated that a judgement will be handed down in or around mid-April.

4.9 Amcom historical financial information

The historical financial information in this Section has been derived from Amcom's financial statements for the financial years ended 30 June 2013 and 30 June 2014, which were audited by Ernst & Young, and interim financial statements for the six months ended 31 December 2014, which were reviewed by Ernst & Young.

(a) **Basis of preparation**

The historical financial information of Amcom presented is in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Amcom considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to Amcom Shareholders. The historical financial information of Amcom has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

Amcom's recent statutory historical consolidated income statements, historical consolidated statements of financial position and historical consolidated cash flow statements are disclosed in the annual financial report for the financial years ended 30 June 2014 and 30 June 2013 and in the interim financial report of Amcom for the six months ended 31 December 2014, all of which can be found at www.amcom.com.au or the ASX website at www.asx.com.au.

The historical financial information below consists of the Historical Consolidated Income Statements for the 6 months ended 31 December 2014 and for the financial years ended 30 June 2014 and 30 June 2013 and the Historical Consolidated Statement of Financial Position as at 31 December 2014 relate to Amcom (the "Amcom Historical Financial Information") on a standalone basis and accordingly does not reflect any impact of the Scheme. The pro forma financial effect of the Scheme on the Combined Group is set out in Section 6.6 of this Scheme Booklet.

(b) **Amcom Historical Consolidated Income Statement**

- (i) The Historical Consolidated Income Statements of Amcom for the 6 months ended 31 December 2014 and for the financial years ended 30 June 2014 and 30 June 2013 is shown below:

A \$ Million	Historical HY 2015	Historical FY 2014	Historical FY 2013
Revenue	80.7	170.4	157.7
EBITDA *	23.0	46.7	40.0
Depreciation and amortisation	(6.8)	(11.5)	(9.5)
EBIT *	16.2	35.2	30.5
Interest (net)	(0.8)	(2.3)	(1.6)
Profit before tax and before significant items *	15.4	32.9	28.9
Income tax expense	(4.4)	(9.8)	(8.1)
Net profit after tax and before significant items *	11.0	23.1	20.8
Significant items (net of tax) # *	(1.7)	(0.7)	-
Net profit after tax as reported including significant items	9.3	22.4	20.8

* non IFRS financial information is reconciled to IFRS financial information below

Significant items include transaction costs of acquisitions and Scheme costs also in HY 2015.

The Amcom Directors believe that the presentation of non-IFRS financial information is useful for readers of this document to provide information of Amcom's financial performance.

- (ii) The following table reconciles the non-IFRS based financial performance included in the Historical Consolidated Income Statements above to the Historical Consolidated Statements of Comprehensive Income included in the interim financial report for the six months ended 31 December 2014 and in the annual report for the financial years ended 30 June 2014 and 30 June 2013.

A \$ Million	Historical HY 2015	Historical FY 2014	Historical FY 2013
Net profit after tax as reported including significant items	9.3	22.4	20.8
Income tax expense	4.4	9.6	8.2
Acquisition activity and other expenses *	1.7	0.9	-
Depreciation and amortisation	6.8	11.5	9.5
Interest revenue	(0.1)	(0.3)	(0.3)
Finance costs	0.9	2.6	1.8
EBITDA *	23.0	46.7	40.0
Depreciation and amortisation	(6.8)	(11.5)	(9.5)
EBIT *	16.2	35.2	30.5
Interest revenue	0.1	0.3	0.3
Finance costs	(0.9)	(2.6)	(1.8)
Profit before tax and before significant items *	15.4	32.9	29.0
Income tax expense	(4.4)	(9.8)	(8.2)
Net profit after tax and before significant items *	11.0	23.1	20.8

* non IFRS financial information

(c) **Amcom Historical Consolidated Statement of Financial Position as at 31 December 2014**

A\$ Million	Historical 31 Dec 2014
CURRENT ASSETS	
Cash & cash equivalents	21.7
Receivables and other current assets	23.4
Total Current Assets	45.1
NON-CURRENT ASSETS	
Property, plant & equipment	154.7
Goodwill	54.0
Other intangibles	9.0
Total Non Current Assets	217.8
TOTAL ASSETS	262.9
CURRENT LIABILITIES	
Trade and other payables	20.2
Deferred revenue	13.1
Borrowings	5.0
Provisions and other liabilities	5.0
Total Current Liabilities	43.3
NON-CURRENT LIABILITIES	
Borrowings	32.6
Deferred revenue	4.8
Provisions and other liabilities	2.7
Deferred tax liabilities	9.1
Total Non Current Liabilities	49.1
TOTAL LIABILITIES	92.5
NET ASSETS	170.4
EQUITY	
Contributed equity	151.5
Reserves	(1.8)
Retained profits	20.7
TOTAL EQUITY	170.4

4.10 **Material changes in the financial position of Amcom**

To the knowledge of Amcom, there have been no material changes to the financial position of Amcom since 31 December 2014, except as publicly disclosed on Amcom's ASX profile located on the ASX's website at www.asx.com.au or in this Scheme Booklet.

4.11 **Operations of Amcom if Scheme does not proceed**

In the event that the Scheme does not proceed, Amcom will remain listed on the ASX and will continue as a standalone entity with the Amcom Board and management continuing to implement the strategies it had in place prior to the announcement of the Scheme.

4.12 **Amcom risk factors**

Risk factors relating to Amcom and its business are discussed in Section 7 of this Scheme Booklet.

4.13 Amcom dividend

On 20 February 2015, Amcom Directors declared a fully franked interim dividend of 5 cents per Amcom Share with a record date of 24 April 2015 and a payment date of 30 April 2015.

4.14 Publicly available information

As an ASX listed company and a "disclosing entity" under the Corporations Act, Amcom is subject to regular reporting and disclosure obligations. Among other things, these obligations require Amcom to announce price sensitive information to the ASX as soon as Amcom becomes aware of information, subject to some exceptions.

Pursuant to the Corporations Act, Amcom is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the Amcom Directors and an audit or review report respectively.

Copies of each of these documents can be obtained (free of charge) by contacting Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

ASIC also maintains a record of documents lodged with it by Amcom, and these may be obtained from, or inspected at, any office of ASIC. Information is also available on Amcom's website at www.amcom.com.au.

Amcom's continuous disclosure notices to the ASX after the lodgement with the ASX of its financial statement for the year ended 30 June 2014 and before the lodgement for registration of this Scheme Booklet by ASIC are listed in the table below.

Date	Announcement
20 February 2015	Half year results FY15
20 February 2015	Investor presentation - Half year results FY15
20 February 2015	Appendix 4D Half year results FY15
13 February 2015	Scheme update - Letter despatched to shareholders
22 December 2014	Ceasing to be a substantial holder
18 December 2014	Appendix 3B
17 December 2014	Becoming a substantial holder
17 December 2014	Amcom / Vocus Scheme - Investor Presentation
17 December 2014	VOC: Amcom Acquisition Investor Presentation
17 December 2014	Scheme Implementation Agreement
17 December 2014	Amcom and Vocus enter Scheme Implementation Agreement
17 December 2014	Trading Halt
5 December 2014	Change in substantial holding from CBA
26 November 2014	Appendix 3B
26 November 2014	Appendix 3Y - Stein
21 November 2014	Amcom completes Megaport acquisition
19 November 2014	Amcom AGM 2014 voting results

19 November 2014	Amcom 2014 Presentation and Chairman's speech
19 November 2014	Amcom signs \$6.5m contract with NT Government
11 November 2014	Change in substantial holding from TPM
10 November 2014	Amcom and Vocus to enter into exclusive due diligence
10 November 2014	VOC: Exclusive Due Diligence with Amcom
6 November 2014	Becoming a substantial holder from TPM
3 November 2014	Company Interview - Amcom Executes East Coast Expansion
3 November 2014	Amcom Executes East Coast Expansion - Presentation
3 November 2014	Amcom Executes East Coast Expansion
27 October 2014	Change in substantial holding from CBA
27 October 2014	Becoming a substantial holder from VOC
27 October 2014	Receipt of Proposal from Vocus Communications Ltd
27 October 2014	VOC: Vocus announces 10.0% interest in Amcom
13 October 2014	Citi Investment Conference Presentation
13 October 2014	Change in substantial holding from CBA
8 October 2014	Appendix 3Y-Grist
8 October 2014	Appendix 3B
2 October 2014	Notice of 2014 Annual General Meeting
26 September 2014	Updated CEO Terms of Employment
24 September 2014	Change in substantial holding from CBA
15 September 2014	Change in substantial holding from CBA
5 September 2014	Annual Report 2014

Amcom's announcements to the ASX are available from the ASX's website at www.asx.com.au. Further announcements concerning Amcom will continue to be made available on this website after the date of this Scheme Booklet.

5. Information on Vocus

The Vocus Information contained in this Section 5 has been prepared by Vocus and is the responsibility of Vocus (except to the extent that the Vocus Information is based on information about Amcom, for which Amcom takes responsibility). Amcom and Amcom's Directors and officers do not assume any responsibility for the accuracy or completeness of this information (except to the extent that the Vocus Information is based on information about Amcom).

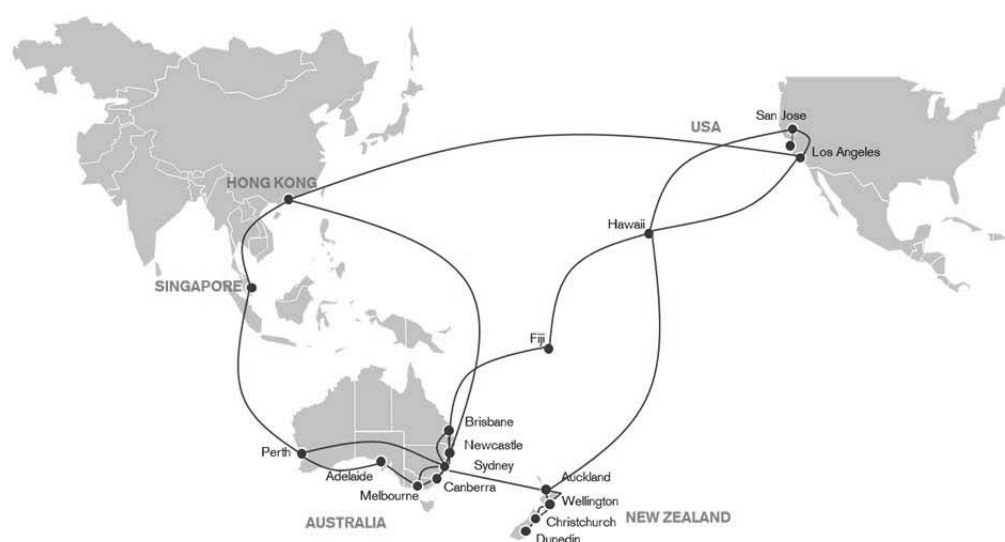
5.1 Overview

(a) Introduction

Vocus is a leading provider of integrated telecommunications services, including dark fibre and Ethernet, Internet and data centre facilities.

Vocus owns and operates approximately 690km of metro fibre in Australia and over 4,250km of intercity fibre in New Zealand. Vocus' metro fibre network currently connects over 1,250 buildings in capital cities.

In addition to its fibre network, Vocus owns submarine cable capacity connecting Australia to Singapore, New Zealand and the United States, along with data centre facilities in Auckland, Sydney, Melbourne, Newcastle and Perth.



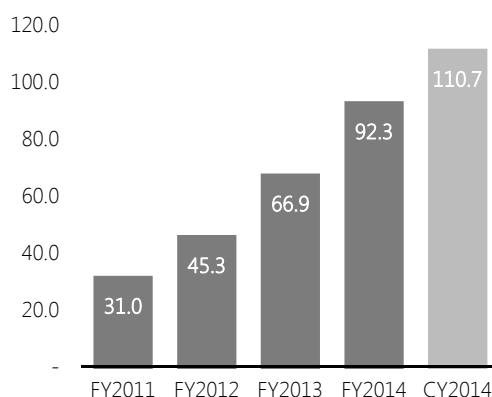
Note: map for illustrative purposes only and not a complete representation of Vocus' entire infrastructure network

Launched in 2008, Vocus initially provided Internet and voice services. As part of its integrated product strategy, Vocus acquired data centre providers E3 Networks in 2010 and Perth iX in 2011, dark fibre provider Digital River in 2011, New Zealand data centre provider Maxnet in 2012 and integrated fibre and data centre provider Ipera Communications in 2012. These acquisitions enabled Vocus to evolve into a highly scalable business leveraged to demand for data and high speed connectivity.

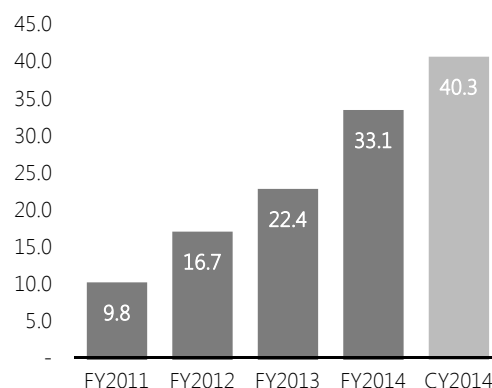
More recently, Vocus acquired the Bentley Data Centre from ASG Group in August 2014 and further expanded its New Zealand presence with the acquisition of FX Networks in September 2014. Following the acquisition of FX Networks, Vocus is now one of the largest telecommunications infrastructure operators in New Zealand.

The graphs below demonstrate Vocus' historical organic and acquired revenue, and underlying EBITDA⁽⁴⁾ growth from FY2011 to CY2014 as Vocus continues to implement its integrated product offering.

**Vocus Group revenue
(A\$ millions)**



**Vocus Group Underlying EBITDA
(A\$ millions)**



Vocus is a member of the S&P/ASX 200 Index and Vocus Shares trade on the ASX under the symbol "VOC".

(b) **Corporate timeline and key events**

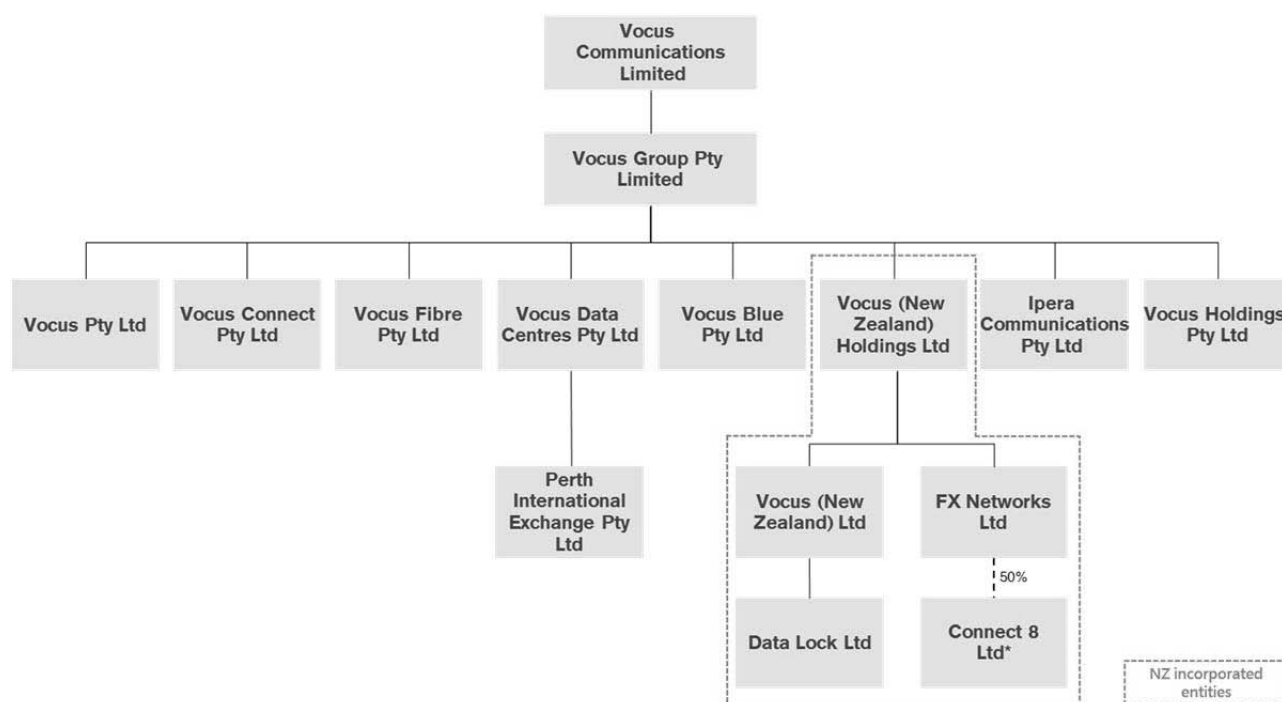
- (i) **March 2008:** Vocus is launched by James Spenceley (current Chief Executive Officer), following incorporation in 2007.
- (ii) **July 2010:** Vocus is listed on the ASX via a reverse takeover of First Opportunity Fund Limited.
- (iii) **November 2010:** Vocus entered the data centre business following the acquisition of the data centre assets of E3 Networks Pty Ltd which owned facilities in Sydney and Melbourne.
- (iv) **May 2011:** Vocus acquired Perth data centre provider Perth iX increasing its data centre coverage.
- (v) **May 2011:** Vocus entered the fibre services market through the acquisition of the fibre assets of Digital River Networks Pty Ltd (Digital River Networks). Digital River Networks owned c. 59km of metropolitan fibre networks primarily in Sydney and Melbourne.
- (vi) **May 2012:** Vocus acquired the New Zealand data centre business Maxnet Limited adding data centres in Auckland and Christchurch to its existing network.
- (vii) **January 2013:** Vocus acquired Ipera Communications Pty Limited which provided Vocus with premium fibre, data centre and cloud services in Newcastle, Australia.
- (viii) **February 2013:** Vocus declared its first dividend.
- (ix) **June 2014:** Vocus acquired a 10% interest in the Sea-Me-We 3 cable which is currently the only undersea cable connecting Perth to Asia.

⁴ Underlying earnings before interest, income tax, depreciation and amortisation and excluding other gains and losses associated with foreign exchange, total return swaps, prepayment discounts and acquisition transaction costs.

- (x) **August 2014:** Vocus acquired the Bentley Data Centre in Perth from ASG Group Limited.
- (xi) **September 2014:** Vocus acquired FX Networks Limited which owns a high quality intercity fibre optic cable network covering the North and South Islands of New Zealand.
- (xii) **December 2014:** Vocus and Amcom entered into a Scheme Implementation Agreement to create a national telecommunications infrastructure provider.
- (xiii) **February 2015:** Vocus divests its New Zealand construction division to form a joint venture with Spark New Zealand Trading Limited (a Subsidiary of Spark New Zealand Limited formerly Telecom New Zealand)⁽⁵⁾ called Connect 8 Ltd.
- (xiv) **February 2015:** Vocus entered into an agreement to acquire the two data centres and business continuity operations of Enterprise Data Corporation Pty Ltd which will increase Vocus' total data centres to 15 across 11 sites on completion.
- (xv) **February 2015:** Vocus entered into an agreement with Southern Cross Cables Limited for a long-term purchase program of submarine cable capacity.

5.2 Corporate structure

The diagram below provides an overview of the Vocus Group structure:



*Vocus is a 50% joint venture partner with Spark New Zealand Trading Limited in Connect 8 Limited.

5 Spark New Zealand Limited is New Zealand's largest telecommunications company with a market capitalisation of ~A\$5.3 billion as at 27 March 2015.

All entities are 100% owned and incorporate in Australia except for:

- (a) Vocus (New Zealand) Holdings Limited;
- (b) Vocus (New Zealand) Limited;
- (c) FX Networks Limited; and
- (d) Data Lock Limited,

which are all 100% owned and incorporated in New Zealand.

Additionally, Vocus is a 50% joint venture partner with Spark New Zealand Trading Limited in Connect 8 Limited, a New Zealand incorporated entity.

Vocus Blue Pty Limited is a wholly-owned Subsidiary of Vocus which holds the shares as trustee for the beneficiaries of the Vocus Loan Funded Share Plan (see Section 5.7 of this Scheme Booklet).

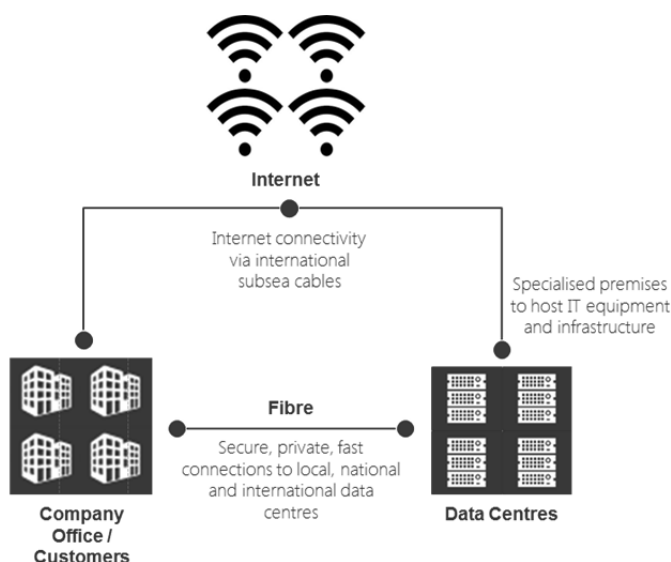
5.3 Vocus' business

Vocus provides four main services to cater for the connectivity and data centre hosting requirements of its customers:

- (a) **Internet:** provision of internet bandwidth that is used for internet connectivity for businesses, ISP and other telecommunications companies;
- (b) **Fibre and Ethernet:** infrastructure that allows customers to establish a private, fast and secure connection to link their entire enterprise and/or to its data centres in order to run ultra-fast software solutions;
- (c) **Data Centres:** specialised premises where Vocus customers can host their IT equipment and infrastructure; and
- (d) **Voice:** voice network that allows telephone calls coming from any telephony user worldwide to be connected to a user on the Vocus voice network and vice versa.

Vocus acquired a Project Services construction division as part of the FX Networks acquisition in September 2014. This business designs and constructs long-haul fibre networks on behalf of third parties and was subsequently sold into an equal joint venture with Spark New Zealand Trading Limited.

Vocus product overview



During the six months ended 31 December 2014 (HY2015) there were no customers of Vocus which contributed greater than 5% of external revenue (compared to one customer contributing 11.5% of revenue for the prior corresponding six months ended 31 December 2013 (HY2014)).

(a) **Internet**

Vocus is an independent aggregator and manager of internet capacity in Australia and New Zealand, providing wholesale bandwidth and wholesale DSL services to ISPs, along with the provision of internet access to enterprise customers.

Vocus provides internet primarily through capacity on two undersea cables:

- (i) **Southern Cross Cable:** cable connecting Australia and New Zealand to the USA; and
- (ii) **Sea-Me-We 3 Cable:** cable connecting Australia and Singapore and onward to Europe.

Other cable systems are also leased as required by Vocus on a periodic basis to provide connectivity to customers.

International cable network



Note: map for illustrative purposes only and not a complete representation of Vocus' entire infrastructure network

Vocus operates the third largest IP Transit backbone in Australia behind Telstra and Optus and is fully integrated with the other Vocus businesses providing strong cross sales capability.

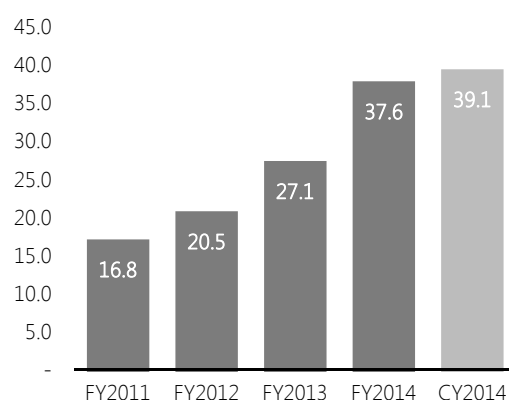
The majority of Vocus' Internet revenue is generated via purchased capacity on submarine cables (via a share of physical ownership or through indefeasible rights of use (IRU)) which is then subleased to its wholesale and enterprise customers. Once capacity has been purchased, Internet is a low maintenance business which requires little in the way of ongoing maintenance capital expenditure.

There are significant barriers to entry to lay undersea cable in Australia and New Zealand. Given the high upfront capital costs, Vocus expects limited incremental capacity to be added to submarine cable capacity over the near term with additional capacity likely to become available only through the expansion of existing cables.

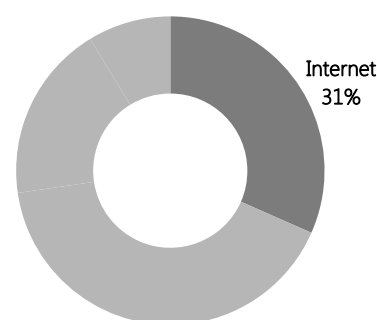
Vocus continually assesses its customers' needs and the international IP transit market. In February 2015, Vocus entered into an agreement with Southern Cross Cables Limited for a long-term purchase program of submarine cable capacity with capacity allocated and made available to Vocus in annual allotments from December 2015 to December 2021. The capacity purchase program costs a total of US\$58,500,000 paid over a six year period from 31 December 2015 which Vocus intends to fund out of its cash flow and existing facilities. This capacity purchase program agreement will significantly increase Vocus' current capacity on the Southern Cross Cable.

Internet financial summary

Internet revenue
(A\$ millions)



Internet % Vocus revenue HY2015*
(%)



*Excluding interest income and revenues from Construction

(b) Fibre and Ethernet

Vocus entered the Australian domestic fibre market through the acquisition of Digital River Networks' fibre assets in May 2011, which included c. 59km of fibre infrastructure connected to 50 on-net buildings. By 31 December 2014, through a combination of organic growth and accretive acquisitions, this has increased to 687km with over 1,250 connected buildings. This steady growth has resulted in Vocus establishing one of the most connected networks in Australia, which in turn is expected to secure Vocus' continued growth into the future.

Vocus Fibre network summary

	On Acq. May 11 ⁽⁶⁾	FY2012 Jun-12	FY2013 Jun 13	FY2014 Jun-14	HY2015 Dec-14
Fibre length (kms)	59	173	363	575	687
Network density (buildings per km)	0.85	0.85	1.79	1.80	1.85
Data centres connected	43	43	59	82	93
On-net buildings	50	147	651	1,035	1,270

6 Vocus entered the fibre services market in May 2011 when it acquired the fibre assets of Digital River Networks Pty Ltd.

Vocus' Fibre & Ethernet division comprises two products:

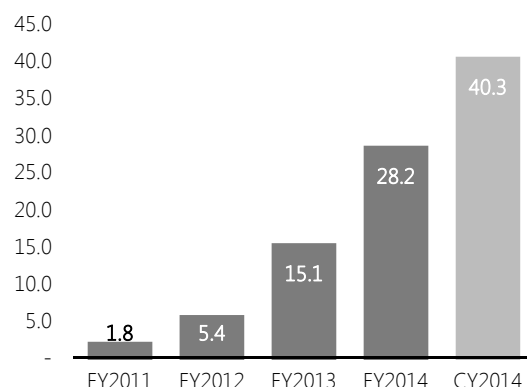
- (i) **Dark Fibre:** secure point-to-point connectivity to clients at multi-gigabit speeds, facilitating the direct connection of two offices or offices with data centres. Dark Fibre services are available in major metropolitan cities in Australia and New Zealand; and
- (ii) **Ethernet:** metropolitan, intercity and international point-to-point or point-to-multipoint connectivity at speeds from 10Mbps to 10Gbps. Ethernet services are available to connect sites across Australia, New Zealand, Singapore, Hong Kong and the USA.

Customer contracts are typically 24 to 60 months in duration with low churn rates, and there are minimal additional costs to service customers once a site is connected to the Vocus network.

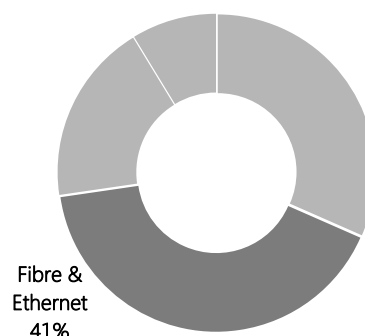
Vocus has invested heavily in its fibre network since the acquisition of Digital River Networks in 2011 as a result of strong customer demand for high speed connectivity services. Vocus targets network density rather than fibre distance to maximise the number of addressable customers per kilometre of fibre. Fibre capacity is expected to be added to Vocus' network on increased customer demand.

Fibre and Ethernet financial summary

Fibre and Ethernet revenue
(A\$ millions)



Fibre and Ethernet % Vocus revenue
HY2015*
(%)



**Excluding interest income and revenues from Construction*

Vocus New Zealand fibre network

Vocus also owns a high quality intercity fibre optic network consisting of over 4,250km of modern fibre optic cable covering the North and South Islands of New Zealand, with an additional ~2,000km under third party leases.

Vocus' New Zealand network is connected to 17 major data centres and to 26 of 33 Ultra-Fast Broadband ("UFB") (the New Zealand equivalent of the Australian National Broadband Network) Candidate Areas and all major population centres.

Vocus is only one of three intercity networks in New Zealand and provides high-speed bandwidth capable of transferring data and voice at speeds up to 100Gbps.



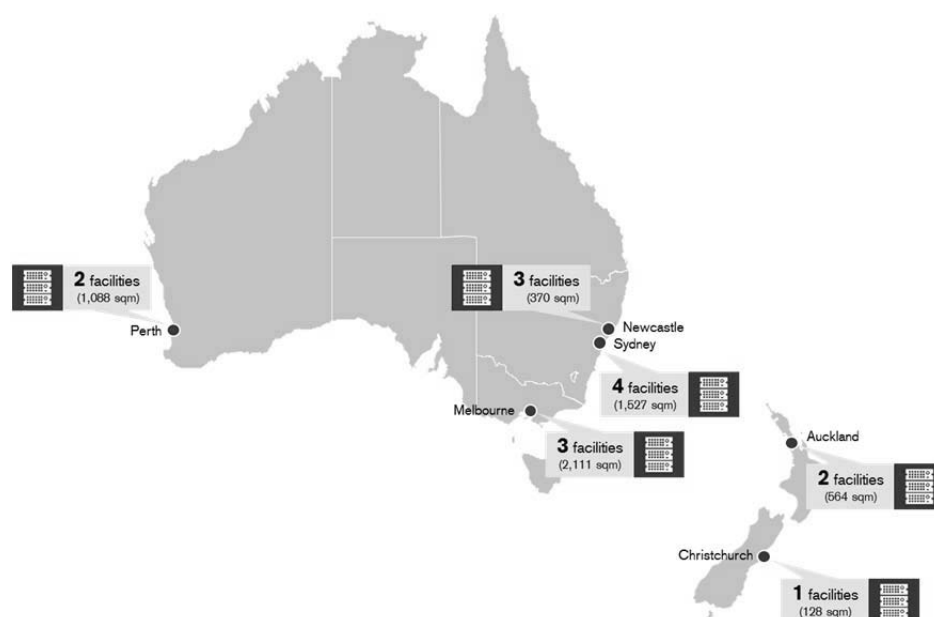
Note: map for illustrative purposes only and not a complete representation of Vocus' entire infrastructure network

Vocus has a comparative advantage over other cable providers in New Zealand as a provider of ducted fibre optic cables. Vocus' competitors' cables are typically not ducted and they therefore may experience significant potential costs in replacing their cables or expanding their capacity as this requires the re-digging of trenches.

(c) Data Centres

Vocus' data centres provide colocation services to the telecommunications industry and enterprise customers through the provision of purpose built facilities with power, cooling and security. Together with the recent EDC acquisition, Vocus will operate fifteen data centres across eleven sites, including two sites in New Zealand.

Data Centre locations⁷



⁷ Includes Vocus' acquisition of the two data and business continuity centres of EDC which is expected to complete in April 2015.

Data Centres overview

Site	Area (m ²)
Sydney – Doody St (SYD01, SYD02, SYD03)	897
Melbourne – Crockford St (MEL01)	490
Melbourne – 530 Collins St (MEL02)	685
Perth – Perth IX (PER01)	536
Auckland – Albany (AKL01, AKL02)	564
Christchurch (CHC01)	128
Newcastle – Denison (NTL01)	90
Newcastle – Steel River (NTL02, NTL03)	280
Perth - Bentley (PER02)	552
Total (as at 31 December 2014)	4,222
Data centres acquired from EDC	Area (m ²)
Sydney – Norwest (SYD04)	630
Melbourne – Mitcham (MEL03)	936
Total EDC	1,566
Vocus total (including EDC acquired data centres)	5,788

Vocus operates in a different market segment from large pure data centre players and focuses specifically on CBD (or near CBD) locations.

Vocus offers data centre space to customers typically on fixed term contracts. Vocus has not historically experienced material levels of customer data centre churn as moving data centres can lead to higher operational risk and significant costs.

Vocus' data centre revenue is generated by charging a fee for housing the customer's IT equipment and infrastructure in one of Vocus' fifteen facilities across Australia and New Zealand. Data centre services provide strong leads to bundle Vocus' other services such as fibre and Internet connectivity at a compelling price for its customers.

The typical fee structure for Vocus data centre customers is either:

- (i) fee per rack of equipment with power costs included in the fee; and
- (ii) fee based on the caged floor area (generally for larger customers) with the power billed separately.

Although Vocus' view is that data centre volume requirements will grow, data centre rates are expected to slightly decline over the short-term largely due to the introduction of additional supply into the marketplace. However, pricing is underpinned by property lease costs and as a result, there is likely to be little elasticity with regard to pricing.

Key drivers of data centre growth include corporates moving their information technology and telecommunications infrastructure off-premises. The reasons for doing this potentially include:

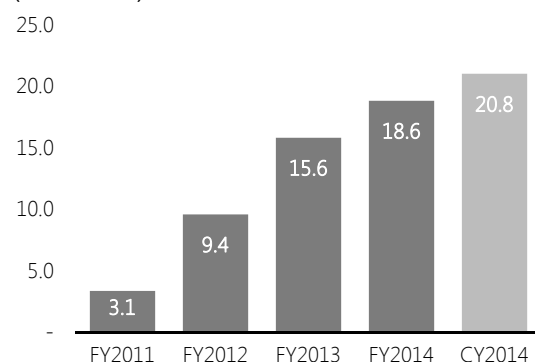
- (i) tighter operating budgets and the need to manage energy costs more efficiently;
- (ii) greater requirements for data storage and analytical solutions; and
- (iii) comparative speed and efficiency benefits to accessing the enterprise's data and applications when stored remotely.

In February 2015, Vocus entered into an agreement to acquire two data centres and business continuity operations of Enterprise Data Corporation Pty Ltd (EDC) in Sydney and Melbourne for a total purchase price of \$23,500,000. Vocus intends to fund the EDC acquisition out of its cash flow and existing facilities. This acquisition is expected to complete in April 2015 and is subject to usual conditions precedent. The acquisition of EDC will increase Vocus' data centres to fifteen across eleven sites and will add the complementary business continuity services to Vocus' suite of solutions for corporate customers.

Data Centres financial summary

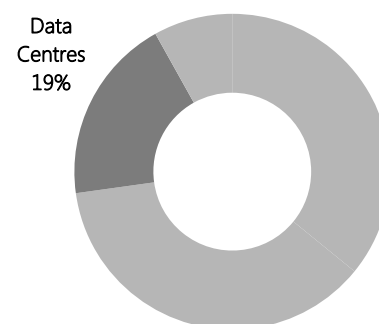
Data centres revenue

(A\$ millions)



Data Centres % Vocus revenue HY2015*

(%)



**Excluding interest income and revenues from Construction*

(d)

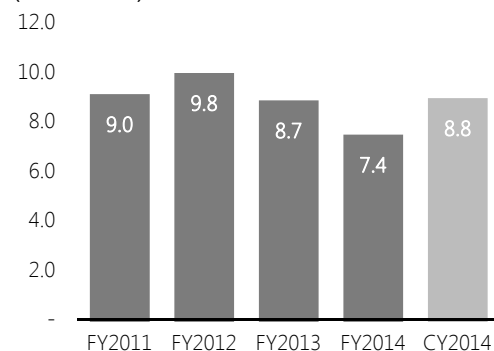
Voice

Vocus works as an interconnect carrier with its voice network primarily providing the ability to route calls to/from Vocus clients to both national and international destinations. Vocus provides wholesale voice services primarily to VoIP service providers, the calling card industry and resellers. An emerging market for Vocus is the provision of voice services to corporates.

Voice financial summary

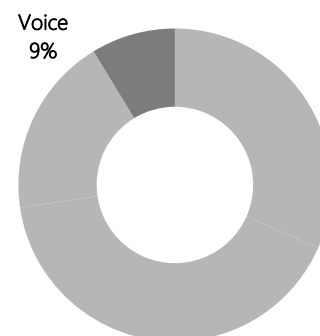
Voice revenue

(A\$ millions)



Voice % Vocus Revenue HY2015*

(%)



**Excluding interest income and revenues from Construction*

(e) **Project Services**

As part of the FX Networks acquisition in September 2014, Vocus acquired a construction division in New Zealand which deploys fibre for both third parties and for internal purposes when required. The construction business includes machinery and manpower capability to install fibre optic cable.

In February 2015, Vocus divested this business into a joint venture with Spark New Zealand Trading Limited, called Connect 8 Limited. Under the terms of the joint venture, Spark New Zealand will acquire 50% of Connect 8 Limited for an upfront payment and agreed level of annual construction spend. Vocus and Spark New Zealand Trading Limited will be equally represented on the Connect 8 Limited board and receive equal distributions of profits.

Connect 8 Limited will continue to construct fibre optic and telecommunications assets for Vocus, Spark New Zealand Trading Limited and other telecommunication providers in New Zealand.

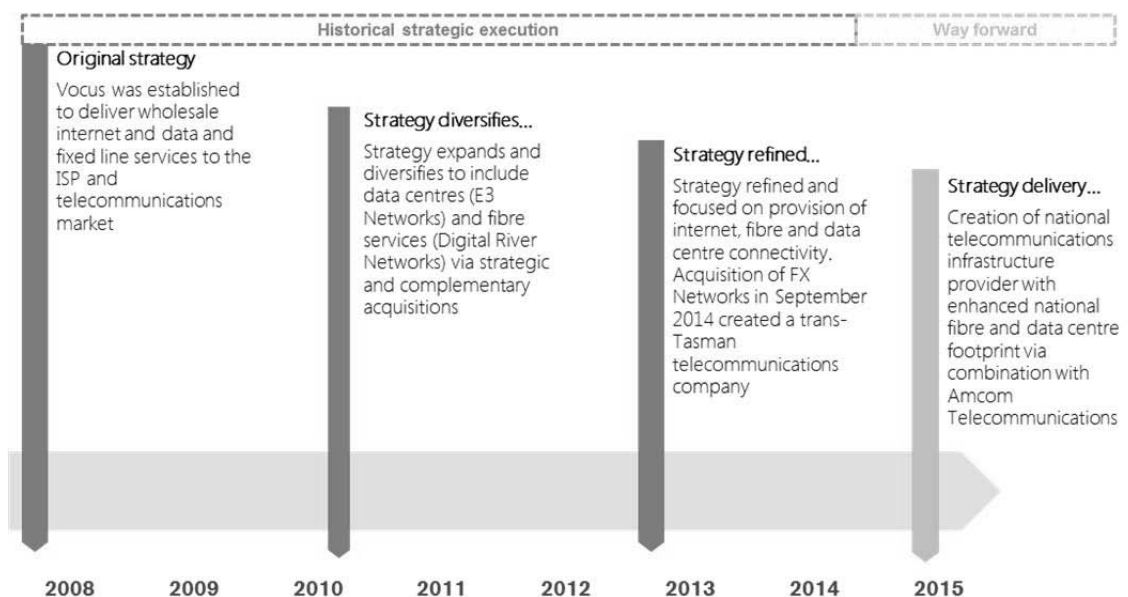
5.4 Vocus strategy

The telecommunications sector in both Australia and New Zealand is highly competitive with a considerable number of wholesale and retail service providers. Vocus seeks to differentiate itself by owning key infrastructure and bundling Internet connectivity, fibre and data centre products and providing superior service delivery to its customers.

Vocus' strategy to maximise Vocus Shareholders' value is supported by the following telecommunication industry dynamics:

- (a) increasing data requirements: increase in data demand and requirements for reliable data delivery at high speeds for government, corporate and enterprise customers; and
- (b) increasing IT outsourcing trends: increase in co-location services as government, corporate and enterprise customers move to cloud based IT solutions. Co-location typically requires the purchase of two Vocus products including rack space in a data centre and a data connection (fibre) to connect the data source to the office.

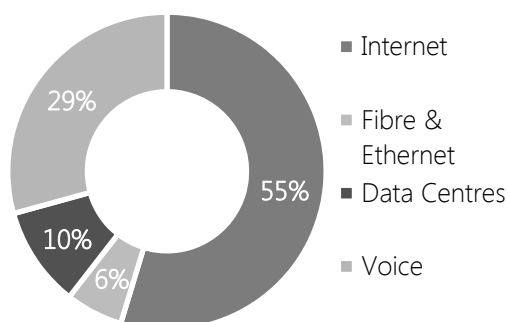
Evolution of Vocus' strategy



Vocus has focused on executing an integrated telecommunications services product offering across Internet, fibre and Ethernet and data centres. The historic success of Vocus' strategy is illustrated in the charts below which demonstrate the changing composition of Vocus' earnings as it increases its exposure to higher margin and annuity revenue streams.

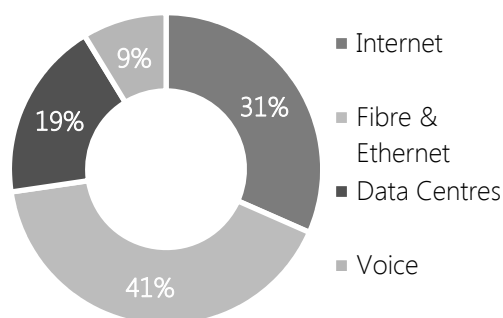
Historical revenue composition

Vocus FY2011 revenue composition (%)*



*Excluding interest income

Vocus HY2015 revenue composition (%)**



**Excluding interest income and revenues from Construction

Vocus considers that the trend in cloud computing and data outsourcing will continue and intends to ensure that it is well positioned to benefit from the resulting demand for Internet, fibre and data centre capacity whilst maximising operational efficiencies. In order to achieve this Vocus has the following objectives:

- continue to expand its existing customer base and product penetration increasing operational leverage and utilisation of its assets;
- continue to evaluate strategic acquisitions where complementary to Vocus' current business;
- offer adjacent high margin products that are leveraged to the increased trends in data demand;
- focus on sales and building the brand in the corporate market;
- continue to expand its network driven by customer demand; and
- focus on automation of workflow to reduce service delivery costs and increase customer satisfaction by improving its internal systems and customer interface processes.

5.5 Board and senior management

(a) Board

Name	Biography
David Spence Non-Executive Chairman Years as a Director: 4 years	David Spence has been involved in over 20 internet businesses, as Chairman, CEO, director, shareholder or adviser. From 1995 to 2000, Mr Spence held various positions with OzEmail, including Managing Director, CEO and Chief Operating Officer. Mr Spence grew the business to become Australia's second largest ISP listed on both Nasdaq and the ASX.

	<p>In 2000, Mr Spence became CEO of UUnet Australia/NZ and from January 2004 to February 2010, Mr Spence held the role of CEO at Unwired Ltd – one of Australia's first wireless broadband businesses.</p> <p>Mr Spence is currently Chairman of PayPal Australia Pty Limited, a Director at Hills Limited and a Director at SAI Global Limited. Mr Spence is a past Chairman of the Board of the Internet Industry Association.</p> <p>Mr Spence is the Chairman of the Vocus Board and a member of the Nomination and Remuneration Committee.</p>
<p>James Spenceley Chief Executive Officer Years as a Director: 4 years</p>	<p>James Spenceley is the founder and Chief Executive Officer of Vocus. Mr Spenceley has been involved with the internet and telecommunications industry for more than 14 years. During this time Mr Spenceley was the network architect and infrastructure manager of the \$300 million COMindico network (acquired by Soul Pattinson Telecom, now TPG Telecom Limited), which was widely regarded as the single largest and first converged voice and data network in Australia. Additionally, Mr Spenceley was a member of the team responsible for buying and connecting COMindico to the USA via the Southern Cross Cable and created Vocus' wholesale IP Transit product.</p>
<p>Jon Brett Non-Executive Director Years as a Director: 16 years*</p>	<p>Jon Brett has extensive experience in the areas of management, operations, finance and corporate advisory. Mr Brett's experience includes several years as Managing Director of a number of publicly listed companies.</p> <p>Mr Brett is currently a Non-Executive Director of both The PAS Group Limited and Godfreys Group Limited where he is the Chairman of the Audit and Risk Committees. Mr Brett is also a director of several unlisted companies.</p> <p>Mr Brett was an Executive Director of Investec Wentworth Private Equity Limited and was formerly the Non-Executive Deputy President of the National Roads and Motoring Association.</p> <p>Mr Brett is the Chairman of the Vocus' Audit and Risk Committee and a member of the Nomination and Remuneration Committee.</p>
<p>John Murphy Non-Executive Director Years as a Director: 11 years*</p>	<p>John Murphy has extensive experience in corporate recovery, corporate finance and mergers and acquisitions. Mr Murphy was the founder and former Managing Director of Investec Wentworth Private Equity Limited (IWPE), a leading private equity investment company and also a former Non-Executive Director of Investec Bank Australia Limited.</p> <p>Prior to establishing the IWPE funds, Mr Murphy spent 26 years (16 years as a global partner) with an international accounting firm where he held national and regional management responsibilities.</p> <p>Mr Murphy has extensive public company experience and is currently also a director of Ariadne Australia Limited, Gale Pacific Limited and Redflex Holdings Limited.</p> <p>In the last three years, Mr Murphy was also a director of Clearview Wealth Limited and Kresta Holdings Limited.</p> <p>Mr Murphy is a member of the Institute of Chartered Accountants and a Fellow of the Australian Society of Certified Practising Accountants.</p>

	Mr Murphy is a member of Vocus' Nomination and Remuneration Committee and the Audit and Risk Committee.
Nicholas McNaughton Non-Executive Director Years as a Director: 5 years	Nick McNaughton is currently the Chief Executive Officer of ANU Connect Ventures and manages a \$27 million venture fund. Mr McNaughton is a founding director of Entry 29, an alternate director on the Canberra Innovation Network and is a trustee for the GRIFFIN Accelerator. Mr McNaughton previously spent 16 years establishing the Asia/Pacific operations for three leading US software companies and as an angel investor since 1998. He is a founding member of Sydney Angels and former Chairman of Capital Angels. Mr McNaughton is the Chairman of the Vocus Remuneration Committee and member of the Audit Committee.
Stephen Baxter Non-Executive Director Years as a Director: 1 year ⁽⁸⁾	Stephen Baxter has an extensive background in starting internet based companies in Australia and working overseas on large-scale data networks. Mr Baxter started SE Net in 1994, an ISP with over 35,000 customers that was sold to OzEmail/UUNet in 2000. Mr Baxter was also a cofounder of PIPE Networks, which was acquired by TPG Telecom Limited for \$373 million in 2010. Mr Baxter has also worked for Google Inc in Silicon Valley, California working on high speed telecommunications solutions.

*Includes term of directorship of First Opportunity Fund prior to acquisition of Vocus.

(b) **Senior management team**

Name	Biography
Richard Correll Chief Financial Officer	Richard Correll is responsible for all financial aspects of Vocus, including accounting and financial reporting, financial compliance and governance, taxation, treasury, balance sheet management, capital strategy and insurance. Mr Correll has extensively worked in finance, media and communications industries in the USA and Australia, holding senior financial and general executive roles in companies including Ernst & Young, News Limited and Austar.
Mark Simpson General Counsel & Company Secretary	Mark Simpson has been with Vocus since it listed in 2010 and is responsible for the legal and regulatory functions, as well as human resources management. Before joining Vocus, Mr Simpson worked as a corporate lawyer, with 18 years' experience to director/partner level with major law firms in the UK and Australia. Specialising in mergers and acquisitions, Mark has broad experience in all aspects of corporate advisory and compliance work.

⁸ Stephen Baxter was reappointed to the Vocus Board on 2 October 2014. Mr Baxter previously served as a director on the Vocus Board from 18 November 2010 to 28 February 2013.

Christopher Deere Deputy Chief Executive Officer	<p>Christopher Deere joined Vocus in 2013 following Vocus' acquisition of Ipera Telecommunications Pty Limited (Ipera) in January 2013 and was appointed Deputy Chief Executive Officer in March 2015.</p> <p>Mr Deere established Ipera in 2000 with the rollout of a high speed fibre data network through the Newcastle CBD which developed into a diversified Infrastructure as a Service (IaaS) company.</p> <p>Mr Deere is responsible for the management of Vocus' significant infrastructure and new product development and strategy.</p>
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(c) **Board and senior management team disclosures**

No Vocus Director listed in this Section 5.5 was an officer of any company that entered into a form of external administration because of insolvency during the time that the proposed Vocus Director was an officer or within a 12 month period afterwards, other than as set out below.

Among his previous roles, David Spence was also a non-executive director of AWA Limited between 2010 and 2013. Subsequent to Mr Spence leaving office in 2013, AWA Limited was placed in voluntary administration by its then directors in February 2014.

Since July 2014, James Spenceley has been a director of Wollongong Hawks Pty Ltd, which was placed into voluntary administration in March 2015.

5.6 Corporate governance

The Vocus Board is responsible for the corporate governance of Vocus Group. The Vocus Board has committed to incorporating each of the ASX Corporate Governance Council's Revised Principles and Recommendations, in accordance with ASX Listing Rule 4.10.3 into its corporate governance policies.

Vocus' corporate governance policies are summarised below and full details are available on Vocus' website at www.vocus.com.au.

Vocus Board	<p>The Vocus Board has adopted a Board Charter that formalises its roles and responsibilities, including defining matters that are reserved for the Vocus Board and matters that are delegated to management.</p> <p>The Vocus Board has established a Nomination & Remuneration Committee and a Risk Management & Audit Committee to assist the Vocus Board in fulfilling its responsibilities.</p> <p>It is intended that the Vocus Board comprise a majority of independent non-executive directors, and that those directors have a broad range of skills, expertise and experience. The performance of the Board and key executives is reviewed regularly using both measurable and qualitative indicators.</p>
Ethical and responsible decision making	<p>The Vocus Board has adopted a Code of Conduct which establishes a clear set of values that emphasise a culture of strong corporate governance, sound business practices and ethical conduct.</p> <p>The Vocus Board has also adopted a Diversity Policy which outlines objectives of the company in ensuring that it has a diverse workforce (to the extent that this is practicable). In particular, the policy sets out how to promote a diverse workplace culture, factors to be taken into account in selecting candidates for the Vocus Board and senior management positions in Vocus and reporting on the outcomes of the policy.</p>

Safeguard integrity in financial reporting	<p>The Vocus Board has established a Risk Management & Audit Committee which identifies issues relevant to the integrity of Vocus' financial reporting and risk profile and reports to the Vocus Board in relation to:</p> <ul style="list-style-type: none"> (a) the implementation and maintenance of appropriate policies and procedures in relation to risk management and auditing; (b) financial reporting, internal control structure and internal and external audit functions; and (c) establishing a sound system of risk oversight and management and internal controls. <p>The Committee meets at least twice per year and is comprised of three non-executive directors. The powers and activities of the Committee are reviewed regularly to ensure they meet the needs of the Vocus Board, comply with corporate governance requirements and reflect changes in Vocus.</p>
Market disclosure and shareholder communications	<p>Vocus has adopted a Continuous Disclosure and Communications policy to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act. To that end, the policy describes the circumstances in which price sensitive information must be disclosed to the market, requires all employees to be responsible for complying with Vocus' disclosure obligations and establishes a process for releasing information to the market.</p> <p>Vocus communicates with its shareholders via its website, half year and annual reports, market announcements and media disclosures. Vocus also encourages shareholder participation at general meetings.</p>
Risk management	<p>The Audit and Risk Committee is responsible for identifying and managing key risks within the business, although ultimate responsibility for risk oversight and risk management rests with the Vocus Board. The Committee is required to establish and implement processes to capture and identify any issues or weaknesses in the risk management, internal control mechanisms and financial reporting of Vocus.</p> <p>Vocus management also monitors and manages risks in the ordinary course of business to ensure that these risks are addressed continuously. In that regard, key operational and financial risks are presented to and reviewed by the Vocus Board at each Vocus Board meeting.</p>
Director's fees and executive remuneration	<p>The Vocus Board has established a Nomination and Remuneration Committee which is responsible for determining and reviewing compensation arrangements for the directors, the CEO and executive team. Accordingly, no senior executive is involved directly in deciding their own remuneration.</p> <p>In order to retain a high quality Vocus Board and executive team, directors and key executives are remunerated fairly and appropriately with reference to relevant employment market conditions. In that regard, the Vocus Board links the nature and amount of executive directors' and officers' remuneration to Vocus' financial and operational performance.</p>

5.7 Vocus' issued securities

The capital structure of Vocus as at the date of this Scheme Booklet is as follows:

Number of Vocus Shares	105,441,949
Number of Vocus Options	340,500

(a) Employee share option plan

An employee share option plan was established by Vocus and approved by shareholders at a general meeting, whereby Vocus may at the discretion of the Vocus Board, grant options over Vocus Shares to its employees.

Each Vocus Option converts into one Vocus Share on exercise. No amounts are paid or payable by the recipient of the Vocus Option in respect of the option grant, although an exercise price is set at the date the options are granted. Vocus Options carry neither rights to dividends nor voting rights. Vocus Options may be exercised at any time from the date of vesting to the date of their expiry.

The table below summarises the Vocus Options currently outstanding as at the date of this Scheme Booklet.

Issue Date	Expiry Date	Exercise Price	Number
1 October 2010	30 September 2017	\$0.50	135,000
13 May 2011	13 May 2018	\$2.00	6,666
1 August 2011	31 July 2018	\$2.50	46,668
11 May 2012	10 May 2019	\$2.00	152,166
TOTAL			340,500

(b) Loan Funded Share Plan

Shares were issued to Vocus Blue Pty Limited, a wholly-owned Subsidiary of Vocus as part of Vocus' Loan Funded Share Plan remuneration scheme to attract and retain key employees. Vocus Blue Pty Limited's sole purpose is to hold shares as trustee for its beneficiaries (its 'participants').

The participants are granted a loan by Vocus to purchase the beneficial interest in Vocus Shares. The loans are limited recourse to the participants and any dividends received on the plan shares are used to reduce the loan balance net of tax payable. Participants are required to meet service requirements and performance conditions before being entitled to acquire full title to the Vocus Shares and are required to repay the loan in order to do so.

The shares held by Vocus Blue Pty Limited are included in the number of Vocus Shares. As at the date of this Scheme Booklet, Vocus Blue Pty Limited held 4,115,370 shares in trust under the Loan Funded Share Plan remuneration scheme of behalf of its participants.

5.8 Notifiable interests

As at the date of this Scheme Booklet, the substantial shareholders in Vocus are set out in the table below:

Name	Number of Vocus Shares in which they have voting power	Percentage of Vocus Shares on issue
Commonwealth Bank of Australia	6,391,071	6.06%
National Australia Bank Limited	5,306,407	5.03%

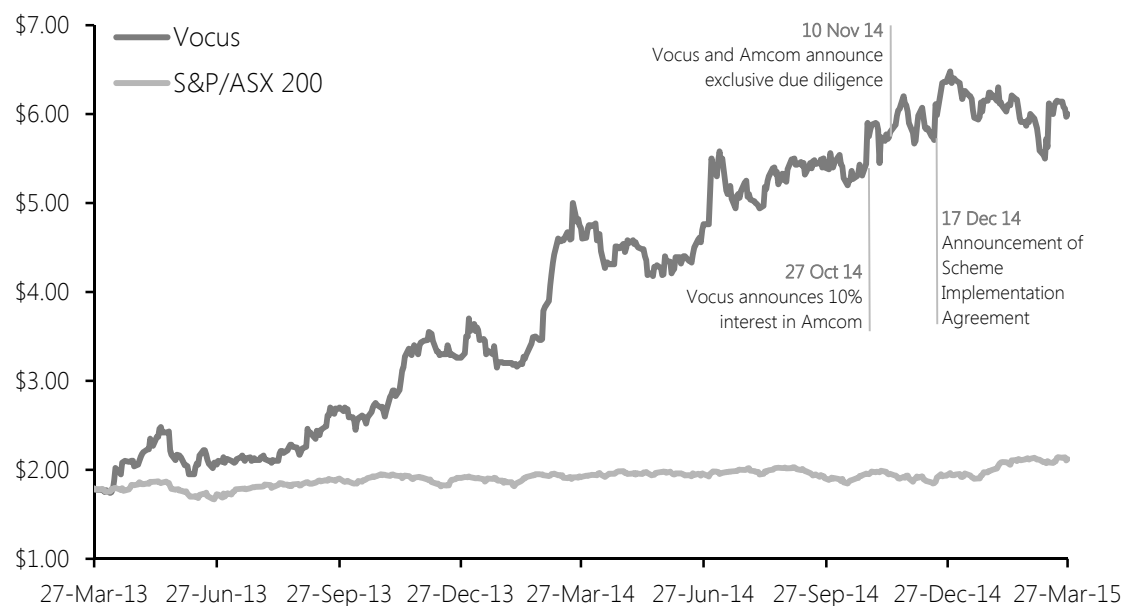
5.9 Trading price and volume of Vocus Shares

The Vocus Shares are listed on the ASX under the trading symbol "VOC".

The chart below shows Vocus' share price performance over the 24 months to 27 March 2015.

Vocus has had strong growth in its share price and the graph below demonstrates that the Vocus Share price has outperformed the S&P/ASX 200 Index over the last 2 years since 27 March 2013.

Historical share price performance



Source: IRESS

Notes:

- (1) S&P/ASX 200 Index indexed to the closing Vocus Share price as at 27 March 2013.
- (2) Past performance is not an indicator of future performance.

The recorded closing price for Vocus Shares on the ASX on 27 March 2015, the last practicable trading day before the Scheme Booklet was lodged for registration was \$6.00.

During the three months ended 27 March 2015:

- (a) the highest recorded daily closing price for Vocus Shares was \$6.48 on 29 December 2014; and
- (b) the lowest recorded daily closing price for Vocus Shares on the ASX was \$5.50 on 10 March 2015.

The closing price of Vocus Shares on the ASX on 16 December 2014, the date before the Scheme was announced, was \$5.74.

5.10 Financing arrangements

Vocus has historically adopted a diversified capital management and treasury policy to safeguard its ability to continue as a going concern, so that it can provide returns to Vocus Shareholders, support growth initiatives and to maintain an optimum capital structure to reduce its overall cost of capital.

Vocus has primarily financed itself with the operating cash flows from its business, the issue of equity, bank loans, finance leases and IRU contractual payment obligations. Vocus aims to continue to finance itself and any additional network build requirements primarily through its positive cash flows.

Vocus currently has a multi-currency term and revolving facility with CBA. The facilities have total limits of A\$70,600,000 and NZ\$77,600,000 and also contain provisions permitting additional facilities subject to agreed terms totalling \$30,000,000. The facilities were established to assist in funding the acquisition of FX Networks Limited, refinance its USD denominated IRU liabilities assist with capital expenditure, future acquisition requirements, working capital requirements and provide a natural hedge against Vocus' NZD denominated assets.

In July 2014, Vocus repaid its USD denominated IRU liabilities. The repayment locked in the USD exchange rate for the USD IRU liability and enabled Vocus to benefit from an early repayment discount in relation to its existing capacity purchases.

Vocus monitors its capital on the basis of the gearing ratio⁽⁹⁾. Vocus' gearing ratio for FY2014 and for HY2015 is set out below:

A\$000's	FY2014 (30-Jun-14)	HY2015 (31-Dec-14)
Current borrowings	7,907	10,109
Non-current borrowings	41,931	105,225
Total borrowings	49,838	115,334
Cash and cash equivalents	(44,557)	(39,101)
Net debt	5,281	76,233
Total equity	137,124	211,245
Total capital	142,405	287,478
Gearing ratio	4%	27%

⁹ This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less 'cash and cash equivalents' as shown on the Vocus statement of financial position. Total capital is calculated as 'total equity' as shown on the Vocus statement of financial position (including non-controlling interest) plus net debt.

5.11 Litigation

Except as outlined below, as at the date of this Scheme Booklet, Vocus is not aware of any material contractual disputes or litigation matters in respect of Vocus, including with its customers or other third parties.

A claim has been brought against FX Networks Limited, a Subsidiary of Vocus, in New Zealand by one of its customers seeking specific performance of a commercial agreement entered into in 2009 (which pre-dates Vocus' ownership of FX Networks Limited) under which FX Networks purportedly agrees to supply two fibre pairs to that customer. If the claim is successful, FX Networks Limited would be required to supply the relevant fibre pairs to the customer for the amount of consideration set out in that agreement. FX Networks maintains the contract was terminated for material breach by the customer in 2011.

5.12 Vocus historical and pro forma historical financial information

The historical financial information in this Section has been derived from Vocus' financial statements for the financial years ended 30 June 2013 and 30 June 2014, which were audited by Deloitte Touche Tohmatsu and interim financial statements for the six months ended 31 December 2014, which were reviewed by Deloitte Touche Tohmatsu.

(a) Basis of preparation

The historical and Pro Forma Historical Financial Information of Vocus is in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

The Pro Forma Historical Financial Information of Vocus has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards.

The Pro Forma Historical Financial Information of Vocus has been prepared in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards, other than it reflects (a) the exclusion of certain transactions that occurred in the six month period ended 31 December 2014; and (b) the impact of certain events or transactions as if they occurred on or before 1 July 2014.

Vocus' recent statutory historical consolidated income statements, historical consolidated statements of financial position and historical consolidated cash flow statements are disclosed in the annual financial report for the financial years ended 30 June 2013 and 30 June 2014 and in the interim financial report of Vocus for the six months ended 31 December 2014, all of which can be found on the Vocus website at www.vocus.com.au or the ASX website at www.asx.com.au.

This Section contains the following Vocus financial information:

- (i) historical consolidated income statements for the financial years ended 30 June 2013 and 30 June 2014 and the six months ended 31 December 2014;
- (ii) historical consolidated statement of financial position as at 31 December 2014;
- (iii) the pro forma historical consolidated income statement for the six months ended 31 December 2014; and
- (iv) the pro forma historical consolidated statement of financial position as at 31 December 2014 (collectively, (iii) and (iv) are referred to as "Vocus Pro Forma Historical Financial Information").

During the six months ended 31 December 2014, Vocus undertook the following acquisitions:

- (i) acquisition of the Bentley Data Centre in Perth from ASG Group Limited in August 2014; and
- (ii) acquisition of FX Networks Limited in September 2014.

Subsequent to 31 December 2014, Vocus entered into certain agreements in February 2015 as follows:

- (i) divestment of Vocus' New Zealand Construction division which Vocus acquired as part of the FX Networks Limited acquisition into a joint venture called Connect 8 Limited with Spark New Zealand Trading Limited;
- (ii) acquisition of the Sydney and Melbourne data centre and business continuity assets of Enterprise Data Corporation Pty Ltd; and
- (iii) long-term purchase program for submarine cable capacity with Southern Cross Cables Limited over a six year period.

In order to illustrate the financial effects of the above, Vocus has presented a pro forma historical consolidated income statement for the six months ended 31 December 2014 that has been adjusted as if the following transactions and agreements were effective from 1 July 2014:

- (i) the Bentley Data Centre acquisition;
- (ii) the FX Networks Limited acquisition (including net finance costs incurred as a result of the acquisition) less contributions from Vocus' New Zealand Construction division given Vocus' divestment of the Construction division to Connect 8 Limited; and
- (iii) the acquisition of the Sydney and Melbourne data centre and business continuity assets of Enterprise Data Corporation Pty Ltd.

It should be noted that Vocus' historical consolidated income for the six months ended 31 December 2014 has not been adjusted for the expected forecast positive financial contribution as an equal joint venture partner in Connect 8 Limited.

Vocus has also presented a pro forma historical consolidated statement of financial position as at 31 December 2014 to illustrate the financial effect of the below transactions which occurred subsequent to 31 December 2014:

- (i) the acquisition of the Sydney and Melbourne data centre and business continuity assets of Enterprise Data Corporation Pty Ltd; and
- (ii) the divestment of Vocus' New Zealand Construction division which Vocus acquired as part of the FX Networks Limited acquisition into a joint venture called Connect 8 Limited with Spark New Zealand Trading Limited.

As Vocus' long-term purchase program for submarine cable capacity with Southern Cross Cables Limited does not constitute an asset or liability until the purchases occur, a pro forma adjustment to the historical consolidated statement of financial position in relation to this program has not been made as at 31 December 2014.

The Vocus historical and Vocus Pro Forma Historical Financial Information presented in this Section 5.12 is an abbreviated form and does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. A full description of Vocus' accounting policies can be found in its annual financial report for the financial year ended 30 June 2014. No substantial or material changes are expected to those policies. In particular:

- (i) Vocus follows and is in full compliance with Australian Accounting Standards;
- (ii) Vocus matches revenue and expenses and does not capitalise expenses unless it has a life and economic benefit greater than the period in question;
- (iii) no material inventories exist and goodwill impairment testing is performed periodically;
- (iv) no off-balance sheet transactions or vehicles exist other than the Southern Cross IRU purchase program commitment (see Section 5.3); and
- (v) IRU assets are amortised on a straight-line basis over their economic life presently out to November 2030.

The financial information below relates to Vocus on a standalone basis only and accordingly does not reflect any impact of the Scheme except for the following:

- (i) the costs incurred in relation to the Scheme for the six months ended 31 December 2014, totalling \$530,000, have been included in Vocus' interim financial statements for the six months ended 31 December 2014 under the line item 'Acquisition and integration costs'.

(b) **Vocus historical consolidated income statements for the financial years ended 30 June 2013 and 30 June 2014 and the six months ended 31 December 2014 and the pro forma historical consolidated income statement for the six months ended 31 December 2014**

A\$'000	Historical FY2013 (30-Jun-13)	Historical FY2014 (30-Jun-14)	Historical HY2015 (31-Dec-14)	Notes	Pro forma adjustments	Historical Pro forma HY2015 (31-Dec-14)
Sales revenue	66,500	91,753	62,344	i, ii, iii	15,285	77,629
Expenses (exc. other gains and losses) ⁽¹⁾	(44,075)	(58,680)	(40,758)	i, ii, iii	(11,536)	(52,294)
Underlying earnings before interest tax, depreciation and amortisation (EBITDA)	22,425	33,073	21,586		3,749	25,335
Depreciation and amortisation expense	(8,864)	(11,712)	(7,948)	i, ii, iii	(2,328)	(10,276)
Net finance costs	(1,035)	(1,821)	(2,455)	ii	(1,472)	(3,927)
Underlying profit before income tax	12,526	19,540	11,183		(51)	11,132
Underlying income tax expense ⁽²⁾	(3,644)	(5,911)	(2,215)	iv	15	(2,200)
Underlying net profit after tax (NPAT)	8,882	13,629	8,968		(36)	8,932
Reconciliation to Statutory Earnings						
Underlying EBITDA	22,425	33,073	21,586		3,749	25,335
Other gains and losses including foreign exchange	(5,199)	397	3,649		-	3,649
Gains on total return swaps	-	-	26,932		-	26,932
Acquisition and integration costs	(207)	(1,403)	(4,462)		-	(4,462)
EBITDA	17,019	32,067	47,705		3,749	51,454
Depreciation and amortisation expense	(8,864)	(11,712)	(7,948)	i, ii, iii	(2,328)	(10,276)
Net finance costs	(1,035)	(1,821)	(2,455)	ii	(1,472)	(3,927)
Net profit before tax	7,120	18,534	37,302		(51)	37,251
Income tax expense	(2,022)	(5,609)	(11,087)	iv	15	(11,072)
Net profit after tax (NPAT)	5,098	12,925	26,215		(36)	26,179

Other notes:

(1) Excluding other gains and losses on total return swaps, early repayment of borrowings, foreign exchange, acquisition and integration costs and other gains and losses

(2) Adjusted for the tax effect on the taxable other gains and losses at 30%

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for specific non-cash and significant items as detailed in the table above.

The following pro forma adjustments have been included in Vocus' historical consolidated income statement for the six months ended 31 December 2014:

- (i) the inclusion of the financial contributions of the Bentley Data Centre on a run rate basis based on the Bentley Data Centre's contribution to Vocus since acquisition. These pro forma adjustments are made as if the acquisition of the Bentley Data Centre was effective on 1 July 2014;

- (ii) the inclusion of the financial contributions of FX Networks Limited (including net finance costs incurred as a result of the acquisition) as if the acquisition was effective on 1 July 2014 with the following adjustment:

- A. the exclusion of all financial contributions of Vocus' New Zealand Construction division, which Vocus divested into a joint venture called Connect 8 Limited with Spark New Zealand Trading Limited.

The financial contributions are calculated on a run rate basis based on FX Networks Limited's contributions to Vocus since acquisition.

- (iii) the inclusion of a full six months of expected financial contributions from the two data centre and business continuity assets of Enterprise Data Corporation Pty Ltd expected to be acquired by Vocus in April 2015 as if the acquisition was effective on 1 July 2014; and
- (iv) income tax expense on the pro forma adjustments have been reflected at a rate of 30% less permanent differences.

(c) **Vocus historical consolidated statement of financial position as at 31 December 2014 and pro forma historical consolidated statement of financial position as at 31 December 2014**

A\$'000	Historical HY2015 (31-Dec-14)	Notes	Pro forma adjustments	Historical Pro forma HY2015 (31-Dec-14)
Assets				
Current Assets				
Cash and cash equivalents	39,101	i, ii	(18,564)	20,537
Trade and other receivables	14,891		-	14,891
Derivative financial instruments	16,548		-	16,548
Other	4,101		-	4,101
Total current assets	74,641		(18,564)	56,077
Non-current assets				
Property, plant and equipment	193,060	i, ii	4,804	197,864
Intangibles	114,017	i, ii	18,813	132,830
Deferred tax	4,033		-	4,033
Equity accounted investments	-	i	3,196	3,196
Other	3,051		-	3,051
Total non-current assets	314,161		26,814	340,975
Total assets	388,802		8,250	397,052
Liabilities				
Current liabilities				
Trade and other payables	27,294		-	27,294
Borrowings	10,109		-	10,109
Income tax	1,299		-	1,299
Provisions	1,741		-	1,741
Other	822		-	822
Total current liabilities	41,265		-	41,265
Non-current liabilities				
Borrowings	105,225		-	105,225
Deferred tax	24,559	ii	6,510	31,069
Provisions	1,539	ii	2,300	3,839
Other	4,969		-	4,969
Total non-current liabilities	136,292		8,810	145,102
Total liabilities	177,557		8,810	186,367
Net assets	211,245		(560)	210,685
Equity				
Contributed equity	143,543		-	143,543
Reserves	6,542		-	6,542
Retained profits	61,160	ii	(560)	60,600
Total equity	211,245		(560)	210,685

The following pro forma adjustments have been made to Vocus' historical consolidated statement of financial position as at 31 December 2014:

- (i) the divestment of Vocus' New Zealand Construction division to Connect 8 Limited reflecting:
 - A. cash consideration received from Spark New Zealand Trading Limited;
 - B. a reduction in Vocus' property, plant and equipment and intangibles by the fair value associated with Vocus' Construction division; and
 - C. recognition in equity accounted investments in relation to Vocus' 50% share of the joint venture; and
- (ii) the acquisition of the Sydney and Melbourne data centre and business continuity assets of Enterprise Development Corporation Pty Ltd reflecting:
 - A. total cash consideration of \$23,500,000 with an upfront payment of \$21,200,000 with the remaining consideration to be paid by Vocus in equal instalments at 6 and 12 months;
 - B. a cash stamp duty payment of \$560,000 based on a preliminary estimate of the dutiable value of total consideration;
 - C. the write up of property, plant and equipment and customer intangibles to their respective fair market values based on a provisional assessment of preliminary information;
 - D. an increase in deferred tax liabilities on the written up value of both the property, plant and equipment and customer intangibles at a tax rate of 30%; and
 - E. recognition of additional goodwill in respect of the unallocated excess purchase price.

5.13 Material changes in the financial position of Vocus

To the knowledge of Vocus, there have been no material changes to the financial position of Vocus since the date of its half yearly financial reports for the six months ended 31 December 2014, except as above in Section 5.12 and as publicly disclosed on Vocus' ASX profile located on the ASX's website at www.asx.com.au or in this Scheme Booklet.

5.14 Vocus risk factors

Risk factors relating to Vocus and its business are discussed in Section 7 of this Scheme Booklet.

5.15 Additional information

(a) Interests of Vocus Directors

No Vocus Shares or Vocus Options are held or controlled by Vocus Directors and no such persons are otherwise entitled to such securities as at the date of this Scheme Booklet, other than as listed below.

(i) **Vocus Directors' interests in Vocus Shares**

As at the date of this Scheme Booklet, the number of Vocus Shares held by or on behalf of each Vocus Director are as follows:

Vocus Director	Number of Vocus Shares	Percentage of outstanding Vocus Shares, calculated on a non-diluted basis
David Spence	471,218	0.45%
James Spenceley	4,760,599	4.51%
Jon Brett	400,000	0.38%
John Murphy	337,000	0.32%
Nicholas McNaughton	627,598	0.60%
Stephen Baxter	25,000	0.02%
Total	6,621,415	6.28%

(ii) **Vocus Directors' interests in Vocus Options**

As at the date of this Scheme Booklet, the Vocus Directors do not hold or control any Vocus Options and do not otherwise have a Relevant Interest in Vocus Options, either directly or indirectly.

(b) **Interests in Amcom Shares**

As at the date of this Scheme Booklet, Vocus and its Associates hold a relevant interest in an aggregate of 26,639,915 Amcom Shares (representing approximately 10% of the issued and outstanding Amcom Shares, calculated on a non-diluted basis) and do not otherwise have a Relevant Interest in any Amcom Shares.

(c) **Dealings in the previous four months**

On 24 October 2014, Vocus acquired a Relevant Interest in 26,639,915 Amcom Shares (representing approximately 10% of the issued and outstanding Amcom Shares, calculated on a non-diluted basis) as a result of:

- (i) the acquisition on market of 13,186,000 Amcom Shares on 23 October 2014 at a price of \$1.94 per Amcom Share; and
- (ii) a physically-settled equity swap transaction dated 24 October 2014.

Vocus' entry into the physically-settled equity swap transaction followed the termination on 24 October 2014 of cash-settled equity swap transactions which occurred during the period from 18 August 2014 to 23 October 2014 and which gave Vocus an economic interest in 13,453,915 Amcom Shares at reference prices between \$1.87 and \$2.06 per Amcom Share. Vocus intends to settle the physically settled equity swap prior to the Implementation Date in accordance with its terms.

Further details of these dealings can be found in Vocus' Form 603 *Notice of initial substantial holder* released to the ASX on 27 October 2014.

The highest price or reference price at which Vocus acquired a Relevant Interest or an economic interest in Amcom Shares under the dealings described above was \$2.06.

Except for the dealings described above and the Scheme Consideration to be provided, during the period of four months before the date of this Scheme Booklet, neither Vocus nor any of its Associates have provided or agreed to provide any consideration for any Amcom Shares under a purchase or an agreement.

(d) **Benefits during the previous four months**

Except as disclosed in paragraph (c), neither Vocus nor any of its Associates, during the period of four months before the date of this Scheme Booklet, gave, or offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an Associate of the other person, to:

- (i) vote in favour of a Scheme; or
- (ii) dispose of Amcom Shares,

and where the benefit is not being offered to all Amcom Shareholders.

(e) **Interests of Vocus Directors**

As at the date of this Scheme Booklet, the Vocus Directors do not hold any Amcom Shares and do not otherwise have a Relevant Interest in Amcom Shares, either directly or indirectly.

5.16 Vocus dividend

As at the date of this Scheme Booklet, Vocus does not have a formal dividend policy. Historically, the Vocus Board has elected to reinvest the profits of Vocus into its various businesses to support growth initiatives.

The Vocus Board has acknowledged that yield in addition to Vocus' capital growth is important for Vocus Shareholders. As such, Vocus declared its first fully franked dividend in February 2013 and has increased and maintained the payment of dividends since this date whilst preserving the flexibility to continue to reinvest in the business if required.

A summary of Vocus' historical fully franked declared dividends can be found below:

	<u>Dividend type (cents)</u>			Total
	Final	Interim	Special	
FY2013	0.6	0.4	-	1.0
FY2014	1.0	0.8	-	1.8
HY2015		1.2	5.1	6.3

For the half year ending 31 December 2014, Vocus has declared the following dividends:

- (a) an interim HY2015 dividend of 1.2 cents per Vocus Share; and
- (b) a one-off special dividend of 5.1 cents per Vocus Share conditional on the Scheme becoming Effective.

5.17 Rights and liabilities attached to New Vocus Shares

The Vocus Shares issued as consideration under the Scheme will be issued as fully paid ordinary shares and will rank equally with all issued ordinary shares of Vocus from the date of their allotment.

The New Vocus Shares will have the same rights and liabilities attaching to them as existing Vocus Shares by virtue of Vocus' constitution, the Corporations Act and the common law. A broad summary of those rights is set out below.

(c) **General meetings**

Each holder of Vocus Shares is entitled to receive notice of and to attend and vote at all meetings of members of Vocus. They are entitled to be present and vote at meetings in person, or by proxy, attorney or authorised representative.

Vocus shareholders are also entitled to call a general meeting.

(d) **Voting**

Each Vocus Share confers the right to vote at general meetings. On a show of hands, each Vocus shareholder has one vote. On a poll, each member has one vote for each fully paid share held by the member and a fraction of a vote proportional to the amount paid on each partly-paid share.

(e) **Dividends**

Vocus shareholders are entitled to receive dividends declared in respect of ordinary shares in proportion to the number of Vocus Shares they hold.

The directors may declare dividends as and when they see fit.

(f) **Transfer of Vocus Shares**

A Vocus shareholder may transfer all or any of the shares held by the member to a third party, subject to formal requirements.

The Vocus board may refuse to register a transfer of shares in any circumstances permitted by the ASX Listing Rules. The Vocus board must refuse to register a transfer during an applicable escrow period (except as permitted by the ASX Listing Rules or the ASX) or in circumstances where it is required to do so by the ASX Listing Rules.

(g) **Non-marketable parcels**

As permitted by the ASX Listing Rules, the Vocus constitution confers the power on Vocus to dispose of non-marketable parcels of Vocus Shares. Vocus must not sell a non-marketable parcel unless it has given 42 days' written notice to the shareholder of its intention to sell the shares. The shareholder may ask Vocus to exempt their shares, in which case Vocus will not sell the parcel. If Vocus does sell the shares, the proceeds of the sale are remitted to the shareholder.

(h) **Winding-up**

Each Vocus Share confers on its holder the right to participate equally in the distribution of the assets of Vocus in a winding up, subject only to any amounts unpaid on the share.

If Vocus is wound up, the liquidator may, with the sanction of a special resolution, divide among the members in kind all or any of Vocus' assets and for that purpose determine how the liquidator will carry out the division between the members. The liquidator may also vest all or any of Vocus' assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

(i) **Variation**

The rights and liabilities attached to the Vocus Shares may, unless their terms of issue state otherwise, only be varied or cancelled:

- (i) with the written consent of holders of such shares with at least 75% of the votes in the class; or
- (ii) with the sanction of a special resolution passed at a meeting of the class of holders holding shares in the class.

The rights and liabilities attaching to Vocus Shares (including New Vocus Shares) are governed by the Corporations Act and Vocus' constitution. A copy of Vocus' constitution is available on the ASX announcements platform or shareholders may request a copy from Vocus on (02) 8999 8999 or by email at info@vocus.com.au.

5.18 Publicly available information

As an ASX listed company and a "disclosing entity" under the Corporations Act, Vocus is subject to regular reporting and disclosure obligations. Among other things, these obligations require Vocus to announce price sensitive information to the ASX as soon as Vocus becomes aware of information, subject to some exceptions. Vocus has complied with its continuous disclosure obligations at all times.

Pursuant to the Corporations Act, Vocus is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the Vocus directors and an audit or review report.

Copies of each of these documents can be obtained (free of charge) by contacting Vocus on (02) 8999 8999 or by email at info@vocus.com.au.

ASIC also maintains a record of documents lodged with it by Vocus, and these may be obtained from, or inspected at, any office of ASIC. Information is also available on Vocus' website at www.vocus.com.au.

Vocus' continuous disclosure notices to the ASX after the lodgement with the ASX of its financial statement for the year ended 30 June 2014 on 28 October 2014 and before the lodgement for registration of this Scheme Booklet by ASIC are listed in the table below.

Date	Announcement
26 March 2015	Ceasing to be a substantial holder from PPT
23 March 2015	Becoming a substantial holder from NAB
13 March 2015	Change in substantial holding from CBA
11 March 2015	Change in substantial holding from PPT
5 March 2015	Ceasing to be a substantial holder from NAB
2 March 2015	Becoming a substantial holder from PPT
2 March 2015	Release from voluntary escrow
26 February 2015	Becoming a substantial holder from NAB
20 February 2015	HY15 Earnings Release

20 February 2015	FY15 HY Investor Presentation
20 February 2015	Half Year Accounts
19 February 2015	Vocus enters new Southern Cross Capacity Use Agreement
13 February 2015	AMM: Scheme updated – Letter despatched to shareholders
13 February 2015	Appendix 3B
13 February 2015	Purchase of EDC Data Centres
4 February 2015	SPK: announces joint venture with Vocus Communications
4 February 2015	Joint Venture with Spark New Zealand
28 January 2015	Ceasing to be a substantial holder from NAB
22 January 2015	Change of Director's Interest Notice
14 January 2015	Becoming a substantial holder from NAB
5 January 2015	Ceasing to be a substantial holder from NAB
5 January 2015	Release from voluntary escrow
31 December 2014	Becoming a substantial holder from NAB
24 December 2014	Ceasing to be a substantial holder from PPT
24 December 2014	Appendix 3B
24 December 2014	Change of Director's Interest Notice
23 December 2014	Change of Director's Interest Notice
18 December 2014	Investor Presentation Dial In Details
17 December 2014	AMM: Amcom / Vocus Scheme – Investor Presentation
17 December 2014	Amcom Acquisition Investor Presentation
17 December 2014	Scheme Implementation Agreement
17 December 2014	Amcom and Vocus enter Scheme Implementation Agreement
17 December 2014	Trading halt
5 December 2014	S&P DJ Indices Announces December Quarterly Rebalance
4 December 2014	Appendix 3B
25 November 2014	Results of Meeting
25 November 2014	Chairman's AGM Address
20 November 2014	Change in substantial holding from CBA
10 November 2014	AMM: Amcom and Vocus to enter into exclusive due diligence
10 November 2014	Exclusive Due Diligence with Amcom
4 November 2014	Change in substantial holding – PPT
4 November 2014	Ceasing to be a substantial holder from CBA

3 November 2014	AMM: Amcom Executes East Coast Expansion
28 October 2014	Annual Report

Vocus' recent announcements are available from the ASX's website at www.asx.com.au. Further announcements concerning Vocus will continue to be made available on this website after the date of this Scheme Booklet.

6. Profile of the Combined Group

The Vocus Information contained in this Section 6 has been prepared by Vocus and is the responsibility of Vocus (except to the extent that the Vocus Information is based on information about Amcom, for which Amcom takes responsibility). Amcom and Amcom's Directors and officers do not assume any responsibility for the accuracy or completeness of this information (except to the extent that the Vocus Information is based on information about Amcom).

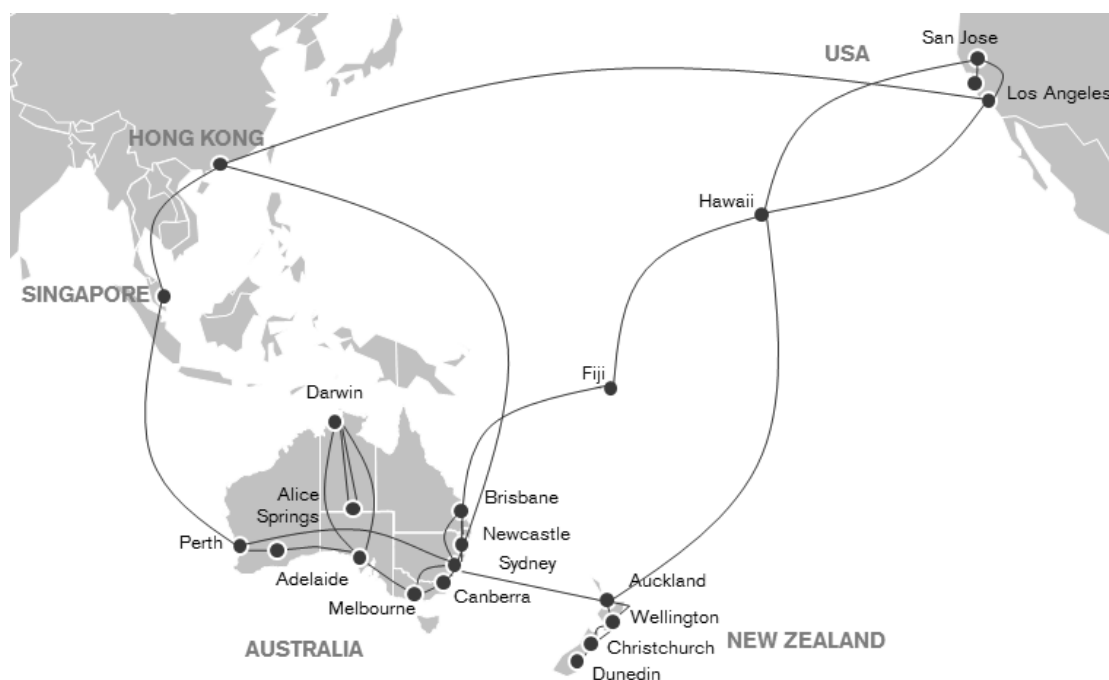
6.1 The Combined Group

Implementation of the Scheme will result in the combination of two geographically diverse and highly complementary businesses to create a leading trans-Tasman telecommunication infrastructure provider.

The combination will mean that Amcom, with its core customer base in Western Australia, South Australia and the Northern Territory, and Vocus, with its core customer base in New South Wales, Victoria, Queensland, the Australian Capital Territory and New Zealand will have metro fibre assets connecting c.2,800 buildings, over 4,250 km of intercity fibre and over 22 data centres across 17 sites in Australia and New Zealand.

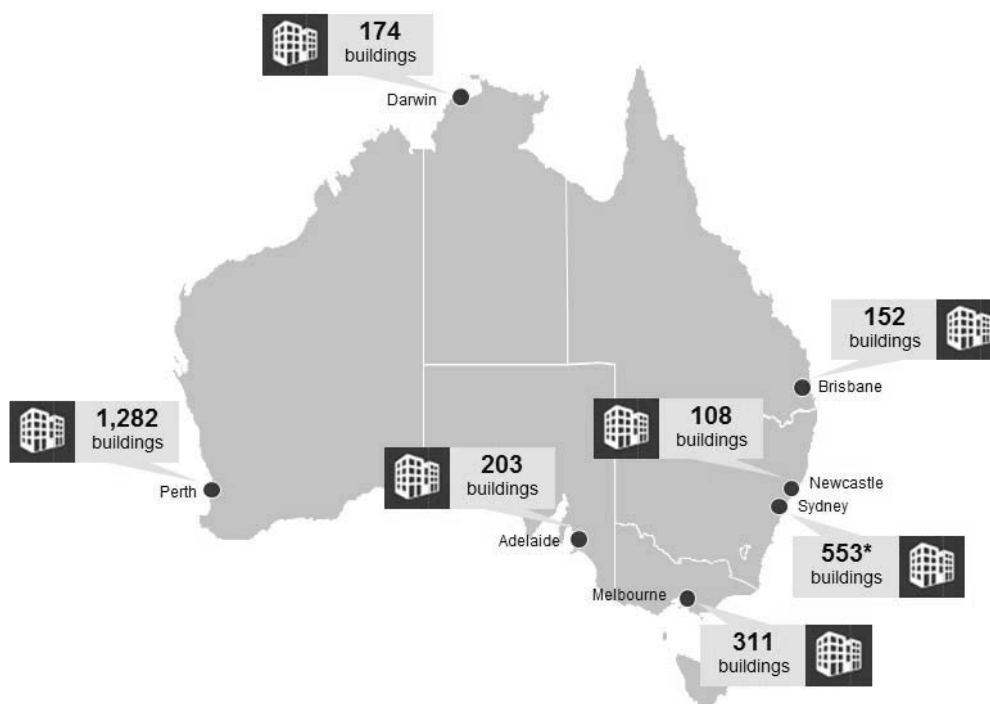
Supported by this extensive infrastructure network, the Combined Group will provide high performance, high availability and highly scalable communications solutions to wholesale, corporate and government customers.

Combined Group's telecommunications infrastructure



Note: map for illustrative purposes only and not a complete representation of the Combined Group's entire infrastructure network

Combined Group's on-net buildings



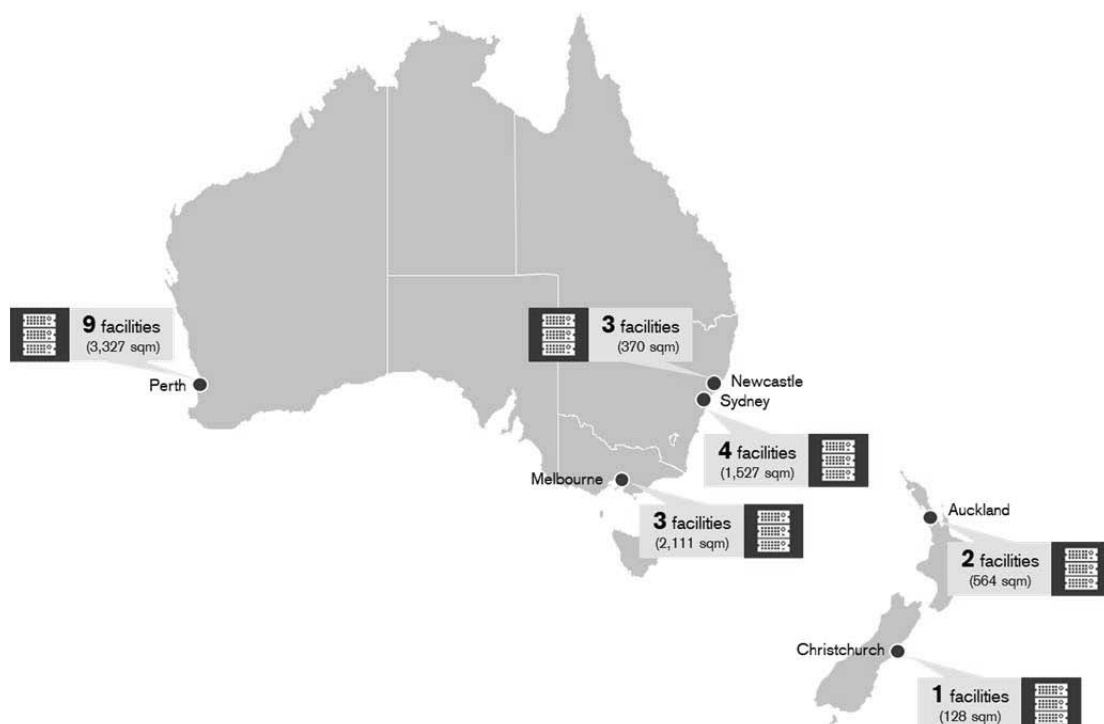
* includes Wollongong

Note: as at December 2014

The scale of the Combined Group's network and product suite presents an enlarged addressable market inclusive of wholesale, corporate and government enterprises across Australia and New Zealand.

The addition of Amcom's complementary business to Vocus is expected to provide the Combined Group with a national network enhancing its ability to offer product and services to its combined 3,700+ customers. As an example, Amcom's Unified Communications products are expected to provide Vocus the ability to offer these services across the Australian and New Zealand network.

Combined Group's data centres¹⁰



In addition to the compelling combined product offering, the Vocus and Amcom Directors believe the Combined Group will generate significant value for all shareholders, with identifiable cost-out opportunities and potential revenue synergies.

Cost synergies

The annualised cost synergies have been estimated by Vocus and Amcom management teams at \$13 million - \$15 million p.a., to be realised by the end of FY2017.

These synergies are expected to be realised through complementary infrastructure and operations, including:

- (a) Vocus assuming provision of Amcom's IP Transit requirements (\$2 million);
- (b) rationalisation of duplicate network infrastructure (\$3 million);
- (c) removal of duplicate company costs (\$5-7 million); and
- (d) aggregation and economies of scale in relation to input supplies (\$3 million).

Revenue synergies

The Combined Group may also realise revenue enhancement opportunities through:

- (a) sales of Vocus' Internet products to existing Amcom customers;
- (b) the sale of Amcom's hosted telephony and Unified Communications products to Vocus' Australian customer base;
- (c) providing the Amcom Unified Communications product to the New Zealand market;
- (d) enhanced distribution of Vocus' fibre product via Amcom channel partners; and

¹⁰ Includes Vocus' acquisition of the two data and business continuity centres of EDC which is expected to complete in April 2015.

- (e) a combined national and international network with a presence in all Australian and New Zealand capital cities along with presences in Asia and the USA.

Vocus has had a successful track record of integrating assets and business however the achievement of any synergies is not certain. There is a risk that synergies may not be realised at all or not realised to their full extent, or that they may be realised over a longer period of time than anticipated. Further detail regarding these risks is in Section 7.

6.2 Vocus' intentions following implementation of the Scheme

This Section 6.2 sets out Vocus' intentions in relation to:

- (a) the continuation of the business of Amcom;
- (b) any major changes to the business of Amcom, including any redeployment of the fixed assets of Amcom;
- (c) members of the Combined Group's board of directors;
- (d) the future employment of the present employees of Amcom;
- (e) the intended dividend policy for the Combined Group;
- (f) removal of Amcom from the ASX; and
- (g) other Vocus intentions for the Combined Group,

if the Scheme is implemented.

The statements of intention made in this Section 6.2 are based on the information concerning Amcom and the circumstances affecting the business of Amcom that are known to Vocus at the date of this Scheme Booklet. Final decisions on these matters will only be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this Section 6.2 are statements of current intention only, which may change as new information becomes available or circumstances change.

(a) General review of the business of Amcom

If the Scheme is implemented, Vocus intends to continue the business of Amcom largely in its current form. Vocus intends to collaborate with Amcom's staff and existing management team to optimise Amcom's prospects and operating performance.

In order to achieve these outcomes, Vocus intends to undertake a review of Amcom's business to verify (or to identify any deviation from) Vocus' understanding of the information, facts and circumstances concerning Amcom's assets, strategies and operations as at the date of this Scheme Booklet. Vocus will then work with Amcom's staff and management team to determine how to further develop the Combined Group's business in order to maximise its operating performance.

While Vocus does not have any specific intentions in relation to this review or its outcomes, the review may identify opportunities to optimise capital requirements and returns and other opportunities to improve the business.

(b) **Business integration**

Vocus has no current intention to make significant changes to any parts of Amcom, nor redeploy any of Amcom's fixed assets or transfer any of Amcom's current businesses or material assets.

Vocus' and Amcom's existing Australian businesses share some common requirements in terms of infrastructure and operations. Through the integration of these businesses, Vocus expects to achieve increased efficiency and synergy benefits over time.

(c) **Members of the Combined Group's board of directors**

In accordance with the Scheme Implementation Agreement, Vocus intends to appoint three persons nominated by Amcom (being Mr Tony Grist as Deputy Chairman and Mr Paul Brandling and Mr Anthony Davies as Non Executive Directors) to its board so that the Vocus board of the Combined Group comprises three Amcom nominees and five Vocus nominees (see Section 6.3 below for further information). Amcom is also required to procure the resignation of the directors of Amcom and its subsidiaries (other than the three Amcom nominees appointed to the board of the Combined Group) and to appoint persons nominated by Vocus to those positions.

(d) **Future employment of the present employees of Amcom and incentive plans**

Vocus intends to retain the services of Amcom's employees, including its senior management and operational management teams. There may be some redundancies as a result of the operational and strategic review described above, however this number is not expected to be material and Vocus will endeavour to minimise the disruption (if any) to Amcom and its employees. Vocus intends that the remuneration arrangements will continue to attract and retain employees. Vocus will evaluate the future management and administrative requirements of Amcom following completion of the general operational review described above.

Vocus expects there to be significant value and knowledge in the existing staff of Amcom. Vocus plans to draw on the management expertise of both its and Amcom's existing businesses to ensure that the businesses and cultures are integrated and operated effectively following implementation of the Scheme. In particular, Vocus intends that Mr Clive Stein (the current CEO of Amcom) will continue with the Amcom business for a period following implementation of the Scheme to ensure a smooth transition. Overall, the key operational responsibilities held by Amcom's management are expected to be largely unchanged, however, final decisions regarding the structure of the Vocus and Amcom businesses (including in respect of any potential duplication between existing corporate and administrative functions) will be made following implementation of the Scheme.

As at the date of this Scheme Booklet, Amcom has 4,185,000 Amcom Performance Rights on issue. Please see Section 1.8 for details of the treatment of these Amcom Performance Rights under the Scheme.

The remuneration arrangements of employees, the terms of any new incentive plans and the employees who will be entitled to participate in those plans will be determined by Vocus after implementation of the Scheme, in consultation with Amcom's management team.

(e) **Dividend policy for the Combined Group**

If the Scheme is implemented, Vocus intends that the Combined Group's board of directors will determine the dividend policy of the Combined Group having regard to its profits, its financial position and an assessment of the capital required to grow its businesses. Accordingly, there is no guarantee that the Combined Group will continue to pay dividends in line with Amcom's historical dividend policy, although it is Vocus' current intention that the Combined Group will continue to pay a dividend consistent with its continued balance and focus between an increasing yield and deriving capital growth.

Historically, Amcom and Vocus have maintained different dividend policies. During the previous three financial years, Amcom paid an annual dividend in the range of 43% to 68%⁽¹¹⁾ of net profit after tax, while Vocus has paid an annual dividend in the range of nil% to 15%⁽¹²⁾ of net profit after tax and reinvested the remainder of its profits for growth.

(f) **Removal of Amcom from the official list of the ASX**

Once the Scheme has been implemented, Vocus intends to procure that Amcom apply for termination from the official quotation on the ASX of Amcom shares and apply to have itself removed from the official list of the ASX.

Vocus intends to remain listed on the ASX.

(g) **Other intentions for the Combined Group**

Other than as set out in this Section 6.2, if the Scheme is implemented, it is Vocus' present intention to:

- (i) continue the business of Amcom in substantially the same manner as presently conducted;
- (ii) not make any major changes to the business of Amcom nor redeploy the fixed assets of Amcom; and
- (iii) continue the employment of the present employees of Amcom.

6.3 Combined Group's board of directors and senior management

(a) **Combined Group's board of directors**

Under the Scheme Implementation Agreement, Vocus has agreed to do all things necessary to procure that the board of directors of the Combined Group following the Scheme is comprised of five nominees of Vocus and three nominees of Amcom acceptable to the parties, acting reasonably. Vocus' and Amcom's current intention is that the board of directors of the Combined Group following the Scheme will be comprised as follows:

Name	Position
David Spence	Non Executive Chairman
Tony Grist	Non Executive Deputy Chairman

¹¹ Amcom dividend payout ratio calculated by dividing total dividends per share declared for the financial year divided by Amcom basic earnings per share.

¹² Vocus dividend payout ratio calculated by dividing total dividends per share declared for the financial year divided by Vocus basic earnings per share.

Name	Position
James Spenceley	Chief Executive Officer
Jon Brett	Non Executive Director
John Murphy	Non Executive Director
Stephen Baxter	Non Executive Director
Paul Brandling	Non Executive Director
Anthony Davies	Non Executive Director

(b) **Combined Group senior management**

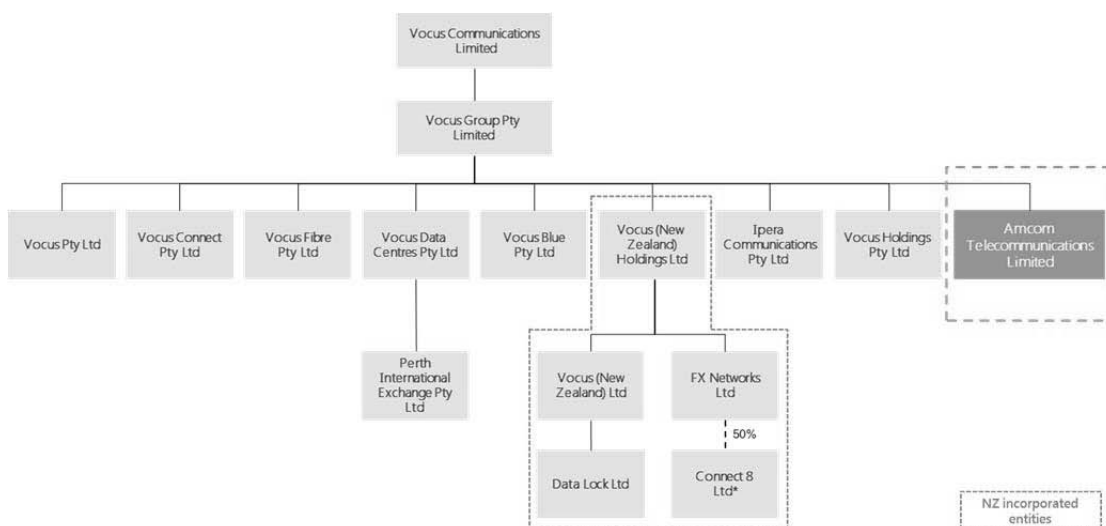
Mr James Spenceley will be the Chief Executive Officer and Mr Richard Correll will be the Chief Financial Officer of the Combined Group.

The remaining members of the Combined Group's senior management team have not been finalised as at the date of this Scheme Booklet and will be determined by the Combined Group's board following completion of, and having regard to the outcomes of, the general operational review described above.

It is expected that the Combined Group's senior management team will be comprised of individuals from both Vocus' senior management team in Section 5.5 and Amcom's senior management team in Section 4.4.

6.4 Corporate structure following implementation of Scheme

Vocus' corporate structure following implementation of Scheme is set out below.



*Vocus is a 50% joint venture partner with Spark New Zealand Trading Limited in Connect 8 Limited.

It is intended that Amcom and its Related Bodies Corporate will be acquired by Vocus Group Pty Limited as illustrated by the proposed Combined Group corporate structure above.

6.5 Capital structure and financing arrangements following implementation of Scheme

(a) Capital structure

Vocus' capital structure will remain unchanged as a result of the Scheme, other than for the issue of:

- (i) New Vocus Shares to Scheme Shareholders in accordance with the Scheme and Deed Poll; and
- (ii) Replacement Vocus Performance Rights in accordance with the terms of the Scheme Implementation Agreement.

The table below sets out Vocus' capital structure before the Scheme and the estimated capital structure after the Scheme:

Capital structure following implementation of the Scheme

Vocus	
Vocus Shares outstanding	105,441,949
Vocus Options outstanding	340,500
Fully diluted shares outstanding	105,782,449

New Vocus Shares and Replacement Performance Rights

plus: New Vocus Shares to be issued	112,191,363 ¹³
plus: Replacement Performance Rights to be issued	364,506
New Vocus Shares and Replacement Performance Rights	112,555,869

Vocus capital structure following implementation of the Scheme

Vocus Shares outstanding	217,633,312
Vocus Options outstanding	340,500
Replacement Performance Rights	364,506
Fully diluted shares outstanding	218,338,318

(b) Financing arrangements

If the Scheme is implemented, Vocus expects that there will be material changes to the Combined Group's financing arrangements as new facilities will be established and used to pay down both Vocus' and Amcom's existing facilities, including Vocus' current multi-currency term and revolving facility. Vocus' committed and to be established syndicated financing facilities will see it complete its acquisition of Amcom, the refinancing of the relevant debt of both Amcom and Vocus and include available capital expenditure and working capital facilities totalling approximately \$40 million.

Vocus expects that if the Scheme is implemented, its existing debt facilities with CBA will be terminated and replaced with new syndicated facilities. The new syndicated facilities will have increased total facility limits compared to Vocus' existing facilities with CBA. As a result of the syndications process, Vocus expects that new banking relationships will be established with both domestic and international banks. Vocus intends that the new facilities will also be used to refinance Amcom's existing bank facilities and both Vocus' and Amcom's existing finance leases (in whole or in part).

¹³ The number of New Vocus Shares that are expected to be issued as consideration under the Scheme, subject to rounding of each individual Scheme Shareholder's entitlement to the nearest whole number of New Vocus Shares.

Other than as set out above, Vocus does not expect to require any further capital following implementation of the Scheme. However, any further debt or capital raisings will be circumstantially considered as possible future growth initiatives may require funding based on the magnitude of the opportunity.

6.6 Combined Group Pro Forma Historical Financial Information following implementation of the Scheme

(a) Basis of preparation

This Section 6.6 contains the Combined Group Pro Forma Historical Financial Information comprising the Combined Group pro forma historical consolidated income statement for the six months ending 31 December 2014 and the Combined Group pro forma historical consolidated Statement of Financial Position as at 31 December 2014. The Combined Group Pro Forma Historical Financial Information has been prepared to provide Amcom Shareholders with an indication of the historical consolidated Income Statement and Historical consolidated financial position of the Combined Group and the illustrative financial effect on the Combined Group if the Scheme is implemented. It does not illustrate the financial information that may be contained in future Vocus financial statements when the Scheme is implemented.

The Combined Group Pro Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards, other than it reflects (a) the exclusion of certain transactions that occurred in the six month period ended 31 December 2014; and (b) the impact of certain events or transactions as if they occurred on 31 December 2014.

The Combined Group Pro Forma Historical Financial Information set out in this Section should be read in conjunction with the risk factors set out in Section 7 of this Scheme Booklet, other information contained in this Scheme Booklet and the accounting policies of Vocus as disclosed in its most recent annual and half yearly financial reports. A preliminary assessment of the Vocus and Amcom accounting policies has not identified any material differences.

The Combined Group Pro Forma Historical Financial Information contained in this Section 6.6 has been derived from:

- (i) Historical financial statements of Amcom; and
- (ii) The Vocus Pro Forma Historical Financial Information, comprising the historical consolidated Income Statement of Vocus for the six months ended 31 December 2014 and the historical consolidated Statement of Financial Position of Vocus as at 31 December 2014, and adjusted for the effects of pro forma adjustments described in Sections 5.12(b) and 5.12(c) of the Scheme Booklet.

It is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

Ernst & Young Transaction Advisory Services Limited has been engaged as the Investigating Accountant to prepare an Independent Limited Assurance Report on the Amcom Historical Financial Information, as set out in Sections 4.9(b) and 4.9(c) and the Combined Group Pro Forma Historical Financial Information, as set out in Sections 6.6(b) and 6.6(c). The Independent Limited Assurance Report is set out in Annexure B. Amcom Shareholders should note the scope and limitations of the Independent Limited Assurance Report.

(i) **Assumptions regarding capital structure**

The Combined Group's Pro Forma Historical Financial Information has been prepared on the assumption that Vocus will own 100% of Amcom following implementation of the Scheme.

The merger ratio for each Amcom Share is 0.4614 for each Vocus Share. The table below shows the calculation of the number of Vocus Shares to be issued and the value of the purchase consideration.

Amcom Shares currently on issue	266,399,148
Amcom Shares to be issued upon vesting of Amcom Performance Rights as a result of the Scheme	2,605,000
Projected Amcom Shares on issue	269,004,148
Less: Amcom Shares currently owned by Vocus	26,639,915
Projected Amcom Shares on issue subject to the Scheme	242,364,233
Exchange ratio	0.4614
New Vocus Shares to be issued*	111,826,857
Vocus Share price	\$6.07
Scheme Consideration	\$678,789,023

* The New Vocus Shares to be issued in the table above excludes 790,000 Amcom Performance Rights belonging to 'Tranche F' that require various approvals prior to vesting. The table in Section 6.5(a) of this Scheme Booklet assumes that these Amcom Performance Rights will vest prior to implementation of the Scheme, and therefore will result in 364,506 New Vocus Shares being issued.

For the purposes of preparing the Combined Group Pro Forma Historical Financial Information a Vocus Share price of \$6.07 has been used being the closing Vocus Share price on 18 February 2015.

(ii) **Sources of information and pro forma adjustments**

The Combined Group Pro Forma Historical Financial Information presented in this Section 6.6 has been derived from the following sources:

- A. for Amcom, the historical consolidated Income Statement for the six months ended 31 December 2014 and the historical consolidated Statement of Financial Position as at 31 December 2014 as presented in Sections 4.9(b) and 4.9(c) respectively of this Scheme Booklet; and
- B. for Vocus, the pro forma historical consolidated Income Statement for the six months ended 31 December 2014 and the pro forma historical consolidated Statement of Financial Position as at 31 December 2014 as presented in Sections 5.12(b) and 5.12(c) respectively of this Scheme Booklet.

(b) **Combined Group pro forma historical consolidated income statement for the six months ended 31 December 2014**

A \$ Million	Historical HY2015 Amcom	Historical HY2015 Vocus pro forma	Notes	pro forma adjustments	Historical HY2015 pro forma Combined
Revenue	80.7	77.6	a	(0.3)	158.0
EBITDA	23.0	25.3		-	48.3
Depreciation and amortisation	(6.8)	(10.3)	d	(3.6)	(20.7)
EBIT	16.2	15.1		(3.6)	27.6
Interest (net)	(0.8)	(3.9)		-	(4.7)
Profit before tax and before significant items	15.4	11.1		(3.6)	22.9
Income tax expense	(4.4)	(2.2)	e	1.1	(5.5)
Net profit after tax and before significant items	11.0	8.9		(2.5)	17.4
Significant items (net of tax)	(1.7)	17.2	b, c	(18.0)	(2.4)
Pro forma net profit after tax including significant items	9.3	26.2		(20.5)	15.0

* non IFRS financial information is reconciled to IFRS financial information below

The following pro forma adjustments have been included in the combined pro forma historical consolidated Income Statement as if the Scheme had occurred on 30 June 2014:

Note A: Elimination of \$300,000 of revenue arising on transactions between Amcom and Vocus which occurred on an arm's length basis in the ordinary course of business.

Note B: Elimination of \$900,000 of Scheme transaction costs to the extent they are included in the standalone Income Statements of Vocus and Amcom on the basis Scheme transaction costs are non-recurring.

Note C: Elimination of (\$18,900,000) of Vocus' gain on total return swap for Amcom Shares (net of tax) to the extent this was included in the Historical Income statement of Vocus.

Note D: Recognition of the depreciation and amortisation arising from the increase in the value of property, plant and equipment, and recognition of customer contracts noted in Section 6.6(c) Note E and Note G.

Note E: Recognition of the income tax expense for the pro forma adjustment in Section 6.6(b) Note D above.

Transactions not included in the Combined Group pro forma historical consolidated income statement

The Combined Group pro forma historical consolidated income statement does not include a number of one-off items directly attributable to the Scheme:

1. Transaction costs incurred by Amcom post 31 December 2014 of \$10.1 million which will be treated as pre-acquisition expenses.
2. Transaction costs incurred by Vocus post 31 December 2014 estimated at \$17.0 million which will be expensed.

3. Approximately \$2.3 million of additional share payment expenses incurred by Amcom as a direct result of the accelerated vesting of Amcom Performance Rights due to the Scheme resulting in a change of control and the vesting of 2,605,000 Amcom Performance Rights.
4. Synergy benefits have not been included as an assessment of integration and any costs to be incurred to achieve the synergies has not yet been undertaken. On this basis the costs of integrating Amcom and Vocus have also not been included.
5. Following implementation of the Scheme, Amcom and its 100% subsidiaries will join the Vocus tax consolidated group. As a result of the tax consolidation regime, the existing tax base of Amcom's assets will be reset which may have an impact on income tax expense. A detailed analysis of the consequences of joining the Vocus tax consolidated group will be undertaken following implementation, and have not been included in the Combined Group pro forma historical combined income statement.

(c) **Pro forma historical consolidated statement of financial position as at 31 December 2014**

A\$ Million	Historical 31 December 2014 Amcom statutory	Historical 31 December 2014 Vocus pro forma	Notes	Pro forma adjustments	Historical 31 December 2014 pro forma Combined
CURRENT ASSETS					
Cash & cash equivalents	21.7	20.5		-	42.2
Receivables, inventories and other current assets	23.4	19.0		-	42.4
Financial assets	-	16.5	d	(16.5)	-
Total Current Assets	45.1	56.1		(16.5)	84.6
NON-CURRENT ASSETS					
Property, plant & equipment	154.7	197.9	e	28.0	380.6
Goodwill	54.1	66.2	f	518.4	638.7
Other intangibles	9.0	66.6	g	64.6	140.2
Other Assets	-	3.1		-	3.1
Equity Accounted Investments	-	3.2		-	3.2
Investment in Amcom	-	-		-	-
Deferred tax assets	-	4.0		-	4.0
Total Non Current Assets	217.8	341.0		610.9	1,169.7
TOTAL ASSETS	262.9	397.1		594.4	1,254.4
CURRENT LIABILITIES					
Trade and other payables	20.2	27.3	a	27.1	74.6
Deferred revenue	13.1	-		-	13.1
Borrowings	5.0	10.1		-	15.1
Provisions and other liabilities	5.0	3.9	b	(0.3)	8.6
Total Current Liabilities	43.3	41.3		26.8	111.4
NON-CURRENT LIABILITIES					
Borrowings	32.6	105.2		61.5	199.3
Deferred revenue	4.8	-		-	4.8
Provisions and other liabilities	2.7	8.8		-	11.5
Deferred tax liabilities	9.1	31.1	c	18.2	58.4
Total Non Current Liabilities	49.1	145.1		79.7	274.0
TOTAL LIABILITIES	92.5	186.4		106.5	385.4
NET ASSETS	170.4	210.7		487.9	869.0
EQUITY					
Contributed equity	151.5	143.5	h	527.3	822.3
Reserves	(1.8)	6.5	i	1.8	6.5
Retained profits	20.7	60.6	j	(41.1)	40.2
TOTAL EQUITY	170.4	210.7		487.9	869.0

Pro forma adjustments to the combined group pro forma historical consolidated statement of financial position as at 31 December 2014

The following pro forma adjustments have been made for the purposes of illustrating the Combined Group pro forma historical statement of financial position as if the Scheme had occurred on 31 December 2014:

Note A: Total transaction costs of \$27.5 million have been included as an increase in payables and accounted as follows:

1. \$10.1 million of transaction costs incurred by Amcom have been included as a pre-acquisition expense and eliminated on consolidation; and
2. \$17.0 million of transaction costs incurred by Vocus will be expensed.

Note B: Decrease in tax payable of \$1.2 million to reflect the transaction costs incurred by Amcom.

Note C: Increase in deferred tax liability of \$19.4 million to reflect the customer contracts, offset by a \$1.9 million deferred tax benefit as a result of the Amcom transaction costs.

Note D: Decrease in financial assets of \$16.5 million to eliminate the increased value of Vocus' investment in Amcom, based on an Amcom Share price of \$2.93 at 31 December 2014. The existing beneficial holding that Vocus has in 26,639,915 Amcom Shares is not carried in the standalone Vocus statement of financial position as the total return swap is yet to be settled. A pro forma adjustment has been made to the Combined Group pro forma statement of financial position that assumes the total return swap is gross settled at 31 December 2014 at a share price of \$2.80 per Amcom Share or \$74.6 million using borrowings. A \$3.4 million loss on the change in fair value of the Amcom Share price from 31 December 2014 to 18 February 2015 has been recognised as an expense in the period.

Note E: Increase in fair value of Amcom's property, plant and equipment of \$28 million.

Note F: The purchase price accounting for the acquisition has been determined on a provisional basis by the Amcom directors who have undertaken a fair value assessment of the carrying values of Amcom's net assets and as a result have made the following provisional adjustments summarised in the table below resulting in the recognition of \$518.4 million of goodwill arising from the implementation of the Scheme. Subsequent to implementation Vocus will undertake this assessment, which by its nature requires judgement. Accordingly, that allocation may give rise to material differences in values allocated to the statement of financial position items and may also give rise to fair value being allocated to other statement of financial position line items.

	\$m
Amcom net assets standalone as at 31 December 2014	170.4
Add: Up lift - property, plant and equipment	28.0
Add: Recognition of customer contracts	64.6
Less: Associated deferred tax	-19.4
Less: Transaction costs net of tax (Amcom)	-8.6
Adjusted Amcom net assets	235.0
Scheme consideration	678.8
Pro forma consideration 10% existing stake	74.6
Aggregate purchase consideration	753.4
Goodwill arising	518.4

Note G: Increase in other intangibles of \$64.6 million to recognise value of Amcom customer contracts.

Note H: Decrease in contributed equity of \$151.5 million to reflect the elimination of Amcom's share capital, this is offset by an increase to contributed equity for the Scheme Consideration of \$678.8 million. Scheme Consideration has been calculated based upon a Vocus Share price of \$6.07 and a merger ratio of 0.4614 New Vocus Shares per Amcom Share, such that Vocus will issue 111,826,857 New Vocus Shares for a Scheme Consideration value of \$678.8 million. The vesting of 2,605,000 Amcom Performance Rights due to the change of control arising from the implementation of the Scheme has been included in the calculation of Scheme Consideration as the resulting Amcom Shares will participate in the Scheme.

Note I: This adjustment eliminates the Amcom reserves at 31 December 2014.

Note J: This adjustment eliminates the \$20.7 million of Amcom retained profits at 31 December 2014, and decreases retained profits for the \$17 million of transaction costs incurred by Vocus.

Transactions not included in the Combined Group pro forma historical consolidated statement of financial position as at 31 December 2014

Following implementation of the Scheme, Amcom and its 100% subsidiaries will join the Vocus tax consolidated group. As a result of the tax consolidation regime, the existing tax base of Amcom's assets will be reset which may have an impact on current and deferred tax balances recognised in relation to Amcom's assets. A detailed analysis of the consequences of joining the Vocus tax consolidated group will be undertaken following implementation, and have not been included in the Combined Group pro forma historical consolidated statement of financial position.

A preliminary assessment of the Vocus and Amcom accounting policies has not identified any material differences, as such the Combined Group Pro Forma Historical Financial Information does not include any impact of aligning Amcom and Vocus accounting policies.

6.7 Forecast financial information for the Combined Group

Amcom and Vocus have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. The Amcom Board and Vocus Board have concluded that, as at the date of this Scheme Booklet a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice, and that the inclusion of such forecasts could be potentially misleading.

The financial performance of the Combined Group in any period will be influenced by various factors that are outside the control of Vocus and that cannot, at this time, be predicted with a high level of confidence. In particular the financial performance of Combined Group will be affected by:

- (i) the timing and level of network expansion in response to data demand;
- (ii) prevailing exchange rates, especially the AUD:USD and AUD:NZD exchange rates, which are subject to material change from time to time;
- (iii) the extent of opportunities, benefits and costs that are associated with combining Vocus and Amcom;
- (iv) changes in respect of existing operations and the provision of services to customers and the overall customer profile;
- (v) impacts of purchase price allocation;
- (vi) timing and quantum of realised synergies;
- (vii) change in the regulatory environment and the potential impact of the National Broadband Network initiative; and
- (viii) integration of recently acquired businesses for both Amcom and Vocus.

Amcom and Vocus do not have an established practice of issuing financial forecasts given the potential impact of the considerations shown above.

6.8 Other material information

Except as set out in the Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Amcom or Vocus director at the time of lodging of this Scheme Booklet with ASIC for registration, which has not been previously disclosed to Amcom Shareholders.

7. Risk factors

Amcom Shareholders should be aware that there are a number of risks, both general and specific, associated with the Scheme.

This Section outlines:

- (a) risks specific to the Scheme and the creation of the Combined Group (see Section 7.1 of this Scheme Booklet);
- (b) risks specific to the Combined Group (see Section 7.2 of this Scheme Booklet);
- (c) risks specific to Amcom (see Section 7.3 of this Scheme Booklet); and
- (d) general investment risks (see Section 7.4 of this Scheme Booklet).

The information set out in Sections 7.1 and 7.2 of this Scheme Booklet was prepared by Vocus and Vocus is responsible for the information contained in those Sections. Amcom and Amcom's Directors and officers do not assume any responsibility for the accuracy or completeness of this information (except to the extent that those Sections are based on information about Amcom, for which Amcom takes responsibility).

The outline of risks in this Section 7 is a summary only and should not be considered exhaustive. No assurances or guarantees are given in relation to the future performance of, profitability of, or potential payment of dividends by any of, Amcom, Vocus or the Combined Group. These risk factors do not take into account the investment objectives, financial situation, position and particular needs of any Amcom Shareholder.

You should carefully consider the risk factors discussed in this Section 7, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

7.1 Risks specific to the Scheme and the creation of the Combined Group

(a) Market value of Scheme Consideration

Under the terms of the Scheme, Amcom Shareholders will receive 0.4614 New Vocus Shares for each Amcom Share they hold. The value of the Scheme Consideration that would be realised by individual Amcom Shareholders will be dependent on the price at which New Vocus Shares trade on the ASX after the Scheme Implementation Date.

For Ineligible Overseas Shareholders, the value of the consideration they will receive will depend on the price realised by the Sale Nominee in respect of the sale of New Vocus Shares attributable to the Ineligible Overseas Shareholders.

Some of Amcom's Shareholders may not intend to continue to hold the New Vocus Shares received under the Scheme and may wish to sell them on the ASX soon after the Implementation Date. In addition, the Sale Nominee will sell New Vocus Shares on the ASX as soon as reasonably practical after the Implementation Date. There is a risk that such sales may exert downward pressure on the price of Vocus Shares in the short term.

In any event, there is no guarantee regarding the market price of the Vocus Shares before the Scheme Meeting or after the Implementation Date. Future market prices may either be above or below current or historical market prices. Information about the current trading prices of Vocus Shares may be obtained from asx.com.au.

In providing services to Vocus in connection with the sale of New Vocus Shares to which the Ineligible Overseas Shareholders would otherwise have been entitled, the Sale Nominee is not acting as agent or sub agent of any Ineligible Overseas Shareholder.

(b) **Integration and synergies**

This Scheme Booklet details potential cost and revenue synergies that Vocus reasonably expects may be obtained over time through the integration of Vocus and Amcom. Achievement of synergies is not certain. There is a risk that synergies may not be realised at all or not realised to their full extent, or that the cost and revenue synergies may be realised over a longer period of time than anticipated. There is also a risk that implementation and other one-off costs may be substantial or greater than reasonably anticipated. This could have a material adverse impact on the Combined Group's financial position and performance.

The transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing Vocus' business. There is a risk that revenue streams or operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect the Combined Group's financial position and performance.

(c) **Change of control**

Some contracts to which Amcom or Vocus or their subsidiaries are party may contain change of control provisions that could be triggered by entry into the Scheme Implementation Agreement, the Scheme, the acquisition of Amcom Shares or the issue of New Vocus Shares following the implementation of the Scheme or the delisting of Amcom. If such a provision is triggered, this may allow the counterparty to demand immediate or earlier repayment of monies, review, adversely modify or terminate the contract. If a counterparty to any such contract were to demand immediate or earlier repayment of borrowed monies, terminate or seek to renegotiate the contract this may have an adverse effect on the Combined Group, depending on the relevant contract.

(d) **Accounting revisions may be required**

Amcom has particular accounting policies and methods which are fundamental to how it records and reports its financial position and results of operations. The directors of Amcom may have exercised judgement in selecting and applying certain accounting policies or methods which might have been reasonable under the circumstances yet might have resulted in reporting materially different outcomes than would have been reported under Vocus' policies and methods.

While no material differences between Amcom and Vocus policies and methods have been identified to date, there remains some uncertainty associated with the extent of any impact of such differences. The integration of Amcom's accounting functions may lead to revisions of these accounting policies, which may adversely impact on the Combined Group's reported results of operations and/or financial position and performance.

(e) **Impairment of goodwill and other intangibles**

The financial statements of the Combined Group will be prepared in conformity with Vocus' current accounting standards. To the extent goodwill or other intangibles that have an indefinite life including goodwill, are not subject to amortisation, they are reviewed annually for impairment. Individual assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Changes to the carrying amounts of intangible assets of the Combined Group could have an adverse impact on the reported financial performance of the Combined Group and, depending on the extent of the impact, could affect the amount of distributions paid by the Combined Group.

(f) **Change in risk and investment profile**

Amcom Shareholders, other than the Ineligible Overseas Shareholders, will receive New Vocus Shares in exchange for their Amcom Shares. An investment in Vocus is not an identical substitute for an investment in Amcom as the Combined Group will have a different risk and investment profile.

Amcom Shareholders who receive New Vocus Shares will be exposed to risk factors relating to Vocus and certain risks relating to the Combined Group. In some cases those risks are different or additional to those of Amcom. See Section 7.2 of this Scheme Booklet for details of the risks relating to the Combined Group.

The investment profile of Amcom Shareholders who receive New Vocus Shares will also change. The operational profile, capital structure and size of the Combined Group will be different to that of Amcom on a standalone basis.

These changes in risk and investment profile may be considered a disadvantage by some Amcom Shareholders.

7.2 **Risks specific to the Combined Group**

(a) **Ultra Fast Broadband**

The New Zealand Government is rolling out Ultra-Fast Broadband (**UFB**) over the medium term. All telecommunication retail service providers will have equivalent access to acquiring wholesale services on the UFB, which are intended to create a more level competitive playing field in the industry. This new competitive environment with the UFB may enable the entrance of new competitors in the market which could have an adverse impact on the future financial performance of the Combined Group if it is unable to effectively compete against the new competitors.

(b) **Exchange rates**

Vocus undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. Vocus has managed its exposure to the currency risk associated with the United States Dollar and New Zealand Dollar by active monitoring of the currency risk from period to period. Vocus is prepared to enter into foreign exchange contracts and cash flow hedge accounting to protect cash flows over a defined period under its foreign exchange risk management policy. However there can be no assurance that the Combined Group will be able to hedge such exposure on acceptable terms in the future or that any exchange rate hedging will be effective or will not result in an adverse financial impact arising from the inability to benefit from a favourable movement in exchange rates.

(c) **Network operation and earthquake risk**

There has historically been significant seismic activity across the New Zealand markets in which the Combined Group will operate. Although Vocus believes that its infrastructure is sufficiently robust to withstand such events, it is possible that a future earthquake might cause damage or disruption to the Combined Group's network and impair its ability to provide its products and services resulting in significant disruption to the Combined Group's business and its customers.

(d) **Risks specific to Amcom**

Each of the risks specific to Amcom set out in Section 7.3 of this Scheme Booklet may continue to be relevant to Amcom and Vocus as part of the Combined Group.

7.3 **Risks specific to Amcom**

The risk factors in this Section 7.3 are existing risks relating to Amcom's business and the industry in which it operates. These risks will continue to be relevant to Scheme Shareholders if the Scheme is not implemented and Scheme Shareholders retain their current investment in Amcom.

(a) **Access to capital**

Amcom relies on both equity capital and debt funding. The ability of Amcom to raise funds on favourable terms depends on a number of factors including general economic, capital market and credit market conditions. An inability to obtain the necessary funding for Amcom or a material increase in the cost of funding (e.g. through an increase in interest rates or increased costs of capital) may have an adverse impact on Amcom's financial performance and financial position, its ability to refinance debt, its ability to grow and diversify, or its ability to pay dividends to investors.

(b) **Competition**

Amcom operates in a competitive Information, Communication and Technology market. In particular, Amcom competes against telecommunications companies which have considerable scale and market power. The size and financial strength of some of Amcom's competitors can make it difficult for Amcom to compete effectively in the telecommunications market. Amcom's financial performance and operating margins could be adversely affected if the actions of competitors or potential competitors become more effective, or if new competitors enter the market and Amcom is unable to counter these actions.

(c) **National Broadband Network**

The Australian Federal Government is rolling out a National Broadband Network (NBN) which is planned to cover approximately 93% of premises across Australia over the next decade. All telecommunication retail service providers will have equivalent access to acquiring wholesale services on the NBN, which is intended to create a more level competitive playing field in the industry. This new competitive environment with the NBN may enable the entrants of new competitors in the market which could have an adverse impact on the future financial performance of Amcom if it is unable to effectively compete against the new competitors.

(d) **Carrier Licence**

Amcom has a carrier licence under the *Telecommunications Act 1997* (Cth). This licence is essential for Amcom to operate as a carrier of telecommunications infrastructure and if that licence is lost it would severely restrict the ability of Amcom to operate. The Amcom Directors have no reason to believe that the licence will be revoked or have conditions attached to it that would be capable of impacting adversely on Amcom's operations.

(e) **Relationship with suppliers**

Amcom's ability to provide its telecommunication services and products is highly dependent on securing network infrastructure and other equipment, as well as network-related and other significant support services from third party suppliers.

The business of Amcom would be materially impacted if any of those suppliers were unable to provide services as contracted or made a decision to supply services on unfavourable terms. If Amcom's suppliers failed to supply the services, or changed terms to be less favourable than those currently offered to Amcom, this change might materially impact the financial performance of Amcom.

(f) **Reliance on key personnel**

Amcom's growth and profitability may be limited by the loss of key executive management personnel, the inability to attract new suitably qualified personnel or by increased compensation costs associated with attracting and retaining key personnel.

(g) **Network operation and information technology risks**

Any material damage or disruption to Amcom's network or information technology services will impair Amcom's ability to provide products and services and result in significant disruption to the business and Amcom's customers.

This disruption could arise as a result of events which are beyond Amcom's control, such as telecommunications network failure, failure of other carrier/supplier equipment networks, improper or negligent operation of Amcom's systems by employees, consultants, unauthorised physical or electrical access, general network failure and/or natural disasters.

In addition, Amcom could be adversely impacted by electronic attacks and other forms of cybercrime, such as attempts by hackers to gain access to or damage Amcom's systems and databases. This could cause failures, faults and billing issues and problems for Amcom's customers. While Amcom employs security measures and undertakes regular system and network maintenance, no assurance can be given that Amcom's servers and network will be adversely impacted by malicious viruses or hackers.

Any damage to Amcom's network operation and/or information technology systems could adversely affect Amcom's reputation, operations and financial performance.

(h) **Sustainability of growth**

The continued growth in sales and profitability of Amcom is dependent on a number of factors, including Amcom's ability to win new customers on a profitable basis and to retain and grow revenues from existing customers. This organic growth is conditional upon the continued improvements in performance of Amcom's various sales channels, the ongoing achievement of sales objectives by Amcom's existing sales teams and the provision of a consistent high quality customer service experience. If any of these growth factors were negatively impacted and growth was impaired then the financial performance and reputation of Amcom's business would be negatively impacted.

(i) **Operating costs**

Amcom's ability to operate profitably is dependent on a combination of the scalability of its operations and the costs of its operating structure. Amcom's ability to maintain a relatively low cost operating structure is not guaranteed and there is no assurance that these low operating costs can be maintained. While Amcom has consistently delivered improvements in operating margins through, among other things, reducing operational expenses by implementing business efficiency initiatives, there is no guarantee that these improvements can be maintained.

(j) **Technology changes**

The Information, Communication and Technology industry is constantly evolving with new technologies and products which could act as substitutes for the products and services offered by Amcom. There is no guarantee that Amcom can effectively keep up with changes in technological developments and failure to keep pace with changes in technology could result in Amcom finding it increasingly difficult to compete in its chosen target segments.

Whilst the Amcom Directors have no reason to believe that any of the products and services supplied by Amcom will become obsolete, investors should be aware of the pace at which technological change in the Information, Communication and Technology industry can be implemented. If there are new or improved products that are superior, or perceived to be by the market to be superior to those of Amcom then this may adversely impact on the Amcom's ability to compete in its chosen market segments.

(k) **Information technology**

The Information, Communication and Technology industry is heavily dependent on technology for the delivery of various services made available to customers. Amcom has invested significantly in the development of management information and other information technology systems designed to maximise the efficiency of Amcom's operations. Should these systems not be adequately maintained, secured or updated, system failures may negatively impact on Amcom's performance.

(l) **Security or privacy of data**

The protection of customer, employee, third party and company data is critical to Amcom's operations. Amcom has access to a significant amount of customer, employee and third party information, including through its database of customers.

The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Customers, employees and third parties such as suppliers also have high expectation that Amcom will adequately protect their personal information. A breach of customer, employee, third party or company data could attract significant media attention, damage Amcom's customer or supplier relationships and reputation and ultimately result in lost sales, penalties or litigation. This could have a material adverse effect on Amcom's future financial performance and position.

(m) **Contractual risk**

The business of Amcom has a dependence on its counterparties and their ability to meet their contractual obligations pursuant to the agreements entered into with Amcom.

The ability of Amcom to achieve their stated objectives will depend upon the performance of counterparties to each of those agreements, of their respective obligations under those agreements. If any counterparty defaults in performance of their obligations it may be necessary for Amcom to seek a legal remedy. There can be no guarantee that a legal remedy will be ultimately granted on appropriate terms.

The Amcom Directors currently have no reason to believe that any of the parties which Amcom has contracted with will not meet and satisfy their obligations under their respective agreements.

(n) **Customer risk**

There are a number of customers which proportionately account for a significant amount of Amcom's revenue and margins. There is a risk that a customer may change to another provider, may reduce their volume or may not renew their contracts in the normal course of business. This will have a material adverse impact on the revenue and profitability of Amcom.

(o) **Regulatory risk**

Amcom operates in an increasingly regulated industry with strong penalties existing for non compliance with regulations, including fines and undertakings that may include customer redress and restrictions on future marketing of services. Amcom's future growth prospects are heavily reliant on its ability to market its services through its various sales channels, so any regulatory change, event or enforcement action which would restrict those activities would have a material adverse impact on Amcom's growth and future financial performance.

Companies operating within the Information, Communication and Technology industry are subject to various laws and regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Amcom and cause increases in expenses, capital expenditures or costs.

Failure to comply with applicable laws, regulations, agreements and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital operations or compensation for those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

(p) **Credit risk**

Amcom has customers which pay in arrears which means that Amcom bears the risk of those customers defaulting on their payment obligations. This results in a loss of revenue for Amcom to the extent that those debts are irrecoverable and also creates additional expenses for Amcom in seeking to enforce these obligations.

7.4 **General risks**

(a) **General equity market risks**

As an entity with listed ordinary shares on the ASX, the market prices of Amcom Shares and Vocus Shares are influenced by a variety of general business cycles and economic and political factors in Australia, including economic growth, interest rates, exchange rates, inflation, employment levels, changes in government fiscal, monetary and regulatory policy in relevant jurisdictions and changes to accounting or financial reporting standards.

(b) **Economic conditions**

Economic conditions, both domestic and global, may affect the performance of Amcom or Vocus. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of Amcom or Vocus and may result in material adverse impacts on the business and operating results of Amcom or Vocus.

(c) **Share market conditions**

There are risks associated with an investment in financial products quoted on a stock exchange. Share price movements could affect the value of any investment in Amcom or Vocus.

The performance of Amcom or Vocus and the price at which Amcom Shares or Vocus Shares may trade on the ASX may be determined by a range of factors. These include movements in the local and international equity and bond markets and general investor sentiment in those markets, recommendations by brokers and analysts, inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, the announcement of new technologies and changes in the supply of and demand for relevant stocks. Certain of these factors could affect the trading price of shares, regardless of operating performance.

(d) **Government policy and legislation**

Amcom or Vocus may be affected by change to government policies and legislation, including those relating to the Information, Communication and Technology industry.

(e) **Operational risks**

The operations of Amcom or Vocus may be affected by various factors not within its control, including operational and technical difficulties. These difficulties could also result in the operation of its business experiencing business interruption, monetary losses and possible legal liability. Amcom or Vocus may be subject to liability for accidents, outages or system's failure and corruption against which it cannot insure or which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits.

(q) **Litigation risk**

As with any company, Amcom or Vocus is exposed to the risks of litigation which may have a material adverse effect on its financial position. Amcom or Vocus could become exposed to claims or litigation by a person alleging they are owed fees for services, or by employees, regulators, competitors or other third parties. To the extent that such claims or litigation are not covered by insurance, an adverse outcome in litigation or the cost of initiating or responding to potential or actual claims or litigation may have a material adverse impact on financial performance.

Other than as set out in Section 4.8 of this Scheme Booklet, as at the date of this Scheme Booklet, Amcom is not aware of any material contractual disputes or litigation matters in respect of Amcom, including with its customers or other third parties.

Other than as set out in Section 5.11 of this Scheme Booklet, as at the date of this Scheme Booklet, Vocus is not aware of any material contractual disputes or litigation matters in respect of Vocus, including with its customers or other third parties.

(f) **Taxation risks**

A change to the current taxation regime may affect Amcom or Vocus and Amcom Shareholders or Vocus Shareholders. Personal tax liabilities are the responsibility of each individual investor in Amcom or Vocus. Amcom and Vocus are not responsible for taxation or penalties incurred by investors in Amcom or Vocus.

(g) **Accounting standards**

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the Amcom Directors' and Vocus Directors' and Amcom's and Vocus' control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Amcom's or Vocus' financial statements.

8. Implementation of the Scheme

All dates referred to in this Section 8 are indicative only. The actual dates on which events are referred to in this Section 8 occur will depend upon the time at which the Conditions to the Scheme are satisfied or, if applicable, waived. The Conditions are summarised in Section 8.8 of this Scheme Booklet. Amcom has the right to vary all dates subject to the approval of such variation by Vocus, the Court and the ASX where required. Any variation to the dates referred to in this Section 8 will be announced to the ASX and published on Amcom's website.

8.1 Scheme Meeting

In accordance with an order of the Court on 30 March 2015, Amcom Shareholders will be asked to approve the Scheme at the Scheme Meeting to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on 6 May 2015 commencing at 11.00 am (Perth time). The Notice of Scheme Meeting is set out in Annexure F of this Scheme Booklet.

At the Scheme Meeting, Amcom Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Scheme. For the Scheme to be approved by Amcom Shareholders, votes "in favour" of the Scheme must be received:

- (a) from a majority in number of Amcom Shareholders who vote at the Scheme Meeting (in person or by proxy) (the **Headcount Test**); and
- (b) in respect of at least 75% of the total number of Amcom Shares voted on the resolution to approve the Scheme.

If the Scheme is not approved by Amcom Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, Amcom may apply to the Court for the Court to exercise its discretion to disregard the Headcount Test and make orders approving the Scheme.

8.2 Second Court Date

If the Scheme is approved by the Requisite Majorities of Amcom Shareholders, and all other Conditions to the Scheme (other than approval by the Court) and any other conditions to be imposed by the Court under section 411(6) of the Corporations Act have been satisfied or waived, Amcom will apply to the Court for orders approving the Scheme following the Scheme Meeting. The date on which the Court hears Amcom's application in relation to the Scheme is the Second Court Date. The Second Court Date is expected to be on or around 13 May 2015 and is open to all Amcom Shareholders.

If the Scheme is not approved by the Requisite Majorities of Amcom Shareholders at the Scheme Meeting, the Scheme will not proceed and Amcom will not apply to the Court for any orders in connection with the Scheme.

The Court has discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act and may refuse to approve the Scheme even if the Scheme is approved by the Requisite Majorities of Amcom Shareholders.

The Corporations Act and the relevant Court rules provide a procedure for Amcom Shareholders to oppose the approval by the Court of the Scheme. Any Amcom Shareholder who wishes to oppose the approval of the Scheme at the Second Court Date may do so by filing with the Court and serving on Amcom a notice of appearance in the prescribed form together with an affidavit on which the Amcom Shareholders will seek to rely at the Second Court Date. The notice of appearance and affidavit must be served on Amcom at least one Business Day before the Second Court Date. Any change to the Second Court Date will be announced through the ASX and published on Amcom's website.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

8.3 Effective Date

If the Court approves the Scheme, Amcom will lodge with ASIC an office copy of the Court order approving the Scheme. Amcom intends to lodge this with ASIC on the Business Day following receipt of the orders, expected to be 14 May 2015. The Scheme comes into effect on the date on which Amcom lodges the Court order approving the Scheme with ASIC. This date is referred to in this Scheme Booklet as the Effective Date.

If the Scheme has not become Effective by 31 May 2015 or such later date as Amcom and Vocus agree in writing, the Scheme Implementation Agreement will lapse and be of no further force or effect, unless otherwise agreed by both Amcom and Vocus.

8.4 Record Date

Amcom Shareholders will be entitled to receive the Scheme Consideration if they are registered as the holders of Amcom Shares on the Record Date. The Record Date is currently expected to be 7.00 pm (Perth time) on 21 May 2015.

8.5 Transfer of Amcom Shares and issue of New Vocus Shares

On the Implementation Date, subject to the provision of the Scheme Consideration, all Amcom Shares held by Scheme Shareholders will be transferred to Vocus without any further action required by Scheme Shareholders. Amcom will enter the name of Vocus into the Amcom Share Register in respect of the Amcom Shares. Amcom will then become a wholly owned Subsidiary of Vocus.

Subject to the Scheme becoming Effective, Vocus will:

- (a) allot and issue the New Vocus Shares to Scheme Shareholders (other than Ineligible Overseas Shareholders) in accordance with the Scheme on such terms such that each New Vocus Share will rank equally in all respects with each existing Vocus Share;
- (b) do everything reasonably necessary to ensure that the New Vocus Shares are approved for official quotation on the ASX and that trading in the New Vocus Shares commences by the first Business Day after the Implementation Date; and
- (c) ensure that on issue, each New Vocus Share is fully paid and free from any Encumbrance.

As from the time at which the Scheme Consideration is provided, all share certificates and holding statements for Scheme Shares will cease to have any effect other than as evidence of entitlement to Scheme Consideration.

8.6 Warranty by Scheme Shareholders about their Amcom Shares

Under the Scheme each Scheme Shareholder is deemed to have warranted to Amcom, in its own right and for the benefit of Vocus that all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of the transfer of them to Vocus be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares to Vocus under the Scheme. If the warranty is breached, Scheme Shareholders may be liable to pay to Vocus any amounts paid by Vocus to acquire clear title to their Scheme Shares.

8.7 Suspension of trading in Amcom Shares

It is expected that suspension of trading in Amcom Shares on the ASX will occur from close of trading on the Effective Date. This is expected to occur on 14 May 2015.

On a date after the Implementation Date to be determined by Vocus, Amcom will apply for termination of the official quotation of Amcom Shares on the ASX and to have itself removed from the official list of the ASX.

8.8 Key terms of Scheme Implementation Agreement

Amcom and Vocus entered into the Scheme Implementation Agreement on 17 December 2014. The Scheme Implementation Agreement sets out the steps required to be taken by Amcom and Vocus to give effect to the Scheme. Key terms of the Scheme Implementation Agreement are summarised below and the agreement is set out in full at Annexure C of this Scheme Booklet. The following is a summary only and is qualified in its entirety by the full text of the Scheme Implementation Agreement.

(a) Conditions

The implementation of the Scheme is subject to the satisfaction or waiver of the following Conditions:

- (i) all Regulatory Approvals required to implement the Scheme are granted or obtained and those Regulatory Approvals have not been withdrawn, cancelled or revoked;
- (ii) no temporary restraining order, preliminary or permanent injunction, restraint or prohibition issued by any court or other Regulatory Authority of competent jurisdiction remains in effect as at 8.00 am on the Second Court Date that prohibits the completion of the Scheme;
- (iii) the Scheme is approved by Amcom Shareholders at the Scheme Meeting by the Requisite Majorities under section 411(4)(a)(ii) of the Corporations Act;
- (iv) the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- (v) the ASX approving the official quotation of the New Vocus Shares;
- (vi) the Independent Expert concluding in the Independent Expert's Report that in its opinion the Scheme is in the best interest of Amcom Shareholders and the Independent Expert does not change or publicly withdraw this conclusion prior to 8.00 am on the Second Court Date;
- (vii) no Amcom Material Adverse Change or Vocus Material Adverse Change occurs between the date of the Scheme Implementation Agreement and 8.00 am on the Second Court Date;
- (viii) no Amcom Prescribed Occurrence or Vocus Prescribed Occurrence occurs between the date of the Scheme Implementation Agreement and 8.00 am on the Second Court Date;
- (ix) the Amcom Warranties and Vocus Warranties being true and correct in all material respects on the date of the Scheme Implementation Agreement and at 8.00 am on the Second Court Date;

- (x) before 8.00 am on the Second Court Date, Amcom and Vocus have not breached any material provision of the Scheme Implementation Agreement to a material extent in the context of the Scheme taken as a whole;
- (xi) before 8.00 am on the Second Court Date, arrangements have been put in place and all necessary Regulatory Approvals, consents and waivers have been obtained so that all Amcom Performance Rights outstanding as at the date of the Scheme Implementation Agreement will either vest or have lapsed before the Record Date or, in the case of Additional Performance Rights, legally binding agreements to acquire or cancel the Additional Performance Rights for consideration have been executed by each of the holders of those Additional Performance Rights.

The status of the regulatory Conditions for the Scheme is set out in Section 10.8 of this Scheme Booklet.

As far as Amcom is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which will cause any of the Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00 am on the Second Court Date.

Amcom will inform Amcom Shareholders of the status of the Conditions prior to the Scheme Meeting through a publicly available announcement.

The Conditions summarised above are set out in full in clause 3.1 of the Scheme Implementation Agreement (a copy of which forms Annexure C of this Scheme Booklet).

(b) **Conduct of business**

Subject to certain exceptions, up to and including the Implementation Date, Amcom and Vocus must conduct and must cause each of its Subsidiaries to conduct their business in the ordinary and usual course and in substantially the same manner as previously conducted.

Subject to certain exceptions, on and from the Effective Date, each party must (and must cause each of its Subsidiaries to) afford to the other party reasonable access to its records and reasonable co-operation for the purpose of implementation of the Scheme, Vocus obtaining an understanding of the operations of Amcom's business and any other purpose which is agreed between the parties.

Subject to certain exceptions, on and from the Effective Date, Amcom must (and must cause each of its Subsidiaries to) promptly provide Vocus with any information reasonably requested by Vocus.

(c) **Exclusivity**

(i) **No shop**

During the Exclusivity Period, each of Amcom and Vocus must not, and must use its best endeavours to ensure that its Authorised Persons do not, except with the prior written consent of the other party, solicit, invite or encourage any Competing Proposal or initial discussions with any third party with a view to obtaining any expressions of interest, offer or proposal from any person in relation to a Competing Proposal.

(ii) **No talk and no due diligence**

Subject to certain exceptions, during the Exclusivity Period, each of Amcom and Vocus must not and must ensure that its Authorised Persons do not, except with the prior written consent of the other party:

- A. participate in any negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal;
- B. enter into any relevant agreement in connection with a Competing Proposal; or
- C. provide any information to a third party for the purposes of enabling that party to make a Competing Proposal.

(iii) **Amcom notice of Competing Proposal**

During the Exclusivity Period, Amcom must:

- A. within 2 Business Days of receipt of a Competing Proposal (or written proposal which may reasonably be expected to lead to a Competing Proposal), provide written notice to Vocus of the identity of the party or parties involved in the proposal and the material terms of that proposal (**Amcom Competing Proposal Notice**); and
- B. provide Vocus with updates of any material developments in relation to any such proposal.

If Amcom gives Vocus an Amcom Competing Proposal Notice, Amcom agrees that it will not, unless the expiration of the 3 Business Days following receipt of the Amcom Competing Proposal Notice by Vocus, enter into any legally binding agreement with respect to the Competing Proposal or publicly recommend the Competing Proposal.

If Amcom gives Vocus an Amcom Competing Proposal Notice, Vocus will have the right, but not the obligation, at any time until the expiration of 3 Business Days following receipt of the notice to offer to amend the terms of the Scheme or proposal any other transaction (**Vocus Counterproposal**).

The Amcom Board must review the Vocus Counterproposal in good faith and in what the Amcom Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Vocus Counterproposal is more favourable to Amcom Shareholders than the Competing Proposal.

If the Amcom Board determines in good faith that the Vocus Counterproposal is more favourable to the Amcom Shareholders then:

- A. if the Vocus Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending the Scheme Implementation Agreement in relation to the Scheme and reflecting the Vocus Counterproposal; and

- B. if the Vocus Counterproposal contemplates any other transaction, Amcom must make an announcement as soon as reasonably practicable recommending the Vocus Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Vocus Counterproposal in good faith.

(iv) **Vocus notice of Competing Proposal**

During the Exclusivity Period, Vocus must:

- A. within 2 Business Days of receipt of a Competing Proposal (or written proposal which may reasonably be expected to lead to a Competing Proposal), provide written notice to Amcom of the identity of the party or parties involved in the proposal and the material terms of that proposal (**Vocus Competing Proposal Notice**); and
- B. provide Amcom with an update of any material developments in relation to any such proposal.

If Vocus gives Amcom a Vocus Competing Proposal Notice, Vocus agrees that it will not, unless the expiration of the 3 Business Days following receipt of the Vocus Competing Proposal Notice by Amcom, enter into any legally binding agreement with respect to the Competing Proposal or publicly recommend the Competing Proposal.

If Vocus gives Amcom a Vocus Competing Proposal Notice, Amcom will have the right, but not the obligation, at any time until the expiration of 3 Business Days following receipt of the notice to offer to amend the terms of the Scheme or proposal any other transaction (**Amcom Counterproposal**).

The Vocus Board must review the Amcom Counterproposal in good faith and in what the Vocus Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Amcom Counterproposal is more favourable to Vocus Shareholders than the Competing Proposal.

If the Vocus Board determines in good faith that the Amcom Counterproposal is more favourable to the Vocus Shareholders then:

- A. if the Amcom Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending the Scheme Implementation Agreement in relation to the Scheme and reflecting the Amcom Counterproposal; and
- B. if the Amcom Counterproposal contemplates any other transaction, Vocus must make an announcement as soon as reasonably practicable recommending the Amcom Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Amcom Counterproposal in good faith.

(d) **Representations, warranties and indemnities**

The Scheme Implementation Agreement contains customary representations and warranties by each of Amcom and Vocus.

Full details of the representations and warranties are set out in clause 8 of the Scheme Implementation Agreement (a copy of which forms Annexure C of this Scheme Booklet).

(e) **Termination**

(i) **Termination by either party**

Amcom or Vocus may, by notice in writing to the other, terminate the Scheme Implementation Agreement at any time prior to 8.00 am on the Second Court Date:

- A. if such termination is mutually agreed by the parties in writing;
- B. if the other is in material breach of any material clause of the Scheme Implementation Agreement and the other party has failed to remedy that breach within 5 Business Days of receipt by it of a notice in writing from the terminating party;
- C. if a Condition is not satisfied or waived or if a circumstance occurs with the result that the Condition is not capable of being fulfilled and the Condition is not waived;
- D. if the Court refuses to make any order directing Amcom to convene the Scheme Meeting; or
- E. if the Effective Date for the Scheme has not occurred, or becomes incapable of occurring for any reason, on or before the End Date.

(ii) **Termination by Amcom**

Amcom may, by notice in writing to Vocus, terminate the Scheme Implementation Agreement at any time prior to 8.00 am on the Second Court Date if:

- A. each of that number of directors of Amcom as constitutes a majority of the Amcom Board publicly withdraws or adversely changes their recommendation or voting intention or publicly recommends a Superior Proposal and do not, within 3 Business Days, reinstate their recommendation of the Scheme; or
- B. a Competing Proposal is announced or made with respect to Vocus, and is publicly recommended by or supported by each of that number of directors of Vocus as constitutes a majority of the Vocus Board.

(iii) **Termination by Vocus**

Vocus may, by notice in writing to Amcom, terminate the Scheme Implementation Agreement at any time prior to 8.00 am on the Second Court Date if:

- A. any Amcom Director:
 - 1) publicly withdraws or adversely changes their recommendation of the Scheme;
 - 2) does not recommend in the Scheme Booklet that Amcom Shareholders approve the Scheme in the absence of a Superior Proposal; or
 - 3) makes any public statement to the effect that the Scheme is not, or is no longer, recommended; or
- B. a Competing Proposal is announced or made and is publicly recommended or supporting by any director of Amcom.

(f) **Break Fees**

(i) **Amcom break fee**

Amcom agrees to pay to Vocus \$4 million (exclusive of GST) if:

- A. a Superior Proposal is publicly announced or made before the Effective Date (or the termination of the Scheme Implementation Agreement, whichever occurs first) and, within twelve months from the date of the Scheme Implementation Agreement, the third party who announced or made the Superior Proposal completes, implements or consummates that Superior Proposal or acquires voting power in more than 50% of the Amcom Shares;
- B. subject to certain exceptions, at any time prior to the Second Court Date, any director of Amcom publicly withdraws or adversely modifies or qualifies their recommendation of the Scheme or recommends or supports a Competing Proposal, does not recommend in the Scheme Booklet that Amcom Shareholders approve the Scheme or makes any public statement to the effect that the Scheme is not, or is no longer, recommended;
- C. Vocus terminates the Scheme Implementation Agreement due to a material breach by Amcom of any material clause of the Scheme Implementation Agreement;
- D. the Amcom Material Adverse Change Condition is breached or not satisfied prior to 8.00 am on the Second Court Date and Vocus terminates the Scheme Implementation Agreement; or
- E. the Amcom Prescribed Occurrence Condition is breached or not satisfied prior to 8.00 am on the Second Court Date and Vocus terminates the Scheme Implementation Agreement.

(ii) **Vocus break fee**

Vocus agrees to pay to Amcom \$4 million (exclusive of GST) if:

- A. a Superior Proposal is publicly announced or made before the Effective Date (or the termination of the Scheme Implementation Agreement, whichever occurs first) and, within twelve months from the date of the Scheme Implementation Agreement, the third party who announced or made the Superior Proposal completes, implements or consummates that Superior Proposal or acquires voting power in more than 50% of the Vocus Shares;
- B. a Competing Proposal is publicly recommended by or supported by each of that number of directors of Vocus as constitutes a majority of the Vocus Board;
- C. Amcom terminates the Scheme Implementation Agreement due to a material breach by Vocus of any material clause of the Scheme Implementation Agreement;
- D. the Vocus Material Adverse Change Condition is breached or not satisfied prior to 8.00 am on the Second Court Date and Amcom terminates the Scheme Implementation Agreement;
- E. the Vocus Prescribed Occurrence Condition is breached or not satisfied prior to 8.00 am on the Second Court Date and Amcom terminates the Scheme Implementation Agreement; or
- F. Vocus does not pay the Scheme Consideration in accordance with the terms and conditions of the Scheme Implementation Agreement and the Deed Poll.

(g) **Amcom Performance Rights**

If the Court makes an order under section 411(1) of the Corporations Act directing Amcom to convene the Scheme Meeting, Amcom must:

- (i) procure that the Amcom Board resolves that, subject only to the Requisite Majorities of Amcom Shareholders approving the Scheme at the Scheme Meeting:
 - A. all Amcom Performance Rights belonging to 'Tranche D' and 'Tranche E', and the Amcom Performance Rights belonging to 'Tranche F' that are held by Amcom's CEO, will vest;
 - B. 50% of the Additional Performance Rights will vest; and
 - C. all Amcom Shares to be issued by virtue of the vesting of Amcom Performance Rights referred to in paragraphs (A) and (B) above are issued to the relevant Amcom Performance Rights Holders,by no later than the Business Day immediately before the Second Court Date;
- (ii) give a written notice to each Amcom Performance Rights Holder of the resolutions passed by the Amcom Board in paragraph (i) above;
- (iii) in relation to the remaining 50% of the Additional Performance Rights, enter into legally binding agreements with the relevant Amcom

Performance Rights Holders (and Vocus, as applicable) by no later than the Business Day immediately before the Second Court Date such that, subject only to the Requisite Majorities of Amcom Shareholders approving the Scheme at the Scheme Meeting, those Amcom Performance Rights are either acquired by Vocus or cancelled on the Implementation Date immediately following implementation of the Scheme for consideration which must:

- A. comprise of such number of performance rights in Vocus (**Replacement Performance Rights**) to be calculated by multiplying the Adjusted Merger Ratio by the number of Additional Performance Rights held by that Amcom Performance Rights Holder;
- B. be on terms no less favourable than the terms of the Additional Performance Rights except with respect to the following:
 - 1) 50% of the Replacement Performance Rights will vest on the date that is 6 months after the Implementation Date;
 - 2) 50% of the Replacement Performance Rights will vest on the date that is 12 months after the Implementation Date;
 - 3) all of the Replacement Performance Rights will vest if the holder is employed by the Vocus Group on the date that a Change of Control occurs;
 - 4) all of the Replacement Performance Rights held by a person will lapse if that person resigns or is summarily dismissed from their employment with the Vocus Group for serious misconduct; and
 - 5) if the holder of the Replacement Performance Rights is terminated from their employment with the Vocus Group other than in the circumstances contemplated in paragraph (4) above, that holder will retain their Replacement Performance Rights; and
- (i) take all actions necessary to ensure that any Amcom Performance Rights that remain outstanding as at the Record Date for any reason lapse or are otherwise cancelled.

8.9 Deed Poll

Vocus has entered into the Deed Poll in favour of the Scheme Shareholders under which it has undertaken to pay to each Scheme Shareholder the Scheme Consideration in accordance with the terms of the Scheme.

The Deed Poll may be relied upon by any Scheme Shareholder, despite the fact that they are not a party to it, and each Scheme Shareholder appoints Amcom as its agent to enforce their rights under the Deed Poll against Vocus.

If the Scheme becomes Effective:

- (a) Amcom Shareholders will be deemed to have authorised Amcom to do and execute all acts, matters, things and documents on the part of each Amcom Shareholder necessary to implement the Scheme, including (without limitation) executing, as agent and attorney of each Amcom Shareholder, a share transfer or transfers in relation to their Amcom Shares; and
- (b) Amcom undertakes in favour of each Amcom Shareholder to enforce the Deed Poll against Vocus on behalf of and as agent and attorney for the Amcom Shareholders.

The Deed Poll is attached in full at Annexure E of this Scheme Booklet.

8.10 Confidentiality Agreement

Amcom and Vocus entered into a Confidentiality Agreement on 8 November 2014 for the purpose of undertaking a period of reciprocal confirmatory due diligence on an exclusive basis in relation to the Scheme.

The Confidentiality Agreement contains a standstill restriction which provides that a recipient of confidential information (Vocus or Amcom, as the case may be) must not, and must procure that its Related Bodies Corporate do not, during the period starting on the date of the Confidentiality Agreement and ending on the date that is 6 months after the date of the Confidentiality Agreement:

- (a) acquire any securities of the other party or any options or other right to acquire securities of the other party;
- (b) enter into any arrangements in relation to the other party or any securities of the other party that result in the restricted party acquiring a Relevant Interest in securities of the other party;
- (c) enter into any agreement or arrangement that confers rights in relation to securities of the other party;
- (d) enter into any arrangement for a merger or business combination involving the other party;
- (e) acquire any assets of the other party; and
- (f) solicit proxies from shareholders of the other party or otherwise seek to influence or control management or policies of the other party.

A restricted party may do any of the things referred to above in certain circumstances, including pursuant to offers made under a takeover bid where the board of directors of the other party has announced that it recommends a takeover bid or scheme of arrangement, pursuant to a formal written agreement between the parties or with the other parties prior written consent, or pursuant to the Scheme.

The Confidentiality Agreement terminates on the date which is the earlier of:

- (a) the date of completion of the Scheme (or the date of completion of any other agreed merger between Amcom and Vocus); and
- (b) the date which is 12 months from the date of the Confidentiality Agreement.

The Confidentiality Agreement contains others terms and conditions which are standard for a document of this nature.

9. Tax implications of the Scheme

9.1 Overview

The following tax comments are based on the tax law in Australia in force as at the date of this Scheme Booklet. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each Amcom Shareholder and Amcom Performance Rights Holders (**Investors**). The precise implications of ownership or disposal will depend upon each Investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of the Amcom Shares, Amcom Performance Rights, New Vocus Shares and Replacement Performance Rights taking into account their specific circumstances.

The following information is a general summary of the Australian income tax implications for Investors who are Amcom Shareholders on the Record Date with no trading restrictions and Amcom Performance Rights Holders. These comments do not apply to Investors that hold Amcom Shares or Amcom Performance Rights on revenue account or as trading stock, Investors who are Ineligible Overseas Shareholders, Investors who are banks, insurance companies or taxpayers that carry on a business of trading in shares. These comments do not apply to Investors who are exempt from Australian income tax or Investors subject to the Taxation of Financial Arrangements (**TOFA**) regime in Division 230 of the *Income Tax Assessment Act 1997 (ITAA97)*. Investors who are subject to the TOFA regime should obtain their own tax advice as to the implications under the TOFA regime (if any).

9.2 Implications for Australian tax resident Amcom Shareholders

(a) CGT on disposal of Amcom Shares

The disposal of Amcom Shares to Vocus in exchange for New Vocus Shares will give rise to a capital gains tax (**CGT**) event for Amcom Shareholders at the time of disposal.

Broadly, subject to the CGT rollover relief discussed below:

- (i) A capital gain will arise for Amcom Shareholders where the market value of the New Vocus Shares received as consideration is greater than their cost base in the Amcom Shares; or
- (ii) A capital loss will arise for Amcom Shareholders where the market value of the New Vocus Shares received as consideration is less than their cost base in the Amcom Shares.

Any capital losses may be offset against other capital gains made by the Amcom Shareholder in the year of disposal, or alternatively carried forward for offset against future capital gains (subject to satisfaction of any relevant loss recoupment rules).

Amcom Shareholders that are individuals, trusts or complying superannuation funds may be entitled to utilise the CGT discount provisions to reduce any capital gain arising where they have held their Amcom Shares for at least 12 months (excluding the acquisition date and disposal date). The discount rate for individuals and trusts is 50%, and the discount rate for complying superannuation funds is 33 1/3%.

Where Amcom Shareholders are not entitled to CGT rollover relief or choose not to apply it, the first element of the cost base of the New Vocus Shares acquired will be equal to the market value of the New Vocus Shares received by the shareholder, and the acquisition date will be the Implementation Date.

(b) **CGT rollover relief**

Amcom Shareholders who make a capital gain by exchanging their Amcom Shares for New Vocus Shares in accordance with the steps outlined in this Scheme Booklet may be entitled to disregard the capital gain by choosing to obtain rollover pursuant to the scrip for scrip rollover provisions in subdivision 124-M of ITAA97.

In order to access the scrip for scrip rollover provisions, a number of requirements must be satisfied. Based on the Scheme, these requirements should be satisfied, and accordingly Amcom Shareholders should be entitled to choose rollover relief to disregard any capital gain arising on the exchange of Amcom Shares for New Vocus Shares.

The way in which individual Amcom Shareholders prepare their respective income tax returns is sufficient evidence of making a choice to obtain rollover relief and such a choice must be made by the day the individual Amcom Shareholders lodge their particular income tax return.

Where an Amcom Shareholder elects to apply CGT rollover relief:

- (i) Any capital gain which would otherwise arise upon the disposal of the Amcom Shares will be disregarded;
- (ii) The acquisition date for the New Vocus Shares will be the acquisition date of the original Amcom Shares; and
- (iii) The first element of the cost base of the New Vocus Shares acquired by the Amcom Shareholder will be equal to the cost base of the shareholder's Amcom shares, and will be apportioned on a reasonable basis across the New Vocus Shares.

(c) **Dividend received by Australian resident Amcom Shareholders prior to Scheme implementation**

Amcom announced on 20 February 2015 that it would declare and pay a fully franked HY2015 dividend of 5 cents per Amcom Share prior to the Implementation Date.

The implications for Australian resident Amcom Shareholders who receive the fully franked dividend are as follows:

- (i) The dividend will not be included as part of the consideration under the Scheme;
- (ii) The dividend will be included in the Amcom Shareholder's assessable income;
- (iii) For Amcom Shareholders who satisfy the 45 day rule, any franking credits will be included in the Amcom Shareholders' assessable income and they will be entitled to a tax offset; and
- (iv) For Amcom Shareholders who do not satisfy the 45 day rule, any franking credits will not be included in the Amcom Shareholders' assessable income and they will not be entitled to a tax offset.

For the purposes of the 45 day rule, Amcom Shareholders are expected to cease holding Amcom Shares 'at-risk' on the Record Date of the Scheme.

9.3 Implications for Australian tax resident Amcom Performance Rights Holders

(a) **Income tax treatment for Amcom Performance Rights Holders on the accelerated vesting of Amcom Performance Rights (excluding Additional Performance Rights)**

The accelerated vesting of the Amcom Performance Rights under the Scheme will give rise to a deferred taxing point under the Employee Shares Scheme Rules (**ESS Rules**).

Where the Implementation Date occurs within 30 days of the accelerated vesting date, the deferred taxing point date will be the time at which the Amcom Performance Rights Holder:

- (i) Disposes of their Amcom Shares prior to the Implementation Date; or
- (ii) If not disposed of prior to the Implementation Date, the Implementation Date.

The amount subject to tax under the ESS Rules will be the fair market value of the Amcom Shares at the deferred taxing point date. This will be the tax cost base of the New Vocus Shares that are held on capital account.

The CGT event involving the scrip for scrip exchange outlined at section 9.2 is disregarded.

(c) **Income tax treatment for Amcom Performance Rights Holders on the Additional Performance Rights**

The income tax treatment of the Additional Performance Rights fall into two categories:

- (i) **Accelerated Vesting:** which are not subject to a 'real risk of forfeiture' (due to a general expectation (as evidenced by the Amcom Board endorsement of the Scheme) that Amcom Shareholders will approve the acquisition at the Scheme Meeting).

For Amcom Performance Rights Holders subject to Accelerated Vesting of Additional Performance Rights, the fair market value of the underlying Amcom Shares at the date of grant of the Additional Performance Rights, being 17 December 2014, will be subject to tax at marginal tax rates in the year of grant under the ESS Rules.

There will be no tax implications for Amcom Performance Rights Holders subject to accelerated vesting of Additional Performance Rights, at vesting. The Amcom Shares acquired on vesting will be subject to the same tax outcomes and choices as those noted above in section 9.2.

- (ii) **Replacement Performance Rights:** which are subject to a 'real risk of forfeiture' (as 100% will be forfeited if the taxpayer resigns within 6 months of the Implementation Date and 50% will be forfeited if the taxpayer resigns within 12 months of the Implementation Date).

The Replacement Performance Rights acquired by Amcom Performance Rights Holders under the Scheme will be, for the purposes of the ESS Rules, treated as a continuation of the Additional Performance Rights that have been replaced.

Therefore, under the ESS Rules the deferred taxing point for the Replacement Performance Rights should be the date they vest, assuming no restrictions prevent the Amcom Performance Rights Holders from disposing of the Vocus Shares at this time (e.g. insider trading restrictions).

If the Vocus Shares are sold within 30 days of vesting, the date of sale becomes the deferred taxing point (and no further capital gains tax implications arise).

9.4

GST

The acquisition, redemption or disposal of Amcom Shares, Amcom Performance Rights, New Vocus Shares or Replacement Performance Rights should not be subject to GST.

However, Investors may not be entitled to claim full input tax credits in respect of GST on expenses they incur that relate to the acquisition, redemption or disposal of Amcom Shares, Amcom Performance Rights, New Vocus Shares or Replacement Performance Rights (e.g. lawyers' and accountants' fees).

Investors should seek their own advice on the impact of GST in their own particular circumstances.

10. Additional information

10.1 Interests of Amcom Directors in Amcom Shares and Amcom Performance Rights

No Amcom Shares or Performance Rights are held or controlled by Amcom Directors and no such persons are otherwise entitled to such securities as at the date of this Scheme Booklet, other than as listed below.

(a) Amcom Directors' interests in Amcom Shares

As at the date of this Scheme Booklet, the number of Amcom Shares held by or on behalf of each Amcom Director are as follows:

Amcom Director	Number of Amcom Shares	Percentage of outstanding Amcom Shares, calculated on a non-diluted basis
Tony Grist	8,483,902	3.19%
Ian Warner	66,667	0.03%
Clive Stein	1,441,000	0.54%
Paul Brandling	23,800	0.01%
Peter Clifton	1,750,000	0.66%
Craig Coleman	466,668	0.18%
Anthony Davies	366,667	0.14%
Total	12,598,704	4.75%

The Amcom Directors intend to vote all of the Amcom Shares held or controlled by them at the Voting Record Date in favour of the Scheme, in the absence of a Superior Proposal. Other than as disclosed in Section 10.2 of this Scheme Booklet, the Amcom Directors will not receive any direct or indirect benefits from voting in favour of the Scheme other than the Scheme Consideration, as applicable, to which they are entitled.

No marketable securities of Vocus or any of its Subsidiaries are held by or on behalf of the Amcom Directors and officers listed above as at the date of this Scheme Booklet.

(b) Amcom Directors' interests in Amcom Performance Rights

As at the date of this Scheme Booklet, the number of Amcom Performance Rights held by or on behalf of each Amcom Director are as follows:

Amcom Director	Number of Amcom Performance Rights
Tony Grist	nil
Ian Warner	nil
Clive Stein	1,050,000

Amcom Director	Number of Amcom Performance Rights
Paul Brandling	nil
Peter Clifton	nil
Craig Coleman	nil
Anthony Davies	nil
Total	1,050,000

Details regarding the treatment of Amcom Performance Rights if the Scheme proceeds is set out in Section 1.8 of this Scheme Booklet.

10.2 Agreements or arrangements with Amcom Directors

Other than as disclosed in this Scheme Booklet, there are no agreements or arrangements made between any Amcom Director and any other person, including Vocus (or any of its Subsidiaries), in connection with, or conditional upon, the outcome of the Scheme.

10.3 Payments or other benefits to Amcom Directors and Amcom executive officers

It is not proposed that any other payment or other benefit will be made or given to any Amcom Director, secretary or executive officer of Amcom, or any body corporate related to Amcom, as compensation for loss of, or as consideration for, or in connection with, his or her retirement from office as Amcom Director, secretary or executive officer of Amcom, or a body corporate connected with Amcom, as a result of the Scheme, other than in his or her capacity as an Amcom Shareholder or Amcom Performance Rights Holder.

If the Scheme is implemented, Amcom's Managing Director and CEO, Clive Stein, has an entitlement to 12 months' base salary if he elects to terminate his employment within 12 months of the implementation of the Scheme pursuant to the terms of his executive services agreement dated 25 September 2014. This payment includes any payment in lieu of notice that Amcom elects to make and is subject to compliance with Part 2D.2 of the Corporations Act and the ASX Listing Rules.

If, following implementation, any such engagement is terminated, the relevant executive will have such entitlements (including in respect of compensation for loss of office) as are contemplated by their employment contract.

The dollar value attributable to the Amcom Performance Rights held by Mr Stein (once vested) is \$2,898,000. This figure has been calculated by multiplying the number of Amcom Performance Rights held by Mr Stein, multiplied by \$2.76 (Amcom's closing share price on 24 March 2015). The treatment of Amcom Performance Rights if the Scheme proceeds is set out in further detail in Section 1.8 of this Scheme Booklet.

10.4 Interests of Amcom Directors in contracts entered into by Vocus

No Amcom Director has any interest in a contract entered into by Vocus or any of its Subsidiaries.

10.5 Consents and disclaimers

Each person named in this Section 10.5 as having given its consent to the inclusion of a statement or being named in this Scheme Booklet:

- (a) has not authorised or caused the issue of this Scheme Booklet;

- For personal use only
- (b) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than those statements which have been included in this Scheme Booklet with the consent of that person; and
 - (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to their name and any statements or report which have been included in this Scheme Booklet with the consent of that person.

The Vocus Information (being information with respect to Vocus and the Combined Group) contained in the "Letter from the Chairman of Vocus", Sections 5, 6, 7.1 and 7.2 of this Scheme Booklet has been prepared by, and is the responsibility of, Vocus (except to extent that the Vocus Information is based on information about Amcom, for which Amcom takes responsibility). Amcom does not assume responsibility for the accuracy or completeness of the Vocus Information (except to the extent that the Vocus Information is based on information about Amcom).

Independent Expert

PwCS has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- be named as Independent Expert in the form and context in which it is named;
- the inclusion of the Independent Expert's Report as Annexure A of this Scheme Booklet; and
- the inclusion in this Scheme Booklet of statements made by the Independent Expert, or said to be based on the Independent Expert's Report and to all references to those statements, in the form and context in which they are respectively included.

Investigating Accountant

Ernst & Young Transaction Advisory Services Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- being named in the Scheme Booklet as Investigating Accountant on Amcom's Historical Financial Information, Vocus Pro Forma Historical Financial Information and the Combined Group's pro forma historical financial information; and
- the inclusion in the Scheme Booklet of the Independent Limited Assurance Report on Amcom's Historical Financial Information, Vocus Pro Forma Historical Financial Information and the Combined Group's Pro Forma Historical Financial Information in the form and context in which the report is included.

Ernst & Young Transaction Advisory Services Limited takes no responsibility for any part of this Scheme Booklet other than any reference to its name and the Independent Limited Assurance Report.

Vocus

Vocus has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- be named in the this Scheme Booklet in the form and context in which it is named; and
- the inclusion in this Scheme Booklet of the Vocus Information in the form and context in which it appears.

Other persons

Clayton Utz have given, and have not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Amcom's legal adviser in the form and context in which it is named.

Lazard Pty Ltd has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Amcom's financial adviser in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Amcom's Share Registry in Australia in the form and context in which it is named.

Ernst & Young has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Amcom's auditor in the form and context in which it is named.

Deloitte Touche Tohmatsu has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as Vocus' auditor in the form and context in which it is named.

10.6 Fees

Each of the persons named in Section 10.5 of this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The fee for professional services paid or payable to the Independent Expert (in respect of the Independent Expert's Report) is \$220,000. The fee for professional services paid or payable to the Investigating Accountant (which has provided the Independent Limited Assurance Report) is approximately \$40,000. The fee paid for professional services paid or payable to Ernst & Young for due diligence services is approximately \$130,000. The fee for professional services paid or payable to Clayton Utz to the date of this Scheme Booklet (including for Court related aspects of the Scheme) is approximately \$848,000. The fee for professional services payable to Lazard Pty Ltd on implementation of the Scheme is approximately \$5.9 million.

10.7 Right to inspect and obtain copies of the Amcom Share Register

An Amcom Shareholder has the right to inspect the Amcom Share Register, which contain the name and address of each Amcom Shareholder and certain other prescribed details relating to Amcom Shares, without charge. An Amcom Shareholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

10.8 Regulatory conditions and relief

All Regulatory Approvals that are Conditions to the Scheme are set out in clause 3.1 of the Scheme Implementation Agreement (a copy which is set out in Annexure C of this Scheme Booklet).

Amcom has obtained a waiver of ASX Listing Rule 6.23.2 to permit the cancellation of the Additional Performance Rights for consideration without obtaining the approval of Amcom Shareholders. The waiver is conditional upon the Scheme being approved by Amcom Shareholders and the Court. Further details regarding treatment of the Additional Performance Rights are set out in Section 8.8(g) of this Scheme Booklet.

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth) requires this Scheme Booklet to set out whether, within the knowledge of the Amcom Board, the financial position of Amcom has materially changed since the date of the last balance sheet laid before the Company in general meeting or sent to Amcom Shareholders in accordance with section 314 or 317 of the Corporations Act, and is so, fully particulars of the change.

ASIC has granted Amcom relief from complying with Regulation 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth) on the basis that:

- (a) Amcom complied with Division 2 of Part 2M.3 of the Corporations Act in respect of HY2015;
- (b) Amcom has lodged all relevant documents in accordance with the Corporations Act for HY2015 on or before the date on which the Scheme Booklet was despatched to Amcom Shareholders;
- (c) the Scheme Booklet states that Amcom will give a copy of the financial report free of charge to anyone who asks for it before the Scheme is approved by the Court;
- (d) Amcom discloses all material changes to its financial position occurring after 31 December 2014; and
- (e) the Scheme Booklet sent to Amcom Shareholders is substantially in the form given to ASIC.

10.9 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision by an Amcom Shareholder on whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Amcom Director, or any director of any Related Body Corporate of Amcom, which has not previously been disclosed to Amcom Shareholders.

10.10 Supplementary information

Amcom will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Amcom may circulate and publish any supplementary document by:

- approaching the Court for a direction as to what is appropriate in the circumstances;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on Amcom's website and the ASX; or
- making a public announcement by way of press release.

11. Definitions

In this Scheme Booklet:

Additional Performance Rights has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Adjusted Merger Ratio has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Amcom or **Company** means Amcom Telecommunications Limited ACN 062 046 217 of Level 22, 44 St Georges Terrace, Perth, Australia.

Amcom Board means the board of directors of Amcom.

Amcom Director means a director of Amcom.

Amcom Disclosure Letter has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Amcom Due Diligence Material has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Amcom Group means Amcom and its Related Bodies Corporate.

Amcom Information means all information contained in this Scheme Booklet, other than the Vocus Information, the Independent Expert's Report and the Independent Limited Assurance Report.

Amcom Material Adverse Change has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Amcom Performance Right means a right granted under Amcom's Performance Rights Long Term Incentive Plan to acquire by way of issue or transfer an Amcom Share subject to the terms of such plan and includes the Additional Performance Rights.

Amcom Performance Rights Holders has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Amcom Performance Rights Plan Rules has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Amcom Prescribed Occurrence has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

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

Amcom Share Register means the register of members of Amcom kept pursuant to the Corporations Act.

Amcom Shareholder means each person who is registered in the Amcom Share Register as the holder of Amcom Shares.

Amcom Warranties means the warranties made by Amcom set out in clause 8.2 of the Scheme Implementation Agreement.

Amnet means Amnet Broadband Pty Ltd.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of ASX as amended from time to time.

Associate has the meaning given in section 12 of the Corporations Act.

Australian Accounting Standards means the standards fully comply with the International Financial Reporting Standards.

Authorised Persons has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Business Day means a weekday on which trading banks are open for business generally in Perth and Sydney, Australia.

CBA means the Commonwealth Bank of Australia ABN 48 123 123 124.

CEO means Chief Executive Officer of Amcom or Vocus, as the case may be.

Change of Control has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Combined Group means the corporate group comprising of the Vocus Group and Amcom Group following implementation of the Scheme.

Competing Proposal means has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Conditions means the conditions precedent to the Scheme set out in clause 3.1 of the Scheme Implementation Agreement.

Confidentiality Agreement means the confidentiality agreement between Amcom and Vocus dated 8 November 2014.

Corporations Act means the Corporations Act 2001 (Commonwealth of Australia).

Court means the Federal Court of Australia.

CY2014 means the calendar year to 31 December 2014.

Deed Poll means the deed poll executed by Vocus in favour of the Scheme Shareholders, in the form set out in Annexure E of this Scheme Booklet.

EBITDA means earnings before interest, income tax, depreciation and amortisation.

EDC means Enterprise Data Corporation Pty Ltd.

Effective means, when used in relation to a Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date means the date on which a Scheme becomes Effective.

Encumbrance means a mortgage, hypothec, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

End Date means 31 May 2015 or such other date agreed in writing between Vocus and Amcom.

Exclusivity Period means the period commencing on the date of the Scheme Implementation Agreement and ending on the earliest of:

- (a) the End Date;
- (b) the Implementation Date; and
- (c) the date the Scheme Implementation Agreement is terminated in accordance with its terms.

Fairly Disclosed has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

First Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

FY2011 means the financial year to 30 June 2011.

FY2012 means the financial year to 30 June 2012.

FY2013 means the financial year to 30 June 2013.

FY2014 means the financial year to 30 June 2014.

FY2017 means the financial year to 30 June 2017.

HY2014 means the financial half year to 31 December 2013.

HY2015 means the financial half year to 31 December 2014.

IFRS means International Financial Reporting Standards.

Implementation Date means the fifth Business Day, or such other Business Day as the parties agree, following the Record Date for the Scheme.

Independent Expert means PwCS.

Independent Expert's Report means the report from the Independent Expert in respect of the Scheme, a copy of which is set out in Annexure A of this Scheme Booklet.

Independent Limited Assurance Report means the report prepared by the Investigating Accountant, a copy of which is set out in Annexure B of this Scheme Booklet.

Ineligible Overseas Shareholder means an Amcom Shareholder whose address as shown in the Amcom Share Register is located outside of Australia and its external territories, and any other jurisdictions as may be agreed in writing by Amcom and Vocus (unless Vocus is satisfied that it is permitted to allot and issue New Vocus Shares to that Amcom Shareholder pursuant to the Scheme by the laws of that place).

Investigating Accountant means Ernst & Young Transaction Advisory Services Limited.

IRU means Indefeasible Right of Use.

ISP means internet service provider.

New Vocus Shares means the new Vocus Shares to be issued under the terms of the Scheme as Scheme Consideration.

Notice of Scheme Meeting means the notice of meeting relating to the Scheme Meeting, which is contained in Annexure F of this Scheme Booklet.

Proxy Form means the proxy form for the Scheme Meeting accompanying this Scheme Booklet.

PwCS means PricewaterhouseCoopers Securities Ltd ACN 003 311 617 as holder of Australia financial securities licence number 244572 of Darling Park Tower 2, 201 Sussex Street, Sydney NSW Australia.

Record Date means 7.00 pm (Perth time) on 21 May 2015 or such other time and date agreed in writing between Vocus and Amcom.

Registered Address means, in relation to an Amcom Shareholder, the address of that Amcom Shareholder as shown in the Amcom Share Register as at the Record Date.

Registered Shareholder means a person registered in the Amcom Share Register as the holder of Scheme Shares.

Regulatory Approvals has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Regulatory Authority has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Related Body Corporate of a corporation means a related body corporate of that corporation within the meaning of section 50 of the Corporations Act.

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

Requisite Majorities means, in relation to the Scheme Meeting:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Amcom Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Amcom Shareholders, by a corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Amcom Shareholders entitled to vote on the Scheme Resolution (in person, by proxy, by attorney or, in the case of corporate Amcom Shareholders, by a corporate representative).

Sale Nominee means the appropriately licensed agent appointed by Vocus to administer the sale facility made available to Ineligible Overseas Shareholders under which New Vocus Shares to which those shareholders would otherwise have become entitled under the Scheme are sold, as described in the "What you should do" Section on page 12 of this Scheme Booklet.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Amcom and the Amcom Shareholders, the form of which is contained in Annexure D of this Scheme Booklet subject to any alternations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Amcom.

Scheme Booklet means this scheme booklet, including the Annexures.

Scheme Consideration means 0.4614 New Vocus Shares for each Amcom Share.

Scheme Implementation Agreement means the Scheme Implementation Agreement entered into between Amcom and Vocus on 17 December 2014 (as varied by an amendment deed dated 5 March 2015).

Scheme Meeting means the meeting of Amcom Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, to approve the Scheme.

Scheme Resolution means the resolution put to Amcom Shareholders at the Scheme Meeting to approve the Scheme.

Scheme Share means an Amcom Share on issue on the Record Date, other than the Amcom Shares already owned by Vocus.

Scheme Shareholder means each person who holds Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Section means a section of this Scheme Booklet.

Security Interest has the meaning given in section 12 of the Personal Property Securities Act 2009 (Commonwealth of Australia).

Share Registry means Computershare Investor Services Pty Limited.

Subsidiary means a subsidiary within the meaning given to that term in the Corporations Act.

Superior Proposal has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Vocus means Vocus Communications Limited ACN 084 115 499 of Level 1, Vocus House, 189 Miller Street, North Sydney, Australia.

Vocus Board means the board of directors of Vocus as constituted from time to time.

Vocus Director means a director of Vocus.

Vocus Group means Vocus and its Related Bodies Corporate.

Vocus Information means the information with respect to Vocus and the Combined Group in the "Letter from the Chairman of Vocus", Sections 5, 6, 7.1 and 7.2 of this Scheme Booklet prepared by and provided by Vocus and/or its advisers other than any such information which is based on information about, or provided by, Amcom.

Vocus Material Adverse Change has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Vocus Performance Right means a right granted under a performance rights plan to be established by Vocus to acquire by way of issue or transfer a Vocus Share subject to the terms of such plan.

Vocus Prescribed Occurrence has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Vocus Option means an option to acquire a Vocus Share.

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

Vocus Warranties means the warranties made by Vocus set out in clause 8.1 of the Scheme Implementation Agreement.

Voting Record Date means 5.00 pm (Perth time) on 4 May 2015.

VWAP means volume-weighted average price.

Annexure A Independent Expert's Report

Independent Expert's Report

*Amcom
Telecommunications
Limited*

*Prepared for the
Directors of Amcom
Telecommunications
Limited in relation to
the proposed scheme
of arrangement with
Vocus
Communications
Limited*

6 March 2015



The Directors
Amcom Telecommunications Limited
44 St Georges Terrace
Perth WA 6000

6 March 2015

Dear Directors

Proposed scheme of arrangement between Amcom Telecommunications and Vocus Communications

Introduction

1. On 17 December 2014, Amcom Telecommunications Limited (Amcom) and Vocus Communications Limited (Vocus) jointly announced that they had entered into a Scheme Implementation Agreement (SIA) under which Vocus will acquire the outstanding 90% of shares in Amcom it does not already own via a Scheme of Arrangement (the Scheme) pursuant to Part 5.1 of the Corporations Act 2001 (Corporations Act).
2. Under the Scheme, eligible shareholders of Amcom, other than Vocus or a related body corporate of Vocus (collectively the Scheme Shareholders), will receive 0.4614 Vocus shares for each Amcom share (the Scheme Consideration). The Scheme Consideration will not be adjusted by the interim or special dividend declared by Amcom or Vocus, subject to an agreed dividend cap of 5 cents per share for Amcom and 6.3 cents per share in respect of Vocus.
3. The directors of Amcom have engaged PricewaterhouseCoopers Securities Limited (PwC Securities) to prepare an independent expert's report setting out whether, in its opinion, the Scheme is in the best interests of the Scheme Shareholders and to state reasons for that opinion.
4. This letter contains a summary of the opinion and main conclusions of PwC Securities and is extracted from the full independent expert's report, a copy of which (including this summary letter) will accompany the Scheme Booklet.

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Our conclusion

The Scheme is in the best interests of the Scheme Shareholders

5. Our assessment of the Scheme has been undertaken in accordance with the principles of Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111, Content of expert reports (RG 111). In the context of a Scheme, what is in the best interests of members is judged in all the circumstances of the Scheme. Comparing the value of the shares being acquired and the value of the consideration paid is only one element of the assessment.
6. We consider the Scheme to be in the best interests of the Scheme Shareholders on the basis that it is both fair and reasonable, an approach which is considered consistent with RG111. The reasons for our opinion are set out below and should be read in conjunction with our detailed report which sets out our scope and findings.

The Consideration offered under the Scheme is fair

7. We have assessed the fair market value of an Amcom share (on a controlling interest basis) as at the date of this report to be in a range from \$1.99 to \$2.41 with a preferred (midpoint) value of \$2.20. The Scheme Consideration has been assessed to have a fair value in a range of \$2.65 to \$2.77 with a midpoint value of \$2.71 per Scheme Share. On the basis that our assessed value of the Scheme Consideration is above our valuation range for a fully paid ordinary share in Amcom, we consider that it is fair.

The Scheme is reasonable

8. In accordance with RG111.11, we consider that the Scheme is reasonable on the basis that it is fair. In addition, we consider the Scheme to be reasonable for the following reasons.

The offer is at a premium to Amcom ordinary share prices before the announcement of the proposed Scheme

9. The 30 day and 90 day VWAP of an Amcom share prior to the announcement to the ASX on 27 October 2014 of Vocus’ acquisition of a 10% interest in Amcom and its intention to make a “confidential, conditional, incomplete and non-binding proposal to merge with Amcom” was \$1.94 and \$1.95, respectively.
10. As we have assessed the value of the Scheme Consideration to be in the range of \$2.65 to \$2.77 per Scheme Share this implies that a premium for control of approximately 36% to 43% has been included in Vocus’ offer when compared to the historical 30 and 90 day VWAP of Amcom prior to Vocus’ initial investment in Amcom.

Continued exposure to the risks and rewards of Amcom’s business

11. If the Scheme is approved, as the Scheme Consideration is in the form of scrip in the new combined Vocus and Amcom entity, Scheme Shareholders will continue to share in any benefits and risks associated with being an investor in Amcom. In addition, we note that the combined Vocus and Amcom entity will have a more diversified service offering and a wider customer base, potentially reducing risk for shareholders.

Access to revenue and cost synergies

12. There are likely to be significant synergies available from combining the Amcom and Vocus businesses in which Scheme Shareholders will participate through the consideration they will receive, being shares in the combined business.
13. The Directors of both Amcom and Vocus have stated that they believe the combined group will be able to realise cost synergies on a pre-tax basis of approximately \$13 million to \$15 million per annum (by the end of FY17) and also capitalise on increased revenue opportunities arising from the ability to access the expanded customer base and the optimisation of the merged entity's fibre networks.

Ability to share in premium for control if Vocus is subsequently acquired

14. As the Scheme Shareholders will receive scrip in Vocus they still retain the potential benefit of sharing in any premium for control that may be paid by a potential acquirer of Vocus subsequent to the Scheme being approved.

The new Vocus shares are likely to have a greater level of liquidity and institutional coverage

15. Vocus shares have a greater level of liquidity than Amcom shares and are represented in the S&P ASX200 Index. The increased size of the combined business is likely to attract even greater institutional coverage.

If the Scheme is not accepted, the Amcom share price is likely to fall

16. The Amcom share price increased significantly on the announcement of the Scheme and has traded in a range of \$2.63 to \$2.99 since then (based on closing share prices). We consider that in the absence of the Scheme, an alternative proposal or speculation concerning an alternative proposal, the Amcom share price is likely to reduce from current levels. In the medium and longer term, Amcom's share price will reflect the market's assessment of Amcom's ongoing business model, operating performance as well as general movements in financial markets.

Unanimous Board recommendation

17. Amcom's Board of Directors has indicated its unanimous recommendation in favour of the Scheme, in the absence of a superior proposal emerging and subject to the independent expert finding the Scheme in the best interests of Scheme Shareholders.

No alternative proposals have been received

18. The directors of Amcom have advised us that to the best of their knowledge the proposal from Vocus is the only proposal available to Amcom shareholders at the date of this report.
19. We cannot exclude the prospect of an alternative proposal or offer on better terms emerging. In the event that an alternative proposal or offer on better terms emerges before the closure of the Scheme, Scheme Shareholders will be entitled to reject the Scheme and pursue other opportunities.

Other matters

20. The decision to accept or not to accept the Scheme is a matter for individual Scheme Shareholders based on each shareholder's view as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt as to the action they should take



in relation to the Scheme, Scheme Shareholders may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist in this assessment.

21. This independent expert's report has been prepared solely for the benefit of the Directors of Amcom and for the benefit of the Scheme Shareholders. Neither PwC Securities nor its employees, officers and agents undertake responsibility to any person, other than the Directors of Amcom or the Scheme Shareholders, in respect of the independent expert's report, including any errors or omissions howsoever caused.
22. Amcom has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by Amcom, which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.
23. Our assessment was completed using available information as at 24 February 2015. We have reviewed publicly available information subsequent to 24 February 2015 to the date of this letter and do not consider this to alter our opinion that the Transaction is in the best interests of the Scheme Shareholders. This letter must be read in conjunction with the full independent expert's report attached.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Stewart'.

Richard Stewart
Authorised Representative
PricewaterhouseCoopers Securities Ltd

A handwritten signature in black ink, appearing to read 'R Port'.

Roger Port
Authorised Representative
PricewaterhouseCoopers Securities Ltd

Table of contents

1	Overview of the Scheme and basis of assessment	1
2	Industry overview	6
3	Overview of Amcom	13
4	Overview of Vocus	29
5	Valuation of Amcom shares	42
6	Evaluation of Scheme Consideration	51
7	Our assessment of the Scheme and conclusion	56
	Appendix A Statement of qualifications and declarations	60
	Appendix B Sources of information	62
	Appendix C Comparable companies	63
	Appendix D Comparable transactions	67
	Appendix E Glossary	70
	Appendix F Financial services guide	72

1 *Overview of the Scheme and basis of assessment*

Overview of the scheme

24. On 17 December 2014, Amcom Telecommunications Limited (Amcom) and Vocus Communications Limited (Vocus) jointly announced that they had entered into a Scheme Implementation Agreement (SIA) under which Vocus will acquire the outstanding 90% of shares in Amcom it does not already own via a Scheme of Arrangement (Scheme) pursuant to Part 5.1 of the Corporations Act 2001 (Corporations Act).
25. Vocus and Amcom announced that the strategic rationale for the transaction is to combine two complementary but geographically diverse businesses to create a major national telecommunications provider with substantial cost and revenue synergies.
26. Under the Scheme, eligible shareholders of Amcom, other than Vocus or a related body corporate of Vocus (collectively the Scheme Shareholders), will receive 0.4614 Vocus shares for each Amcom share. The Scheme Consideration will not be adjusted by any interim or special dividend declared by Amcom or Vocus prior to implementation, subject to an agreed dividend cap of 5 cents per share for Amcom and 6.3 cents per share in respect of Vocus.
27. Amcom has a total of approximately 266.4 million shares and 4.2 million performance rights on issue. Of these, approximately 26.6 million shares are held by Vocus (equal to 10.0 % of the issued ordinary share capital of Amcom). Vocus has a total of approximately 105.4 million shares and approximately 0.3 million share options on issue.
28. In respect of the Amcom performance rights on issue, under the Scheme:
 - All Amcom performance rights belonging to Tranche D, Tranche E and those belonging to Tranche F that are held by Amcom's Chief Executive Officer will vest; and
 - 50% (or 790,000) of the 1,580,000 performance rights belonging to Tranche F that were issued on 17 December 2014 (the Additional Performance Rights) will vest (collectively the Vesting Amcom Performance Rights).
29. Amcom shares will be issued in respect of Vesting Amcom Performance Rights, as referred to above, no later than the business day immediately prior to the second court date relating to the Scheme.
30. In respect of the remaining 50% of the Additional Performance Rights, these are to be either acquired by Vocus or cancelled for consideration as prescribed in Section 14.2 of the SIA on or before the business day immediately prior to the second court date.
31. Based on the respective number of shares on issue and assuming the Scheme is completed, the Scheme Shareholders' collective interest in the combined Vocus and Amcom entity (the Merged Group) will be approximately 51.6% (after adjusting for Vocus' existing 10% shareholding in Amcom).
32. The Scheme is subject to the satisfaction of a number of conditions which are set out in full in the Scheme Booklet to be sent to shareholders by Amcom. The shareholders of Amcom are to consider a resolution seeking approval of the Scheme at a general meeting of Amcom shareholders that is expected to be held in April 2015 (Scheme Meeting).

33. The Scheme is subject to the following key conditions:

- An independent expert concluding that the Scheme is in the best interests of the shareholders of Amcom (excluding any shares held by Vocus or a related body corporate under section 50 of the Corporations Act);
- The Scheme being approved by the requisite majority of Amcom shareholders at a meeting convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;
- No material adverse change in Vocus or Amcom from the date of the SIA to the second court hearing;
- Approval by the court under Section 411(4)(b) of the Corporations Act; and
- All regulatory approvals being obtained by the second court hearing.

34. Other elements of the Scheme include:

- Amcom and Vocus have agreed to certain exclusivity restrictions including no-talk, no-shop and no-due diligence provisions;
- A break-fee of \$4 million (exclusive of GST) is payable by Amcom to Vocus in certain circumstances including if any Amcom Director changes adversely or withdraws the recommendation in favour of, or voting intentions in relation to, the Scheme or if before the Scheme becomes effective, a third party announces a superior proposal and, as a result, acquires an economic interest in at least 50% of the issued share capital of Amcom;
- A break-fee of \$4 million (exclusive of GST) is payable by Vocus to Amcom in certain circumstances including if a third party announces a superior proposal and, as a result, acquires an economic interest in at least 50% of the issued share capital of Vocus, a competing proposal is publicly recommended by or supported by a majority of the Vocus Board;
- Immediate notification of competing proposals, and Vocus and Amcom both having the right to amend the terms of the Scheme or to propose any other transaction; and
- An end date of 31 May 2015 (unless extended by written agreement of Amcom and Vocus).

35. Amcom has agreed to propose the Scheme to the Amcom shareholders and the Directors of Amcom have unanimously recommended that Scheme Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding that the Scheme is in the best interests of the Scheme Shareholders.

36. The directors of Amcom have engaged PricewaterhouseCoopers Securities Ltd (PwC Securities) to prepare an independent expert's report setting out whether, in its opinion, the Scheme is in the best interests of the Scheme Shareholders and to state reasons for that opinion.

Basis for our assessment

37. The proposed merger of Amcom and Vocus is to be effected by a members' scheme of arrangement (being the Scheme). Schemes of arrangement are governed by Section 411 of the Corporations Act 2001 (Cth) (Corporations Act) and Schedule 8 of the Corporations Regulations. Before the Scheme can proceed, it must be considered and approved by the shareholders and the Court.
38. Clause 8303 of Part 3 of Schedule 8 requires that, in the circumstances where the party proposing a scheme holds more than 30% of the issued capital of the company the subject of the scheme, the explanatory statement provided to shareholders is to be accompanied by a report from an independent expert stating whether, in the expert's opinion, the scheme is in the best interests of members of the company subject to the scheme and setting out the reasons for that opinion.
39. Vocus and its related parties do not hold an interest of more than 30% in the issued capital of Amcom and have no common directors. Accordingly, there is no requirement under the Corporations Act for an independent expert's report to be prepared in connection with the proposed scheme. Nevertheless, the SIA contains a condition precedent that an independent expert's report is obtained providing that, "the Scheme is in the best interests of Amcom Shareholders" (being Amcom shareholders other than Vocus and its associates). We have therefore been requested to prepare an independent expert's report stating whether, in our opinion, the Scheme is in the best interests of the Scheme Shareholders and to set out reasons for that opinion.
40. Section 606 of the Corporations Act (s606) provides a general prohibition to any person increasing their relevant interest in the issued voting securities of a listed company from 20% or below to more than 20%. However there are various exceptions to this prohibition including those set out in Section 611 of the Corporations Act (s611) including court approved schemes of arrangement.

Our approach

41. This report has been prepared in accordance with the Corporations Act and Australian Securities and Investments Commission (ASIC) Regulatory Guide 111, Content of expert reports (RG111).
42. We have prepared this independent expert's report for the purpose of stating, in our opinion, whether or not the Scheme is in the best interests of the Scheme Shareholders, and to set out reasons for that opinion.
43. While there is no definition of "in the best interests of the members" provided in the Corporations Act, relevant guidance is provided in RG111, which is framed largely in terms that relate specifically to control transactions effected by way of a scheme of arrangement.
44. RG111.18 indicates that an expert evaluating a control transaction effected by way of a scheme of arrangement should undertake a form of analysis substantially the same as "fair and reasonable" reports for takeover offers under Section 640 of the Corporations Act. In this context, RG111.18-22 indicates that assessment of whether a proposal is "in the best interests of the members" for reports on control transactions prepared for the purposes of Section 411 should be evaluated by reference to whether the proposal is "fair and reasonable" and should also include an opinion on this basis.
45. RG111 discusses the separate concepts of "fair" and "reasonable" to be applied by an independent expert assessing an offer. An offer is regarded as "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. An offer is "reasonable" if it is "fair" or despite not being "fair", but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.
46. RG111.30-31 requires that the assessment of fairness of a control transaction under Section 640 of the Corporations Act compares the value of scrip consideration (allowing for a minority interest discount) to the value of the securities being given up assessed on a controlling interest basis assuming 100% of the securities were available for sale. The Regulatory Guides reflect ASIC's underlying philosophy that the premium for control of a company be shared by all members of that company.

47. However, RG111.31 also requires the expert to assess whether a scrip takeover is in effect a “merger of entities of equivalent value when control of the merged entity will be shared equally between the bidder and the target”. In such circumstances, the expert may use an equivalent approach to valuing the securities of the ‘bidder’ and the ‘target’.
48. We have given particular consideration as to whether the Scheme should be assessed as a takeover of Amcom by Vocus or as a merger of the two entities. To determine whether the Scheme is a merger of equals or a control transaction, we have considered the following factors:
- The relative interests in the Merged Group of the Amcom shareholders and existing Vocus shareholders;
 - The mix of the members of the Board of the Merged Group;
 - The mix of the senior management of the Merged Group;
 - Whether any shareholder from either company will be in a position to control or significantly influence the Merged Group, or if the shareholder register of the Merged Group will be relatively open after the Scheme;
 - Whether entering into the Scheme reduces the opportunity for Amcom shareholders to receive a takeover offer for their shares in the Merged Group; and
 - The intentions of the Board and management of Amcom and Vocus on entering into the Scheme.
49. Upon completion of the Scheme, Amcom shareholders will hold approximately 51.6% of the Merged Group and there will be no individual shareholder with a shareholding of sufficient size to exert significant influence over the Merged Group. However, Vocus will have 5 out of 8 Board members, Vocus’ chairman will be the Merged Group’s chairman and Vocus’ existing CEO and CFO will continue in these roles under the Merged Group structure. Having regard to these factors, we consider that the Scheme should be evaluated as a control transaction.
50. Accordingly, our assessment of the value of Amcom’s ordinary shares is assessed on a controlling interest basis and our assessment of the consideration to be paid under the Scheme reflects the value of a Vocus share post-transaction on a non-controlling minority interest basis.
51. In evaluating the reasonableness of the Scheme, we have considered other significant factors for Scheme Shareholders in relation to the Scheme, including the potential synergies that may arise as a result of the proposed transaction, the likelihood of another offer being received on better terms and the likely position of shareholders if the Scheme is rejected.
52. Fair market value is defined as the price which would reasonably be negotiated by an informed, willing but not anxious purchaser and an informed, willing but not anxious seller acting at arm’s length and within a reasonable timeframe.

Sources of information

53. In preparing this report, we have used and relied on the information set out in Appendix B and representations made by Amcom and Vocus.
54. We have conducted checks, enquiries and analyses of the information provided to us which we regard as appropriate for the purposes of this report. Based on these procedures, we believe that the information used as the basis for forming the opinions in this report is accurate, complete and not misleading and we have no reason to believe that material information relevant to our report has been withheld by Amcom. Whilst our work has involved an analysis of financial information and accounting records, it does not constitute an audit or review of Amcom or Vocus in accordance with Australian Auditing Standards, and accordingly no such assurance is given in this report.
55. The information provided to us includes the Amcom budget for the period to 30 June 2015 (FY15). In respect of Vocus, we have considered Vocus’ actual results to 31 December 2014 and consensus broker estimates of forecast FY15 results.

56. The achievement of either the prospective financial information prepared by Amcom or as contained in broker estimates in respect of Vocus has been relied on by PwC Securities for the purposes of our assessment of the Scheme and is not warranted or guaranteed by us. This information is based on predictions of future events, many of which are outside the control of management, and is therefore inherently uncertain. Actual results and outcomes may differ materially from the forward looking information provided to us and reflected in this report.
57. Our assessment has been made as at the date of our report. Economic conditions, market factors and changes in exploration or development potential may result in the report becoming outdated. We reserve the right to review our assessments and, if we consider it necessary, to issue an addendum to our report, in the light of any relevant material information which subsequently becomes known to us prior to the closure of the Scheme.
58. All value amounts in the report are denominated in Australian dollars (\$) unless otherwise stated. Financial tables may be subject to rounding.
59. We have provided draft copies of this independent expert's report to the Directors of Amcom for their comments as to factual accuracy, as opposed to opinions, which are our responsibility alone. The independent Directors' review has not changed the methodology or conclusions reached by us.

General advice

60. In preparing this report, we have considered the interests of the Scheme Shareholders taken as a whole. This report contains only general financial product advice and does not consider the personal objectives, financial situation or needs of individual shareholders. An individual's decision in relation to accepting or not accepting the Scheme may be impacted by the individual's particular circumstances and Scheme Shareholders may wish to obtain personal financial product advice from their financial adviser.

Scope exclusions

61. This report has been prepared solely for the purpose of assisting the Scheme Shareholders to consider whether or not to accept the Scheme. This report has not been prepared to provide information to parties considering the purchase or sale of securities in Amcom or Vocus. Accordingly, we do not assume any responsibility or liability for any losses suffered as a result of the use of this report contrary to the provisions of this paragraph.

2 *Industry overview*

Introduction

62. Telecommunications companies are predominantly engaged in operating, maintaining or providing access to company owned or third party network infrastructure for the transmission of voice, data and video. The industry has evolved as increased data volumes, faster and more reliable data transmission and the emergence of cloud based services have increased the demand for data centres and web hosting infrastructure and services.
63. This section of the report provides an overview of the main sectors of the telecommunications industry in which Amcom and Vocus operate, comprising:
- Telecommunication Services and Resellers;
 - Internet Service Providers (ISPs); and
 - Data Centres and Hosting Infrastructure.

Telecommunication Services and Resellers

Overview

64. Telecommunications services can be broadly defined as operating, maintaining or providing access to network infrastructure for the transmission of voice, data and video. Telecommunications resellers purchase network capacity from network owners and resell it via their own distribution channels.
65. Telecommunications industry participants can be categorised into two distinct groups:
- Major telecommunications services companies, such as Telstra, Optus and to a lesser extent Vodafone, which generally operate across the whole of the industry (“the majors”); and
 - Smaller scale telecommunications companies which include TPG, M2, Amcom, Vocus, Macquarie Telecom and Nextgen that provide high speed data connectivity to corporate customers, Government departments and ISPs through establishment and ownership of their own fibre networks and also as resellers of network capacity purchased from the majors.
66. Telstra is the largest provider of telecommunications services in Australia with IBISWorld¹ estimating its market share of the Telecommunications Services industry revenue to be over 46%, followed by Optus at approximately 20% and Vodafone with almost 8% of industry revenue.
67. Key success factors in this industry are generally considered to include:
- Having access to or ownership of an extensive distribution network, via an extensive infrastructure (data) network. Networks facilitate the physical transfer of data over “point-to-point” or “point-to-multipoint” communication channels and are needed to transmit data between office buildings around cities and across different states or countries, link offices to data centres and provide corporate/Government data recovery services. Data can be transferred over fibre optic cables, Hybrid-Fibre Coaxial (HFC) cables, copper wires, wirelessly and via storage media;
 - Economies of scale which enable a company to reduce the cost of doing business;

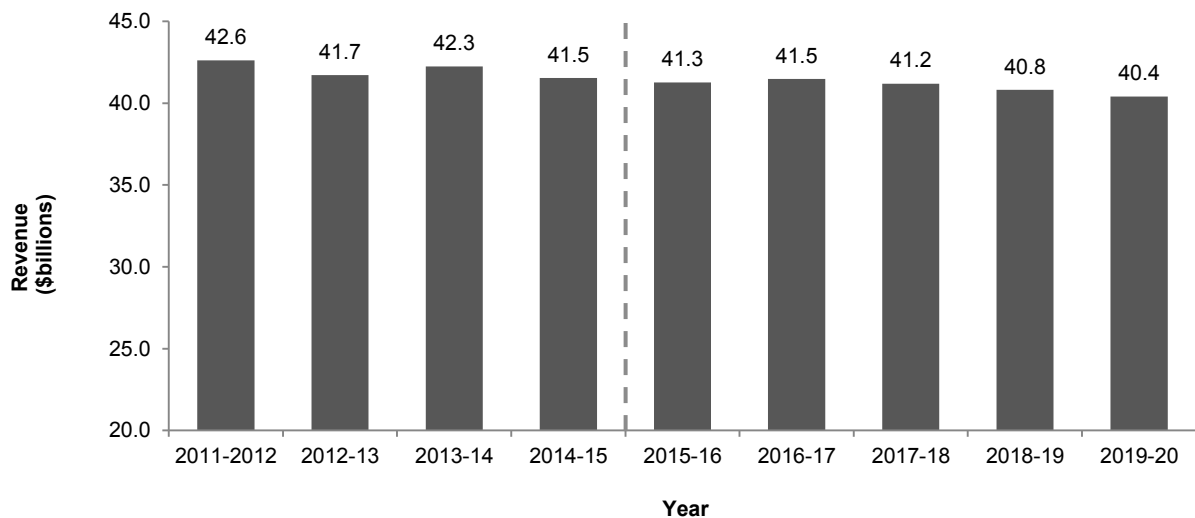
¹ IBISWorld, “Telecommunications Services in Australia”, October 2014

- Having a broad range of service/product offerings as traditional products and markets are in decline;
- Understanding the regulatory environment and the potential impact of Government policy; and
- Undertaking technical research and development to ensure the organisation has access to the latest technology and delivers a secure, reliable and cost efficient service to its customers.

Historical performance and industry outlook

68. The chart below shows the revenue of the Telecommunications Services industry in Australia over the last three financial years and forecast revenue over the next five years to FY20 (as provided by IBIS World):

Figure 1: Telecommunications – Historical and forecast industry revenue



Source: IBISWorld "Telecommunications Services in Australia", October 2014

69. Our high level comments in relation to the historical performance and outlook for this industry are as follows:
- Demand for and use of telecommunications services has increased over the last three years. However, the replacement of traditional wired services with wireless services has created intense industry competition and resulted in a challenging trading environment. IBISWorld estimates that revenue from wired telecommunications services will have declined by an annualised 1.5% over the last five years and that industry revenue in FY15 will total \$41.5 billion;
 - Wireless services have significantly increased due to faster and more reliable mobile connectivity (principally via third generation (3G) networks) and the rapid take-up of smart devices. The next generation of mobile technology (4G) has, and will continue to, enable significant enhancements to the range and quality of wireless services able to be offered;
 - Concurrently with the growth in wireless services, telecommunications providers have focussed on implementing price cuts to improve and/or retain market share. In turn, more competitive pricing has benefited consumers and has led to an increased use of telecommunications services and profitability has increased largely due to economies of scale driving unit costs lower;
 - Annual industry revenue is forecast by IBISWorld to decrease marginally over the next five years to FY20 to \$40.4 billion. However, subsector growth within the industry is expected through advances in technology (infrastructure and applications), the expansion of network coverage, including the rollout of the National Broadband Network (NBN) and continued expansion of wireless 4G networks; and
 - As next generation networks provide expanded coverage, new telecommunications applications for the utility, transport, health, education, commerce and retail sectors will be developed and adopted, creating

new revenue streams. Advances in network infrastructure will also enable emerging services such as VoIP (Voice over Internet Protocol), IPTV (Internet Protocol Television) and mobile tethering to become more widely adopted, providing increased competition between organisations in this industry and ISPs.

Internet Service Providers

Overview

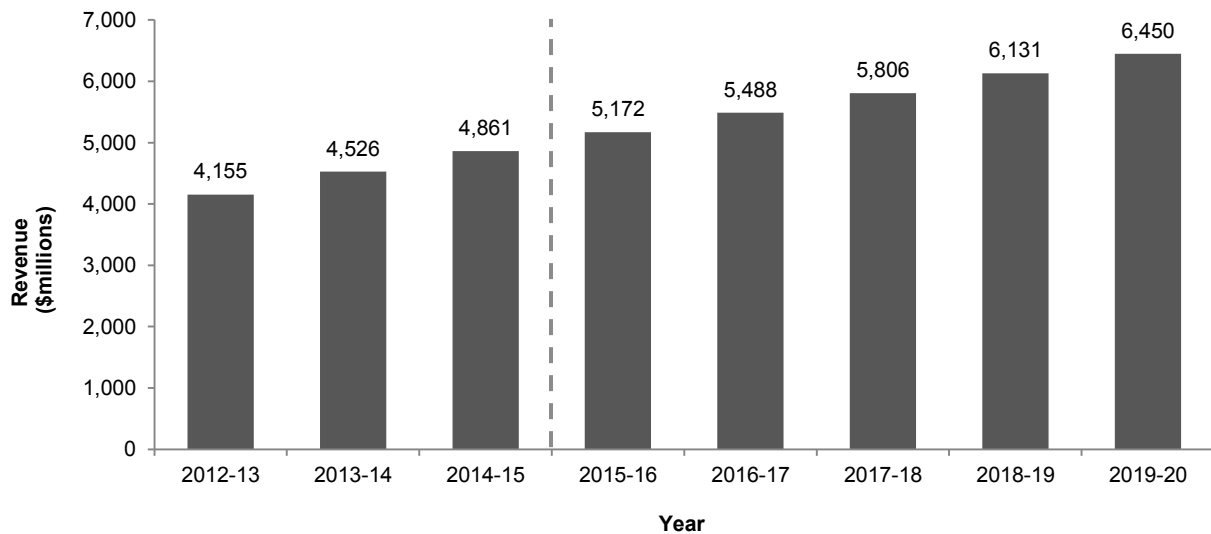
70. ISPs primarily provide internet access to businesses, households, educational and healthcare institutions and Government departments. The ISP industry also includes organisations which provide internet-reliant services, which include VoIP and IPTV and a range of other services.
71. Internet services are provided through dial-up public switched telephone networks (PSTNs), integrated services digital networks (ISDNs) or via broadband and wireless application protocols.
72. The most common form of fixed broadband connection is via a digital service line (DSL). DSLs use the extra capacity that phone lines do not use for traditional services. This connection system has been the most popular option for subscribers that have dropped narrowband connections over the past five years.
73. Other forms of access include fibre, satellite and fixed-wireless networks. Fibre optic (fibre) networks are expected to grow significantly over the next five years as the NBN continues to be rolled out. Fibre networks are superior to other infrastructure currently in place but are costly and time-consuming to establish.
74. Organisations in the ISP industry include entities that either own or lease the telecommunications infrastructure. As with the Telecommunications Services industry, the ISP industry is considered to have a high degree of concentration with IBISWorld² estimating Telstra has a 48% market share of industry revenue with iiNet, TPG and Optus each having an approximate 10% market share of industry revenue.
75. The relatively high fixed-cost nature of the industry has encouraged consolidation in the industry as entities try to achieve economies of scale required to lower the cost of service delivery and enable them to effectively compete with Telstra.
76. Key success factors in this industry are generally considered to include:
 - Ownership of, or access to, required broadband infrastructure with sufficient capacity;
 - Economies of scale to lower cost of delivery and compete for market share;
 - Loyal and diverse customer base to retain market share in what is considered to be a relatively commoditised industry;
 - Diverse range of products and services to diversify revenue streams and to differentiate from other market participants; and
 - Ability to quickly adopt new technology as the need/desire for the latest internet based applications and services continues to develop at a rapid pace.

Historical performance and outlook

77. The chart below shows the revenue of the ISP industry in Australia over the last three financial years and forecast revenue over the next five years to FY20 (as provided by IBIS World):

² IBISWorld, "Internet Service Providers in Australia", September 2014

Figure 2: Internet Service Providers – Historical and forecast industry revenue



Source: IBISWorld, "Internet Service Providers in Australia", September 2014

78. In regards to the historical performance and forecast outlook for this industry, we make the following high-level observations:
- ISPs have historically been one of the fastest growing industries in the technology sector. However, market saturation for fixed broadband has caused revenue growth to slow over the past three years. Growth in revenue over the last three years has been largely due to consumers and businesses upgrading to higher-use and larger revenue generating broadband connections. Despite prices for services falling, fixed broadband subscribers generate higher average revenue per user compared with dial-up connections due to faster access, increased frequency of usage and greater amounts of data downloaded;
 - Growth in revenue is beginning once again as the number of technologies relying on online and real-time access is increasing. Infrastructure is also being upgraded which in turn leads to more consumers and businesses upgrading existing services. This growth reflects how entrenched the internet is for consumers and businesses alike. IBISWorld estimates that industry revenue in FY15 will be \$4.9 billion;
 - Over the next five years industry revenue is expected to continue to grow through increased internet usage and subscriber growth and IBISWorld forecasts that annual industry revenue will reach \$6.5 billion by FY20;
 - Anticipated growth in revenue over the next five years is also expected to be supported by the rollout of the NBN which will encourage subscribers to upgrade their connections to make the most of improved speed and reliability;
 - Total average revenue per user for entry level broadband is projected by IBISWorld to be on a declining trend, but it is anticipated that this decline will be offset by consumers moving to fast broadband technologies, such as ADSL2+ (asymmetric digital subscriber lines), VDSL (very high bit rate digital subscriber lines) or fibre; and
 - As broadband speeds and quality of service increases, the business market is expected to adopt VoIP services to capitalise on potential cost savings. This has the potential to transform the wider telecommunications services industry as the distinction between ISPs and telecommunication carriers is diminished.

Data Centres and Hosting Services

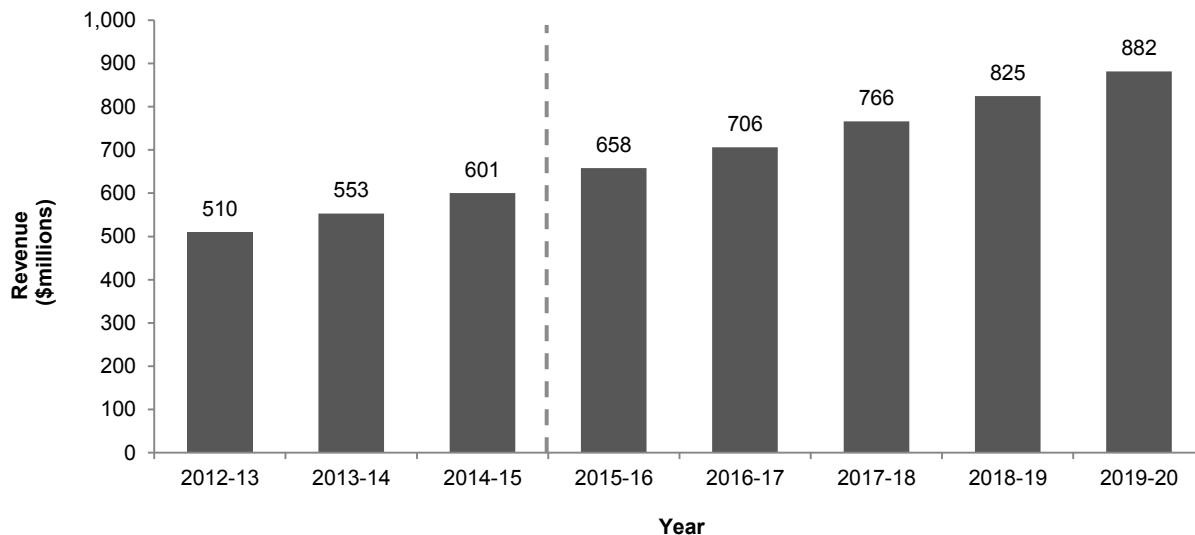
Overview

79. Data centre services principally provide computer data and electronic information physical storage and retrieval services. Industry participants provide electronic information storage services, such as cloud services, which enables users to upload, download, back-up and access files and systems over the internet.
80. Cloud computing allows businesses to have a central server that holds all required applications in a virtual space that all employees can access. This reduces the implied IT cost per employee, speeds up the sharing of information in a business and allows access to all information from mobile sites or mobile devices. The rapid adoption of cloud computing has been facilitated by improved network performance and capacity, the rise in smart devices and the need/desire to access data from various platforms, across multiple devices and across locations.
81. The increasing prominence of cloud computing has enabled businesses to reduce their storage and IT costs as such services can be outsourced and scaled up or down, based on demand. This is in contrast with businesses historically maintaining their own servers, which involves considerable upfront and ongoing capital expenditure. As a result, outsourced data centre space has grown over the past five years as cloud computing offers users a more cost effective option.
82. This industry also includes the provision of web hosting infrastructure. Many businesses do not have the available capital or resources to internally manage website or intranet infrastructure. While web hosting service providers enable users to access files and information online, data centres manage the servers that back up and store data from various files to complete operating systems.
83. Although select web hosting providers are often vertically integrated and maintain some data centre facilities, there is a trend of hosting providers acquiring data centre space from carrier-neutral providers to complement their existing data centre capacity. A carrier-neutral data centre is a facility that permits interconnection between several hosting providers, as it not owned by any single network provider and therefore does not compete directly with them.
84. Data centre locations and capacity have increased over recent years, with larger industry players such as IBM investing in data centres as a means of promoting their cloud based services. Other significant industry participants in Australia include Fujitsu, NextDC, Telstra, TPG and Macquarie Telecom.
85. Market share concentration is expected to fluctuate in the future as data storage and processing is increasingly sent offshore, larger players acquire smaller players and international players (such as Digital Realty, Rackspace and Amazon) invest in establishing operations in Australia. It is also anticipated that smaller operators will face increasingly difficult competitive conditions, as larger operators aggressively pursue market share.
86. Key success factors in this industry are generally considered to include:
- Access to the latest available and most efficient communications and data and information transfer technology;
 - Undertaking technical research and development into new data processing products and applications that result in improved labour productivity and customer service;
 - Market reputation, including the ability to offer reliable and, importantly, secure services;
 - Good management and marketing skills which are considered necessary for the ability to win new contracts or tender for services. In addition, Government bodies and health sector customers generate substantial demand for data storage and experience with contracting with these types of institutions is considered an advantage; and
 - Economies of scale to lower cost of delivery and compete for market share.

Historical performance and outlook

87. The chart below shows the revenue of the data centre industry in Australia over the last three financial years and forecast revenue over the next five years to FY20 (as provided by IBIS World³):

Figure 3: Data Centres – Historical and forecast industry revenue



Source: IBISWorld, "Data Centres in Australia", September 2014

88. In regards to the historical performance and outlook for this industry, we make the following high-level observations:

- Revenue generated from the data centre industry in Australia has grown significantly over the past three years. IBISWorld estimates that industry revenue will increase by an annualised 9.1% over the five years to FY15 to \$0.6 billion;
- The outsourcing of IT responsibilities has had a positive influence on the industry and the emergence of cloud computing has allowed expenditure to shift from capital in nature to operational expenditure;
- Future industry growth is anticipated to be driven by increased data usage and expansion of cloud computing related services. Further, the rollout of the NBN and continued expansion of 4G networks is seen as further supporting future growth in cloud computing and industry revenue over the next five years. IBISWorld forecast that the industry will continue to grow at a fairly consistent rate over the next five years and that industry revenue will reach approximately \$0.9 billion by FY20; and
- Over the next five years, the security of data is likely to be an important issue as businesses become more dependent on third party storage of commercially sensitive business information. Depending on the holding location of the data, which increasingly could be global, the regulations governing privacy may be different to those in a client's own country.

³ IBISWorld, "Data Centres in Australia", September 2014

IT Services

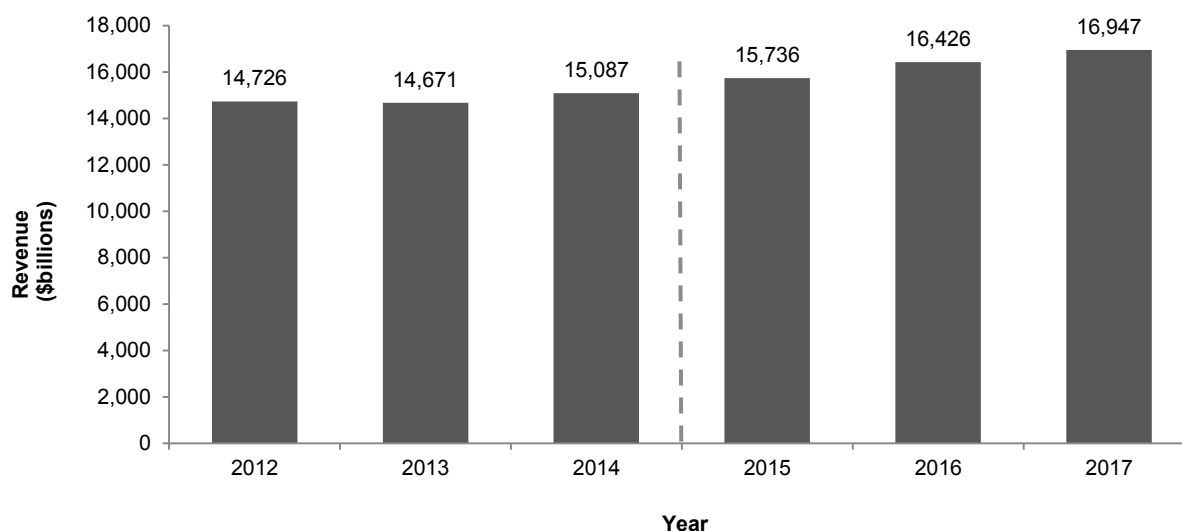
Overview

89. The IT services industry comprises a wide range of services and typically comprises such services as:

- IT consultancy services, which includes system integration, IT security and general IT infrastructure design;
- Licensing and maintenance outsourcing where a third party manages the software and hardware contractual arrangements for another entity; and
- Outsourcing/managed services which is the management of an organisation's internal IT system.

90. The chart below shows historical and forecast revenue growth of IT services:

Figure 4: IT Services – Historical and forecast industry revenue



Source: Amcom Information

91. The IT services industry has remained relatively steady over the two years to 2013, however ICT forecast that the IT Services industry will continue to grow over the next three years at a fairly moderate but consistent rate to that achieved in 2014.
92. It is expected that the demand for IT services will continue to expand as businesses become increasingly more reliant on their IT systems and organisations have to deal securely with larger and larger amounts of data and technology continues to rapidly change. However, the impact of this on IT Services businesses will ultimately depend of the user's choice as to the degree to which these services are outsourced compared to the cost of developing these skills within the business.

3 Overview of Amcom

Profile of Amcom

93. Amcom is a telecommunications and IT related services company headquartered in Perth, Western Australia and predominantly operates in Perth where it owns fibre infrastructure and data centres. It also has operations in Sydney, Melbourne, Brisbane, Adelaide and Darwin.
94. The organisation was originally listed under the name of International Mineral Resources NL on the Australian Securities Exchange (ASX) in 1994 and changed its name to Fibertel after it was awarded a telecommunications carrier licence in 1998 before subsequently changing its name to Amcom in 2000.
95. Amcom has grown significantly since that time via a series of strategic acquisitions and through organic growth as the industry has expanded. In November 2014, Amcom announced an East Coast Expansion Strategy which included the acquisition of 180 kilometres of fibre network and long term lease agreements for network access to approximately 200 buildings in Sydney.
96. Amcom's key customers consist of blue chip corporates, Government agencies, higher education and research institutions and other telecommunications providers.
97. Amcom operates through three business segments, being:
- Telecommunications;
 - Hosted and Cloud Services; and
 - IT Services.

Telecommunications

98. Amcom's Telecommunications business unit contributed 55% of Amcom's total FY14 revenue (and 83% of total EBITDA). This business unit comprises of Data Networks and Amnet broadband. The Data Networks division provides high-speed fibre connections and internet services predominantly to corporate and government entities whilst Amnet provides ADSL services to residential consumers.
99. Amcom's Data Networks provides the following services and products:
- IP VPN services which provides network access across an ISP's infrastructure or the internet to provide remote offices or individual users with secure access to their organisation's network;
 - Ethernet services for multi-point connectivity (E-lan) and point-to-point connectivity (E-line) technology in metropolitan area networks;
 - Dark Fibre, a point-to-point connectivity solution providing a secure way to deliver high speed data applications; and
 - Internet.

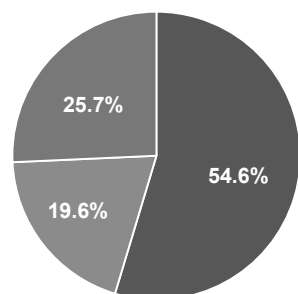
Hosted and Cloud Services

100. Amcom's Hosted and Cloud Services business unit contributed 20% of Amcom's total FY14 revenue (and 13% of total EBITDA).
101. Amcom's Hosted and Cloud Services business unit provides the following services:
- Data Centres which provide businesses with an 'off-site' environment to host their IT equipment. As at 31 December 2014, Amcom owned 7 facilities with a capacity of 650 racks;
 - Cloud solutions either through a dedicated or shared cloud as well as Amazon Web Services (AWS) which is a dedicated private connection that can be utilised for moving large volumes of data;
 - Amcom Cloud Collaboration (ACC), which is based on a collaboration with Cisco Hosted Collaboration Solution, providing the ability for people to communicate through real-time applications such as telephony, video conferencing and 'Presence' (a tool that shows the availability of a person) as well as the ability to access these services on mobile devices; Recently the University of Melbourne adopted this solution which will allow approximately 13,000 users access to a unified communications solution;
 - Amcom IP Tel, utilising the Broadsoft platform, which provides a full featured hosted telephony solution to Amcom's customers which eliminates the need to deal with isolated phone systems at different offices and provides functions such as instant messaging, Presence, email and browser integration options; and
 - SIP Lines (Session Initiation Protocol) which are an alternative to existing phone services, providing telecommunications utilising the internet as opposed to the traditional copper lines.

IT Services

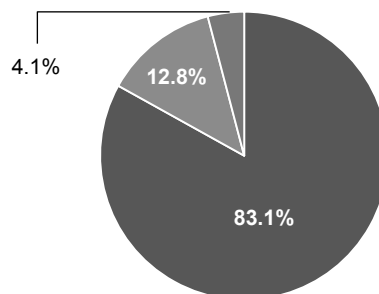
102. Amcom's IT Services business unit contributed 26% of Amcom's total FY14 revenue (and 4% of total EBITDA) and comprises of the following service offerings:
- Infrastructure integration, security consulting, IT consulting and system design;
 - Network management, IT service management, voice and data solutions; and
 - License management solutions for software and hardware arrangements.
103. We have shown below the split of revenue and earnings by business unit for the year ended 30 June 2014 which shows that Amcom's Telecommunications business units generated approximately 55% of FY14 revenue and over 83% of operating EBITDA (before allocation of corporate overheads):

Figure 4: Revenue



■ Telecommunications

Figure 5: EBITDA



■ Hosted & Cloud Services

■ IT services

Source: Amcom Annual Report

Company history

104. We have listed below a summary of key events in Amcom's history since listing on the ASX:

Date	Event
1993	<ul style="list-style-type: none"> The company was incorporated as International Mineral Resources NL
1994	<ul style="list-style-type: none"> International Mineral Resources listed on the ASX
1998	<ul style="list-style-type: none"> Awarded telecommunications carrier license Commenced fibre-optic network rollout in Perth Opened Adelaide office.
1999	<ul style="list-style-type: none"> Changed name to Fibertel Limited
2000	<ul style="list-style-type: none"> Changed name to Amcom Telecommunications Limited
2002	<ul style="list-style-type: none"> Completed IP1 – Perth to Melbourne fibre optic cable rollout
2003	<ul style="list-style-type: none"> Acquired Amnet, an information technology service provider
2004	<ul style="list-style-type: none"> Acquired Wired City, an ISP
2005	<ul style="list-style-type: none"> Acquired the customers of Arachnet an ISP and won a contract to build SABRENet, a fibre-optic broadband network linking research and education sites in metropolitan Adelaide
2006	<ul style="list-style-type: none"> Acquired 20% stake in iiNet Limited and completed SABRENet rollout
2007	<ul style="list-style-type: none"> Acquired People Telecom's corporate service business which included a large data centre facility
2010	<ul style="list-style-type: none"> Acquired IP Systems Pty Ltd, an internet protocol service business delivering services in Australia and New Zealand
2011	<ul style="list-style-type: none"> Expanded cloud offering by partnering with BlueFire Corporation Acquired L7 Solutions Pty LTD (L7), an IT services company specialising in the provision of IT integration solutions, managed services, advisory and related services Amcom distributed 20.4% shareholding in iiNet to shareholders by way of an in-specie distribution of \$71.0m. Undertook a consolidation of their ordinary share capital on a 1 for 3 basis
2013	<ul style="list-style-type: none"> Entered into an agreement with Cisco to launch Hosted Collaboration Solution (HCS), an enterprise-grade unified communications platform into the Australian market under the branding ACC Completed the acquisition of aCure Technology Pty Ltd, a data centre provider and Global Networks AMC Data Centre Pty Ltd
2014	<ul style="list-style-type: none"> Announced an agreement with data centre-as-a-service (DCaaS) provider NEXTDC, expanding Amcom's national data network connections to over 50 data centres across Australia
Feb	
Jun	<ul style="list-style-type: none"> Completed placement of approximately 19.5 million fully paid ordinary shares realising gross proceeds of approximately \$40.0 million
Oct	<ul style="list-style-type: none"> Vocus acquired 10% stake in Amcom and announced its intention to make a non-binding proposal to acquire the remaining 90%
Nov	<ul style="list-style-type: none"> Acquired 180km of fibre assets and a 15 year access agreement with Superloop in Melbourne, Sydney and Brisbane from Megaport Pty Ltd (now Amcom East Pty Ltd) Amcom entered into a 15 year access agreement with FirstPath for fibre linking to approximately 200 buildings in Sydney
Dec	<ul style="list-style-type: none"> Amcom and Vocus entered into the SIA

Financial information

Historical profit and loss

105. The reported operating performance of Amcom for the three financial years ended 30 June 2014 (audited) and for the six months to 31 December 2014 (reviewed) is summarised in the table below:

Statement of Profit or Loss (AUD millions)	Audited FY12	Audited FY13	Audited FY14	Reviewed HY15
Revenue	135.4	157.5	170.1	80.6
Operating Expenses	(102.5)	(117.5)	(123.4)	(57.6)
EBITDA	33.0	40.0	46.7	23.0
Depreciation and Amortisation	(8.9)	(9.5)	(11.5)	(6.8)
EBIT	24.1	30.5	35.2	16.2
Interest	(1.2)	(1.6)	(2.3)	(0.8)
Profit before tax (and abnormal items)	22.9	28.9	32.9	15.4
Abnormal items	10.8	-	(1.0)	(1.7)
Profit before tax	33.7	28.9	31.9	13.7
Income tax expense	(5.4)	(8.2)	(9.6)	(4.4)
Net Profit	28.4	20.8	22.4	9.3
Key Performance Indicators				
Revenue growth	60.6%	16.3%	8.0%	2.7%
EBITDA Margin	24.4%	25.4%	27.5%	28.5%
EBIT Margin	17.8%	19.4%	20.1%	20.1%

Note: Growth for the half year ended 31 December 2014 has been based on a comparison to the half year ended 31 December 2013

Source: Amcom Annual Reports and Appendix 4D

106. In relation to the historical financial performance of Amcom, we note:

- Revenue has increased from \$157.5 million in FY13 to \$170.1 million in FY14 as a result of strong demand for fibre based communication products from Government and corporate customers. The increase in revenue was also attributable to the hosted and cloud services segment where revenue grew by \$7.5 million, including revenue from the acquisition of Global Networks AMC Data Centre Pty Ltd completed in 2013 and aCure Technology Pty Ltd also completed in 2013;
- The table below summarises Amcom's key operating expenses for the three financial years ended 30 June 2014 and for the six months to 31 December 2014:

Operating costs (AUD millions)	FY12	FY13	FY14	HY15
Network costs and cost of hardware sold	55.6	61.3	64.8	27.7
Labour	33.7	40.1	40.4	19.5
Occupancy	3.7	4.5	6.7	3.5
Other expenses	9.4	11.5	11.5	6.9
Total	102.5	117.5	123.4	57.6

Source: Amcom Annual Reports and Appendix 4D

- The network costs and cost of hardware sold is the largest component of the expenses (approximately 50% of total expenses) in both FY14 and HY15. Given the increased utilisation of Amcom's existing fibre network additional costs associated with deriving new revenue is lower. This operational leverage has resulted in the growth in FY14 EBITDA to increase at a higher rate than revenue growth;
- Occupancy expense has increased by 49% to \$6.7 million during FY14. This was largely as a result of the addition of data centre leases held by acquired companies (aCure Technology and Global Networks AMC Data Centre Pty Ltd);
- The EBITDA margin has increased steadily over the three year period to FY14 and has continued to improve in the half year to December 2014 reflecting the benefits of operational leverage whereby Amcom is able to utilise its fibre network more efficiently with the increase in customer numbers.
- The Amcom East Pty Ltd acquisition was immaterial to the 31 December 2014 results;
- Abnormal items reported in FY12 relate to:
 - An impairment charge of \$5.0 million for network infrastructure following the discontinuance of legacy data and voice products and associated network assets which were considered obsolete. In addition, goodwill in respect of Amnet was written down by \$2.8 million due to declining revenue and margins as a result of intense competition in the residential broadband market; and
 - In-specie distribution of Amcom's 20.4% shareholding in iiNet Ltd to shareholders by way of an in-specie distribution of \$71.0m. The realised profit of this distribution to Amcom shareholders was \$18.6 million; and
- Abnormal items reported in FY14 and HY15 relate to acquisition and integration expenses.

Business unit analysis

107. The table below summarises the EBITDA by business unit:

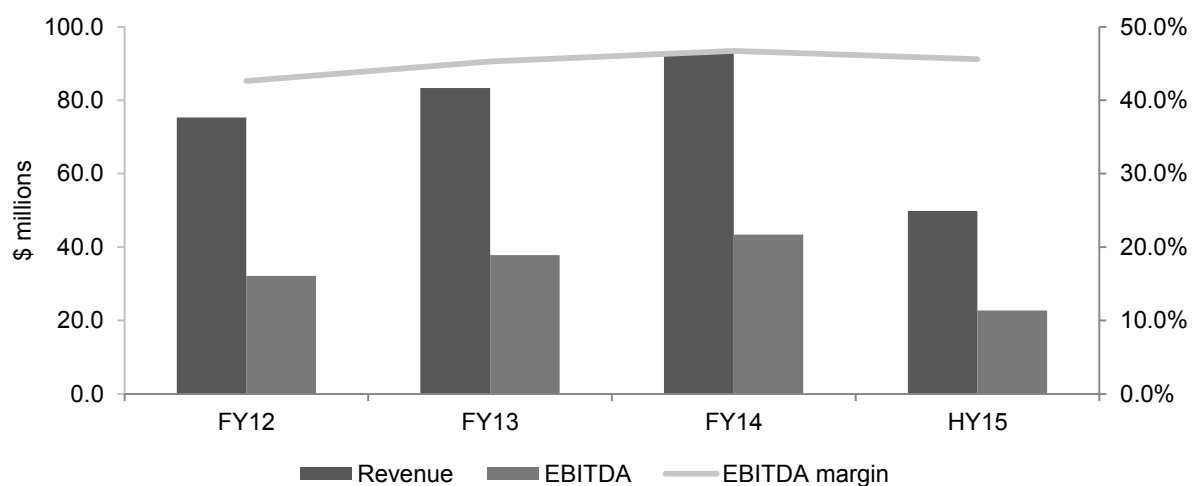
Segment	FY12	FY13	FY14	HY15
EBITDA (AUD millions)				
Telecommunications	32.1	37.8	43.4	22.7
Hosted and Cloud Services	3.3	5.7	6.7	3.9
IT Services	1.5	1.6	2.1	(0.5)
EBITDA (Pre corporate overheads)	36.9	45.1	52.3	26.2
Corporate Overheads	(3.9)	(5.1)	(6.5)	(3.2)
EBITDA	33.0	40.0	45.7	23.0
% Contribution (before allocation of corporate costs)				
Telecommunications	87%	84%	83%	87%
Hosted & Cloud Services	9%	13%	13%	15%
IT services	4%	4%	4%	-2%
Total	100%	100%	100%	100%

Source: Amcom Annual Reports and Appendix 4D

Telecommunications

108. Amcom's Telecommunications business is the largest operating unit for Amcom, generating \$43.4 million or 83% of total FY14 EBITDA.
109. We have shown below the historical annual revenue and EBITDA generated by the Telecommunications business unit.

Figure 6: Telecommunications Revenue and EBITDA



Source: Amcom Annual Reports and Appendix 4D

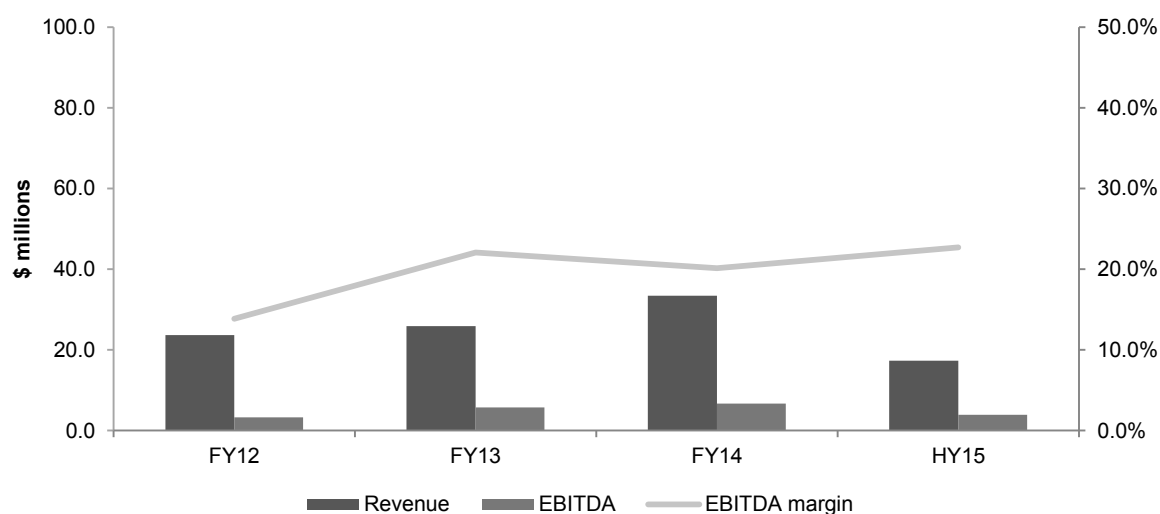
110. In relation to chart set out above, we note that:

- Revenue increased by 11% between FY12 to FY13 and EBITDA margins (pre–corporate overheads) also increased slightly from 43% to 45% in this period. This was due to growth in all of Amcom’s core markets and Amcom’s established network helped to improve margins as the utilisation of Amcom’s network improved;
- For the period from FY13 to FY14, revenue increased with growth of 12%. EBITDA margins (pre–corporate overheads) also continued to improve by 2% to 47% in FY14. This growth was due to 300 new Government and corporate customers that Amcom had signed to its data services and its increase in cross selling new capabilities to data network customers; and
- HY15 has again seen continued growth in the Telecommunications business unit with revenue for the half-year of \$49.8 million and an EBITDA margin (pre- corporate overheads) of 46% for the period. This is an 11% increase in revenue when compared to the six months ended 31 December 2013 while maintaining a consistent EBITDA margin of 46%.

Hosted and Cloud Services

111. Amcom’s Hosted and Cloud Services business is the second largest operating unit, generating \$6.7 million or 13% of Amcom’s total FY14 EBITDA (pre-corporate overheads).
112. We have shown below the historical annual revenue and EBITDA (pre-corporate overheads) generated by Amcom’s Hosted and Cloud Services business unit.

Figure 7: Hosted and Cloud Services Revenue and EBITDA



Source: Amcom Annual Reports and Appendix 4D

113. In relation to chart set out above, we note that:

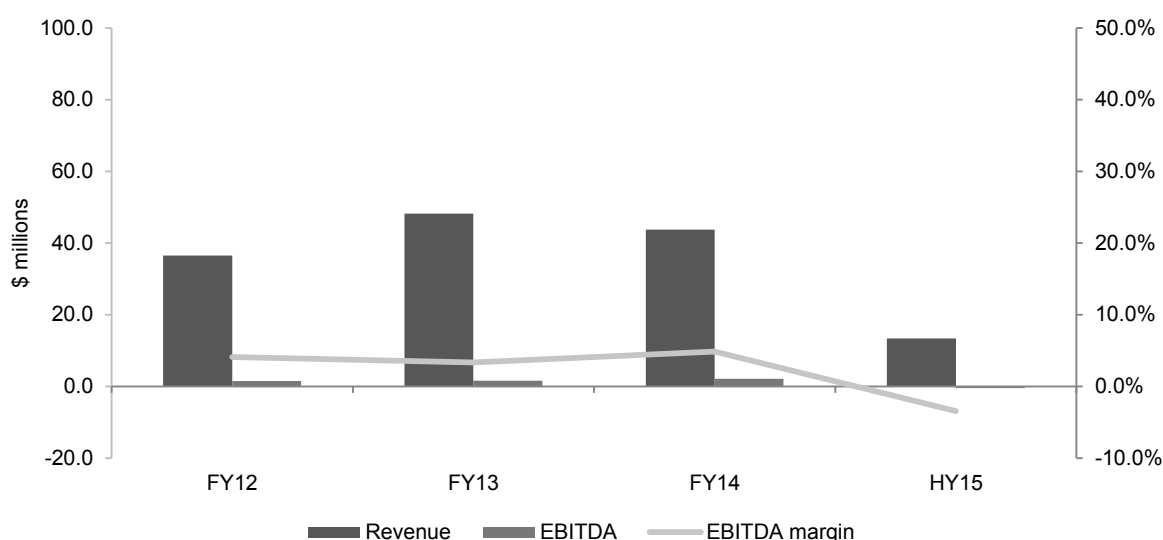
- Revenue increased from \$23.7 million in FY12 to \$25.9 million in FY13 (or by 9%) and there was a significant improvement in the EBITDA margin (pre-corporate overheads) during this time which increased from 14% in FY12 to 22% in FY13. This growth was driven by Amcom’s acquisition of aCure Technology Pty Ltd and Amcom’s partnership with Cisco Systems to create ACC. Both of these initiatives enhanced Amcom’s cloud capacity and technology;
- In FY14 revenue further increased to \$33.4 million and EBITDA margins (pre-corporate overheads) declined slightly to 20%. Earnings growth was lower than revenue growth as Amcom was investing in its capabilities; and

- For the six months to 31 December 2014, revenue from the Hosted and Cloud business unit was \$17.4 million. This is a 9% increase when compared to the half year to December 2013. The EBITDA margin has also improved when compared to the half year to December 2013 increasing from 19% to 23%.

IT Services

114. Amcom's IT Services business unit was created by the acquisition of Amcom L7 Solutions Pty Ltd in November 2011 which contained an IT Services division. In FY14, the IT Services business unit contributed 4% to Amcom's total EBITDA (pre-corporate overheads), making it Amcom's smallest business segment.
115. This business unit is largely a consulting business which is employee intensive and therefore, a lower margin business. It has not achieved EBITDA margins (pre-corporate overheads) above 5% over the period from FY12 to 31 December 2014.

Figure 8: IT Services Revenue and EBITDA



Source: Amcom Annual Reports and Appendix 4D

116. In relation to chart set out above, we note that:
 - Revenue has increased from \$36.5 million in FY12 to \$48.2 million in FY13, a 32% increase in revenue. Revenue growth in FY13 is reflective of a full year of operation of the business unit within the Amcom group. EBITDA margins (pre-corporate overheads) declined slightly from 4% in FY12 to 3% in FY13;
 - Revenue has decreased by 9% in FY14 to \$43.7 million. However, there was an improvement in EBITDA margins from 3% in FY13 to 5% in FY14 as a result of Amcom focusing its IT service offerings towards existing customers in its Telecommunications and Hosted and Cloud Services business units which assisted improving margins; and
 - For the six months to 31 December 2014, there has been a significant decline in revenue when compared to the 6 months to December 2013 from the IT Services business unit. Revenue has declined from \$22 million to \$13.4 million and HY15 has seen a significant decline in earnings from this business unit recording an EBITDA loss of \$0.5 million. Management have attributed the decline in the IT Services business to a slowing Western Australian economy which has reduced customer expenditure on IT services, resulting in lower product sales.

Statement of financial position

117. The summary statement of Amcom's financial position as at 30 June 2014 (audited) and as at 31 December 2014 (reviewed) is set out in the following table:

Statement of Financial Position (AUD millions)	Audited 30 June 2014	Reviewed 31 December 2014
Cash and cash equivalents	31.4	21.7
Trade and other receivables	15.3	13.0
Inventories	3.4	3.7
Other	2.8	6.7
Total current assets	52.9	45.1
Property, plant and equipment	141.0	154.7
Goodwill	48.6	54.1
Other intangible assets	6.0	9.0
Total non-current assets	195.6	217.8
Total assets	248.5	262.9
Trade and other payables	25.9	20.2
Deferred revenue	12.4	13.0
Borrowings	3.3	5.0
Income tax payable	2.0	0.4
Other current liabilities	4.3	4.6
Total current liabilities	47.8	43.3
Borrowings	20.9	32.6
Provisions/Deferred consideration	3.2	2.7
Deferred revenue	0.6	4.8
Deferred tax liabilities	8.3	9.1
Total non-current liabilities	32.9	49.1
Total liabilities	80.7	92.5
Net assets	167.8	170.4

Source: Amcom Annual Reports and Appendix 4D

118. A discussion of key balances is set out below:

Net Debt

- Cash and cash equivalents increased over the year to 30 June 2014 to \$31.4 million as a result of increased cash generated from operations and due to the issue of 19.5 million shares at \$2.05 per share in June 2014;
- Since June 2014, Amcom has acquired Amcom East Pty Ltd which involved an initial payment of \$5.6 million at settlement in November 2014, a deferred payment of \$1 million due in May 2015 and committed capital expenditure on additional network construction of \$8.4 million of which \$1.8 million had been incurred by 31 December 2014;
- As at 31 December 2014, Amcom held \$21.7 million of cash and cash equivalents; and
- As at 31 December 2014, Amcom had total interest bearing debt totalling \$37.6 million. The table below summarises the terms and expiry dates of Amcom's bank and other financing facilities.

Bank Facilities	Terms and expiry dates	Amount Drawn at Dec 14
Commercial Advance	Expiry date of 31 Dec 2017	\$24.0 million
Working Capital	Expiry date of 31 Dec 2015, subject to annual review	\$2.7 million
Cisco Vendor facility	Available to Dec 2015	\$10.9 million

Source: Amcom management

Net working capital

- The net working capital balance for Amcom is broadly neutral throughout the year, with a decrease at the end of each financial year and calendar years as customers use up residual IT budgets. The table below summarises net working capital and net working capital as a percentage of revenue as at 30 June 2012, 2013 and 2014, as well as at December 2014.

Net Working Capital (AUD millions)	Jun-12	Jun-13	Jun-14	Dec-14
Net working capital	(5.8)	(2.0)	(7.2)	(3.6)
Revenue	135.4	157.5	170.1	80.6
Net working capital as a % of revenue	-4%	-1%	-4%	-4%

Source: Amcom Annual Reports and Appendix 4D

Property, plant and equipment

- Amcom's property, plant and equipment balance as at 30 June 2014 was \$141.0 million and at 31 December 2014 was \$154.7 million. The balance of property, plant and equipment has grown since 30 June 2014 primarily as a result of the Amcom East Pty Ltd acquisition which added \$7.1 million of network assets currently under construction as well as a general increase in customer connections. The property plant and equipment is primarily network infrastructure which represents 95% of the balance. The majority of the network infrastructure (70%) relates to customer connections with the remainder associated with data centres, IT systems and other IT products.

Goodwill

- Amcom's goodwill balance as at 30 June 2014 was \$48.6 million and was \$54.0 million at 31 December 2014 and has primarily arisen from Amcom's acquisition in 2010 of IP Systems Pty Ltd, the L7 Solutions Pty Ltd acquisition in 2011 and the aCure Technology Pty Ltd acquisition in 2013;
- Amcom has allocated the goodwill balance to the business units as follows:

Goodwill by segment (AUD millions)	Jun-14	Dec-14
Telecommunications	11.3	16.7
Hosted & Cloud Services	36.2	36.2
IT Services	1.2	1.2
Total	48.6	54.1

Source: Amcom Annual Reports and Amcom management

- The major area of acquisitions has been focused on the Hosted and Cloud Services, driven by the acquisitions of aCure Technology Pty Ltd and L7 Solutions Pty Ltd. The recent increase in Goodwill is attributable to the Amcom East Pty Ltd acquisition in November 2014.

Other liabilities

- Deferred revenue relates to the fee charged for the establishment of fibre services that are only brought to account as revenue over a two year period. This is considered to be part of normal operations as revenue is recognised based on the period of contract and, where deferred to a subsequent period, recognised as deferred revenue.

Statement of cash flows

119. The summary cash flow statements for Amcom for the three financial years ended 30 June 2014 (audited) and for the six months to 31 December 2014 (reviewed) is summarised in the table below:

Statement of Cash Flows (AUD millions)	Audited FY12	Audited FY13	Audited FY14	Reviewed HY15
Cash flows from Operating Activities				
EBITDA	33.0	40.0	45.7	23.0
Tax Paid	(5.6)	(4.5)	(6.1)	(4.4)
Movement in balance sheet items	5.3	(1.6)	1.5	(5.0)
Other	0.8	0.9	2.4	0.4
Interest	(1.2)	(1.6)	(2.3)	(0.6)
Net cash provided by operating activities	32.3	33.2	41.2	13.4
Cash flows from Investing Activities				
Payment for PP&E and intangibles	(18.8)	(19.2)	(22.6)	(16.8)
Sale and lease back of PP&E and intangibles	-	0.8	2.7	-
Payments associated with acquisitions	(13.1)	(0.4)	(15.3)	(8.3)
Net cash (used in) investment activities	(32.0)	(18.9)	(35.2)	(25.1)

Statement of Cash Flows (AUD millions)	Audited FY12	Audited FY13	Audited FY14	Reviewed HY15
Cash flows from financing activities				
Payment of deferred consideration	(3.1)	-	-	
Proceeds/(repayments) from borrowings	16.6	(0.6)	(22.4)	9.6
Equity Raising undertaken (net)	-	-	38.4	
Acquisition of Amcom	-	-	(3.6)	
Dividends paid (net of dividend reinvestment plan)	(11.6)	(12.7)	(12.4)	(7.6)
Net cash provided by/(used in) financing activities	1.9	(13.3)	0.1	2.0
Net increase in Cash	2.2	1.1	6.1	(9.7)
Cash at the beginning of the period	22.1	24.2	25.3	31.4
Cash at the end of the period	24.2	25.3	31.4	21.7

Source: Amcom Annual Reports and Appendix 4D

120. In relation to Amcom's historical cash flows shown above, we note that:

- We have included a discussion on the historical earnings of Amcom and working capital earlier in this section of this report;
- Payments for property, plant and equipment amounted to \$22.6 million in FY14, a 17% increase from FY13. The majority of this relates to Amcom's capitalisation of costs incurred to connect customers to its network infrastructure. The HY15 payment for property plant and equipment also increased when compared to the six months to December 2013 by 46% to \$13.5 million again relating to customer connections and network as well as the FirstPath Dark Fibre Agreement for \$1.8 million and Broadsoft (IP Tel) licences.
- Acquisition payments of \$8.3 million in the six months to 31 December 2014 were primarily driven by the Amcom East Pty Ltd acquisition. In FY14 the costs associated with acquisitions of \$15.3 million primarily a result of the acquisition of aCure Technology Pty Ltd and Global Networks AMC Data Centre Pty Ltd which amounted to \$13.9 million, while in FY12 related to the L7 Solutions Pty Ltd acquisition for \$12.9 million net of cash;
- Net cash provided by financing activities has increased to \$0.1 million in FY14 and \$2.0 million for the half year to December 2014. In FY14 there was a large cash outflow to repay borrowings which was offset by the equity raising undertaken during the year and in HY15 there were additional borrowings of \$27.0 million offset by the repayment of borrowings of \$17.4 million; and
- In December 2013, the Board introduced a Dividend Reinvestment Plan (DRP) as part of the company's ongoing capital management strategy. The DRP allows eligible shareholders to reinvest part or all of their dividends into new Amcom shares. We understand that this has been suspended due to the Scheme and does not apply in respect of the announced FY15 interim dividend of 5 cents per share.

Capital structure

Ownership

121. As at 24 February 2015, Amcom had a market capitalisation of \$700.6 million and the issued capital of Amcom comprised 266.4 million ordinary shares.
122. Ownership of Amcom is somewhat concentrated with the top 10 shareholders holding 44% of the total ordinary shares on issue however we note that no single shareholder has significant influence. The top 10 shareholders and their respective holdings are set out in the table below:

Rank	Name	Shares (millions)	% held
1	Commonwealth Bank of Australia ¹	36.7	13.8%
2	Vocus	26.6	10.0%
3	AJA Super IQ	20.9	7.8%
4	TPG Telecom	17.9	6.7%
5	Australian Super Pty Ltd	15.1	5.7%
6	Goldman Sachs Group Inc	14.4	5.4%
7	Pengana Capital	12.8	4.8%
8	Mr Anthony Grist	8.5	3.2%
9	Willie Group Pty Ltd	7.8	2.9%
10	National Australia Bank	7.7	2.9%
Top 10 shareholders		168.4	63.2%
Remaining Holders Balance		98.0	36.8%
Total		266.4	100.0%

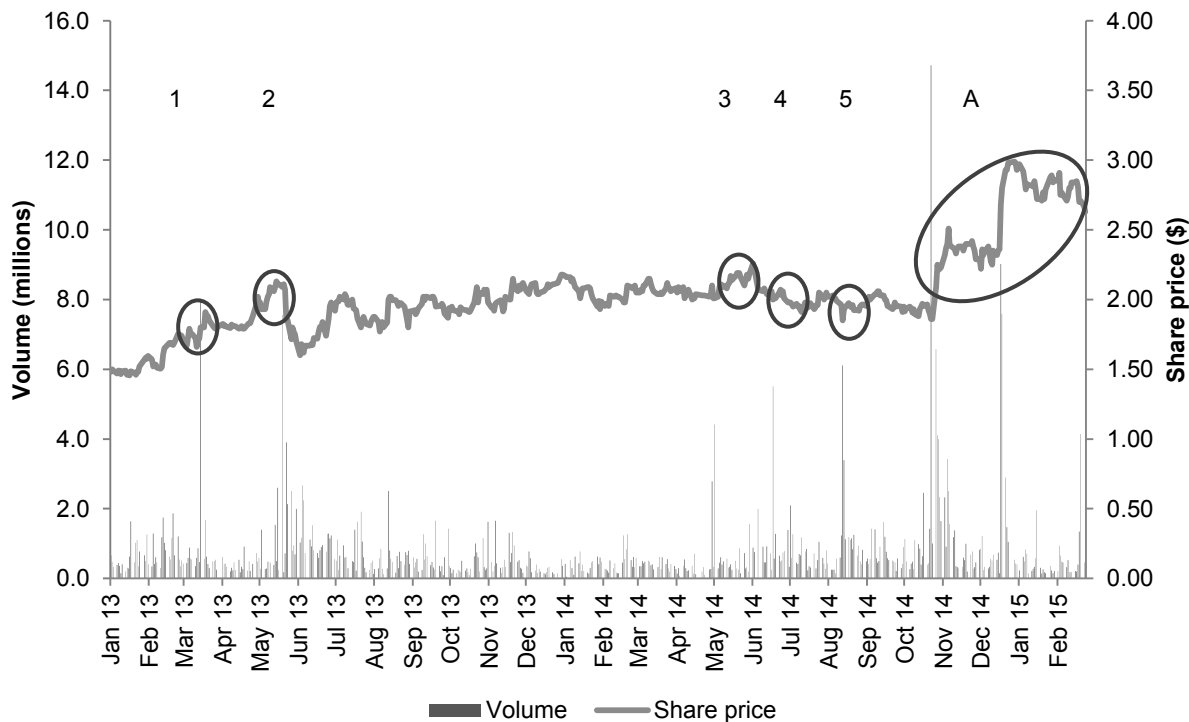
Source: Bloomberg as at 24 February 2015

¹ This includes the 26,639,915 Amcom Shares beneficially held by Vocus under the arrangements detailed in Vocus' Form 603 Notice of initial substantial holder dated 27 October 2014

Recent share price analysis

123. The figure below illustrates the trading performance of Amcom shares from 1 January 2013 to 24 February 2015 together with historical volumes traded and key influencing items:

Figure 9: Amcom share price and trading volume
1 Jan 2013 – 24 Feb 2015

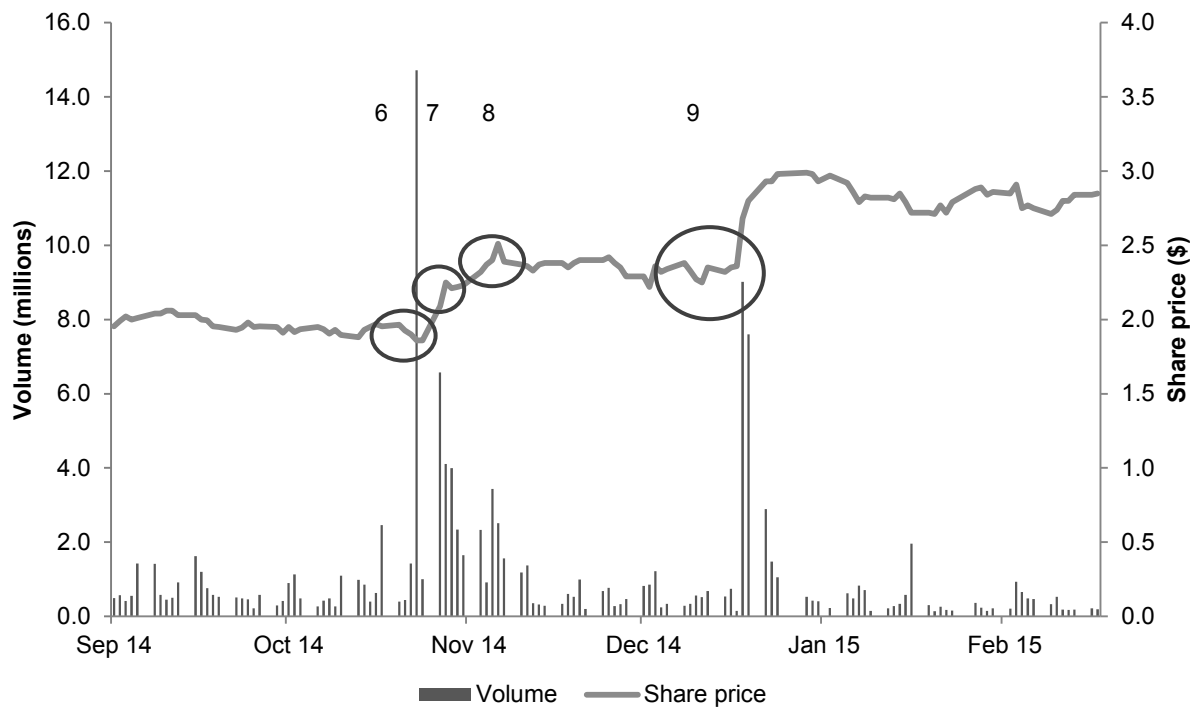


Key influencing items		
1	18 March 2013	Amcom was added to the S&P ASX 300 Index
2	16 May 2013	Wylie Group Pty Ltd disposed 8 million shares
3	17 April 2014	Goldman Sachs Asset Management disposed of approximately 3 million shares
	1 May 2014	Amcom announced a partnership agreement with AARNet
4	6 June 2014	Amcom raised \$40 million via an equity placement
	13 June 2014	Goldman Sachs Asset Management disposed of approximately 5 million shares
5	18 August 2014	Vocus acquired an initial 5.1% interest in Amcom via an equity settled share swap with the CBA
A	See graph below	

Source: Capital IQ and ASX Announcements

124. The figure below sets out Amcom’s share performance for the period from 1 September 2014 to 24 February 2015:

Figure 10: Amcom share price and trading volume
1 Sept 2014 – 24 Feb 2015



Key influencing items		
6	24 October 2014	Vocus increased its holding in Amcom to 10%
7	27 October 2014	Vocus announced that it had acquired a 10% holding in Amcom and made a confidential, conditional, incomplete and non-binding proposal to acquire remaining 90% stake in Amcom
8	3 November 2014	Amcom announced its East Coast Expansion Plan which included the acquisition of Amcom East Pty Ltd
9	17 December 2014	Amcom and Vocus enter into the SIA
Since 17 December 2014 to 24 February 2015, Amcom has traded in a range of \$2.63 to \$2.99		

Source: Capital IQ and ASX Announcements

Liquidity

125. From the table below, it can be seen that Amcom shares had a moderate level of trading liquidity on the ASX, with almost 7% of the total number of securities changing hands on average per month in 2014.

Year	Days Traded	Avg Daily Price (\$)	Avg Daily Volume Traded (millions)	% of Shares Traded Monthly
2012	253	1.14	0.4	3.9%
2013	253	1.86	0.7	6.0%
2014	253	2.10	0.9	6.9%
2015	38	2.73	0.6	4.4%

Source: Capital IQ

Performance rights

126. In 2010, Amcom implemented a long-term incentive plan for senior management which involved an annual issuance of performance rights. These performance rights are subject to time based and total shareholder return (TSR) based vesting conditions.
127. In November and December 2014, Amcom issued Tranche F with time based and absolute share price vesting conditions.
128. In respect of the Amcom performance rights on issue, under the Scheme all Amcom performance rights belonging to Tranche D, Tranche E and those belonging to Tranche F that are held by Amcom's Chief Executive Officer will vest and 50% (or 790,000) of the 1,580,000 performance rights belonging to Tranche F that were issued on 17 December 2014 will vest.
129. In respect of the remaining 50% belonging to Tranche F, these are to be either acquired by Vocus or cancelled for consideration in accordance with the provisions of the SIA.
130. We have summarised the key terms of Amcom's outstanding performance rights as at the date of this report below:

	Tranche D	Tranche E	Tranche F – CEO	Tranche F – Nov
Issued Exercise Price	Nil	Nil	Nil	Nil
Number outstanding	1,025,000	1,060,000	520,000	1,580,000
Vesting Hurdle/ Requirements	33.3% are time based and 67.7% are subject to relative TSR Hurdles. Change of control clause where 100% will vest	33.3% are time based and 67.7% are subject to relative TSR Hurdles Change of control clause where 100% will vest	10% will vest if employed on 1 September 2017; and 90% subject to share price hurdle. Change of control clause where 100% will vest	10% will vest if employed on 1 September 2017; and 90% subject to share price hurdle. Change of control clause where 50% will vest
Period for Vesting	1 July 2012 – 30 June 2015	1 July 2013 – 1 September 2016	1 September 2017 – 31 January 2018	1 September 2017 – 31 January 2018
Date of Lapse or vesting	30 June 2015 or if employment terminated	1 September 2016 or if employment terminated	31 January 2018 or if employment terminated	31 January 2018 or if employment terminated
Conversion Rate	1:1	1:1	1:1	1:1

Source: Amcom FY14 Annual Report and Appendix 4D

4 Overview of Vocus

Profile of Vocus

131. Vocus is an integrated telecommunications company which provides services to cater for the connectivity and data centre hosting requirements of its customers. Vocus' services include dark fibre and Ethernet, data centres, high speed internet bandwidth and voice connectivity solutions.
132. Founded in 2008, the company is headquartered in North Sydney in New South Wales. Vocus was listed on the ASX in 2010 and was admitted into the S&P ASX200 Index in 2014.
133. Vocus owns, designs, builds and operates extensive fibre networks across Australia and New Zealand. In addition to its fibre network, Vocus owns submarine cable capacity which connects Australia to Singapore, New Zealand and the United States and owns nine data centres in Sydney, Melbourne, Newcastle, Perth, Auckland and Christchurch.
134. Vocus operates five business units, being Internet, Fibre and Ethernet, Data Centres, Voice and the recently established Project Services business unit.

Internet

135. Vocus is an aggregator and manager of internet capacity in Australia and New Zealand which provides wholesale bandwidth and wholesale DSL services to ISPs together with providing internet access to enterprise customers.
136. Vocus also provides IP transit primarily through owned and leased capacity subsea cables. Vocus owns capacity on two subsea cables, being:
 - Southern Cross Cable which connects Australia and New Zealand to the United States and which generates the majority of Vocus' Internet division revenue; and
 - Sea-Me-We-3 Cable which connects Australia to Singapore and onwards to Europe.

Fibre and Ethernet

137. Vocus entered the Australian domestic fibre market through its acquisition in May 2011 of Digital River Networks' fibre assets which included 59 kilometres of infrastructure connected to 50 "on-net" buildings. Vocus now operates approximately 690 kilometres of metro fibre in Australia which connects over 1,200 buildings in major cities and over 4,200 kilometres of intercity fibre in New Zealand.
138. Vocus' Fibre and Ethernet division predominantly provides two products being:
 - Dark Fibre which provides secure, fast speed point-to-point connectivity between offices or offices and data centres; and
 - Ethernet services.
139. The key drivers of Vocus' Fibre and Ethernet division revenue are network utilisation, size of the network and number of customers and buildings connected to the network.

Data Centres

140. Vocus owns and operates data centres or 'co-location facilities' in Sydney, Melbourne, Newcastle, Perth, Auckland and Christchurch. Vocus principally provides data centre related services to other telecommunications companies and medium-sized corporate clients. This business unit was enhanced by Vocus' recent acquisition of two additional data centres from Enterprise Data Corporation (EDC), announced 13 February 2015.

Voice

141. Vocus' voice network allows telephone calls from any telephony user worldwide to be connected to a user on Vocus' voice network. Vocus and the other Australian interconnect carriers connect these calls to each other as part of the Australian voice network.
142. Vocus has commenced a shift towards providing voice services to corporate clients which are being offered as part of a bundled service offering which provides Vocus with higher margins.

Project Services

143. Vocus' Project Services division owns machinery and has the resources to install fibre for third parties and for its own use. The division was established via Vocus' acquisition of the FX Network business which completed in September 2014 (now Vocus New Zealand). In February 2015 this business unit has been sold into an equal joint venture with Spark New Zealand Limited and is expected by Vocus to generate a normalised annual EBITDA of NZ\$2.3 million.

Company history

144. Listed below is a summary of key events in Vocus' history since its establishment:

Date	Event
2008	<ul style="list-style-type: none"> Vocus was incorporated
2010	<ul style="list-style-type: none"> Listed on ASX Signed deal to supply 100% of its international data capacity to Vodafone New Zealand Acquired Sydney and Melbourne data centre businesses from E3 Networks Pty Ltd.
2011	<ul style="list-style-type: none"> Acquired Perth International Exchange Pty Ltd increasing its data centre coverage and entered into the fibre network market via its acquisition of the fibre assets of Digital River Networks
2012	<ul style="list-style-type: none"> Acquired the New Zealand data centre business of Maxnet, adding data centres in Auckland and Christchurch to its existing network
2013	<ul style="list-style-type: none"> Acquired Ipera Communications which provided additional fibre networks, cloud services and a data centre in Newcastle, NSW
2014	
June	<ul style="list-style-type: none"> Vocus acquired a 10% interest in the Sea-Me-We-3 subsea cable connecting Perth to Asia
July	<ul style="list-style-type: none"> Announced the acquisition of 100% of New Zealand network services company FX Networks
Aug	<ul style="list-style-type: none"> Acquired a data centre located in Bentley, Perth from ASG Group Limited
Oct	<ul style="list-style-type: none"> Acquired a 10% interest in Amcom
Dec	<ul style="list-style-type: none"> Amcom and Vocus entered into the SIA
2015	
Feb	<ul style="list-style-type: none"> Entered into joint venture agreement with Spark New Zealand. Vocus will sell its New Zealand construction division into the new joint venture, to be named Connect 8 Limited Acquired two data centres and business continuity operations of EDC Announced a program to purchase additional capacity on the Southern Cross Cable which will increase its existing capacity by close to 10 times. Total cost of the purchase program over the 6 years is US\$58.5 million

Financial information

Historical profit and loss

145. The reported operating performance of Vocus for the three financial years ended 30 2014 (audited) and for the six months to 31 December 2014 (reviewed) is summarised in the table below:

Statement of Profit or Loss (AUD millions)	Audited FY12	Audited FY13	Audited FY14	Reviewed HY15
Operating Revenue	45.1	66.5	91.8	62.3
Other gains or losses	(0.5)	(4.4)	0.5	(0.8)
Revenue	44.6	62.1	92.2	61.5
Operating Expenses	(29.1)	(45.0)	(60.2)	(40.8)
EBITDA	15.5	17.0	32.1	20.8
Depreciation and Amortisation	(5.2)	(8.9)	(11.7)	(7.9)
EBIT	10.3	8.2	20.4	12.8
Finance costs	(0.5)	(1.0)	(1.8)	(2.5)
Profit before tax (and abnormal items)	9.8	7.1	18.5	10.4
Gain on total return swaps				26.9
Profit before tax	9.8	7.1	18.5	37.3
Less: Income tax expense	(2.0)	(2.0)	(5.6)	(11.1)
Net Profit	7.8	5.1	12.9	26.2
Key Performance Indicators				
Revenue growth	44%	39%	49%	39%
EBITDA Margin	35%	27%	35%	34%
EBIT Margin	23%	13%	22%	21%
Basic earnings per share (cents)	12.8	6.9	15.9	8.6 ¹

Source: Vocus Annual Reports and Appendix 4D

¹ based on the underlying NPAT set out in Appendix 4D which excludes the impact of the accounting gains on total return swaps and other gains and losses.

146. In relation to the financial performance of Vocus set out above, we note that:
- Revenue has grown significantly over the two financial years to FY14. This is due to strong growth in the internet, fibre and Ethernet revenue streams of Vocus, as well as continued underlying industry growth in the Australian and New Zealand markets;
 - Revenue growth in FY14 has been supported by expanded data centre facilities, growth in the delivery of internet and fibre and Ethernet services to direct and wholesale customers and full year contribution from Ipera Communications against six months for the prior period;
 - Half year December 2014 revenue has grown by 39% over half year December 2013. This is due to the increased delivery of core internet and fibre and Ethernet products over the Vocus network. It also due, in part, to the recently acquired assets which contributed revenues of \$12.8 million during the half year;

- Other gains and losses comprises net foreign currency losses but also includes the net gain of \$0.4 million on disposal of Datalock Limited in FY13 and net gain on Southern Cross refinance transaction of \$0.6 million in FY14. In HY15 other gains and losses include a gain of \$5.5 million made on repayment of Vocus' Indefeasible Right to Use (IRU) obligation, offset by acquisition related costs of \$4.5 million and other losses amounting to \$1.8 million;
- The gain on total return swaps in HY15 relates to Vocus' equity settled total return swaps in relation to the 10% shareholding in Amcom. The gain on this transaction of \$26.9 million relates to the accounting mark to market gain resulting from the increase in Amcom's share price;
- EBITDA margin improved from 27% in FY13 to 34% in FY14 and HY15 as a result of the strong revenue growth exceeding growth in operating expenses due to Vocus' ability to secure more customers on their own fibre network ("on-net") as opposed to leased network fibre and increasing operational leverage and asset utilisation; and
- Whilst Vocus has substantially grown inorganically, the earnings per share have been variable over the last three years. We have assumed that this variability has been accounted for by the market in Vocus' share price.

Business unit analysis

147. The table below summarises the total operating revenue split by Vocus' business units:

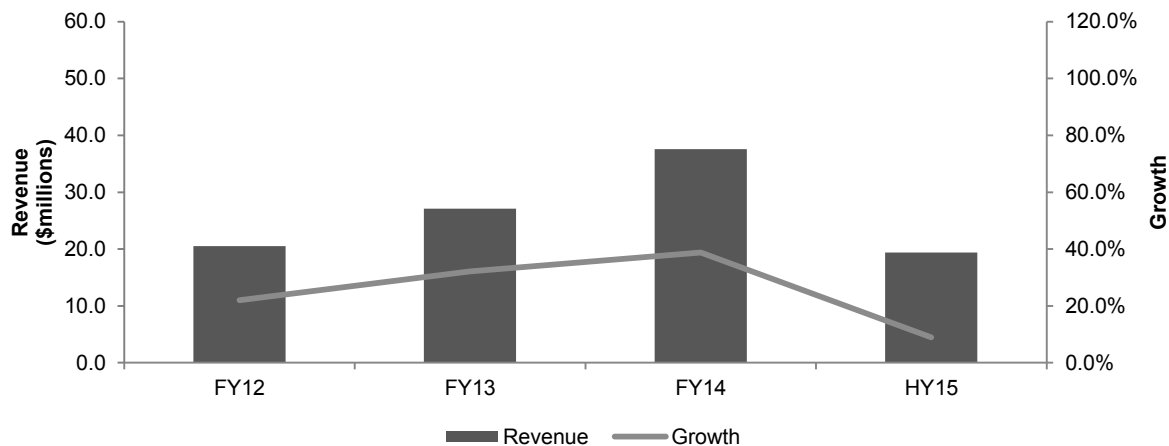
Segment	FY12	FY13	FY14	HY15
Operating revenue (AUD millions)				
Internet	20.5	27.1	37.6	19.4
Fibre and Ethernet	5.4	15.1	28.2	25.2
Data Centre	9.4	15.6	18.6	11.4
Voice	9.8	8.7	7.4	5.4
Projects (Construction)	-	-	-	0.9
Total	45.1	66.5	91.8	62.3
% of Total operating revenue				
Internet	45%	41%	41%	31%
Fibre and Ethernet	12%	23%	31%	40%
Data Centre	21%	23%	20%	18%
Voice	22%	13%	8%	9%
Projects (Construction)	-	-	-	1%
Total	100%	100%	100%	100%

Source: Vocus Annual Reports and Appendix 4D

Internet

148. The Internet business is the largest operating unit for Vocus, generating \$37.6 million or 41% of total FY14 operating revenue. We have shown below the historical annual operating revenue generated by Vocus' Internet business unit:

Figure 10: Internet revenue



Source: Vocus Annual Reports and Appendix 4D

149. In relation to the chart set above, we note that Vocus has grown revenue year on year as a result of volume growth, increasing from \$20.5 million of operating revenue in FY12 to \$37.6 million in FY14. Although IP transit prices have declined, this has been offset by the higher volumes.

Fibre and Ethernet

150. The Fibre and Ethernet business has increased over the last three years largely through acquisitions to become Vocus' second largest division in FY14, representing 31% of total operating revenue. Operating revenue has increased from \$5.4 million in FY12 to \$28.2 million in FY14.
151. Its fibre network increased by approximately 200km during FY14 and its network density (buildings connected per km of fibre) remained constant, contributing to increased sales.
152. The table below shows Vocus' domestic metro network summary and the increase in utilisation from June 2012 to December 2014:

Network Summary (Australian Metro)	Jun-12	Jun-13	Jun-14	Dec-14
Fibre length (km)	173	363	575	687
Network density (buildings per km)	0.8	1.8	1.8	1.8
Data centres connected	43	59	82	93
On-net buildings	147	651	1,035	1,270
Utilisation	<5%	8.7%	13.5% ¹	14.5%

Source: Vocus information

¹ Utilisation as at August 2014

153. In July 2014, Vocus acquired 100% of FX Networks a New Zealand fibre provider for an enterprise value of NZD\$115.8 million (approximately AUD\$109.3 million), funded by a mixture of debt and existing cash. Vocus anticipates FX Networks to contribute NZD \$13.5 to \$14.5 million of EBITDA to Vocus' fibre and Ethernet business unit in the first twelve months post acquisition (excluding transaction and integration expenses).

Data Centres

154. Revenue from the Data Centre business unit represents 20% of Vocus' FY14 operating revenue.
155. The significant growth in revenue from this business unit has been from the acquisition and launch of a number of data centres in FY12 and FY13 and it can be seen from the business unit analysis presented above that revenue is still growing albeit at a slower rate, with Vocus achieving 19% growth in revenue in FY14.
156. The key driver of growth of Vocus' data centres are corporates moving their IT infrastructure off-site to a data centre and cloud based services. Fees are charged either "per rack" of equipment (including power) or by "caged floor area" for large customers (power billed separately).
157. In August 2014, Vocus expanded its data centre presence in Western Australia by acquiring Bentley Data Centre for a purchase price of \$11.7 million. Bentley Data Centre is forecasted by Vocus to contribute \$2.0 million to Vocus' data centre business unit.
158. In February 2015, Vocus acquired the data centres and business continuity operations of EDC for a purchase price of \$23.5 million which will be funded by existing cash resources. The acquisition is forecast to generate annualised EBITDA of approximately \$4.7 million for Vocus' data centre business unit.

Voice

159. In FY14, Vocus' Voice business unit generated 8% of Vocus' operating revenue.
160. From the business unit analysis presented above it can be seen that there has been a slight decline in revenue over the last three years. However in FY15, Vocus anticipates that volumes and revenues from this business unit will grow marginally.

Statement of financial position

161. The summary statement of Vocus' financial position as at 30 June 2014 and as at 31 December 2014 is set out in the following table:

Statement of Financial Position (AUD millions)	Audited 30 June 2014	Reviewed 31 December 2014
Cash and cash equivalents	44.6	39.1
Trade and other receivables	9.8	14.9
Other	1.7	20.6
Total current assets	56.1	74.6
Property, plant and equipment	63.4	193.1
Intangibles	84.9	114.0
Deferred tax	3.1	4.0
Other	4.4	3.1
Total non-current assets	155.8	314.2
Total assets	211.8	388.8
Trade and other payables	14.3	27.3
Borrowings	7.9	10.1
Income tax	1.8	1.3

Statement of Financial Position (AUD millions)	Audited 30 June 2014	Reviewed 31 December 2014
Provisions	0.7	1.7
Other	1.7	0.8
Total current liabilities	26.3	41.3
Borrowings	41.9	105.2
Deferred tax	3.1	24.6
Provisions	1.0	1.5
Other	2.4	5.0
Total non-current liabilities	48.4	136.3
Total liabilities	74.7	177.6
Net assets	137.1	211.2

Source: Vocus Annual Reports and Appendix 4D

162. A discussion of key balances is set out below:

Net Debt

- Cash balances have increased from \$14.2 million as at 30 June 2013 to \$44.6 million as at 30 June 2014. This was due to increases in cash flows from operating activities and surplus cash from Vocus' capital raising in March 2014;
- Total cash on hand at 31 December 2014 was \$39.1 million and consists of \$2.8 million of cash at bank and \$36.3 million in cash held on deposit; and
- Vocus' total borrowings amounted to \$115.3 million as at 31 December 2014 and comprise of current interest bearing debt of \$10.1 million and non-current interest bearing debt of \$105.2 million.

Net working capital

- The net working capital balance comprises of trade and other receivables net of trade and other payables. Vocus had a negative working capital balance of \$12.4 million as at 31 December 2014.

Other Assets

- Other assets predominantly relates to the equity-settled total return swap contracts that Vocus entered into with the Commonwealth Bank of Australia in relation to its 10% interest in Amcom. The balance relating to this financial asset is based on the mark to market valuation of Amcom shares as at 31 December 2014 (being \$26.9 million) less the amount of gain already received (of \$10.6 million). This balance also includes prepayments of \$3.9 million.

Property, plant and equipment

- Property, plant and equipment balance as at 30 June 2014 was \$63.4 million. This balance is primarily made up of fibre assets representing 54% of the balance at that date. The remaining balance was made up of data centres (\$19.8 million), network equipment (\$6.5 million) and other plant and equipment (\$2.6 million). Property, plant and equipment as at 31 December 2014 increased to \$193.1 million. The significant increase was a result of the two acquisitions during the period of FX Networks and the Bentley Data Centre which contributed \$100.4 million and \$11.4 million respectively in assets acquired (majority fibre assets). The fibre assets represent 66% of the property, plant and equipment balance as at 31 December 2014.

Intangibles

- Vocus' intangibles balance as at 31 December 2014 was \$114.0 million. The table below sets out the breakdown of the intangible assets:

Intangibles (AUD millions)	Jun 14	Dec 14
Goodwill	17.0	47.7
IRU capacity	62.5	60.2
Software	2.7	2.9
Customer contracts	1.3	2.0
Other intangibles	1.4	1.2
Total	84.9	114.0

Source: Vocus Annual Reports and Appendix 4D

- The IRU capacity is a result of Vocus entering in capacity use agreements in relation to its subsea cable assets which are for a defined usage period in return for a negotiated amount paid over the defined payment term. This intangible asset is then amortised over the usage period. The goodwill balance at 30 June 2014 primarily a result of the Perth International Exchange Pty Ltd, Digital River Networks Pty Ltd and Ipera Communications Pty Ltd acquisitions. This balance has increased significantly due to the FX Networks Limited acquisition in September 2014 for total consideration of \$56.9 million. This contributed \$28.6 million to Vocus' goodwill balance.

Statement of cash flows

163. The summary cash flow statements for Vocus for the three financial years ended 30 June 2014 (audited) and for the six months to 31 December 2014 (reviewed) is summarised in the table below:

Statement of Cash Flows (AUD millions)	Audited FY12	Audited FY13	Audited FY14	Reviewed HY15
Cash flows from Operating Activities				
EBITDA	15.5	17.0	32.1	47.7
Tax Paid	(2.0)	(2.0)	(5.6)	(2.1)
Interest	(0.5)	(1.0)	(1.8)	0.4
Movement in balance sheet and non-cash items	(0.6)	1.3	5.9	(24.3)
Net cash provided by operating activities	12.4	15.3	30.6	21.7
Cash flows from Investing Activities				
Payments for purchase of businesses	(5.3)	(2.9)	(7.6)	(69.6)
Payment for PPE and Intangibles	(11.8)	(16.7)	(24.2)	(15.4)
Proceeds from sale of business and assets	0.1	0.8	-	-
Proceeds from total return swap (net)	-	-	-	10.6
Net cash (used in) investment activities	(17.1)	(18.8)	(31.7)	(74.3)
Cash flows from financing activities				
Proceeds from issue of shares, net of transaction costs	0.3	22.3	51.8	44.9

Statement of Cash Flows (AUD millions)	Audited FY12	Audited FY13	Audited FY14	Reviewed HY15
Proceeds from/(repayment of) borrowings & Leases	(0.7)	(5.4)	(17.6)	3.5
Interest and other finance costs	(0.2)	(1.3)	(1.6)	(0.4)
Dividends paid	-	(0.3)	(1.1)	(0.9)
Net cash provided by/(used in) financing activities	(0.6)	15.3	31.5	47.2
Net increase in Cash and cash equivalents	(5.2)	11.8	30.4	(5.5)
Cash at the beginning of the period	7.6	2.4	14.2	44.6
Cash at the end of the period	2.4	14.2	44.6	39.1

Source: Vocus Annual Reports and Appendix 4D

164. In relation to Vocus' historical cash flows shown above, we note that:

- We have included a discussion on the historical earnings of Vocus earlier in this section of this report;
- In the period to 31 December 2014, net cash flows from operating activities increased by 40% when compared to the 6 months to December 2013, from \$13.0 million to \$21.7 million. Again, a significant portion of this was reinvested into Vocus' network infrastructure to support growth;
- Vocus has consistently made investments in property, plant and equipment. It invested \$11.8 million in FY12, \$16.7 million in FY13 and \$18.3 million in FY14 primarily related to network equipment driven by customer demand. In the six months to December 2014, Vocus made even larger investments due the acquisitions of FX Networks and the Bentley Data Centre which together accounted for \$82.2 million; this was partially offset by net proceeds from the Amcom total return swaps of \$10.6 million;
- There was also a \$31.5 million net cash inflow from financing activities in FY14, primarily driven by an equity placement of \$48.7 million in March 2014 which strengthened Vocus' balance sheet and \$4.0 million in shares issued as consideration for Ipera Communications. In addition, Vocus repaid debt of \$18.2 million (\$6.7 million in FY13). The net cash inflow from financing activities in the period to 31 December 2014 was primarily due to the drawdown on banking facilities to finance acquisitions and the repayment of USD denominated IRU borrowings as well as the issuance of shares as consideration for the FX Networks transaction; and
- Vocus has declared an interim dividend of 1.2 cents for the year ending 30 June 2015 payable on 18 March 2015. In addition a special dividend was also declared of 5.1 cents payable on 13 May 2015, which is conditional on the approval of the Scheme.

Capital structure

Ownership

165. As at 24 February 2015, Vocus had a market capitalisation of \$618.9 million and the issued capital of Vocus comprised 105.4 million ordinary shares.
166. Ownership of Vocus is not highly concentrated with the top 10 shareholders holding 31.3% of the total shares on issue. The top 10 shareholders and their respective stakes are set out in the table below:

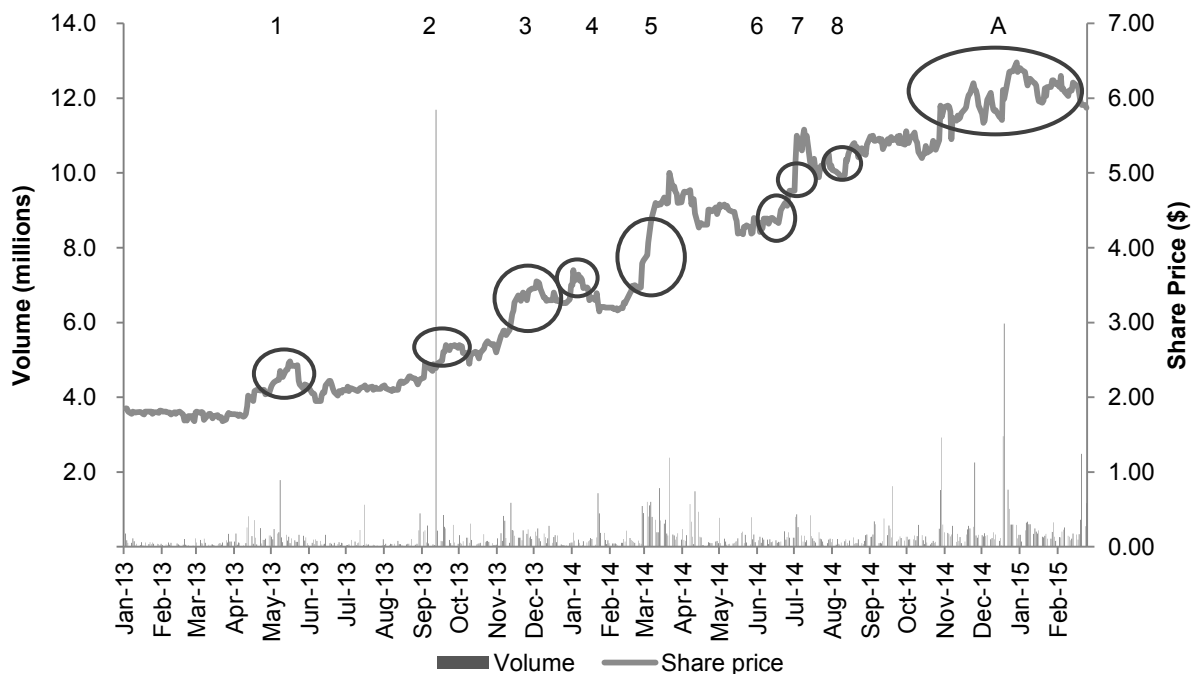
Rank	Name	Shares (millions)	% Held
1	Perpetual Investment Management	5.6	5.4%
2	Commonwealth Bank of Australia	5.3	5.0%
3	Renaissance Small Co	4.7	4.5%
4	James Spenceley	4.2	4.0%
5	Vocus Blue Pty Ltd	3.7	3.5%
6	Paul D McConnell	3.6	3.5%
7	Christopher Deere	2.5	2.3%
8	Vanguard Group Inc	1.3	1.3%
9	Layer 10 Pty Ltd	1.3	1.3%
10	Mirrabooka Investments	1.2	1.1%
Top 10 shareholders		33.5	31.7%
Remaining Holders Balance		72.0	68.3%
Total		105.4	100.0%

Source: Bloomberg as at 24 February 2015

Recent share price analysis

167. The figure below illustrates the trading performance of Vocus shares from 1 January 2013 to 24 February 2015 with historical volumes traded and key influencing items:

Figure 11: Vocus share price and trading volume
1 Jan 2013 – 24 Feb 2015



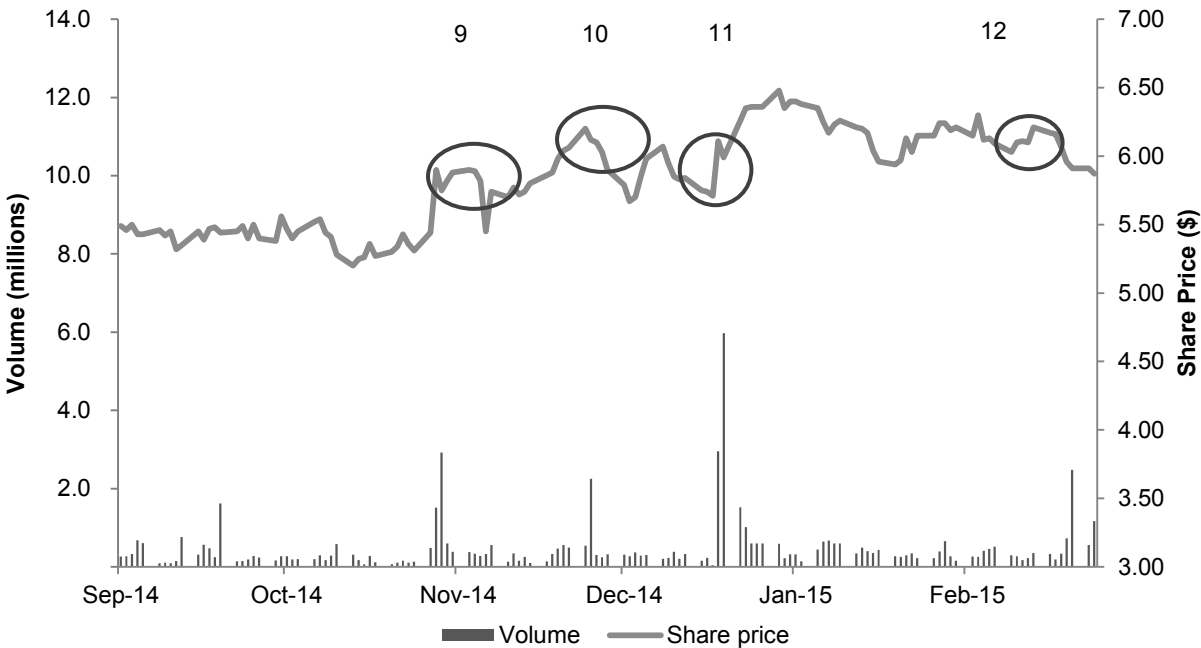
Key influencing items

1	13 May 2013	Renaissance Smaller Companies Pty Ltd acquired approximately 2 million shares
2	13 September 2013	Significant disposal of shares of Investec related entities
3	11 November 2013	Bell Potter increased its price target for Vocus from \$3.00 to \$3.35 per share in addition Shaw also revised its price target for Vocus from \$3.00 to \$4.00 per share.
4	18 December 2013	Vocus enters into an agreement to refinance its current USD denominated IRU liability with Southern Cross Cables Limited
5	7 March 2014	Admittance into S&P ASX300 Index
	18 March 2014	Equity Placement of 11.9 million shares and the acquisition of 2.5 million shares by Colonial First State Asset Management
6	18 June 2014	Vocus acquired a 10% interest in the Sea-Me-We -3 subsea cable connecting Perth to Asia
7	2 July 2014	Vocus announced the acquisition of New Zealand network services company FX Networks
8	13 August 2014	Vocus acquired Bentley Data Centre
A	See graph below	

Source: Capital IQ and ASX Announcements

168. The share price graph below highlights more recent movement in Vocus' share price to 24 February 2015:

Figure 12: Vocus share price and trading volume
1 Sept 2014 – 24 Feb 2015



Key influencing items

9	27 October 2014	Vocus announced that it had acquired a 10% stake in Amcom and made "a confidential, conditional, incomplete and non-binding proposal"
10	25 November 2014	Release of Chairman's AGM Address
11	17 December 2014	Amcom and Vocus enter into the SIA
12	4 February 2014	Vocus announces a joint venture with Spark New Zealand to form a new construction business
	13 February 2014	Vocus acquired two data centres and the business continuity operations of EDC
	19 February 2014	Vocus announced a program to purchase additional capacity on the Southern Cross Cable
Since 17 December 2014 to 24 February 2015, Vocus' shares have traded in a range of \$5.87 to \$6.48		

Source: Capital IQ and ASX Announcements

Liquidity

169. Vocus' shares have a moderate level of trading liquidity, reaching its highest liquidity in 2014 with 87% of the total number of securities changing hands within the year. This is due to its introduction to the S&P ASX300 Index in March 2014 and entry into the S&P ASX200 Index in December 2014.

Year	Days Traded	Avg Daily Price (\$)	Avg Daily Volume Traded (millions)	% of shares Traded Monthly
2012	251	1.74	0.1	2.3%
2013	253	2.30	0.2	6.2%
2014	249	4.84	0.4	7.3%
2015	38	6.15	0.4	7.8%

Source: Capital IQ

Loan funded share plan

170. Vocus has a loan funded share plan in place in order to attract and retain key employees. Shares have been issued to Vocus Blue Pty Limited (Vocus Blue), a wholly owned subsidiary of Vocus as part this plan.
171. As at 31 December 2014, Vocus Blue held 4.1 million shares in trust under the loan funded share plan remuneration scheme (3.7 million 19 February 2015). Shares held by Vocus Blue are included in the number of shares on issue.

Employee share option plan

172. An employee share option plan was established by Vocus and approved by shareholders at the Annual General Meeting in 2010, whereby Vocus may at the discretion of the Board grant options over ordinary shares in Vocus to employees.
173. Details of the outstanding options as at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number
1-Oct-10	30-Sep-17	\$0.50	135,000
13-May-11	13-May-18	\$2.00	6,666
1-Aug-11	31-Jul-18	\$2.50	46,668
11-May-12	10-May-19	\$2.00	152,166
Total			340,500

Source: Vocus Information

5 Valuation of Amcom shares

Valuation summary

174. The value of Amcom has been assessed on the basis of fair market value as described in Section 1 of this report.
175. We have assessed the value of Amcom's ordinary shares on a controlling interest basis to be in the range of \$1.99 to \$2.41 with a preferred (midpoint) value of \$2.20 per share.

Our approach

176. There are a number of commonly adopted methodologies that could be used to assess the value of the underlying business (or enterprise value) of Amcom. Widely accepted methodologies include:
- **Discounted cash flow** – This method indicates the value of a business based on the present value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) that reflects the time value of money and the risks associated with the cash flows;
 - **Capitalisation of future maintainable earnings** – This method involves multiplying an estimation of a level of sustainable earnings (or profits) of a business by a multiple that is reflective of the underlying risks and growth prospects of the business. The estimation of future maintainable earnings is considered a surrogate for the future cash flows of the business and the process of multiplication is referred as the 'capitalisation' of earnings;
 - **Net realisable value of assets** – This approach indicates the market value of the equity of an entity by adjusting the asset and liability balances on the subject company's balance sheet to their market value equivalents. The net assets approach has a number of variants. Typically the approach can be applied using a going concern premise which uses the concept of replacement cost as an indicator of value; and
 - **Market based assessments** – Market based assessments relate to the valuation of a business, shares or assets using observed prices at which comparable businesses, shares or assets have been exchanged in arm's length transactions. This is often the most reliable evidence of market value but in the case of valuation of companies it can be difficult to find directly comparable transactions. For companies whose shares are publicly traded, the relevant share price is considered indicative of the market value of the shares, if there is sufficient liquidity. However, such market prices usually reflect the prices paid for small parcels of shares and as such do not include a premium for control.
177. Each methodology is appropriate in certain circumstances and the decision as to which methodology to apply generally depends on the nature of the business being valued, the maturity of the business, commonly adopted approaches used to value similar businesses and the availability of information.
178. We have selected the capitalisation of future maintainable earnings (CFME) methodology as our primary valuation methodology to assess the underlying value of the equity in Amcom, on a controlling interest basis. In choosing to adopt a CFME approach we have considered a number of factors including:
- The nature of Amcom's operations and the relative maturity of the telecommunications industry;
 - Amcom's earnings profile; and
 - The limited availability and subjectivity in forecast cash flows beyond FY15 and FY16.
179. As the shares in Amcom are listed, we have considered the prices at which Amcom shares have traded on ASX as a cross check to our primary valuation approach.

Valuation assessment

180. The CFME methodology requires consideration of the following factors:

- Assessment of the enterprise value of Amcom which includes:
 - Estimation of normalised earnings having regard to historical and projected earnings, consideration of any abnormal or non-recurring items and other factors including industry risks, specific growth prospects and the general economic outlook; and
 - Determination of an appropriate earnings multiple that reflects the risks inherent in the business.
- Adjustment for the net interest bearing debt in the business and any other assets or liabilities considered surplus; and
- An adjustment to allow for a premium for control.

Assessment of future maintainable earnings

181. The underlying principle of an earnings-based valuation approach is that the value of the business is based on its future maintainable earnings (FME). The estimated FME should reflect an 'average' of the current expected earnings with variability around this average and growth factored into the adopted capitalisation multiple.
182. In applying the CFME approach it is common to use earnings before interest depreciation and amortisation (EBITDA) or EBIT as the appropriate level of earnings to capitalise. We have chosen EBITDA as the appropriate measure of earnings as this:
- Eliminates distortions that the differences in depreciation and amortisation policies may cause;
 - Eliminates the effects of gearing and provides a value which is independent of the current funding structure of the company; and
 - Removes the effect of different taxation regimes and taxation benefits that may be available to the company.
183. In determining an appropriate level of FME, we have had regard to the reported historical level of earnings of Amcom and the level of future earnings as contained in Amcom's most recent FY15 forecast and as anticipated by market commentators in recent broker reports. We have shown this analysis in the table below.

AUD m	Audited FY12	Audited FY13	Audited FY14	Consensus Forecasts FY15
Profit before tax	33.7	28.9	31.9	
Depreciation & amortisation	8.9	9.5	11.5	
Interest expense	1.7	1.9	2.6	
Interest income	(0.5)	(0.3)	(0.3)	
EBITDA	43.8	40.0	45.7	48.6 to 50.3
Adjustments				
Impairment of PP&E	5.0	-	-	
Impairment of goodwill	2.8	-	-	

AUD m	Audited FY12	Audited FY13	Audited FY14	Consensus Forecasts FY15
Profit on in-specie distribution	(18.6)	-	-	
EBITDA (excluding abnormals)	33.0	40.0	45.7	48.6 to 50.3
Additional normalisations				
Acquisition associated costs	1.0	0.3	1.0	
Loss on disposal of assets	0.2	-	-	
EBITDA (normalised)	34.2	40.3	46.7	48.6 to 50.3

Source: Amcom financial information, broker reports and PwC Securities analysis

184. We have also considered a number of other factors in our assessment of an appropriate level of FME, including:
- Reported earnings have been adjusted to remove the impacts of one-off and abnormal expenses including costs relating to the aCure Technologies data centres acquisition completed in August 2013, its East Coast expansion strategy and the current transaction with Vocus;
 - The Directors of Amcom have advised that the earnings of Amcom from normal operations for the six months to 31 December 2014 are materially consistent with consensus broker forecasts of FY15 earnings;
 - A range of broker forecasts reviewed contained stand-alone estimated FY15 EBITDA of between \$48.6 million and \$50.3 million, with the average being \$49.6 million (sample included five broker forecasts that were current at 24 February 2015);
 - The revenue and earnings impact resulting from Amcom's East Coast expansion plans are not expected to be material in FY15; and
 - Amcom has experienced compound annual growth in normalised earnings of 17% from FY12 to FY14 and management expect the annual rate of growth to marginally decline through FY15 and FY16.
185. After consideration of all of the above factors and our analysis, we consider an appropriate estimation of future maintainable EBITDA to be \$49.5 million.

Determination of an appropriate earnings multiple

186. The next step in determining the equity value of Amcom under the CFME approach is to determine an appropriate multiple to capitalise our assessed level of FME.
187. In our assessment of an appropriate earnings multiple we have had regard to the trading multiples of listed companies within the telecommunications industry and the multiples implied by comparable transactions within the industry.

Comparable company analysis

188. We have reviewed Australian listed companies within the broader telecommunications industry and used professional judgment to derive a range of companies that we consider to have comparable (but not identical) operations to that of Amcom. We have then calculated relevant trading multiples to assess an appropriate earnings based multiple to apply to our assessed level of FME for Amcom.

Comparable Trading Companies AUD millions	Market Capitalisation	Enterprise Value	EV/EBITDA	
			LTM	FY15
Telecommunications				
TPG Telecom Limited	5,834.5	6,060.1	16.7x	13.0x
M2 Group Ltd	1,691.7	1,922.9	11.3x	10.9x
iiNet Ltd.	1,005.4	1,388.5	7.2x	7.0x
Vocus Communications Limited ²	556.5	636.4	17.0x	12.5x
My Net Fone Limited	167.9	163.8	15.9x	14.6x
BigAir Group Limited	132.8	147.8	9.2x	7.6x
Data Centre/Hosting				
UXC Limited	266.9	272.0	7.9x	6.9x
SMS Management & Technology Ltd.	258.6	262.1	9.9x	9.4x
Macquarie Telecom Group Limited	107.1	125.9	4.9x	4.7x
ICT				
DWS Limited	132.0	116.3	6.9x	7.7x
ASG Group Limited	155.0	176.3	8.7x	7.8x
Melbourne IT Ltd.	127.3	109.8	6.9x	6.1x
Average	869.7	948.5	10.2x	9.0x
Weighted Average ¹	1,364.7	1,498.3	12.1x	10.3x

Source: Capital IQ and PwC Securities analysis based on information available as at 24 February 2015

¹ Weighted by reference to Amcom's BU contribution to HY15 earnings

² Vocus multiples calculated as at 24 October 2014. LTM adopts net debt position at 30 June 2014 and the FY15 multiple has been adjusted to reflect the FX Networks and Bentley data centre acquisitions

189. In our consideration of an appropriate earnings multiple derived from comparable company observations we have:

- Considered the predominant nature of each entity's core operations and stratified the comparable companies into three groups, being Telecommunications, Data Centres and related services, and ICT services;
- Further stratified the assessed group of comparable companies by reference to their relative market capitalisations;
- Removed the impact of observations relating to the major telecommunications companies, such as Telstra and Optus as the scale of these businesses are considered to make them less comparable;
- Analysed the historical growth achieved in underlying earnings through to 31 December 2014;

- Considered and discussed with the management of Amcom the future growth prospects of Amcom, in particular those relating to its East Coast expansion plans and ACC;
 - Considered and discussed with the management of Amcom the impact of potential risks to future earnings including:
 - The risk of not being able to capitalise on ACC sales as anticipated;
 - Reputation risks of not being able to deliver secure or reliable services;
 - Potential negative impact from the introduction of superior technology;
 - Impact of potential increased competition (particularly post NBN roll-out); and
 - The potential impact of customer churn on future earnings, in particular the potential impact on future earnings from the loss of Amcom's customers exposed to falling commodity prices.
 - Considered the relative growth and risk profiles of the remaining companies included in our sample; and
 - Considered the analysis by weighting the average observations for each service category by the relative weighting of each service line's contribution to Amcom's forecast FY15 earnings.
190. Based on the above analysis, we have assessed an appropriate range of multiples to be between 9.5 and 10.5 times forward EBITDA. Applying this to our assessed level of FME derives an enterprise or business value of between \$470.3 million and \$519.8 million, on a non-controlling minority interest basis.
191. We note that the observed trading multiples are based on the market price for minority or portfolio shareholdings and do not include a premium for full control. We have considered the application of a control premium later in this Section of our report. A summary of our comparable company analysis is contained in Appendix C.

Comparable transaction analysis

192. In addition to the above comparable company analysis, we also reviewed recent publicly available transaction data since 2012 for the Telecommunications and IT industries to derive implied comparable transaction multiples. The observed transaction multiples have been derived based on the reported historical earnings prior to the transaction.

Date	Target	Buyer	Total Transaction Value (AUD millions)	Percent Sought	EV/EBIT DA
13-Feb-15	Enterprise Data Corporation Pty Ltd	Vocus Communications Limited	23.5	100%	5.0x
28-Nov-14	nSynergy	Rhipe	25.4	100%	7.2x
12-Aug-14	Oakton	Dimension Data Australia	171.0	100%	12.1x
2-Jul-14	FX Networks	Vocus (New Zealand) Holdings Limited	107.7	100%	8.7x
9-Dec-13	Telecom New Zealand Australia (AAPT)	TPG Telecom	450.0	100%	8.2x
6-Aug-13	Intelligent IP Communications	BigAir Group	20.0	100%	14.3x
28-Jun-13	Bravura Solutions	Ironbridge Capital	58.8	33%	8.2x
18-Mar-13	EFTEL	M2 Group	44.1	100%	9.4x
17-Mar-13	Dodo Australia	M2 Group	203.9	100%	9.7x
16-Apr-12	Primus Telecom	M2 Group	192.4	100%	4.8x
21-Mar-12	Satyam Computer Services	Tech Mahindra	985.3	57%	6.6x
Overall				Average	8.6x
				Max	14.3x
				Min	4.8x

Source: Capital IQ and PwC Securities analysis

193. Our analysis indicates a wide range of implied transaction multiples of between approximately 5 and 14 times EBITDA with an average of approximately 9 times EBITDA.
194. This wide range, in part, will be caused by the fact that a number of the transactions identified may implicitly include a premium for control which would have depended on the specific rationale for each deal, such as the ability to combine assets/operations or the facilitation of increased market optimisation. The extent to which this strategic value (and associated control premium) is reflected in the transaction terms may depend on the level of perceived synergies created as well as the alternatives available to the acquirer and target.
195. Considering our comments above, we do not consider the range of transaction based earnings multiples observed to be inconsistent with the range of multiples adopted based on comparable company analysis.

196. In considering the above analysis we have had regard to the circumstances of each transaction. A brief synopsis of each company acquired is contained in Appendix D.

Adjustment for net debt and assessment of surplus assets

197. To assess the equity value of Amcom it is necessary to adjust our assessed enterprise value by the level of interest-bearing debt and the value of assets and liabilities which are held by Amcom at the valuation date which are considered to be surplus (and for which value is not captured in the assessment of enterprise value).

Cash and interest-bearing debt

198. To derive the value of the equity in Amcom we have then adjusted the assessed enterprise value for the level of cash held by Amcom at 31 December 2014 which is considered to be surplus to normal business requirements less the level of interest bearing debt drawn down at that date.
199. The level of cash on hand at 31 December 2014 is \$21.7 million. Amcom believes that approximately \$4 million is considered to be a sufficient level of cash on hand to allow for operating timing differences and the residual cash on hand is considered to be 'surplus' (available for future investment).
200. We have adjusted this surplus cash balance for transaction costs of approximately \$4.3 million which are expected to be incurred in relation to the Scheme regardless of the outcome and for \$6.6 million to be incurred by March 2015 in respect of construction commitments and \$1.0 million in respect of deferred consideration relating to the Amcom East Pty Ltd acquisition.
201. A further adjustment has been made in respect of the interim dividend of 5 cents per share as this dividend will have been paid to Amcom shareholders before completion of the Scheme, consistent with how we have assessed the Scheme Consideration.
202. The level of interest-bearing debt at 31 December 2014 was \$37.6 million. This results in a net debt position being \$45.1 million for the purposes of our assessment.

Other sundry assets and liabilities

203. Based on our review of financial information provided and discussions with Amcom, there are no significant assets or liabilities (including potential off-balance sheet or contingent items) which require separate valuation adjustment.

Control premium

204. We have applied an equity control premium to our assessed minority interest value of the equity in Amcom, as purchasers are normally willing to pay a premium in order to obtain control of a company.
205. A premium for control is applicable when the acquisition for control of a company would give rise to benefits such as:
- Control of the Board of Directors of the company;
 - Control of all the decision making and strategy;
 - Access to cash flows; and
 - Access to tax benefits.
206. Publicly available research indicates that the average equity control premium in Australia for full control has been in the order of 15% to 35%, however this varies widely depending on the circumstances and may, in some circumstances, include an element reflecting a strategic premium paid by purchasers.
207. We have assessed an appropriate premium for control to apply to the minority equity value of Amcom to lie in the range of between 25% and 35% due to there being multiple potential acquirers that would be able to realise significant synergies through an acquisition of Amcom.

Valuation of Amcom

208. Based on the above analysis, we have assessed the value of Amcom's ordinary shares on a controlling interest basis to be in the range of \$1.99 to \$2.41 with a preferred (midpoint) value of \$2.20. Our assessment is based on the controlling interest equity value for Amcom ranging from \$531.4 million to \$640.8 million with a preferred (midpoint) value of \$584.8 million.
209. A summary of the valuation assessment as at the date of this report based on low, high and preferred (midpoint) values is set out below.

(AUD million)	Low	High	Preferred
FME	49.5	49.5	49.5
EBITDA multiple	9.5	10.5	10.0
Enterprise value	470.3	519.8	495.0
Net debt	(45.1)	(45.1)	(45.1)
Equity value (minority)	425.1	474.6	449.9
Control premium	25%	35%	28%
Equity value (control)	531.4	640.8	584.8
Number of shares on issue (million)	266.4	266.4	266.4
Implied value per share (\$)	1.99	2.41	2.20

Source: PwC Securities analysis

210. No adjustment has been made in respect of potential dilution from the possible vesting of Amcom performance rights currently on issue as these rights are predominantly subject to relative total shareholder return (TSR) or absolute share price vesting hurdles which may, or may not, be satisfied. We note that 0.3 million rights (in respect of Tranche D) are only subject to a time based vesting hurdle and will vest on 30 June 2015 however the dilution impact of this is less than 1 cent per share.
211. In addition, if it is assumed that all of the 1 million rights issued as part of Tranche D will satisfy the relative TSR hurdle and vest, our assessed values will only reduce by approximately 1 cent per share.
212. Under an assumption that all performance rights currently outstanding will vest, our assessed value would reduce by approximately 3 cents per share.

Valuation cross-check

213. As noted earlier, as the shares in Amcom are listed, we have considered the prices at which Amcom shares have traded on ASX as a cross check on our primary valuation approach.
214. The 30 day VWAP of an Amcom share prior to the announcement of the Scheme on 17 December 2014 was \$2.36. However, we do not believe it is appropriate to compare this observation to our assessed fair value range as this observation will have been impacted by takeover speculation following Vocus' acquisition of a 10% stake in Amcom together with its announcement to the ASX on 27 October 2014 of its intention to make a "confidential, conditional, incomplete and non-binding proposal to merge with Amcom". We note that the 30 day VWAP of an Amcom share prior to this announcement was \$1.94 and that shares in Amcom traded in a range between \$1.86 and \$2.03 per share over this period.
215. Amcom's ASX announcement on 3 November 2014 pertaining to the next phase of its East Coast expansion strategy also needs to be considered. Amcom's closing share price on 31 October 2014 (being the last trading day immediately prior to the announcement) was \$2.23 per share and the share price increased on 3 November 2014 and closed at \$2.32 on that day, potentially indicating that the market's perception of the underlying equity value had increased by approximately 9 cents per share.

216. Further analysis of movements in Amcom's share price reveals that it increased again over the following three days and closed on 6 November 2014 at \$2.51 but that it subsequently declined to close at \$2.39 on 7 November 2014. The VWAP from 7 November 2014 to 16 December 2014 was \$2.35.
217. It is therefore considered difficult to accurately quantify the potential direct impact that the East Coast expansion announcement by Amcom on 3 November 2014 had on the share price (and the market's perception of the underlying equity value) of Amcom relative to other movements potentially caused by:
- Continued speculation regarding the transaction with Vocus;
 - Further speculation caused by the acquisition of large parcels of Amcom shares by Value Added Network Pty Ltd, TPG Telecom Limited and an unnamed entity on 5 November and 6 November 2014; or
 - The movement due to general market conditions.
218. The above analysis indicates that the prices at which Amcom shares were trading prior to Vocus' acquisition of a 10% stake in Amcom and its announcement to the ASX on 27 October 2014 of its intention to make a "confidential, conditional, incomplete and non-binding proposal" to merge with Amcom do not appear inconsistent with our preferred (midpoint) valuation assessment of \$2.20 per share (which includes a premium for control but is on an ex-interim dividend basis).
219. We note that Amcom's share price increased significantly after the Scheme was announced and has traded in the range of \$2.63 to \$2.99 (based on closing prices to 24 February 2015 and is cum interim dividend). This movement reflects the terms of the Scheme and movements in the Vocus' share price.

6 *Evaluation of Scheme Consideration*

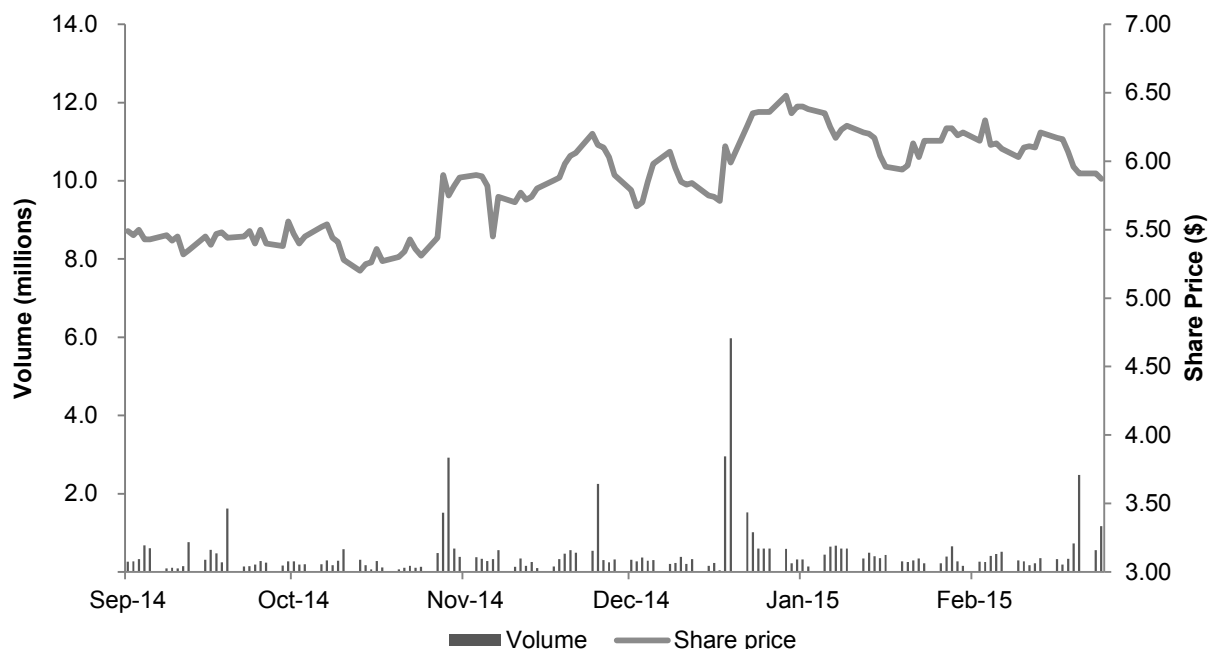
Assessment of the Scheme Consideration

220. Under the terms of the Scheme, the Scheme Shareholders are offered 0.4614 Vocus shares for every share held in Amcom. To assess the scrip offer under the Scheme, it is necessary to consider the value of a Vocus share post-transaction on a non-controlling minority interest basis.
221. The Vocus shares to be issued to eligible Amcom shareholders as consideration under the Scheme reflect shares in the combined business. The value of a Vocus share post-transaction will reflect the value of the standalone Vocus business, the value of the standalone Amcom business and the value of synergies created as a result of the transaction.
222. In carrying out our assessment of the Scheme Consideration, we have therefore carried out an analysis of Vocus shares since the announcement to the ASX on 27 October 2014 of Vocus' intention to make a "confidential, conditional, incomplete and non-binding proposal" to merge with Amcom and since the announcement of the Scheme on 17 December 2014 to understand the market's perception of value of the merged entity.
223. In a scrip offer, it is considered reasonable to value the shares being offered by reference to market prices. Although share prices reflect minority trades in the underlying company, these prices are effectively the cash equivalent of the Vocus offer to an eligible Amcom shareholder. The Vocus share price is the amount that a Scheme Shareholder could realise in the immediate or foreseeable future through the subsequent sale of the Vocus shares issued as Scheme Consideration.
224. It is expected that in the long run Vocus' share price will fluctuate in response to general market movements, changes in the telecommunications industry and future events specific to Vocus and/or the Merged Group. A fully informed market makes an assessment on value incorporating all available information on a company's prospects, future earnings and risks. Assuming no abnormal circumstances, the share market typically provides an objective measure of the fair market value of shares in a listed company. This assumption is supported by the following considerations:
- The ASX Listing Rules impose continuous disclosure obligations on listed companies with the objective of keeping markets fully informed;
 - Vocus shares are actively traded, with monthly volumes during the 12 months to 31 December 2014 averaging approximately 4.4 million shares or 7.3% of the total issued capital;
 - Vocus is represented in the S&P ASX200 Index; and
 - There are a number of Australian telecommunications companies against which Vocus' performance may be benchmarked.
225. Based on publicly available information, there is no reason to believe that there is a material mispricing of Vocus shares by the market. We therefore believe it is reasonable to assume that the market share price represents an unbiased estimate of value and is the best guide to valuing Vocus shares for the purpose of assessing the Scheme Consideration.
226. As a cross check to our market based assessment, we have also considered the underlying value of the post-transaction Vocus business, inclusive of potential synergies, based on publicly available information.

Analysis of Vocus share price

227. The share price performance and traded volume of Vocus shares from 1 September 2014 to 24 February 2015 are shown in the graph below.

Figure 13: Vocus share price and trading volume
1 Sept 2014 – 24 Feb 2015



Source: Capital IQ and PwC Securities analysis

228. Vocus' share price increased immediately following the announcement on 27 October 2014 from \$5.44 to \$5.90 per share on 28 October 2014 and increased further following the announcement of the Scheme on 17 December 2014 from \$5.71 to \$6.35 per share on 23 December 2014. We note that Vocus' share price has remained in a range (based on closing share prices) of between \$5.87 and \$6.48 per share to the date of this report.
229. The table below shows the 30 day and 90 day VWAP of a Vocus share prior to the announcement made on 27 October 2014 together with the VWAP from 18 December 2014 to 24 February 2015.

	Pre 27 October 2014			Post 17 December 2014	
	VWAP			Range	VWAP
	Close	30 day	90 day		
Vocus	\$5.31	\$5.40	\$5.28	\$5.87 - \$6.48	\$6.07

Source: Capital IQ and PwC Securities analysis

230. The above analysis shows that the VWAP of a Vocus share since the Scheme's announcement to 24 February 2015 to be \$6.07. We also note that the 5 day VWAP of a Vocus share to 24 February 2015 is \$5.80 (reflecting intra-day trades at prices below the reported closing share prices). Both of these measures of share value are significantly above the 30 and 90 day VWAPs of Vocus prior to the announcement to the ASX on 27 October 2014 of \$5.40 and \$5.28 respectively. In our view this uplift in share price reflects the market's outlook for the combined entity and the market's perception of the additional value able to be realised from cost, capital expenditure and revenue synergies resulting from the transaction.

231. Having regard to the factors outlined above, we consider that it is reasonable to adopt a value per Vocus share of between \$5.80 (being the 5 day VWAP to 24 February 2015) and \$6.07 (being the VWAP since 17 December 2014) on a non-controlling minority interest basis to evaluate the Scheme Consideration. We have then adjusted this range by 6.3 cents to allow for the interim dividend of 1.2 cents per share and special dividend of 5.1 cents per share which is to be paid only to pre-transaction Vocus shareholders to derive an assumed value per Vocus share of between \$5.74 and \$6.01.
232. This equates to an implied Scheme Consideration price of between \$2.65 and \$2.77 with a preferred (midpoint) value of \$2.71 per Scheme Share based on the Scheme Consideration ratio of 0.4614 Vocus shares for every 1 Amcom share.

Valuation cross-check

233. As a cross check to our market based assessment, we have also considered the underlying value of the aggregated Vocus business, including potential synergies resulting from the transaction.

Indicative value of the equity in Vocus

234. As a cross-check to our market-based evaluation of the Scheme Consideration, we have assessed the underlying enterprise and equity value of Vocus using the CFME methodology, being a consistent basis to our assessment of the value of Amcom in Section 5 of this report.
235. In determining an appropriate level of FME we have had regard to the reported historical level of earnings of Vocus and the level of future earnings as forecast by market commentators in recent broker reports. After consideration of these factors, we consider an appropriate estimation of FME for Vocus based on the average of broker FY15 forecasts reviewed to be approximately \$52.1 million. We have then adjusted this estimate to reflect a normalised full year contribution from Vocus' recent acquisition of EDC which is estimated to contribute an annualised EBITDA of \$4.7 million and Vocus' announced joint venture with Spark New Zealand which is expected to contribute normalised EBITDA of approximately NZ\$2.3 million (to the extent not included in the broker estimates) to derive an assumed FME for Vocus of \$57.0 million.
236. We have aggregated this with our assessed level of FME in respect of Amcom of \$49.5 million together with the range of anticipated future cost related synergies announced to the market of between \$13 million and \$15 million per annum (pre-tax).
237. In the announcements made to the ASX on 17 December 2014 concerning the Scheme, both Amcom and Vocus made reference to the transaction giving rise to significant cost and revenue synergies. However, only annualised anticipated future cost synergies on a pre-tax basis of between \$13 million and \$15 million were quantified which related to synergies driven by complementary infrastructure and operations, including:
- The rationalisation of duplicated and optimisation of network infrastructure;
 - The removal of duplicated corporate overheads;
 - Aggregation and economies of scale leading to reduced supplier costs; and
 - The removal of duplicated corporate overheads.
238. Applying a midpoint of \$14 million in respect of anticipated future cost synergies derives an implied FME for the Merged Group of \$120.5 million.
239. We have then applied a range of earnings multiples of between 11.5 and 12.5 times EBITDA to our assessed FME for the combined business. This range is based on professional judgment, having regard to the range of multiples observed in our analysis as set out earlier in this report.
240. We consider an earnings multiple in the range of between 11.5 and 12.5 times EBITDA to be appropriate to apply to the assessed FME of the combined business and note that this multiple is higher than that assessed for Amcom on a stand-alone basis to allow for the increased size of Vocus post-transaction and the additional value expected to result from anticipated capital expenditure and revenue synergies.

241. The combination of Amcom and Vocus is considered highly complementary and is anticipated to generate significant capital expenditure and revenue synergies from:
- Expanded national fibre network and an expanded geographical footprint of data centres with Amcom primarily exposed to Perth, Adelaide and Darwin and Vocus exposed to the larger East Coast markets;
 - Customer groups are materially different with Amcom more exposed to Government entities, large higher education and research institutions and corporates (whilst Vocus is more focused on wholesale clients);
 - An expanded service offering (such as Vocus providing internet capacity to Amcom and Vocus able to sell Ethernet first mile and telephony services such as Amcom's IP Tel and ACC);
 - An improved competitive position due to a lower cost base and improved economies of scale;
 - An enlarged (national/international) sales force; and
 - Not having to incur future capital expenditure as the merged network infrastructure mitigates the need to individually establish new networks.
242. We have then derive an implied value for the equity in Vocus post-transaction by adjusting the indicative enterprise value by an assumed level of net debt and surplus assets and liabilities.
243. Net debt has been calculated by aggregating the level of net debt assumed in our assessment of the value of Amcom with the level of cash less interest bearing debt held by Vocus at 31 December 2014 (adjusted for the purchase consideration in respect of the EDC acquisition of \$23.5 million). Net debt has also been adjusted for interim and special dividends to be paid to Vocus shareholders prior to the Scheme taking effect and an additional level transaction costs to be incurred by Vocus and Amcom, estimated at an additional \$20.0 million. A further adjustment of \$4.0 million has been made to reflect the level of cash on hand to allow for normal operating timing differences.
244. We have also made an adjustment to reflect the settlement of the equity total return swaps (relating to Vocus' 10% interest in Amcom) of \$50.6 million plus the mark-to-market gain on shares received as at 31 December 2014 of \$10.6 million. No adjustment has been made in respect of possible taxation implications of the aforementioned swap agreement as we understand that no gain will have been realised.
245. Based on our review of publicly available financial information relating to Vocus there may be assets or liabilities on the balance sheet of Vocus as at 31 December 2014 which may require separate valuation adjustment if additional details were known. However, in the absence of such information being provided, we do not believe such adjustments would have a material impact to our indicative cross-check.

Summary of the indicative value of the equity in Vocus post-transaction

246. Based on the above, we have assessed the indicative value of the equity in Vocus as set out below.

(AUD million)	Low	High	Preferred
AMM – Assessed level of FME	49.5	49.5	49.5
VOC - Assessed level of FME ¹	57.0	57.0	57.0
Estimated cost synergies	13.0	15.0	14.0
Aggregate FME	119.5	121.5	120.5
EBITDA multiple	11.5	12.5	12.0
VOC – Enterprise value (minority)	1,374.3	1,518.8	1,446.0

(AUD million)	Low	High	Preferred
Net debt	(175.5)	(175.5)	(175.5)
Equity swaps	(61.2)	(61.2)	(61.2)
VOC – Enterprise value (minority)	1,137.6	1,282.1	1,209.3
Number of existing VOC shares on issue (million)	105.4	105.4	105.4
Number of shares to be issued to AMM ² (million)	112.2	112.2	112.2
Total number of VOC shares post transaction	217.6	217.6	217.6
Implied value per share (\$)	5.23	5.89	5.56
<i>Scheme Consideration Ratio</i>	<i>0.4614</i>	<i>0.4614</i>	<i>0.4614</i>
<i>Implied Scheme Consideration per share</i>	<i>2.41</i>	<i>2.72</i>	<i>2.56</i>

Source: PwC Securities

1 Assessed FME for Vocus based on consensus of broker FY15 forecasts adjusted for annualised contribution from Vocus acquisition of EDC and its joint venture with Spark New Zealand.

2 Based on the number of Scheme Shareholder shares and the number of shares to be issued in respect of the Vesting Amcom Performance Rights multiplied by the Scheme Consideration ratio of 0.4614. No further adjustment has been made in respect of the potential dilution of the 0.3 million outstanding options over Vocus shares or for the 0.8 million Amcom performance rights to be converted to Vocus rights if the Scheme is approved as this is considered immaterial. We note that if such adjustments were made, our preferred value per Vocus share would reduce by approximately 1 cent and correspondingly our evaluation of the Scheme Consideration would decrease by 0.4614 multiplied by this difference.

247. As shown in the summary above, for the purpose of our cross-check of our assessed value of the Scheme Consideration, we have assessed the indicative value of Vocus' ordinary shares (post-transaction) on a minority interest basis to be in the range of \$5.23 to \$5.89 with a midpoint value of \$5.56. This assessment is considered to be broadly consistent with our assessed value per share for Vocus of between \$5.74 and \$6.01 adopted to evaluate the Scheme Consideration based on the observed prices at which Vocus' shares have traded since the announcement of the Scheme.
248. We note that the implied low end value of a Scheme Share of \$2.41 derived from our cross-check analysis would still support our opinion of the Scheme being in the best interests of the Scheme Shareholders, being above the midpoint of our assessed value of an Amcom share on a controlling basis of \$2.20.

7 ***Our assessment of the Scheme and conclusion***

Assessment of fair

249. We have assessed the fair market value of an Amcom share to be in a range of \$1.99 to \$2.41 with a preferred (midpoint) value of \$2.20 on a controlling interest basis.
250. We have assessed the value of a Vocus share to be between \$5.74 and \$6.01 on a non-controlling or minority interest basis which implies the value of the Scheme Consideration of between \$2.65 and \$2.77 with a preferred (midpoint) value of \$2.71 per Scheme Share based on a Scheme Consideration ratio of 0.4614 Vocus shares for every Scheme Share.
251. On the basis that the consideration under the Scheme exceeds our assessment of the fair market value of an Amcom share, we conclude that the Scheme is fair.

Assessment of reasonableness

252. We also conclude that the Scheme is reasonable on the basis that it is fair.
253. We also note the implications of a number of qualitative issues which are generally considered in assessing reasonableness. These issues broadly comprise:
- Whether the consideration offered under the Scheme includes a premium for acquiring a 100% controlling interest in Amcom;
 - The likely consequences for Scheme Shareholders if the Scheme is accepted;
 - The likely consequences for Scheme Shareholders if the Scheme is not accepted; and
 - The likelihood of another offer emerging for the shares in Amcom that is better than the current Scheme from the perspective of the Scheme Shareholders.

The offer is at a premium to Amcom ordinary share prices before the announcement of the proposed Scheme

254. The 30 day and 90 day VWAP of an Amcom share prior to the announcement to the ASX on 27 October 2014 of Vocus' acquisition of a 10% interest in Amcom and its intention to make a "confidential, conditional, incomplete and non-binding proposal" to merge with Amcom was \$1.94 and \$1.95 respectively.
255. As we have assessed the value of the Scheme Consideration to be in the range of \$2.65 to \$2.77 per Scheme Share this implies that a premium for control of approximately 36% to 43% has been included in Vocus' offer when compared to the historical 30 and 90 day VWAP of Amcom prior to Vocus' initial investment in Amcom.

Continued exposure to the risks and rewards of Amcom's business

256. If the Scheme is approved, as the Scheme Consideration is in the form of scrip in the new combined Vocus and Amcom entity, Scheme Shareholders will continue to share in any benefits and risks associated with being an investor in Amcom.
257. In addition, we note that the combined Vocus and Amcom entity will have a more diversified service offering and a wider customer base, potentially reducing risk for shareholders.

Access to revenue and cost synergies

258. There are likely to be significant synergies available from combining the Amcom and Vocus businesses in which Scheme Shareholders will participate through the consideration they will receive, being shares in the Merged Group.
259. The Directors of both Amcom and Vocus have stated that they believe the Merged Group will be able to realise future cost synergies of approximately \$13 million to \$15 million per annum and also capitalise on increased revenue opportunities arising from the ability to access the expanded customer base and the optimisation of the combined fibre networks.

Ability to share in premium for control if Vocus is subsequently acquired

260. As the Scheme Shareholders will receive scrip in Vocus they still retain the potential benefit of sharing in any premium for control that may be paid by a potential acquirer of Vocus subsequent to the Scheme being approved.

The new Vocus shares are likely to have a greater level of liquidity and institutional coverage

261. Vocus shares have a greater level of liquidity than Amcom shares and are represented in the S&P ASX200 Index. The increased size of the Merged Group is likely to attract even greater institutional coverage.

Unanimous Board recommendation

262. Amcom's Board of Directors has indicated its unanimous recommendation in favour of the Scheme, in the absence of a superior proposal emerging and subject to the independent expert finding the Scheme in the best interests of Scheme Shareholders.

Prospects of Other Proposals

263. The directors of Amcom have advised us that to the best of their knowledge the proposal from Vocus is the only proposal available to Amcom shareholders at the date of this report.
264. We cannot exclude the prospect of an alternative proposal or offer on better terms emerging. In the event that an alternative proposal or offer on better terms emerges before the closure of the Scheme, Scheme Shareholders will be entitled to reject the Scheme and pursue other opportunities.

If the Scheme is not accepted

- Amcom will continue to operate as an ASX listed company with its current spread of shareholders and no controlling shareholding block;
 - Shareholders will retain their shares in Amcom and continue to fully share in any benefits and risks associated with being an investor in Amcom;
 - The Scheme Consideration will not be paid;
 - Amcom will incur transaction costs of approximately \$4.3 million; and
 - Amcom may be liable to pay Vocus a break fee of \$4 million which will apply in the event of certain circumstances described in the SIA.
265. In our opinion, if the Scheme is not accepted, the Amcom share price is likely to fall.
266. The Amcom share price increased significantly on the announcement of the Scheme and has traded in a range of \$2.63 to \$2.99 since then (based on closing share prices). We consider that in the absence of the Scheme, an alternative proposal or speculation concerning an alternative proposal, the Amcom share price is likely to reduce from current levels. In the medium and longer term, Amcom's share price will reflect the market's assessment of Amcom's ongoing business model, operating performance as well as general movements in financial markets.

Conclusion

267. On the basis that our assessed value of the Scheme Consideration is above our valuation range for an ordinary share in Amcom on a controlling interest basis, we consider that the Scheme is fair.
268. We consider that the Scheme is reasonable on the basis that it is fair. The Scheme is also considered to be reasonable due to the reasons stated above, in the absence of a higher bid.
269. In conclusion, we therefore consider the Scheme is in the best interests of the Scheme Shareholders on the basis that it is both fair and reasonable.

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Appendices

Appendix A Statement of qualifications and declarations	60
Appendix B Sources of information	62
Appendix C Comparable companies	63
Appendix D Comparable transactions	67
Appendix E Glossary	70
Appendix F Financial services guide	72

Appendix A Statement of qualifications and declarations

Qualifications

PwC Securities is beneficially owned by the partners of PricewaterhouseCoopers ("PwC"), a large international entity of chartered accountants and business advisors. PwC Securities holds an Australian Financial Services Licence under the Corporations Act.

Richard Stewart OAM is a Senior Fellow of the Financial Services Institute of Australasia, Chartered Accountants in Australia and New Zealand (CAANZ) and the Society of Certified Practising Accountants in Australia. He is also an adjunct professor in Business Valuation at the University of Technology, Sydney and is Business Valuations Specialist Accredited, CAANZ. He holds a Bachelor of Economics and a Masters of Business Administration. He has 29 years experience with PwC and extensive experience in preparing valuations and independent expert reports as well as providing merger and acquisition advice. He is also a partner of PwC, and is an authorised representative of PwC Securities.

Roger Port is a partner in PwC and an authorised representative of PwC Securities. Roger is a graduate of Macquarie University, a Fellow of Chartered Accountants Australia and New Zealand (CAANZ) and Senior Fellow of the Financial Services Institute of Australasia. He holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and has completed the Company Directors Course Diploma with the Australian Institute of Company Directors. Roger has extensive experience in the preparation of corporate valuations, independent expert's reports and the provision of corporate financial advisory services to corporations involved in takeovers, capital raisings and mergers and acquisitions.

Richard Stewart and Roger Port were assisted by Darryl Norville and Meredith Chester in the preparation of this independent expert report.

Darryl and Meredith have extensive experience in the preparation of valuations and independent expert's reports.

Declarations

Prior to accepting this engagement, we considered our independence with respect to Amcom by reference to ASIC Regulatory Guide 112 Independence of Experts. In our opinion, we are independent of Amcom and the outcome of the transaction.

Neither PwC Securities nor PwC has any interest in the outcome of the Scheme. PwC Securities is entitled to receive a fee for the preparation of this Independent Expert's Report based on time spent at our normal hourly rates for this type of work and will be reimbursed for out of pocket expenses incurred. The fee payable to us is payable regardless of the outcome of the Scheme. None of PwC Securities, PwC, Messrs Stewart, Port and Norville and Ms Chester holds securities in Amcom and have not held any such beneficial interest in the previous two years.

A draft of this report was provided to the directors of Amcom for a review of factual accuracy on 7 February 2015 with a final draft provided on 23 and 24 February 2015. No changes to our opinion arose as a result of this review.

Purpose of report

This Independent Expert's Report has been prepared at the request of the Directors of Amcom and should not be used for any other purpose. In particular, it is not intended that this Independent Expert's Report should serve any purpose other than an expression of our opinion on whether the Scheme is in the best interests of the Scheme Shareholders. This Independent Expert's Report has been prepared solely for the benefit of the Directors of Amcom and for the benefit of the existing shareholders of Amcom. Neither the whole nor any part of this Independent Expert's Report nor any reference to it may be included in or attached to any document, circular, resolution, letter or statement without our prior written consent to the form and context in which it appears.

Special note regarding forward-looking statements and forecast financial information

Certain statements in this Independent Expert's Report may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of Amcom to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following:

- General economic conditions;
- The future movements in interest rates and taxes;
- The impact of terrorism and other related acts on broader economic conditions;
- Changes in laws, regulations or governmental policies or the interpretation of those laws or regulations to Amcom in particular; and
- Other factors referenced in this Independent Expert's Report.

Indemnity

In preparing this Independent Expert's Report, Amcom has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by Amcom which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.

In addition, Amcom has agreed that if it makes any claim against PwC or PwC Securities for loss as a result of a breach of our contract, and that loss is contributed to by its own actions, then liability for its loss will be apportioned having regard to the respective responsibility for the loss, and the amount Amcom may recover from PwC Securities will be reduced by the extent of its contribution to that loss.

Consent

PwC Securities has consented in writing to this Report in the form and context in which it appears being included in the Scheme Booklet which will be issued by the directors of Amcom and which will be distributed to Scheme Shareholders.

Neither PwC Securities nor PricewaterhouseCoopers has authorised or caused the issue of all or any part of the Scheme Booklet other than this report. Neither the whole nor any part of this report nor any reference to it may be included in or with or attached to any other document, circular, resolution, letter or statement without the prior consent of PwC Securities to the form in which it appears.

APES 225 "Valuation Services"

This independent expert report has been prepared in accordance with APES 225 "Valuation Services".

Appendix B Sources of information

In preparing this Independent Expert's Report, we have had access to and relied upon major sources of information, including:

- The SIA and other related transaction documents;
- The Scheme Booklet (including earlier drafts);
- ASX announcements for Amcom and Vocus;
- Annual Reports (audited) for the three years ended 30 June 2014 for each of Amcom and Vocus;
- Half Yearly Reports (reviewed) for the two years ended 31 December 2013 for each of Amcom and Vocus;
- Appendix 4D for 31 December 2014 for each of Amcom and Vocus (reviewed);
- Discussions with management and the advisers to Amcom;
- Other information provided by management of Amcom and Vocus including documents obtained from the virtual dataroom in relation to the Scheme;
- Information obtained from Bloomberg, Capital IQ, Mergermarket, Australia Broadband Business Market Statistics, Broker Reports and IBISWorld Industry Reports; and
- Other publicly available information including information from websites.

We have not performed an audit, review or any other verification of the information presented to us. Accordingly, we express no opinion on the reliability of the information supplied to us.

In forming our opinion PwC Securities has assumed that:

- matters such as compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Scheme Booklet sent by Amcom to its shareholders is complete, accurate and fairly presented in all material aspects; and
- the publicly available information relied on by PwC Securities in its analysis was accurate and not misleading.

In addition, PwC Securities assumes no responsibility and offers no legal opinion or interpretation on any issue in respect of legal issues relating to assets, properties, or business interests or issues regarding compliance with applicable laws, regulations and policies.

Appendix C Comparable companies

The following table provides analysis of the share trading multiples of comparable companies:

Comparable Trading Companies AUD millions	Market Capitalisation	Enterprise Value	EV/EBITDA	
			LTM	FY15
Telstra Corporation Limited ³	80,424.1	94,776.7	9.7x	8.8x
Singapore Telecommunications Limited ³	63,785.3	71,446.2	11.2x	14.5x
Telecommunications				
TPG Telecom Limited	5,834.5	6,060.1	16.7x	13.0x
M2 Group Ltd	1,691.7	1,922.9	11.3x	10.9x
iiNet Ltd.	1,005.4	1,388.5	7.2x	7.0x
Vocus Communications Limited ²	556.5	636.4	17.0x	12.5x
My Net Fone Limited	167.9	163.8	15.9x	14.6x
BigAir Group Limited	132.8	147.8	9.2x	7.6x
Data Centre/Hosting				
UXC Limited	266.9	272.0	7.9x	6.9x
SMS Management & Technology Ltd.	258.6	262.1	9.9x	9.4x
Macquarie Telecom Group Limited	107.1	125.9	4.9x	4.7x
ICT				
DWS Limited	132.0	116.3	6.9x	7.7x
ASG Group Limited	155.0	176.3	8.7x	7.8x
Melbourne IT Ltd.	127.3	109.8	6.9x	5.7x
Average	869.7	948.5	10.2x	9.0x
Weighted Average¹	1,364.7	1,498.3	12.1x	10.3x
Max	5,834.5	6,060.1	17.0x	14.6x
Min	107.1	109.8	4.9x	4.7x

Source: Capital IQ and PwC Securities analysis based on information available as at 24 February 2015

¹ Weighted by reference to Amcom's BU contribution to HY15 earnings

² Vocus multiple calculated as at 24 October 2014. LTM adopts net debt position at 30 June 2014 and the FY15 multiple has been adjusted to reflect the FX Networks and Bentley data centre acquisitions

³ Excluded from analysis due to size

A brief overview of each of the comparable companies (source: Capital IQ) is provided below:

ASG Group Limited

ASG Group Limited provides IT services in Australia. The company offers managed services, SAP projects and services, and reporting and analytic solutions for large and small organisations. It also provides professional services consisting of project services and Microsoft professional services; specialist technical services; architecture consulting services; and IT service management solutions. In addition, the company offers consulting services and cloud services. The company was founded in 1996 and is headquartered in Perth, Australia.

BigAir Group Limited

BigAir Group Limited, together with its subsidiaries, provides fixed wireless broadband solutions for businesses and campus environments in Australia. The company owns and operates its Fixed Wireless for Business network that covers Sydney, Melbourne, Brisbane, Perth, Adelaide, Newcastle, Gold Coast, Sunshine Coast, and Darwin. In the Big Air Community Broadband segment, the company provides private data links for a wide area network to multi-site businesses. In addition, the company offers outsourced managed Internet services in the tertiary student accommodation market. It provides broadband and data services primarily through its channel partners comprising ISPs, carriers, and other IT service companies. The company was founded in 2002 and is based in Surry Hills, Australia.

DWS Limited

DWS Limited offers a suite of integrated solutions, including IT consulting services, digital solutions incorporating data automation, capture, optimisation, management and distribution; and also API creation and management services. The company also provides business analytics comprising advanced analytics, as well as Power BI and Data Warehouse as a Service; cloud services consisting of strategy and architecture advice, pilots and proofs of concepts, and planning services; and managed application services. In addition, it offers iSolutions cloud products for financial institutions and telecommunications companies. The company was incorporated in 1991 and is headquartered in Melbourne, Australia.

iiNet Ltd.

iiNet Limited provides Internet and telephony services to various residential, regional, corporate, and government customers in Australia. The company offers Internet solutions, such as business bundles, business NBN, naked DSL, mobile broadband and ADSL broadband, VPN, fibre connections, and SHDSL. It also provides business desk phones, PSTN phones, and Voice over Internet Protocol systems. It supplies approximately 1.8 million services to approximately 950,000 broadband subscribers. iiNet Limited was founded in 1993 and is based in Perth, Australia.

M2 Group Ltd

M2 Group Ltd provides telecommunications services, electricity and gas to residential and business customers in Australia and New Zealand. The Consumer segment provides fixed line voice and data services, as well as mobile services for the residential market. The Business segment provides packaged telecommunications and energy services. The Wholesale segment offers a suite of fixed line voice services consisting of line rental services, mobile voice and data services, terrestrial broadband services, and mobile telephones to the telecommunications reseller market. M2 Group Ltd provides its products and services under the brand names of Commander, Engin, iPrimus, and Dodo. The company was founded in 1999 and is headquartered in Melbourne, Australia.

Macquarie Telecom Group Limited

Macquarie Telecom Group Limited provides various telecommunication and hosting services to corporate and government customers in Australia. The company conducts its operations through Voice, Data, Hosting, and Mobile segments. It offers collocation services; data and voice services and business mobility and national broadband network services. The company also provides simplified network infrastructure, smart networks, mobile workforce, enterprise hosting, eCommerce hosting, PCI compliance, government, and SaaS application hosting solutions. The company was founded in 1992 and is headquartered in Sydney, Australia.

Melbourne IT Ltd.

Melbourne IT, together with its subsidiaries, provides Internet-based technology services, such as Internet domain name, Web hosting, online brand protection and promotion, video content delivery, and managed IT services worldwide. The company's SMB segment offers online solutions comprising domain forwarding, Web design and hosting, messaging, search engine optimization, and Website development to small to medium enterprise, and small and home office sectors. The Enterprise Services segment provides managed services and business grade Web application hosting services to corporate and government clients in Australia. Melbourne IT Limited was founded in 1996 and is headquartered in Melbourne, Australia.

My Net Fone Limited

My Net Fone Limited provides voice communications, broadband Internet, and cloud based communications services to residential, business, government, and wholesale customers in Australia and internationally. The company offers home phone-VoIP, DSL Internet, NBN Internet, and mobile VoIP services, as well as virtual fax service, phone and broadband bundles, high-speed ADSL2+ broadband services, high-speed Ethernet broadband services for businesses, and enterprise SIP trunking service that acts as an ISDN primary rate replacement. The company was founded in 2004 and is based in Surry Hills, Australia.

Singapore Telecommunications Limited

Singapore Telecommunications Limited provides multimedia and ICT solutions in Singapore and Australia. It offers facilities management, consultancy, IT, Internet access, and pay television services. The company is also involved in research and development, business partnerships, venture capital investment and operation and provision of cellular mobile telecommunications systems and services and resale of fixed line and broadband services. Further, the company provides restaurant review portal and advertisements; wireless broadband and mobile phone, invests in telecommunications network infrastructure, distributes prepaid mobile products, and operates and maintains fibre optic network. The company is headquartered in Singapore.

Singapore Telecommunications Limited is a subsidiary of Temasek Holdings (Private) Limited.

SMS Management & Technology Ltd.

SMS Management & Technology Limited provides consulting, technology, and managed services primarily in Australia. It operates through two segments, SMS Consulting and M&T Resources. The SMS Consulting offers a range of value added management and technology related business services, including business performance improvement, process management, CRM, information and data management, infrastructure consulting, operational learning and change, and managed services. The M&T Resources segment provides recruitment and contract labour services primarily in the IT sector. The company also has operations in Hong Kong, Singapore, and Vietnam. SMS Management & Technology Limited was founded in 1986 and is headquartered in Melbourne, Australia.

Telstra Corporation Limited

Telstra Corporation Limited provides telecommunications and information services in Australia and internationally. It offers a range of telecommunication products, services, and solutions across mobiles, broadband, telephony, and pay television, and data and Internet protocol networks. The company also provides a range of telecommunication products and services to carriers, and digital media services in auto, IT, and consumer electronics. In addition, it offers directories and advertising services; as well as connectivity solutions, such as managed network services, as well as international data, voice, and satellite solutions. It serves approximately 16 million retail mobile customers, 7.5 million fixed voice customers, and 3.7 million fixed data customers in Australia. Telstra also offers a connected health IT ecosystem for the healthcare sector. Telstra Corporation Limited was founded in 1901 and is based in Melbourne, Australia.

TPG Telecom Limited

TPG Telecom Limited primarily provides telecommunications services in Australia, New Zealand, the United States, and internationally. It offers broadband access, telephony services, Internet protocol television, mobile plans, and various business networking solutions. In addition, it offers domain name hosting, Website hosting, email, IP addressing, mail list server, private network, hosted firewall, fibre Ethernet, Ethernet, dark fibre, and business VoIP services. TPG Telecom Limited is headquartered in North Ryde, Australia.

UXC Limited

UXC Limited is headquartered in Melbourne, Australia and provides business services and solutions in the areas of information, communication, and technology in Australia and New Zealand. It operates in the Consulting, Applications, and IT Infrastructure segments. The Consulting segment offers services in training, business transformation, information management, telecommunications consulting, change management and IT strategy. The Applications segment provides consultancy and implementation services for enterprise resource planning systems for mid to large size organisations, as well as representing Microsoft Dynamics, SAP, Oracle, and ServiceNow systems in the market. The IT Infrastructure segment specialises in workspace innovation, security, mobility, cloud, entertainment, managed services, data centre optimization and outsourcing. UXC Limited also offers cloud-based business management applications to businesses.

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Appendix D Comparable transactions

The following table provides analysis of the comparable transaction multiples:

Date	Target	Buyer	Total Transaction Value (AUD millions)	Percent Sought	EV/EBITDA
Telecommunications					
9-Dec-13	Telecom New Zealand Australia (AAPT)	TPG Telecom	450.0	100%	8.2x
6-Aug-13	Intelligent IP Communications	BigAir Group	20.0	100%	14.3x
18-Mar-13	EFTEL	M2 Group	44.1	100%	9.4x
17-Mar-13	Dodo Australia	M2 Group	203.9	100%	9.7x
16-Apr-12	Primus Telecom	M2 Group	192.4	100%	4.8x
Information Technology					
13-Feb-15	Enterprise Data Corporation Pty Ltd	Vocus Communications Limited	23.5	100%	5.0x
28-Nov-14	nSynergy	Rhipe	25.4	100%	7.2x
12-Aug-14	Oakton	Dimension Data Australia	171.0	100%	12.1x
2-July-14	FX Networks	Vocus (New Zealand) Holdings Limited	107.7	100%	8.7x
28-Jun-13	Bravura Solutions	Ironbridge Capital	58.8	33%	8.2x
21-Mar-12	Satyam Computer Services	Tech Mahindra	985.3	57%	6.6x
Overall				Average	8.6x
				Max	14.3x
				Min	4.8x

A brief overview of each of the companies acquired in the comparable transactions (source: Capital IQ) are provided below:

Telecommunication transactions

Telecom New Zealand Australia Pty Limited (AAPT)

Telecom New Zealand Australia Pty Limited provides managed telecommunication and related information technology management services to large enterprises. The company offers internet, data, and cloud services for businesses and wholesale customers. The company was incorporated in 1990 and is based in Sydney, Australia. As of February 28, 2014, Telecom New Zealand Australia Pty Limited operates as a subsidiary of TPG Telecom Limited.

Intelligent IP Communications Pty Ltd

Intelligent IP Communications Pty Ltd., a corporate unified communications carrier, provides IP telephony, video conferencing, private data networks, and secure high-speed Internet services to businesses worldwide. The company also provides high definition video and VPN services; and high-speed Internet and telephone services to residential customers throughout Australia. It serves organizations involved in mining, retail, franchising, tourism, manufacturing, and service industries. The company was founded in 2005 and is based in Perth, Australia. As of September 13, 2013, Intelligent IP Communications Pty Ltd operates as a subsidiary of BigAir Group Limited.

EFTEL Limited

EFTEL Limited provides broadband, wireless broadband, mobile, home phone, and VoIP services. It offers ADSL broadband, mobile broadband, and fibre broadband services. The company was founded in 2008 and is based in Melbourne, Australia. As of May 6, 2013, EFTEL Limited operates as a subsidiary of M2 Telecommunications Group Limited.

Dodo Australia Holdings Pty Ltd

Dodo Australia Holdings Pty Ltd provides telecommunication services to residential consumers and corporate markets in Australia. The company offers broadband Internet, wireless broadband, dial-up Internet, home phone, wireless telephony, and VOIP services; provides alarm monitoring services; and sells electricity in Victoria to residential consumers. The company also offers Internet, and Web and mail hosting services, as well as voice services, including mobile and fixed line to various businesses ranging from small business to large corporate networks. The company was incorporated in 2012 and is based in Melbourne, Australia. As of May 1, 2013, Dodo Australia Holdings Pty Ltd operates as a subsidiary of M2 Group Ltd.

Primus Telecom Holdings Pty Ltd

Primus Telecom Holdings Pty Ltd provides integrated telecommunication services. The company was incorporated in 2004 and is based in Melbourne, Australia. As of June 1, 2012, Primus Telecom Holdings Pty Ltd operates as a subsidiary of M2 Group Ltd.

IT Services transactions

Enterprise Data Corporation Pty Ltd

Enterprise Data Corporation Pty Ltd, Two Data Centres and Business Continuity Operations comprise data centres and business continuity operations. The assets are located in Australia.

nSynergy Pty Ltd

nSynergy Pty Ltd engages in designing, building, and deploying business solutions based on SharePoint and Office 365 technologies for enterprise-sized organizations around the globe. It offers consulting services, migration and upgrades through SharePoint, and business solutions in the Microsoft suite to transform collaboration and knowledge management. The company was founded in 2001 and is based in Southbank, Australia with additional offices in Sydney, Melbourne, Canberra, Brisbane, London, New York, and Shanghai. As of December 15, 2014, nSynergy Pty Ltd operates as a subsidiary of Rhipe Limited.

Oakton Limited

Oakton Limited provides consulting services in the information technology (IT) industry in Australia and internationally. It offers accounting and assurance services, including internal audit, risk management, fraud

control and related, probity advisory and auditing, IT assurance, business continuity and disaster recovery planning, business information assurance, governance risk and compliance advisory, and financial management consulting services. It serves education, construction and property, government, transport and logistics, healthcare, utilities, telecommunications, resources, retail and wholesale, and finance industries. The company was founded in 1988 and is headquartered in Melbourne, Australia. As of November 21, 2014, Oakton Ltd. operates as a subsidiary of Dimension Data Australia Pty Ltd.

FX Networks Ltd

FX Networks, Ltd. provides wide area network services and IP telephony exchange services in New Zealand. The company offers Internet services, voice Internet exchange peering, open service networking, and VoIP consulting services. Its Internet connectivity services include enhanced email, domain services, Web hosting, and national and international roaming services. FX Networks, Ltd. is based in Wellington, New Zealand. As of September 16, 2014, FX Networks Ltd. operates as a subsidiary of Vocus (New Zealand) Holdings Limited.

Bravura Solutions Limited

Bravura Solutions Limited is engaged in the provision of professional consulting services; and development, licensing, and maintenance of administration and management software applications for the transfer agency and wealth management sectors of the financial services industry. The company operates in two segments, Transfer Agency and Wealth Management. Bravura Solutions Limited also provides professional services, including BPO partnering, consulting, data migration, system implementation, software development, support, and training services, as well as managed services. The company was founded in 2004 and is headquartered in Sydney, Australia. As of October 10, 2013, Bravura Solutions Limited was taken private.

Satyam Computer Services Limited

Satyam Computer Services Limited operates as a business and IT services company. The company provides business consulting, information technology, and communication services. The company has operations primarily in the Americas, Europe, the Asia Pacific, and India. Satyam Computer Services Limited was founded in 1987 and is headquartered in Hyderabad, India.

Appendix E Glossary

Term	Definition
\$, or AUD	Australian dollars
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ABSM	Australian Broadband Market Statistics
ACC	Amcom Cloud Collaboration
AFSL	Australian Financial Services Licence
Amcom	Amcom Telecommunications Limited
ARPV	Average Revenue per User
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AWS	Amazon Web Services
b	Billions
CAANZ	Chartered Accountants Australia and New Zealand
CAGR	Compound Annual Growth Rate
CAPM	Capital Asset Pricing Model
CFME	Capitalisation of Future Maintainable Earnings
Corporations Act	Corporations Act 2001 (Cth)
CY	Calendar Year
DCaaS	Data Centre-as-a-Service
DCF	Discounted Cash Flow
DRP	Dividend Reinvestment Plan
DSL	Digital Subscriber Line
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Enterprise Value
Scheme Booklet	The Notice of Meeting and the explanatory statement
FME	Future Maintainable Earnings
FSG	Financial Services Guide
FY	Fiscal Year (01 July to 30 June)
HFC	Hybrid Fibre Coaxial

Term	Definition
IP	Internet Protocol
ISDN	Integrated Services Digital Network
ISP	Internet Service Provider
IT	Information Technology
IRU	Indefeasible Right to Use
L7	L7 Solutions Pty Ltd
LAN	Local Area Network
m	Millions
Merged Group	The combined entity of Vocus Communications Limited and Amcom Telecommunications Limited
NBN	National Broadband Network
nm	Not meaningful
PP&E	Property, Plant & Equipment
PSTN	Public Switched Telephone Network
PwC Securities	PricewaterhouseCoopers Securities Ltd
RG111	Regulatory Guide 111 (Content of expert reports)
Scheme	Scheme of Arrangement
Scheme Meeting	General meeting of Amcom Communications Limited shareholders that is expected to be held in April 2015
SIA	Scheme Implementation Agreement
SIP	Session Initiation Protocol
SME	Small Medium Enterprise
TSR	Total Shareholder Return
Vocus	Vocus Communications Limited
VoIP	Voice over Internet Protocol
VPN	Virtual Private Network
VWAP	Volume Weighted Average Price

Appendix F Financial services guide

PricewaterhouseCoopers Securities Ltd

This Financial Services Guide (FSG) is dated 6 March 2015.

About us

PwC Securities (ABN 54 003 311 617, Australian Financial Services Licence No 244572) has been engaged by Amcom Telecommunications Limited to provide a report in the form of an independent expert's report (IER) for inclusion in the Scheme Booklet.

You have not engaged us directly but have been provided with a copy of the IER as a retail client because of your connection to the matters set out in the IER.

This financial services guide

This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration PwC Securities may receive in connection with the preparation of the IER, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds and deposit products.

General financial product advice

The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are approximately \$200,000.

Directors, authorised representatives or employees of PwC Securities, PricewaterhouseCoopers (PwC), or other associated entities, may receive partnership distributions, salary or wages from PwC.

Associations with issuers of financial products

PwC Securities and its authorised representatives, partners, employees and associates may from time to time have relationships with the issuers of financial products. For example, PwC may be the auditor of, or PwC Securities may provide financial advisory services to, the issuer of a financial product in the ordinary course of its business.

Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request. If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service (FOS), and external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

Compensation arrangements

PwC Securities has professional indemnity insurance in place that satisfies the compensation arrangement requirements under section 912B of the Corporations Act. This insurance will cover claims in relation to the conduct of representatives and employees who no longer provide services to PwC Securities (but who did at the time of the relevant conduct).

Contact details

PwC Securities can be contacted by sending a letter to the following address:

Mr Richard Stewart
Authorised Representative
PricewaterhouseCoopers Securities Ltd
GPO Box 2650
SYDNEY NSW 1171

Annexure B Independent Limited Assurance Report

For personal use only

Independent Limited Assurance Report

6 March 2015

The Board of Directors
Amcom Telecommunications Limited
Level 22
44 St. Georges Terrace
Perth WA 6000

Dear Directors

PART 1- INDEPENDENT LIMITED ASSURANCE REPORT ON AMCOM HISTORICAL FINANCIAL INFORMATION, VOCUS PRO FORMA HISTORICAL FINANCIAL INFORMATION AND COMBINED GROUP PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Amcom Telecommunications Limited ("Amcom" or the "Company") to report on the Amcom historical financial information, Vocus Communications Limited ("Vocus") pro forma historical financial information and the Combined Group's pro forma historical financial information for inclusion in the Scheme Booklet ("Scheme Booklet") to be dated on or about 6th March 2015, and to be issued by Amcom, in relation to the proposed acquisition of all of Amcom's shares by Vocus via a scheme of arrangement (the "Proposed Transaction").

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Stephen Lomas is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Amcom Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following historical financial information of Amcom:

- ▶ the historical consolidated Income Statements for the years ended 30 June 2013 and 30 June 2014, and the six months ended 31 December 2014 for Amcom as set out in Section 4.9(b)(i) of the Scheme Booklet; and
- ▶ the historical consolidated Statement of Financial Position as at 31 December 2014 for Amcom as set out in Section 4.9(c) of the Scheme Booklet.

(Hereafter "the Amcom Historical Financial Information")

The Amcom Historical Financial Information for the years ended 30 June 2013 and 30 June 2014 has been derived from the financial reports of Amcom for those years, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial reports. The Amcom Historical Financial Information for the six months ended 31 December 2014 has been derived from the interim financial report of Amcom, which was reviewed by Ernst & Young and on which an unqualified limited assurance conclusion was issued.

The Amcom Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards, which are consistent to International Financial Reporting Standards.

Vocus Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of Vocus:

- ▶ the pro forma historical consolidated Income Statement for the six months ended 31 December 2014 for Vocus as set out in Section 5.12(b) of the Scheme Booklet; and
- ▶ the pro forma historical consolidated Statement of Financial Position as at 31 December 2014 for Vocus as set out in Section 5.12(c) of the Scheme Booklet.

(Hereafter "the Vocus Pro Forma Historical Financial Information")

The Vocus Pro Forma Historical Financial Information has been derived from the historical financial information of Vocus, comprising the historical consolidated Income Statement of Vocus for the six months ended 31 December 2014 and the historical consolidated Statement of Financial Position of Vocus as at 31 December 2014, and adjusted for the effects of pro forma adjustments described in Sections 5.12(b) and (c) of the Scheme Booklet.

The Vocus Pro Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards, which are consistent to International Financial Reporting Standards, other than it reflects (a) the exclusion of certain transactions that occurred in the six months ended 31 December 2014; and (b) the impact of certain events or transactions as if they occurred on or before 1 July 2014.

Due to its nature, the Vocus Pro Forma Historical Financial Information does not represent Vocus' actual or prospective financial position and financial performance.

Combined Group Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of the Combined Group following the implementation of the scheme:

- ▶ the combined group pro forma historical consolidated Income Statement for the six months ended 31 December 2014 as set out in Section 6.6(b) of the Scheme Booklet; and
- ▶ the combined group pro forma historical consolidated Statement of Financial Position as at 31 December 2014 as set out in Section 6.6(c) of the Scheme Booklet.

(Hereafter the "Combined Group Pro Forma Historical Financial Information").

The Combined Group Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Amcom, the Vocus Pro Forma Historical Financial Information, and adjusted for the effects of pro forma adjustments described in Sections 6.6(b) and (c) of the Scheme Booklet.

The Combined Group Pro Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards, which are consistent to International Financial Reporting Standards, other than it reflects (a) the exclusion of certain transactions that occurred in the six month period ended 31 December 2014; and (b) the impact of certain events or transactions as if they occurred on 31 December 2014.

Due to its nature, the Combined Group Pro Forma Historical Financial Information does not represent Amcom's, Vocus' or the Combined Group's actual or prospective financial position and financial performance.

The Amcom Historical Financial Information, Vocus Pro Forma Historical Financial Information and Combined Group Pro Forma Historical Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of Amcom are responsible for the preparation and presentation of the Amcom Historical Financial Information and Combined Group Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Amcom Historical Financial Information and included in the Combined Group Pro Forma Historical Financial Information. The directors of Vocus are responsible for the preparation and presentation of the Vocus Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Vocus historical financial information and included in the Vocus Pro Forma Historical Financial Information and the Combined Group Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the respective directors determine are necessary to enable the preparation of Amcom Historical Financial Information, Vocus Pro Forma Historical Financial Information and the Combined Group Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Amcom Historical Financial Information, Vocus Pro Forma Historical Financial Information and the Combined Group Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain

reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Amcom Historical Financial Information, Vocus Pro Forma Historical Financial Information and the Combined Group Pro Forma Historical Financial Information.

5. Conclusions

Amcom Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Amcom Historical Financial Information comprising:

- ▶ the historical consolidated Income Statements for the years ended 30 June 2013 and 30 June 2014, and the six months ended 31 December 2014 for Amcom as set out in Section 4.9(b)(i) of the Scheme Booklet; and
- ▶ the historical consolidated Statements of Financial Position as at 31 December 2014 for Amcom as set out in Section 4.9(c) of the Scheme Booklet

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.9(a) of the Scheme Booklet.

Vocus Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Vocus Pro Forma Historical Financial Information comprising:

- ▶ the Vocus pro forma historical consolidated Income Statement for the six months ended 31 December 2014 as set out in Section 5.12(b) of the Scheme Booklet; and
- ▶ the Vocus pro forma historical consolidated Statement of Financial Position as at 31 December 2014 as set out in Section 5.12(c) of the Scheme Booklet.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.12(a) of the Scheme Booklet.

Combined Group Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Combined Group Pro Forma Historical Financial Information comprising:

- ▶ the combined group pro forma historical consolidated Income Statement for the six months ended 31 December 2014 as set out in Section 6.6(b) of the Scheme Booklet; and
- ▶ the combined group pro forma historical consolidated Statement of Financial Position as at 31 December 2014 as set out in Section 6.6(c) of the Scheme Booklet.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.6(a) of the Scheme Booklet.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Sections 4.9, 5.12 and 6.6 of the Scheme Booklet, which describes the purpose of the Financial Information. As a result, the Amcom Historical Financial Information, Vocus Pro Forma Historical Financial Information and the Combined Group Pro Forma Historical Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Scheme Booklet in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of the Proposed Transaction other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited



Stephen Lomas
Director and Representative

6 March 2015

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT
LIMITED ASSURANCE REPORT**

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed

fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$40,000 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in this Scheme Booklet in section 10.6, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

Annexure C Scheme Implementation Agreement

For personal use only

Scheme implementation agreement

Amcom Telecommunications Limited (**Amcom**)

Vocus Communications Limited (**Vocus**)

MinterEllison

L A W Y E R S

LEVEL 19 AURORA PLACE 88 PHILLIP STREET SYDNEY NSW 2000
AUSTRALIA DX 117 SYDNEY
T +61 2 9921 8888 F +61 2 9921 8123
www.minterellison.com

Scheme implementation agreement

Details	5
Agreed terms	6
1. Defined terms & interpretation	6
1.1 Defined terms	6
1.2 Interpretation	16
1.3 Headings	17
2. Agreement to propose Scheme	17
3. Conditions precedent and pre-implementation steps	17
3.1 Conditions to Scheme	17
3.2 Benefit and waiver of conditions precedent	18
3.3 Best endeavours	19
3.4 Notifications	19
3.5 Certificate	20
3.6 Scheme voted down	20
3.7 Conditions not capable of being fulfilled	20
3.8 Interpretation	21
4. Scheme structure	22
4.1 Scheme	22
4.2 Scheme Consideration	22
4.3 Allotment and issue of New Vocus Shares	22
5. Scheme – parties' respective implementation obligations	23
5.1 Amcom's obligations	23
5.2 Vocus' obligations	25
5.3 Explanatory Booklet – preparation principles	26
5.4 Amcom Board recommendation	28
6. Conduct of business before the Implementation Date	28
6.1 Conduct of business	28
6.2 Permitted activities	30
6.3 Access	31
7. Board composition	32
7.1 Reconstitution of the board of each member of the Amcom Group	32
7.2 Vocus Board composition	32
8. Representations and warranties	32
8.1 Vocus representations	32
8.2 Amcom representations	34
8.3 Notifications	36
8.4 Survival of representations	36
8.5 Liability of directors and Authorised Persons	36
9. Confidentiality and Public Announcement	36
9.1 Confidentiality	36

9.2	Public announcements on execution	36
9.3	Further public announcements	36
10.	Termination	37
10.1	Termination by notice	37
10.2	Automatic termination	38
10.3	Effect of termination	38
10.4	Survival of obligations	38
10.5	Disclosure on termination of agreement	38
11.	Amcom Break Fee	38
11.1	Background	38
11.2	Costs incurred by Vocus	38
11.3	Payment by Amcom to Vocus	39
11.4	Amcom Break Fee not payable	40
11.5	Amcom's limitation of liability	40
11.6	Compliance with law	40
12.	Vocus Break Fee	41
12.3	Payment by Vocus to Amcom	41
12.4	Vocus Break Fee not payable	42
12.5	Vocus' limitation of liability	42
12.6	Compliance with law	42
13.	Exclusivity	43
13.1	No shop	43
13.2	No talk and no due diligence	43
13.3	Exceptions	43
13.4	Warranty and undertakings	43
13.5	Amcom notice of Competing Proposal	44
13.6	Vocus notice of Competing Proposal	46
14.	Amcom Performance Rights	47
14.1	Amcom obligations	47
14.2	Replacement performance rights	48
15.	Notices	48
16.	General	49
16.1	Further acts	49
16.2	Timetable	49
16.3	Payments	49
16.4	Interest	50
16.5	Consents or approvals	50
16.6	GST	50
16.7	Stamp duty	50
16.8	Expenses	51
16.9	Amendments	51
16.10	Assignment	51
16.11	Business Day	51
16.12	Waiver	51
16.13	Release of officers and directors	51
16.14	Counterparts	52
16.15	Entire agreement	52

16.16 No representation or reliance	52
16.17 No merger	52
16.18 Governing law	52
Schedule 1 – Indicative Timetable	53
Schedule 2 – Deed Poll	54
Schedule 3 – Scheme	55
Signing page	56

Details

Date

Parties

Name **Amcom Telecommunications Limited**
ABN 20 062 046 217
Short form name **Amcom**
Notice details Level 22
44 St Georges Terrace
Perth WA 6000
Facsimile: +61 8 9244 6591
Email: david.hinton@amcom.com.au
Attention: David Hinton

Name **Vocus Communications Limited**
ABN 96 084 115 499
Short form name **Vocus**
Notice details Level 1, Vocus House
189 Miller Street
North Sydney NSW 2060
Facsimile: +61 2 9959 4348
Email: mark.simpson@vocus.com.au
Attention: Mark Simpson, Company Secretary

Background

- A Amcom and Vocus have agreed to implement the Proposed Transaction on and subject to the terms and conditions of this agreement.
- B Amcom and Vocus have agreed certain other matters in connection with the Proposed Transaction as set out in this agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement, unless the context otherwise requires, the following words and expressions have meanings as follows:

Acceptable Confidentiality Agreement means a confidentiality agreement which contains obligations on the recipient of confidential information which are no less onerous in any material respect than the obligations of Amcom and Vocus under the Confidentiality Agreement.

Accounting Standards means the accounting standards made or in force under the Corporations Act, and if any matter is not covered by those accounting standards, generally accepted Australian accounting principles.

Additional Performance Rights means the 1,580,000 Amcom Performance Rights belonging to 'Tranche F' to be issued after the date of this agreement.

Adjusted Merger Ratio means:

- (a) subject to paragraph (b), the Initial Merger Ratio; or
- (b) if the record date for any dividend, distribution or return of capital that is recommended, declared or paid by Amcom (other than any interim and/or special dividend recommended, declared or paid by Amcom in the ordinary course of business agreed between the parties) occurs on or after the date of this agreement but on or prior to the Implementation Date, the number of New Vocus Shares determined in accordance with the following formula (rounded down to 4 decimal places):

$$M = A \times \frac{B}{C}$$

where:

M = the Adjusted Merger Ratio;

A = the Initial Merger Ratio;

B = \$2.45 less the amount per Scheme Share of any such dividend, distribution or return of capital; and

C = \$2.45,

for each Scheme Share.

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to Amcom or Vocus.

Amcom Board means the board of directors of Amcom as constituted from time to time (or any committee of the board of directors of Amcom constituted from time to time to consider the Proposed Transaction on behalf of Amcom).

Amcom Disclosure Letter means the letter so entitled from Amcom provided to Vocus prior to the date of this agreement.

Amcom Due Diligence Material means the information disclosed by or on behalf of Amcom and its Subsidiaries (including management presentations and in response to requests for information)

to Vocus or any of its Authorised Persons prior to the date of this agreement as evidenced conclusively by schedule 2 to the Amcom Disclosure Letter.

Amcom Group means Amcom and its Subsidiaries.

Amcom Information means information to be included by Amcom in the Explanatory Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the *Corporations Regulations 2001* (Cth), and any other information that is material to the making of a decision by Amcom Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of Amcom's directors and has not previously been disclosed to Amcom Shareholders, other than the Vocus Information and the Independent Expert's Report.

Amcom Material Adverse Change means an event or circumstance (including a change in law) that occurs, is announced or becomes known (in each case whether or not it becomes public) after the date of this agreement which (based on Amcom's most recent audited financial statements):

- (a) has or could reasonably be expected to have individually or when aggregated with all such events or circumstances the effect of diminishing the net assets of the Amcom Group by 10% or more;
- (b) has the result that the aggregate recurring revenue of Amcom generated from contracts that are either lost or become non-revenue generating exceeds \$10 million on an annualised basis;
- (c) has the result (or is reasonably expected to have the result) that the business of the Amcom Group is unable to be carried on in substantially the same manner as carried on at the date of this agreement; or
- (d) has the result (or is reasonably expected to have the result) that present or future third party monetary obligations of a member of the Amcom Group in respect of moneys borrowed or raised totalling at least \$2.5 million (or, without limitation, its equivalent in any other currency or currencies) becomes capable of being declared due and payable before their stated maturity or expiry (other than as a result of the Proposed Transaction),

but does not include any event or circumstance:

- (e) required to be done or procured by Amcom pursuant to this agreement or the Scheme;
- (f) done with the express prior written consent of Vocus;
- (g) to the extent that it was Fairly Disclosed in the Amcom Disclosure Letter;
- (h) to the extent that it was Fairly Disclosed in documents that were publicly available prior to the date which is two Business Days prior to the date of this agreement from public filings of Amcom with ASX or ASIC or public registers; or
- (i) relating to costs and expenses incurred by Amcom associated with the Scheme process, including all fees payable to external advisers of Amcom, to the extent such amounts are Fairly Disclosed in the Amcom Disclosure Letter.

Amcom Performance Right means a right granted under Amcom's Performance Rights Long Term Incentive Plan to acquire by way of issue or transfer an Amcom Share subject to the terms of such plan and includes the Additional Performance Rights.

Amcom Performance Rights Holder means a person who holds an Amcom Performance Right.

Amcom Performance Rights Plan Rules means the plan rules of Amcom's Performance Rights Long Term Incentive Plan.

Amcom Prescribed Occurrence means the occurrence of any of the following on or after the date of this agreement:

- (a) Amcom converts all or any of its shares into a larger or smaller number of shares;
- (b) any member of the Amcom Group resolves to reduce its share capital in any way;
- (c) any member of the Amcom Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the Amcom Group issues securities, or grants a performance right or an option over its securities, or agrees to make such an issue or grant such a right or an option other than pursuant to the exercise of an Amcom Performance Right on issue immediately before the date of this agreement, other than the Additional Performance Rights;
- (e) any member of the Amcom Group issues, or agrees to issue, convertible notes;
- (f) any member of the Amcom Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) any member of the Amcom Group creates or agrees to create, any Security Interest over the whole, or a substantial part, of its business or property;
- (h) an Insolvency Event occurs in relation to any member of the Amcom Group;
- (i) Amcom pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution;
- (j) any member of the Amcom Group makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the Amcom Group;
- (k) any member of the Amcom Group ceases, or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (l) any member of the Amcom Group (other than a dormant, non-operating member of the Amcom Group) being deregistered as a company or being otherwise dissolved;
- (m) any disposal of shares or securities by a member of the Amcom Group in any member of the Amcom Group other than to a member of the Amcom Group; or
- (n) any member of the Amcom Group directly or indirectly authorising, committing or agreeing to take or announcing any of the actions referred to in paragraphs (a) to (m) above insofar as it applies to the member of the Amcom Group the subject of such direct or indirect authorisation, commitment, agreement or announcement,

provided that an Amcom Prescribed Occurrence will not include any matter:

- (o) required to be done or procured by Amcom pursuant to this agreement or the Scheme;
- (p) Fairly Disclosed in filings of Amcom with the ASX prior to the date of this agreement;
- (q) to the extent it is Fairly Disclosed in the Amcom Due Diligence Material or the Amcom Disclosure Letter; or

- (r) the undertaking of which Vocus has approved in writing.

Amcom Share means an issued fully paid ordinary share in the capital of Amcom.

Amcom Shareholder means each person who is registered in the register maintained by Amcom under section 168(1) of the Corporations Act as a holder of Amcom Shares.

Amcom Warranties means the representations and warranties of Amcom set out in clause 8.2.

ASIC means the Australian Securities and Investments Commission.

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

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

Authorised Person means, in respect of a person:

- (a) a director, officer, member or employee of the person;
- (b) an Adviser of the person; and
- (c) a director, officer or employee of an Adviser of the person.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Perth or Sydney, Australia.

Change of Control means any person, either alone or together with any Associate, acquires a relevant interest (as defined in the Corporations Act) in more than 50% of the Vocus Shares on issue, or any similar event which the Vocus Board determines, in its discretion, is a Change of Control.

Competing Proposal means:

- (a) in respect of Amcom, any offer, proposal, transaction or arrangement (other than as contemplated pursuant to this agreement) pursuant to which a third party will, if completed substantially in accordance with its terms:
 - (i) directly or indirectly:
 - (A) acquire or have a right to acquire or obtain an interest (including an economic interest) in all or a substantial part of the business or assets of Amcom or any member of the Amcom Group;
 - (B) acquire a relevant interest or voting power in 20% or more of Amcom Shares;
 - (ii) otherwise acquire control of Amcom, within the meaning of section 50AA of the Corporations Act; or
 - (iii) otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Amcom or its businesses, whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for Amcom or the Amcom Group or other synthetic merger or any other transaction or arrangement,

or which would otherwise compete with, or be inconsistent in any material respect with the consummation of, the Proposed Transaction; and

- (b) in respect of Vocus, any offer, proposal, transaction or arrangement (other than as a contemplated pursuant to this agreement) pursuant to which a third party will, if completed substantially in accordance with its terms:
- (i) directly or indirectly:
 - (A) acquire or have a right to acquire or obtain an interest (including an economic interest) in all or a substantial part of the business or assets of Vocus or any member of the Vocus Group;
 - (B) acquire a relevant interest or voting power in 20% or more of Vocus Shares;
 - (ii) otherwise acquire control of Vocus, within the meaning of section 50AA of the Corporations Act; or
 - (iii) otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Vocus or its businesses, whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for Vocus or the Vocus Group or other synthetic merger or any other transaction or arrangement,
- or which would otherwise compete with, or be inconsistent in any material respect with the consummation of, the Proposed Transaction.

Conditions means the conditions set out in clause 3.1 and **Condition** means any one of them.

Confidentiality Agreement means the confidentiality agreement between Amcom and Vocus dated 8 November 2014.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll to be executed by Vocus prior to the date the Explanatory Booklet is despatched to Amcom Shareholders, in the form set out in Schedule 2 or in such other form as is acceptable to Amcom acting reasonably.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means:

- (a) 31 May 2015; or
- (b) such other date and time agreed in writing between Vocus and Amcom.

Excluded Shareholder means:

- (a) any Amcom Shareholder who is Vocus or a Related Body Corporate of Vocus; and
- (b) where the physically-settled equity swap transaction between Commonwealth Bank of Australia (**CBA**) and Vocus dated 24 October 2014 (**Swap**) has not been terminated, settled or closed out on or before the Record Date, CBA Equities Limited (ACN 003 485

952) in respect of 26,639,915 Amcom Shares to be disposed of under the Swap (as described in the Form 603 notice regarding Amcom given by CBA to the ASX on 27 October 2014).

Exclusivity Period means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the Implementation Date; and
- (c) the date this agreement is terminated in accordance with its terms.

Explanatory Booklet means the explanatory booklet to be prepared by Amcom in respect of the Proposed Transaction in accordance with the terms of this agreement and to be despatched to Amcom Shareholders.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Amcom Shareholders present and voting, either in person or by proxy.

Implementation Date means, with respect to the Scheme, the fifth Business Day, or such other Business Day as the parties agree, following the Record Date for the Scheme.

Independent Expert means an expert, independent of the parties, engaged by Amcom in good faith to opine on whether the Scheme is in the best interest of Amcom Shareholders.

Independent Expert's Report means the report prepared by the Independent Expert and stating whether the Scheme is in the best interest of Amcom Shareholders.

Ineligible Overseas Shareholder means an Amcom Shareholder whose address as shown in Amcom's members' register is located outside of Australia and its external territories, and any other jurisdictions as may be agreed in writing by Amcom and Vocus (unless Vocus is satisfied that it is permitted to allot and issue New Vocus Shares to that Amcom Shareholder pursuant to the Scheme by the laws of that place).

Initial Merger Ratio means 0.4614 New Vocus Shares per Scheme Share.

Insolvency Event means in relation to a person:

- (a) **insolvency official:** the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **arrangements:** the entry by the person into a compromise or arrangement with its creditors generally;
- (c) **winding up:** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **suspends payments:** the person suspends or threatens to suspend payment of its debts as and when they become due;

- (e) **ceasing business:** the person ceases or threatens to cease to carry on business;
- (f) **insolvency:** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **deregistration:** the person being deregistered as a company or otherwise dissolved;
- (h) **deed of company arrangement:** the person executing a deed of company arrangement;
- (i) **person as trustee or partner:** the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
- (i) a breach of trust or obligation as partner by the person;
 - (ii) the person acting outside the scope of its powers as trustee or partner;
 - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability; or
 - (iv) the assets of the trust or partnership being insufficient to discharge the liability; or
- (j) **analogous events:** anything analogous to those set out in any of paragraphs (a) to (h) inclusive occurs in relation to the person under the laws of a foreign jurisdiction.

Listing Rules means the official listing rules of ASX as amended from time to time.

New Vocus Shares means the new Vocus Shares to be issued under the terms of the Scheme as Scheme Consideration.

Proposed Transaction means the proposed acquisition by Vocus, in accordance with the terms and conditions of this agreement, of all of the Amcom Shares (other than the Amcom Shares held by an Excluded Shareholder) through the implementation of the Scheme.

Record Date means, in respect of the Scheme, 7.00pm on the fifth Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Regulatory Approvals means the approvals set out in clause 3.1(a).

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Related Body Corporate of a person means a related body corporate of that person under section 50 of the Corporations Act.

RG 60 means Regulatory Guide 60 issued by ASIC on 22 September 2011.

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Amcom and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Schedule 3 or in such other form as the parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.

Scheme Consideration means the Adjusted Merger Ratio, to be provided to Scheme Shareholders under the terms of the Scheme as described in clause 4.2.

Scheme Meeting means the meeting of Amcom Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means an Amcom Share on issue as at the Record Date other than any Amcom Share then held by an Excluded Shareholder (but including any such Amcom Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Security Interest has the meaning given in section 12 of the *Personal Property Securities Act 2009* (Cth).

Senior Manager means an employee of any member of the Amcom Group reporting directly to the managing director, chief financial officer or group chief operating officer of Amcom.

Share Splitting means the splitting by a holder of Amcom Shares into two or more parcels of Amcom Shares whether or not it results in any change in beneficial ownership of the Amcom Shares.

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

Superior Proposal means:

- (a) in relation to Amcom, a bona fide Competing Proposal which in the determination of the Amcom Board acting in good faith in order to satisfy what the Amcom Board considers to be its fiduciary or statutory duties (after having taken advice from their legal and financial advisers):
 - (i) is reasonably likely to be completed in accordance with its terms, taking into account all financial, regulatory and other aspects of such proposal, including the ability of the proposing party to consummate the transactions contemplated by the Competing Proposal; and
 - (ii) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to Amcom Shareholders as a whole than the Proposed Transaction, taking into account all of the terms and conditions of the Competing Proposal, including consideration, conditionality, funding, certainty and timing; and
- (b) in relation to Vocus, a bona fide Competing Proposal which in the determination of the Vocus Board acting in good faith in order to satisfy what the Vocus Board considers to be its fiduciary or statutory duties (after having taken advice from their legal and financial advisers):
 - (i) is reasonably likely to be completed in accordance with its terms, taking into account all financial, regulatory and other aspects of such proposal, including the ability of the proposing party to consummate the transactions contemplated by the Competing Proposal; and

- (ii) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to Vocus Shareholders as a whole than the Proposed Transaction, taking into account all of the terms and conditions of the Competing Proposal, including consideration, conditionality, funding, certainty and timing.

Timetable means the indicative timetable in relation to the Proposed Transaction set out in Schedule 1 with such modifications as may be agreed in writing by the parties.

Transaction Documents means this agreement, the Deed Poll and the Scheme.

Vocus Board means the board of directors of Vocus as constituted from time to time (or any committee of the board of directors of Vocus constituted from time to time to consider the Proposed Transaction on behalf of Vocus).

Vocus Disclosure Letter means the letter so entitled from Vocus provided to Amcom prior to the date of this agreement.

Vocus Due Diligence Material means the information disclosed by or on behalf of Vocus and its Subsidiaries (including management presentations and in response to requests for information) to Amcom or any of its Authorised Persons prior to the date of this agreement as evidenced conclusively by schedule 2 to the Vocus Disclosure Letter.

Vocus Group means Vocus and its Subsidiaries.

Vocus Information means such information regarding Vocus that is provided by or on behalf of Vocus to Amcom or the Independent Expert:

- (a) to enable the Explanatory Booklet to be prepared and completed in compliance with all applicable laws;
- (b) to enable applications for Regulatory Approvals to be made; and
- (c) otherwise in compliance with Vocus' obligations under clause 5.2(a).

Vocus Material Adverse Change means an event or circumstance (including a change in law) that occurs, is announced or becomes known (in each case whether or not it becomes public) after the date of this agreement which (based on Vocus' most recent audited financial statements):

- (a) has or could reasonably be expected to have individually or when aggregated with all such events or circumstances the effect of diminishing the net assets of the Vocus Group by 10% or more;
- (b) has the result that the aggregate recurring revenue of Vocus generated from contracts that are either lost or become non-revenue generating exceeds \$10 million on an annualised basis;
- (c) has the result (or is reasonably expected to have the result) that the business of the Vocus Group is unable to be carried on in substantially the same manner as carried on at the date of this agreement; or
- (d) has the result (or is reasonably expected to have the result) that present or future third party monetary obligations of a member of the Vocus Group in respect of moneys borrowed or raised totalling at least \$2.5 million (or, without limitation, its equivalent in any other currency or currencies) becomes capable of being declared due and payable before their stated maturity or expiry (other than as a result of the Proposed Transaction),

but does not include any event or circumstance:

- (e) required to be done or procured by Vocus pursuant to this agreement or the Scheme;

- (f) done with the express prior written consent of Amcom;
- (g) to the extent that it was Fairly Disclosed in the Vocus Disclosure Letter;
- (h) to the extent that it was Fairly Disclosed in documents that were publicly available prior to the date which is two Business Days prior to the date of this agreement from public filings of Vocus with ASX or ASIC or public registers; or
- (i) relating to costs and expenses incurred by Vocus associated with the Scheme process, including all fees payable to external advisers of Vocus, to the extent such amounts are Fairly Disclosed in the Vocus Disclosure Letter.

Vocus Option means an option granted by Vocus to acquire by way of issue one or more Vocus Shares.

Vocus Prescribed Occurrence means the occurrence of any of the following on or after the date of this agreement:

- (a) Vocus converts all or any of its shares into a larger or smaller number of shares;
- (b) any member of the Vocus Group resolves to reduce its share capital in any way;
- (c) any member of the Vocus Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the Vocus Group issues securities, or grants a performance right or an option over its securities, or agrees to make such an issue or grant such a right or an option other than pursuant to the exercise of a Vocus Option on issue immediately before the date of this agreement;
- (e) any member of the Vocus Group issues, or agrees to issue, convertible notes;
- (f) any member of the Vocus Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) any member of the Vocus Group creates or agrees to create, any Security Interest over the whole, or a substantial part, of its business or property;
- (h) an Insolvency Event occurs in relation to any member of the Vocus Group;
- (i) Vocus pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution;
- (j) any member of the Vocus Group makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the Vocus Group;
- (k) any member of the Vocus Group ceases, or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (l) any member of the Vocus Group (other than a dormant, non-operating member of the Vocus Group) being deregistered as a company or being otherwise dissolved;
- (m) any disposal of shares or securities by a member of the Vocus Group in any member of the Vocus Group other than to a member of the Vocus Group; or

- (n) any member of the Vocus Group directly or indirectly authorising, committing or agreeing to take or announcing any of the actions referred to in paragraphs (a) to (m) above insofar as it applies to the member of the Vocus Group the subject of such direct or indirect authorisation, commitment, agreement or announcement,

provided that a Vocus Prescribed Occurrence will not include any matter:

- (o) required to be done or procured by Vocus pursuant to this agreement or the Scheme;
- (p) Fairly Disclosed in filings of Vocus with the ASX prior to the date of this agreement;
- (q) to the extent it is Fairly Disclosed in the Vocus Due Diligence Material or the Vocus Disclosure Letter; or
- (r) the undertaking of which Amcom has approved in writing.

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

Vocus Shareholder means each person who is registered in the register maintained by Vocus under section 168(1) of the Corporations Act as a holder of Vocus Shares.

Vocus Warranties means the representations and warranties of Vocus set out in clause 8.1.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Perth, Australia time;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;

- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (n) a reference to **Fairly Disclosed** to a party means disclosed to any of that party or any of its Authorised Persons in good faith and in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Authorised Persons) experienced in transactions similar to the Proposed Transaction and experienced in a business similar to any business conducted by the Amcom Group (if disclosed to Vocus) or the Vocus Group (if disclosed to Amcom), to identify the nature and scope of the relevant matter, event or circumstance.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Agreement to propose Scheme

- (a) Amcom agrees to propose and implement the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.
- (b) Vocus agrees to assist Amcom in proposing and implementing the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.

3. Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme will not be binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

- (a) **(Regulatory Approvals)** before 8.00am on the Second Court Date, all Regulatory Approvals required to implement the Scheme are granted or obtained (including, but not limited to, ASIC and ASX having issued or provided such consents, waivers or approvals or having done such other acts which Amcom and Vocus agree are reasonably necessary to implement the Scheme), either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably), and those Regulatory Approvals have not been withdrawn, cancelled or revoked;
- (b) **(Restraining orders)** no judgment, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Regulatory Authority of competent jurisdiction remains in effect as at 8.00am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Scheme or any Transaction Document;
- (c) **(Shareholder approval)** the Scheme is approved by Amcom Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (d) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- (e) **(ASX Quotation)** ASX approving the official quotation of the New Vocus Shares;

- (f) (**Independent Expert**) the Independent Expert concluding in the Independent Expert's Report that in its opinion the Scheme is in the best interest of Amcom Shareholders on or before the date on which the Explanatory Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not change or publicly withdraw this conclusion prior to 8.00am on the Second Court Date;
- (g) (**No Amcom Material Adverse Change**) no Amcom Material Adverse Change occurs between the date of this agreement and 8.00am on the Second Court Date;
- (h) (**No Vocus Material Adverse Change**) no Vocus Material Adverse Change occurs between the date of this agreement and 8.00am on the Second Court Date;
- (i) (**No Amcom Prescribed Occurrence**) no Amcom Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date;
- (j) (**No Vocus Prescribed Occurrence**) no Vocus Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date;
- (k) (**Amcom Warranties**) the Amcom Warranties being true and correct in all material respects on the date of this agreement and at 8.00am on the Second Court Date;
- (l) (**Vocus Warranties**) the Vocus Warranties being true and correct in all material respects on the date of this agreement and at 8.00am on the Second Court Date;
- (m) (**Amcom material breach**) before 8.00am on the Second Court Date, Amcom has not breached any material provision of this agreement to a material extent in the context of the Scheme taken as a whole;
- (n) (**Vocus material breach**) before 8.00am on the Second Court Date, Vocus has not breached any material provision of this agreement to a material extent in the context of the Scheme taken as a whole; and
- (o) (**Amcom Performance Rights**) before 8.00am on the Second Court Date, in accordance with clause 14, arrangements have been put in place and all necessary Regulatory Approvals, consents and waivers have been obtained so that all Amcom Performance Rights outstanding as at the date of this agreement will either vest or have lapsed before the Record Date or, in the case of Additional Performance Rights, legally binding agreements to acquire or cancel the Additional Performance Rights for consideration have been executed by each of the holders of those Additional Performance Rights.

3.2 Benefit and waiver of conditions precedent

- (a) The Conditions in clauses 3.1(b) and 3.1(o) are for the benefit of each party and any breach or non-fulfilment of them may only be waived (if capable of waiver) with the written consent of both parties, which consent either party may give or withhold in its absolute discretion.
- (b) The Conditions in clauses 3.1(g), 3.1(i), 3.1(k) and 3.1(m) are for the sole benefit of Vocus and any breach or non-fulfilment of them may only be waived by Vocus giving its written consent.
- (c) The Conditions in clauses 3.1(f), 3.1(h), 3.1(j), 3.1(l) and 3.1(n) are for the sole benefit of Amcom and any breach or non-fulfilment of them may only be waived by Amcom giving its written consent.
- (d) A party entitled to waive a Condition pursuant to this clause 3.2 may do so in its absolute discretion subject to the provision of written notice to the other party. Any waiver of a Condition by a party for whose benefit the condition applies must take place on or prior to

8.00am on the Second Court Date. The Conditions in clauses 3.1(a), 3.1(c), 3.1(d) and 3.1(e) cannot be waived.

- (e) If a party waives the breach or non-fulfilment of any of the Conditions in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this agreement including without limitation a breach that resulted in the non-fulfilment of the Condition that was waived.
- (f) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute;
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.

3.3 Best endeavours

- (a) Amcom and Vocus will use their respective best endeavours to procure that each of the Conditions is satisfied as soon as reasonably practicable after the date of this agreement or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require).
- (b) Without limiting clauses 3.4 and 3.5 below, each of Amcom and Vocus must:
 - (i) promptly apply for all relevant Regulatory Approvals and provide the other party with a copy of all applications for Regulatory Approvals;
 - (ii) take all the steps for which it is responsible as part of the Regulatory Approvals process;
 - (iii) respond to all requests for information in respect of the applications for Regulatory Approvals at the earliest practicable time;
 - (iv) provide the other with all information and assistance reasonably requested in connection with the applications for Regulatory Approvals;
 - (v) to the extent that it is within either party's respective control, use its best endeavours to procure that there is no occurrence that would prevent the Condition being satisfied and no other party shall take any action that will or is likely to hinder or prevent the satisfaction of the Condition except to the extent that such action is required by law; and
 - (vi) so far as it is able, allow the other and its Authorised Persons the opportunity to be present and make submissions at any meetings with any regulatory body relating to the Regulatory Approvals in respect of the Scheme.

3.4 Notifications

Each of Vocus and Amcom must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 3.3) and where a party is entitled to waive that Condition upon receipt or delivery of such a notice (as applicable) that party must notify the other party in

accordance with clause 3.2 as soon as possible (in any event before 5.00pm on the Business Day before the Second Court Date) as to whether the party waives the non-fulfilment of the Condition.

3.5 Certificate

On the Second Court Date:

- (a) Vocus and Amcom will provide a joint certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(a), 3.1(b) and 3.1(c) have been satisfied or waived in accordance with the terms of this agreement;
- (b) Amcom will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(f), 3.1(g), 3.1(i), 3.1(k), 3.1(m) and 3.1(o) have been satisfied or waived in accordance with the terms of this agreement;
- (c) Vocus will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(e), 3.1(h), 3.1(j), 3.1(l) and 3.1(n) have been satisfied or waived in accordance with the terms of this agreement;
- (d) Amcom will provide a certificate to Vocus confirming whether or not it has breached any of its obligations under this agreement (including a breach of a representation or warranty), and if it has, giving details of such breach; and
- (e) Vocus will provide a certificate to Amcom confirming whether or not it has breached any of its obligations under this agreement (including a breach of a representation or warranty), and if it has, giving details of such breach.

3.6 Scheme voted down

If the Scheme is not approved by Amcom Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Amcom or Vocus considers acting reasonably that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Amcom must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as Counsel engaged by Amcom to represent it in Court proceedings related to the Scheme, in consultation with Vocus, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

3.7 Conditions not capable of being fulfilled

- (a) If:
 - (i) any Condition is not satisfied or (where capable of waiver) waived by the date specified in this agreement for its satisfaction (or an event occurs which would or is likely to prevent a condition precedent being satisfied by the date specified in this agreement);
 - (ii) a circumstance occurs with the result that a Condition is not capable of being fulfilled and, if the Condition is able to be waived by a party under clause 3.2 the party does not waive the Condition within five Business Days after the occurrence of the circumstance; or

- (iii) the Scheme does not become Effective by the End Date,
and neither of the following has occurred:
- (iv) the Independent Expert opines to the effect that the Scheme is not in the best interest of Amcom Shareholders; or
- (v) a Superior Proposal has been publicly announced,
then Amcom and Vocus must consult in good faith with a view to determining whether:
 - (vi) the Scheme may proceed by way of alternative means or methods;
 - (vii) to extend the relevant time or date for satisfaction of the Condition;
 - (viii) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (ix) to extend the End Date.
- (b) Subject to clause 3.7(c), if a Condition becomes incapable of being satisfied before the End Date and Amcom and Vocus are unable to reach agreement under clause 3.7(a) within five Business Days of the date on which they both become aware that the Condition has become incapable of being satisfied (or, if earlier, by 8.00am on the Second Court Date), then unless the relevant Condition (where capable of waiver) is waived:
 - (i) in relation to the Conditions in clause 3.1(a) or 3.1(c), either Vocus or Amcom may terminate this agreement by giving the other notice within 10 Business Days (or any shorter period ending before 8.00am on the Second Court Date);
 - (ii) in relation to the Conditions in clauses 3.1(e), 3.1(g), 3.1(i), 3.1(k), 3.1(m) and 3.1(o), Vocus may terminate this agreement by giving Amcom notice within 10 Business Days (or any shorter period ending before 8.00am on the Second Court Date); and
 - (iii) in relation to the Conditions in clauses 3.1(f), 3.1(h), 3.1(j), 3.1(l) and 3.1(n), Amcom may terminate this agreement by giving Vocus notice within 10 Business Days (or any shorter period ending before 8.00am on the Second Court Date),
without any liability to any other party by reason of that termination alone.
- (c) A party will not be entitled to terminate this agreement pursuant to clause 3.7(b) if the relevant Condition has not been satisfied as a result of:
 - (i) a breach of this agreement by that party; or
 - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that Condition being satisfied.

3.8 Interpretation

For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being fulfilled if:

- (a) in the case of a Condition relating a Regulatory Approval – the relevant Regulatory Authority makes or has made a final adverse determination in writing to the effect that it will not provide the Regulatory Approval; and
- (b) in all other cases – there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this agreement).

4. Scheme structure

4.1 Scheme

- (a) Amcom must, as soon as reasonably practicable after the date of this agreement and substantially in compliance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to Vocus and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.
- (b) Amcom must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Vocus.

4.2 Scheme Consideration

- (a) Vocus covenants in favour of Amcom, in consideration for the transfer to Vocus of the Scheme Shares held by each Scheme Shareholder under the terms of the Scheme, to provide or procure provision of the Scheme Consideration to each Scheme Shareholder on the Implementation Date and otherwise in accordance with the Scheme.
- (b) Subject to clauses 4.3(b) and 4.3(c) and to the Scheme becoming Effective, at 10.00am on the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:
 - (i) each Scheme Shareholder will receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder at the Record Date, which is to be issued in the manner set out in clause 4.3; and
 - (ii) in exchange, all existing Amcom Shares at the Record Date will be transferred to Vocus or its nominee.
- (c) In order to facilitate the provision of the Scheme Consideration, Amcom must provide, or procure the provision of, to Vocus or a nominee of Vocus a complete copy of the Amcom register of members as at the Record Date (which must include the name, registered address and registered holding of each Scheme Shareholder as at the Record Date), within one Business Day after the Record Date. The details and information to be provided under this clause must be provided in such form as Vocus, its nominee or Vocus' share registry may reasonably require.

4.3 Allotment and issue of New Vocus Shares

- (a) Subject to clauses 4.3(b) and 4.3(c) and to the Scheme becoming Effective, Vocus must:
 - (i) allot and issue the New Vocus Shares to Scheme Shareholders in accordance with the Scheme on terms such that each Vocus Share will rank equally in all respects with each existing Vocus Share;
 - (ii) do everything reasonably necessary to ensure that the New Vocus Shares are approved for official quotation on ASX and that trading in the New Vocus Shares commences by the first Business Day after the Implementation Date; and
 - (iii) ensure that on issue, each New Vocus Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.
- (b) Unless Vocus is satisfied that the laws of an Ineligible Overseas Shareholder's country of residence (as shown in the register of Amcom Shareholders) permit the issue of New Vocus Shares to the Ineligible Overseas Shareholder either unconditionally or after compliance with terms which Vocus reasonably regards as acceptable and practical, Vocus will be under no obligation under the Scheme to issue, and will not issue, any New

Vocus Shares to Ineligible Overseas Shareholders, and instead will issue the New Vocus Shares that would otherwise have been issued to the Ineligible Overseas Shareholders to a nominee appointed by Vocus. Vocus will procure that as soon as reasonably practicable and in any event no more than 15 Business Days after the Implementation Date, the nominee sell those New Vocus Shares issued to the nominee on-market in such manner, at such price and on such other terms as the nominee determines in good faith. Promptly after the last sale of those New Vocus Shares, Vocus will procure that the nominee pays to Vocus the net proceeds from that sale (after deducting any applicable brokerage, stamp duty and other selling costs and taxes). Vocus will then remit the portion of the proceeds it receives from the nominee to each Ineligible Overseas Shareholders in accordance with their entitlement.

- (c) Any fractional entitlement of a Scheme Shareholder to a part of a New Vocus Share will be rounded up or down to the nearest whole number of New Vocus Shares (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half). The Scheme will contain standard provisions under which Vocus will have the discretion to deem the holdings of two or more Scheme Shareholders to be held by one Scheme Shareholder to prevent any Share Splitting designed to obtain unfair advantage by reference to such rounding.

5. Scheme – parties' respective implementation obligations

5.1 Amcom's obligations

Amcom must take all steps reasonably necessary to implement the Scheme as soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, including without limitation taking each of the following steps:

- (a) **(Explanatory Booklet)** prepare the Explanatory Booklet in accordance with clause 5.3;
- (b) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Booklet;
- (c) **(approval of draft for ASIC)** as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the Amcom Board, or of a committee of the Amcom Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (d) **(liaison with ASIC)** as soon as reasonably practicable after the date of this agreement:
 - (i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with clauses 5.1(c) and 5.2(g), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet and keep Vocus reasonably informed of any matters raised by ASIC in relation to the Explanatory Booklet and use reasonable endeavours, in consultation with Vocus, to resolve any such matters;
- (e) **(approval of Explanatory Booklet)** as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the Amcom Board, or of a committee of the Amcom Board appointed for the purpose, is

held to consider approving the Explanatory Booklet for despatch to the Amcom Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;

- (f) **(section 411(17)(b) statements)** apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (g) **(first Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 5.1(e) and 5.2(h) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Amcom to convene the Scheme Meeting;
- (h) **(registration of explanatory statement)** request ASIC to register the explanatory statement included in the Explanatory Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (i) **(convening Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the Amcom Shareholders and convening and holding the Scheme Meeting;
- (j) **(updating Explanatory Booklet)** until the date of the Scheme Meeting, promptly update the Explanatory Booklet with any information that arises after the Explanatory Booklet has been dispatched that is necessary to ensure that the Explanatory Booklet does not contain any material statement that is false or misleading in a material respect (including because of any material omission from that statement);
- (k) **(Court approval application if parties agree that conditions are capable of being satisfied)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or, where clause 3.6 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act) and, if necessary, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions will be satisfied or waived prior to the proposed Second Court Date, apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme;
- (l) **(appeal process)** if the Court refuses to make any orders directing Amcom to convene the Scheme Meeting or approving the Scheme, Amcom and Vocus must:
 - (i) consult with each other in good faith as to whether to appeal the Court's decision; and
 - (ii) appeal the Court decision unless the parties agree otherwise or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospect of success;
- (m) **(implementation of Scheme)** if the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;
 - (iii) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to Vocus on the Implementation Date; and
 - (iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;

- (n) (**Regulatory notifications**) in relation to the Regulatory Approvals, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by Amcom in relation to the Proposed Transaction;
- (o) (**Vocus Information**) without the prior written consent of Vocus, not use the Vocus Information for any purposes other than those expressly contemplated by this agreement or the Scheme;
- (p) (**Documents**) consult with Vocus in relation to the content of the documents required for the purpose of the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders);
- (q) (**Shareholder support**) promote to its shareholders the merits of the Scheme, including soliciting proxy votes in favour of the Scheme; and
- (r) (**Compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations.

5.2 Vocus' obligations

Vocus must take all steps reasonably necessary to assist Amcom to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable including, without limitation, taking each of the following steps:

- (a) (**Vocus Information**) provide to Amcom, in a form appropriate for inclusion in the Explanatory Booklet, all information regarding Vocus and Vocus' intentions with respect to the assets, business and employees of Amcom if the Scheme is approved and implemented that is required by all applicable law, the Listing Rules and ASIC Regulatory Guides for inclusion in the Explanatory Booklet, which information must (without limiting the foregoing):
 - (i) contain all information about Vocus that is necessary to enable Amcom to ensure that the Vocus Information contained in the Explanatory Booklet complies with the requirements of RG 60;
 - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Explanatory Booklet; and
 - (iii) be updated by all such further or new material information about the Vocus which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Vocus Information contained in the Explanatory Booklet is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) (**Regulatory notifications**) in relation to the Regulatory Approvals required to be applied for by Vocus, lodge with any Regulatory Authority within the relevant time periods all documentation and filings required by law to be so lodged by Vocus in relation to the Proposed Transaction;
- (c) (**ASX quotation**) do everything reasonably necessary to ensure that the New Vocus Shares are approved for official quotation on ASX and that trading in the New Vocus Shares commences by the first Business Day after the Implementation Date;
- (d) (**Independent Expert**) promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Explanatory Booklet;

- (e) (**liaison with ASIC**) provide assistance reasonably requested by Amcom to assist Amcom to resolve any matter raised by ASIC regarding the Explanatory Booklet or the Scheme during its review of the Explanatory Booklet;
- (f) (**review of Explanatory Booklet**) as soon as reasonably practicable after delivery, review the drafts of the Explanatory Booklet prepared by Amcom and provide comments on those drafts in good faith;
- (g) (**approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the appropriate decision-making organ of Vocus is held to consider approving the Vocus Information contained in that draft as being in a form appropriate for provision to ASIC for review;
- (h) (**approval of Explanatory Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the appropriate decision-making organ of Vocus is held to consider approving those sections of the Explanatory Booklet that relate to Vocus as being in a form appropriate for despatch to Amcom Shareholders, subject to approval of the Court;
- (i) (**Representation**) procure that, if requested by Vocus or Amcom, Vocus is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act;
- (j) (**Deed Poll**) prior to the First Court Date, execute the Deed Poll;
- (k) (**Amcom Information**) without the prior written consent of Amcom, not use Amcom Information for any purposes other than those expressly contemplated by this agreement or the Scheme; and
- (l) (**Compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations.

5.3 Explanatory Booklet – preparation principles

- (a) As soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, Amcom must prepare the Explanatory Booklet and use its best endeavours to ensure that the Explanatory Booklet complies in all material respects with:
 - (i) all applicable laws, in particular with the requirements of the Corporations Act, RG 60 and the Listing Rules; and
 - (ii) this clause 5.3.
- (b) The Explanatory Booklet will include or be accompanied by:
 - (i) the terms of the Scheme;
 - (ii) the notice convening the Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and for any ancillary meeting;
 - (iii) the Amcom Information;
 - (iv) the Vocus Information;

- For personal use only
- (v) a copy of this agreement (without the schedules or annexures) or a summary of the terms of this agreement;
 - (vi) a copy of the executed Deed Poll; and
 - (vii) a copy of the Independent's Expert Report.
- (c) Amcom must make available to Vocus drafts of the Explanatory Booklet (excluding any draft of the Independent Expert's Report), consult with Vocus in relation to the content of those drafts (other than the Vocus Information), and consider in good faith, for the purpose of amending those drafts, comments from Vocus on those drafts. Vocus acknowledges and agrees that Amcom has ultimate discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as expressly provided in this agreement with respect to the Vocus Information.
- (d) Amcom must seek approval from Vocus for the form and context in which the Vocus Information appears in the Explanatory Booklet, which approval Vocus must not unreasonably withhold or delay, and Amcom must not lodge the Explanatory Booklet with ASIC until such approval is obtained from Vocus.
- (e) Amcom must take all reasonable steps to ensure that the Explanatory Booklet (other than the Vocus Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is despatched to Amcom Shareholders.
- (f) Vocus must take all reasonable steps to ensure that the Vocus Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is despatched to Amcom Shareholders.
- (g) Amcom must provide to Vocus all such further or new information of which Amcom becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (h) Vocus must provide to Amcom all such further or new information of which Vocus becomes aware that arises after the Explanatory Booklet has been despatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Vocus Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (i) Amcom and Vocus each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of Amcom Shareholders and Vocus and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 5.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.
- (j) Vocus and Amcom are entitled to separate representation at all Court proceedings affecting the Proposed Transaction. Nothing in this document provides one party with any right or power to give undertakings to the Court on behalf of the other party without that party's written consent.

5.4 Amcom Board recommendation

- (a) Subject to clause 5.4(b), Amcom agrees that the Explanatory Booklet and all public announcements by Amcom in relation to the Proposed Transaction must include statements that:
- (i) the Amcom Board unanimously recommends that Amcom Shareholders vote in favour of the Scheme; and
 - (ii) each director of Amcom states that he or she intends to vote all Amcom Shares held or controlled by him or her in favour of the Scheme,
- qualified only by the words to the effect of 'in the absence of a Superior Proposal' and, other than in respect of the Explanatory Booklet or any document issued after the issue of the Explanatory Booklet, 'subject to the Independent Expert opining at all times prior to the Second Court Date that the Scheme is in the best interest of Amcom Shareholders'.
- (b) Amcom agrees that the directors or Amcom may only make a public statement or take any action that qualifies their support of the Scheme or contradicts, or subsequently change, withdraw or modify the recommendation referred to in clause 5.4(a) in either of the following circumstances:
- (i) the Independent Expert opines either prior to the despatch of the Explanatory Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interest of Amcom Shareholders; or
 - (ii) the directors of Amcom determine, after Vocus' rights under clause 13.5 have been exhausted, that a Competing Proposal constitutes a Superior Proposal.
- (c) Subject to clause 5.4(b), Amcom represents and warrants to Vocus that it has been advised by each director of Amcom in office at the date of this agreement that he or she will act in accordance with this clause 5.4.

6. Conduct of business before the Implementation Date

6.1 Conduct of business

- (a) Subject to clause 6.2(a), from the date of this agreement up to and including the Implementation Date, each party must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and:
- (i) operate those businesses consistent with past practice, in substantially the same manner as previously conducted;
 - (ii) use reasonable endeavours to preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them, and to retain the services of all key employees;
 - (iii) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
 - (iv) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the Amcom Group or the Vocus Group (as the case may be) is a party, and with laws, authorisations and licenses applicable to each member of the Amcom Group or the Vocus Group (as the case may be); and
 - (v) not take or fail to take any action that constitutes an Amcom Prescribed Occurrence or a Vocus Prescribed Occurrence (as the case may be) or that could

reasonably be expected to result in an Amcom Prescribed Occurrence or a Vocus Prescribed Occurrence (as the case may be).

- (b) Without limiting clause 6.1(a) but subject to clause 6.2(a), each party must not, and must procure that its Subsidiaries do not, from the date of this agreement up to and including the Implementation Date, do any of the following (or agree or offer to do any of the following):
- (i) incur any additional financial indebtedness (except for draw-downs on existing banking facilities or utilisation of existing securitisation programs) or guarantee or indemnify the obligations of any person other than a member of the Amcom Group or the Vocus Group (as the case may be), other than in the usual and ordinary course of business and consistent with past practice;
 - (ii) (except as required by law or as provided in an existing contract in place as at the date of this agreement) make any material change to the terms of employment of (including increasing the remuneration or compensation of), or grant or pay any bonus, retention, severance or termination payment to, any director, executive or Senior Manager;
 - (iii) (except as pursuant to contractual arrangements in effect on the date of this agreement) enter into any enterprise bargaining agreement or similar collective employment agreement;
 - (iv) in respect of any single transaction or series of related or similar transactions, acquire or dispose of any interest in a business, real property, entity or undertaking, the value of which exceeds \$2.5 million, individually or when aggregated with all such businesses, real property, entities or undertakings the subject of the transaction or series of related or similar transactions;
 - (v) incur or enter into commitments involving capital expenditure of more than \$2 million whether in one transaction or a series of related transactions;
 - (vi) enter into, vary or terminate any contract, joint venture, partnership or commitment for a duration of over two years involving total expenditure greater than \$1.5 million per annum, individually or when aggregated with all such contracts, joint ventures, partnerships or commitments;
 - (vii) enter into, vary or terminate any contract, joint venture, partnership or commitment (or any series of related contracts, joint ventures, partnerships or commitments):
 - (A) involving total expenditure greater than \$1.5 million, individually or when aggregated with all such related contracts, joint ventures, partnerships or commitments;
 - (B) waiving any third party default which has a financial impact upon the Amcom Group or the Vocus Group (as the case may be), or accepting as a compromise anything less than the full compensation due to the Amcom Group or the Vocus Group (as the case may be), in each case where the applicable expenditure or impact is or will be in excess of \$0.5 million in any financial year;
 - (C) restraining any material member of the Amcom Group or the Vocus Group (as the case may be) from competing with any person or conducting activities in any market; or

- (D) with any related entity of any member of the Amcom Group or the Vocus Group (as the case may be) (other than a member of the Amcom Group or the Vocus Group (as the case may be));
- (viii) enter into any new financing arrangement, agreement or otherwise provide financial accommodation other than with members of the Amcom Group or the Vocus Group (as the case may be) (irrespective of what form that accommodation takes), or amend the terms of any existing financing arrangement, agreement or instrument;
 - (ix) enter into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments, except foreign currency hedges or interest rate hedges (including basis swaps on interest rates, such that the net period for the floating interest on the swaps is the same period as the net floating interest period on the relevant loan) made in the ordinary course of business consistent with past practice and in accordance with existing policy as at the date of this agreement;
 - (x) pay any fee to any adviser where such fee is contingent on the Proposed Transaction (other than as Fairly Disclosed in writing to the other party before the date of this agreement);
 - (xi) issue, or agree to issue, or grant an option to subscribe for, debentures (as defined in section 9 of the Corporations Act) other than under an existing financing arrangement which has been Fairly Disclosed in the Amcom Disclosure Letter or the Vocus Disclosure Letter (as the case may be);
 - (xii) alter in any material respect any accounting policy of any member of the Amcom Group or the Vocus Group (as the case may be) other than any change required by the Accounting Standards; or
 - (xiii) amend in a material respect or terminate any existing shareholders agreement, joint venture agreement or other similar investor agreements or arrangements, or enter into any shareholders agreement, joint venture agreement or other similar investor agreement or arrangement.

6.2 Permitted activities

- (a) The obligations of a party under clause 6.1 do not apply in respect of any matter:
 - (i) undertaken by a member of the Amcom Group or the Vocus Group (as the case may be) in conducting its businesses in the usual and ordinary course and consistent with past practice;
 - (ii) required to be done or procured by a party pursuant to, or which is otherwise contemplated by, this agreement or the Scheme;
 - (iii) subject to clause 6.2(b), Fairly Disclosed in the Amcom Disclosure Letter or the Vocus Disclosure Letter (as the case may be) as being actions that the Amcom Group or the Vocus Group (as the case may be) may carry out between the date of this agreement and the Implementation Date; or
 - (iv) the undertaking of which the other party has approved in writing (which approval must not be unreasonably withheld or delayed).

- (b) Each party must, in respect of any matter referred to in clause 6.2(a)(iii) above that it proposes to undertake:
- (i) if the Amcom Disclosure Letter or the Vocus Disclosure Letter (as the case may be) permits the carrying out of the action only in accordance with certain conditions, ensure those conditions are met;
 - (ii) not undertake that matter (or commit to undertake that matter) without first consulting with the other party; and
 - (iii) promptly provide the other party with any information regarding the matter reasonably requested by the other party.

For the avoidance of doubt, clause 6.2(b) does not operate to provide the other party with a veto right in respect of any matter referred to in clause 6.2(a)(iii).

6.3 Access

- (a) Prior to the Effective Date, each party must:
- (i) procure that at least two members of its executive management team meet (either in person or by teleconference) with representatives of the other party on a fortnightly basis to assist with, among other things, keeping the other party fully informed of the matters contemplated by clause 6.3(a)(ii) below;
 - (ii) keep the other party fully informed of all material developments relating to the Amcom Group or the Vocus Group (as the case may be) and provide to the other party monthly management, financial and operational reports provided to its board; and
 - (iii) share such information as is reasonably required to implement the Proposed Transaction.
- (b) On and from the Effective Date,:
- (i) each party must (and must cause each of its Subsidiaries to) afford to the other party reasonable access to its records and reasonable co-operation for the purpose of:
 - (A) implementation of the Scheme;
 - (B) Vocus obtaining an understanding of the operations of Amcom's business in order to allow and facilitate the smooth implementation of the plans of Vocus for those businesses following implementation of the Scheme; and
 - (C) any other purpose which is agreed between the parties; and
 - (ii) Amcom must (and must cause each of its Subsidiaries to) promptly provide Vocus with any information reasonably requested by Vocus (including, without limitation, information from Amcom's share registry),

subject to the proper performance by that party's directors and officers, and the directors and officers of its Subsidiaries, of their fiduciary duties.
- (c) Nothing in this clause 6.3 obliges a party to provide to the other party or its Authorised Persons any information:
- (i) concerning its directors' consideration of the Scheme or any Competing Proposal;
or

- (ii) which would breach an obligation of confidentiality to any person or any applicable privacy laws.

7. Board composition

7.1 Reconstitution of the board of each member of the Amcom Group

- (a) During the period on and from the Effective Date to the Implementation Date, Amcom must permit up to two nominees of Vocus to attend (as observers) any meetings of the Amcom Board that are held during that time, provided that the nominees do not have a conflict of interest or potential conflict of interest with respect to any matters to be considered at such meetings of the Amcom Board.
- (b) On the Implementation Date, Amcom must:
- (i) do all things necessary (and in accordance with the constitution of Amcom, the Corporations Act and the Listing Rules) to appoint to the Amcom Board and to the board of each Subsidiary of Amcom the persons as nominated by Vocus, subject to those persons having provided a consent to act as directors of the relevant companies; and
 - (ii) procure that all existing directors of Amcom and each Subsidiary of Amcom (other than, in each case, those appointed pursuant to clause 7.1(b)(i)) resign from the Amcom Board and the board of each Subsidiary of Amcom.

7.2 Vocus Board composition

- (a) During the period on and from the Effective Date to the Implementation Date, Vocus must permit up to two nominees of Amcom to attend (as observers) any meetings of the Vocus Board that are held during that time, provided that the nominees do not have a conflict of interest or potential conflict of interest with respect to any matters to be considered at such meetings of the Vocus Board.
- (b) On the Implementation Date, Vocus will do all things necessary (and in accordance with the constitution of Vocus, the Corporations Act and the Listing Rules) to appoint 3 nominees of Amcom (such nominees being directors of Amcom as at the date of this agreement or persons otherwise acceptable to Vocus acting reasonably) as new directors of Vocus, subject to those persons having provided a consent to act as directors of Vocus, such that, as at the Implementation Date, the Vocus Board comprises 3 nominees of Amcom and 5 nominees of Vocus.

8. Representations and warranties

8.1 Vocus representations

- (a) Vocus represents and warrants to Amcom (on its own behalf and separately as trustee for each of its Related Bodies Corporate and Authorised Persons) each of the matters set out in clause 8.1(b) as at the date of this agreement and on each subsequent day until 8.00am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Vocus represents and warrants that:
- (i) Vocus is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) the execution and delivery of this agreement has been properly authorised by all necessary corporate action and Vocus has full corporate power and lawful

authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;

- (iii) this agreement constitutes legal, valid and binding obligations on it and this agreement does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Vocus is a party or is bound;
- (iv) the Vocus Information provided to Amcom in accordance with clause 5.2(a) for inclusion in the Explanatory Booklet will:
 - (A) be provided in good faith;
 - (B) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
 - (C) be provided on the understanding that Amcom and its Related Bodies Corporate and Authorised Persons will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (v) as at the date the Explanatory Booklet is despatched to Amcom Shareholders, the Vocus Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vi) as at the date of this agreement, Vocus is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Proposed Transaction or as disclosed in writing to Amcom on or before the date of this agreement);
- (vii) as at the date of this agreement, the total issued capital of Vocus is:
 - (A) 104,824,684 Vocus Shares;
 - (B) 430,500 Vocus Options,
 and there are no other Vocus options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing);
- (viii) Vocus' financial statements as disclosed to ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as Vocus is aware, there has not been any event, change, effect or development which would require Vocus to restate its financial statements as disclosed to ASX;
- (ix) the Vocus Due Diligence Materials and each disclosure in the Vocus Disclosure Letter have been disclosed in good faith and, so far as the senior management of Vocus are aware after due enquiry, Vocus has not knowingly or recklessly:
 - (A) omitted anything from such information such as to make any part of that information materially false or misleading; or
 - (B) included anything materially false or misleading in such information;
- (x) as at the date of this agreement, and so far as the senior management of any member of the Vocus Group are aware after due and diligent inquiry, there are no material agreements to which any member of the Vocus Group is a party which

contain any provision that may be triggered by the implementation of the Proposed Transaction (except as otherwise Fairly Disclosed in the Vocus Disclosure Letter or the Vocus Due Diligence Materials) and which would have a material adverse effect on the Proposed Transaction or might otherwise adversely affect the business of the Vocus Group;

- (xi) other than expressly contemplated in this agreement, no Regulatory Approvals are required to be obtained by Vocus in order for it to execute and perform the Transaction Documents to which it is a party;
- (xii) no shareholder approval of Vocus is required to complete the Proposed Transaction;
- (xiii) all information provided by or on behalf of Vocus to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Explanatory Booklet; and
- (xiv) Vocus will, as a continuing obligation, provide to Amcom all such further or new information which may arise after the Explanatory Booklet has been despatched until the date of the Scheme Meeting which is necessary to ensure that the Vocus Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise).

8.2 Amcom representations

- (a) Amcom represents and warrants to Vocus (on its own behalf and separately as trustee for each of its Related Bodies Corporate and Authorised Persons) each of the matters set out in clause 8.2(b) as at the date of this agreement and on each subsequent day until on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Amcom represents and warrants that:
 - (i) Amcom is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) the execution and delivery of this agreement by Amcom has been properly authorised by all necessary corporate action and Amcom has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
 - (iii) this agreement constitutes legal, valid and binding obligations on Amcom and the execution of this agreement of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which Amcom or any of its Subsidiaries is a party or to which they are bound;
 - (iv) the Amcom Information contained in the Explanatory Booklet:
 - (A) will be prepared and included in the Explanatory Booklet in good faith; and
 - (B) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60;

- (v) as at the date the Explanatory Booklet is despatched to Amcom Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Vocus Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vi) as at the date of this agreement, Amcom is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Proposed Transaction or as disclosed in writing to Vocus on or before the date of this agreement);
- (vii) as at the date of this agreement, the total issued capital of Amcom is:
- (A) 266,399,148 Amcom Shares;
 - (B) 2,605,000 Amcom Performance Rights,
- and, other than the Additional Performance Rights, there are no other Amcom options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing);
- (viii) Amcom's financial statements as disclosed to ASX have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as Amcom is aware, there has not been any event, change, effect or development which would require Amcom to restate its financial statements as disclosed to ASX;
- (ix) the Amcom Due Diligence Materials and each disclosure in the Amcom Disclosure Letter have been disclosed in good faith and, so far as the senior management of Amcom are aware after due enquiry, Amcom has not knowingly or recklessly:
- (A) omitted anything from such information such as to make any part of that information materially false or misleading; or
 - (B) included anything materially false or misleading in such information;
- (x) as at the date of this agreement, and so far as the senior management of any member of the Amcom Group are aware after due and diligent inquiry, there are no material agreements to which any member of the Amcom Group is a party which contain any provision that may be triggered by the implementation of the Proposed Transaction (except as otherwise Fairly Disclosed in the Amcom Disclosure Letter or the Amcom Due Diligence Materials) and which would have a material adverse effect on the Proposed Transaction or might otherwise adversely affect the business of the Amcom Group;
- (xi) other than expressly contemplated in this agreement, no Regulatory Approvals are required to be obtained by Amcom in order for it to execute and perform the Transaction Documents to which it is a party;
- (xii) no shareholder approval of Amcom is required to complete the Proposed Transaction other than the approval referred to in clause 3.1(c); and
- (xiii) all information provided by or on behalf of Amcom to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the

purposes of preparing the Independent Expert's Report for inclusion in the Explanatory Booklet.

8.3 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 8.

8.4 Survival of representations

Each representation and warranty in clauses 8.1 and 8.2:

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

8.5 Liability of directors and Authorised Persons

- (a) Each party releases its rights against, and will not make any claim against, any past or present director or Authorised Person of any other party in relation to information provided to it or in relation to its execution or delivery this agreement to the extent that the past or present director or Authorised Person has acted in good faith.
- (b) Each party holds the releases in clause 8.5(a) in respect of its directors and Authorised Persons as trustee for its directors and Authorised Persons.

9. Confidentiality and Public Announcement

9.1 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality Agreement save that the terms of this agreement will prevail over the Confidentiality Agreement to the extent of any inconsistency.

9.2 Public announcements on execution

Immediately after the execution of this agreement, the parties must issue public announcements in a form previously agreed to in writing between them.

9.3 Further public announcements

Any further public announcements by Amcom or Vocus in relation to, or in connection with, the Proposed Transaction or any other transaction the subject of this agreement or the Scheme may only be made in a form approved by each party in writing (acting reasonably) subject to where a party is required by law or the Listing Rules to make any announcement or to make any disclosure in relation to, or in connection with, the Proposed Transaction or any other transaction the subject of this agreement or the Scheme.

10. Termination

10.1 Termination by notice

- (a) Vocus or Amcom may, by notice in writing to the other, terminate this agreement at any time prior to 8.00am on the Second Court Date:
- (i) if such termination is mutually agreed by the parties in writing;
 - (ii) if the other is in material breach of any material¹ clause of this agreement (including a material breach of a representation or warranty) and the other party has failed to remedy that breach within five Business Days (or any shorter period ending before 8.00am on the Second Court Date) of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the other party to remedy the breach or the breach cannot be remedied by subsequent action on the part of that other party before 8.00am on the Second Court Date;
 - (iii) in accordance with clause 3.7;
 - (iv) if the Court refuses to make any order directing Amcom to convene the Scheme Meeting, provided that both Amcom and Vocus have met and consulted in good faith and agreed that they do not wish to proceed with the Scheme; or
 - (v) if the Effective Date for the Scheme has not occurred, or becomes incapable of occurring for any reason, on or before the End Date.
- (b) Amcom may, by notice in writing to Vocus, terminate this agreement at any time prior to 8.00am on the Second Court Date if:
- (i) each of that number of directors of Amcom as constitutes a majority of the Amcom Board publicly withdraws or adversely changes their recommendation or voting intention or publicly recommends a Superior Proposal and do not, within three Business Days, reinstate their recommendation of the Proposed Transaction; or
 - (ii) a Competing Proposal is announced or made with respect to Vocus, and is publicly recommended by or supported by each of that number of directors of Vocus as constitutes a majority of the Vocus Board.
- (c) Vocus may, by notice in writing to Amcom, terminate this agreement at any time prior to 8.00am on the Second Court Date if:
- (i) any director of Amcom publicly:
 - (A) withdraws or adversely changes their recommendation of the Proposed Transaction;
 - (B) does not recommend in the Explanatory Booklet that Amcom Shareholders approve the Scheme in the absence of a Superior Proposal; or
 - (C) makes any public statement to the effect that the Scheme is not, or is no longer, recommended; or
 - (ii) a Competing Proposal is announced or made and is publicly recommended or supported by any director of Amcom.

¹ We have reinstated the word 'material' as neither party should be entitled to terminate this agreement for a material breach of an immaterial provision.

10.2 Automatic termination

Without limiting any other term of this agreement but subject to clause 3.6, this agreement will terminate automatically if the Scheme is not approved by the necessary majorities required under section 411(4)(a)(ii) of the Corporations Act at the Scheme Meeting.

10.3 Effect of termination

- (a) In the event this agreement is terminated, the provisions of this agreement will cease to have effect, except for the provisions of clauses 1, 8.4, 9, 10.3, 11, 12, 13, 15 and clauses 16.3 to 16.18 (inclusive) which will survive termination.
- (b) Termination of this agreement does not affect any accrued rights of a party in respect of a breach of this agreement prior to termination.

10.4 Survival of obligations

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this agreement.

10.5 Disclosure on termination of agreement

The parties agree that, if this agreement in termination under this clause 10, any party may disclose:

- (a) the fact that this agreement has been terminated, where such disclosure is required by the relevant listing rules or is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed;
- (b) the fact that this agreement has been terminated to ASIC and the Court; and
- (c) information that is required to be disclosed as a matter of law or in any proceedings.

11. Amcom Break Fee

11.1 Background

- (a) Amcom acknowledges that, if the parties enter into this agreement and the Scheme is subsequently not implemented, Vocus will incur significant costs including those described in clause 11.2.
- (b) In the circumstances referred to in clause 11.1(a), Vocus has requested that provision be made for the payments outlined in clause 11.3, without which Vocus would not have entered into this agreement.
- (c) The Amcom Board believes that the Scheme will provide benefit to Amcom and Amcom Shareholders and that it is appropriate for Amcom to agree to the payments referred to in this clause 11 in order to secure Vocus' participation in the Proposed Transaction.

11.2 Costs incurred by Vocus

- (a) The fee payable under clause 11.3 has been calculated to reimburse Vocus for the following:
 - (i) fees for legal and financial advice in planning and implementing the Proposed Transaction;
 - (ii) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
 - (iii) costs of management and directors' time in planning and implementing the Proposed Transaction;

- (iv) out of pocket expenses incurred in planning and implementing the Proposed Transaction;
- (v) costs associated with the financing arrangements in respect of the Proposed Transaction; and
- (vi) any damage to the Vocus' reputation associated with a failed transaction and the implications of those damages if the Vocus seeks to execute alternative acquisitions in the future,

in each case, incurred by Vocus directly or indirectly as a result of having entered into this agreement and pursuing the Proposed Transaction.

- (b) The parties acknowledge that:
 - (i) the amount of fees, costs and losses referred to in this clause 11.2 is inherently unascertainable and that, even after termination of this agreement, the costs will not be able to be accurately ascertained; and
 - (ii) the amount of the costs payable under clause 11.3 is a genuine and reasonable pre-estimate of those fees, costs and losses (it being acknowledged by the parties that the costs would most likely be in excess of this amount).

11.3 Payment by Amcom to Vocus

- (a) Amcom agrees to pay to Vocus \$4 million (exclusive of GST) (**Amcom Break Fee**) if:
 - (i) (**Superior Proposal**) a Superior Proposal is publicly announced or made before the Effective Date (or the termination of this agreement, whichever occurs first) and, within twelve months from the date of this agreement, the third party who announced or made the Superior Proposal:
 - (A) completed, implements or consummates that Superior Proposal; or
 - (B) without limiting clause 11.3(a)(i)(A), acquires voting power in more than 50% of the Amcom Shares;
 - (ii) (**Change of recommendation**) at any time prior to the Second Court Date, any director of Amcom publically:
 - (A) withdraws or adversely modifies or qualifies their recommendation of the Proposed Transaction or recommends or supports a Competing Proposal;
 - (B) does not recommend in the Explanatory Booklet that Amcom Shareholders approve the Scheme; or
 - (C) makes any public statement to the effect that the Scheme is not, or is no longer, recommended,
 other than:
 - (D) in circumstances where Amcom is entitled to terminate this agreement under clause 10.1(a)(ii) or 10.1(a)(iii);
 - (E) where the Independent Expert concludes (either in its initial report or in any updated, revised or supplemental report) that the Scheme is not in the best interests of Amcom Shareholders;
 - (iii) (**Material Breach**) Vocus terminates this agreement in accordance with clause 10.1(a)(ii);

- (iv) (**Amcom Material Adverse Change**) the Condition in clause 3.1(g) is breached or not satisfied prior to 8.00am on the Second Court Date (except if that Condition is breached as a sole result of a change in any applicable law) and Vocus terminates this agreement in accordance with clause 10.1(a)(iii); or
- (v) (**Amcom Prescribed Occurrence**) the Condition in clause 3.1(i) is breached or not satisfied prior to 8.00am on the Second Court Date and Vocus terminates this agreement in accordance with clause 10.1(a)(iii).
- (b) Amcom must pay Vocus the Amcom Break Fee within five Business Days of receipt by Amcom of a demand for payment from Vocus made after the occurrence of the event referred to in clause 11.3(a).

11.4 Amcom Break Fee not payable

Despite any other terms of this agreement:

- (a) the Amcom Break Fee will not be payable to Vocus if the Scheme becomes Effective; and
- (b) the Amcom Break Fee is only payable once.

11.5 Amcom's limitation of liability

Notwithstanding any other provisions of this agreement but subject to clause 11.6:

- (a) the maximum liability of Amcom to Vocus under on in connection with this agreement including in respect of any breach of the agreement will be the Amcom Break Fee referred to include 11.3; and
- (b) a payment by Amcom in accordance with this clause 11 represents the sole and absolute liability of Amcom under of in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by Amcom in connection with this agreement.

11.6 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the Amcom Break Fee (**Amcom Impugned Amount**):

- (a) would, if paid, be unlawful for any reason;
- (b) involves a breach of the fiduciary or statutory duties of the Amcom Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act or breaches an order of the Takeovers Panel,

then:

- (d) the requirement to pay the Amcom Break Fee does not apply to the extent of the Amcom Impugned Amount; and
- (e) if Vocus has received the Amcom Impugned Amount, it must refund it within five Business Days of the final determination being made.

Amcom must not seek any such determination and must use all reasonable endeavours to ensure that no such determination is made.

12. Vocus Break Fee

12.1 Background

- (a) Vocus acknowledges that, if the parties enter into this agreement and the Scheme is subsequently not implemented, Amcom will incur significant costs including those described in clause 12.2.
- (b) In the circumstances referred to in clause 12.1(a), Amcom has requested that provision be made for the payments outlined in clause 12.3, without which Amcom would not have entered into this agreement.
- (c) The Vocus Board believes that the Scheme will provide benefit to Vocus and Vocus Shareholders and that it is appropriate for Vocus to agree to the payments referred to in this clause 12 in order to secure Amcom's participation in the Proposed Transaction.

12.2 Costs incurred by Amcom

- (a) The fee payable under clause 12.3 has been calculated to reimburse Amcom for the following:
 - (i) fees for legal and financial advice in planning and implementing the Proposed Transaction;
 - (ii) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
 - (iii) costs of management and directors' time in planning and implementing the Proposed Transaction;
 - (iv) out of pocket expenses incurred in planning and implementing the Proposed Transaction;
 - (v) costs associated with the financing arrangements in respect of the Proposed Transaction; and
 - (vi) any damage to the Amcom's reputation associated with a failed transaction and the implications of those damages if the Amcom seeks to execute alternative acquisitions in the future,in each case, incurred by Amcom directly or indirectly as a result of having entered into this agreement and pursuing the Proposed Transaction.
- (b) The parties acknowledge that:
 - (i) the amount of fees, costs and losses referred to in this clause 12.2 is inherently unascertainable and that, even after termination of this agreement, the costs will not be able to be accurately ascertained; and
 - (ii) the amount of the costs payable under clause 12.3 is a genuine and reasonable pre-estimate of those fees, costs and losses (it being acknowledged by the parties that the costs would most likely be in excess of this amount).

12.3 Payment by Vocus to Amcom

- (a) Vocus agrees to pay to Amcom \$4 million (exclusive of GST) (**Vocus Break Fee**) if:
 - (i) (**Superior Proposal**) a Superior Proposal is publicly announced or made before the Effective Date (or the termination of this agreement, whichever occurs first) and, within twelve months from the date of this agreement, the third party who announced or made the Superior Proposal:

- (A) completed, implements or consummates that Superior Proposal; or
- (B) without limiting clause 12.3(a)(i)(A), acquires voting power in more than 50% of the Vocus Shares;
- (ii) **(Competing Proposal)** a Competing Proposal is publicly recommended by or supported by each of that number of directors of Vocus as constitutes a majority of the Vocus Board;
- (iii) **(Material Breach)** Amcom terminates this agreement in accordance with clause 10.1(a)(ii);
- (iv) **(Vocus Material Adverse Change)** the Condition in clause 3.1(h) is breached or not satisfied prior to 8.00am on the Second Court Date (except if that Condition is breached as a sole result of a change in any applicable law) and Amcom terminates this agreement in accordance with clause 10.1(a)(iii);
- (v) **(Vocus Prescribed Occurrence)** the Condition in clause 3.1(j) is breached or not satisfied prior to 8.00am on the Second Court Date and Amcom terminates this agreement in accordance with clause 10.1(a)(iii); or
- (vi) **(Scheme Consideration)** Vocus does not pay the Scheme Consideration in accordance with the terms and conditions of this agreement and the Deed Poll.
- (b) Vocus must pay Amcom the Vocus Break Fee within five Business Days of receipt by Vocus of a demand for payment from Amcom made after the occurrence of the event referred to in clause 12.3(a).

12.4 Vocus Break Fee not payable

Despite any other terms of this agreement:

- (a) the Vocus Break Fee will not be payable to Amcom if the Scheme becomes Effective; and
- (b) the Vocus Break Fee is only payable once.

12.5 Vocus' limitation of liability

Notwithstanding any other provisions of this agreement but subject to clause 12.6:

- (a) the maximum liability of Vocus to Amcom under on in connection with this agreement including in respect of any breach of the agreement will be the Vocus Break Fee referred to include 12.3; and
- (b) a payment by Vocus in accordance with this clause 12 represents the sole and absolute liability of Vocus under of in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by Vocus in connection with this agreement.

12.6 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the Vocus Break Fee (**Vocus Impugned Amount**):

- (a) would, if paid, be unlawful for any reason;
- (b) involves a breach of the fiduciary or statutory duties of the Vocus Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act or breaches an order of the Takeovers Panel,

then:

- (d) the requirement to pay the Vocus Break Fee does not apply to the extent of the Vocus Impugned Amount; and
- (e) if Amcom has received the Vocus Impugned Amount, it must refund it within five Business Days of the final determination being made.

Vocus must not seek any such determination and must use all reasonable endeavours to ensure that no such determination is made.

13. Exclusivity

13.1 No shop

During the Exclusivity Period, each of Amcom and Vocus must not, and must ensure that its Authorised Persons do not, except with the prior written consent of the other party, solicit, invite or encourage any Competing Proposal or initiate discussions with any third party with a view to obtaining any expressions of interest, offer or proposal from any person in relation to a Competing Proposal.

13.2 No talk and no due diligence

Subject to clause 13.3, during the Exclusivity Period, each of Amcom and Vocus must not and must ensure that its Authorised Persons do not, except with the prior written consent of the other party:

- (a) participate in any negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal;
- (b) enter into any relevant agreement in connection with a Competing Proposal; or
- (c) provide any information to a third party for the purposes of enabling that party to make a Competing Proposal.

13.3 Exceptions

Clause 13.2 does not apply to a party if its board, acting in good faith, determines:

- (a) where there is a written Competing Proposal, that the Competing Proposal is a Superior Proposal or the steps which the board proposes to take may reasonably be expected to lead to a Competing Proposal which is a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, that failing to respond to, or take action in relation to, the Competing Proposal may constitute a breach of its fiduciary or statutory duties.

13.4 Warranty and undertakings

- (a) Each party warrants as at the date of this agreement:
 - (i) that it has, and its Authorised Persons have, ceased any existing discussions or negotiations with any party which may reasonably be expected to lead to a Competing Proposal; and
 - (ii) that it has requested the return of its confidential information in accordance with the terms of any relevant confidentiality agreement from all third parties conducting due diligence investigations on the Amcom Group or the Vocus Group (as the case may be) prior to the date of this agreement.

- (b) During the Exclusivity Period, without limiting clause 13.3:
- (i) each party must not provide any non-public information to a person in connection with or to directly or indirectly encourage a Competing Proposal unless any non-public information provided to that person is also provided to the other party (unless the information has already been provided to the other party or an Authorised Person of that other party); and
 - (ii) if, after complying with clause 13.4(b)(i):
 - (A) a party provides any non-public information to a person in connection with or to directly or indirectly encourage a Competing Proposal; and
 - (B) the party and that person have not entered into an Acceptable Confidentiality Agreement,
 then Vocus and Amcom acknowledge and agree that the Confidentiality Agreement will be read down such that:
 - (C) the obligations of Vocus under the Confidentiality Agreement are no more onerous in any material respect than the obligations of the proposed bidder; and
 - (D) the obligations of Amcom under the Confidentiality Agreement are no more onerous in any material respect than the obligations of the proposed target,
 under any confidentiality arrangements between the party and that person in relation to a Competing Proposal (whether or not the party and that person have entered into a binding confidentiality agreement). For the avoidance of doubt, this clause 13.4(b)(ii) applies even where there are no confidentiality arrangements in place between the party and that person in relation to a Competing Proposal.
- (c) During the Exclusivity Period, each party must:
- (i) diligently enforce all its rights under each confidentiality agreement entered into in connection with a Competing Proposal (before the date of this agreement), including its rights to require the return of confidential information as referred to in clause 13.4(a)(ii), and keep the other party fully informed of its progress in doing so;
 - (ii) as soon as reasonably practicable, ensure that the electronic data room access granted to any third party prior to the date of this agreement in connection with a Competing Proposal is withdrawn; and
 - (iii) not grant any waivers or agree to any amendments under any confidentiality agreements entered into in connection with a Competing Proposal (before the date of this agreement).

13.5 Amcom notice of Competing Proposal

- (a) During the Exclusivity Period, Amcom must:
- (i) within 2 Business Days of receipt by it or any of its Authorised Persons of any Competing Proposal or written proposal which may reasonably be expected to lead to a Competing Proposal (including any variation of a Competing Proposal made prior to the date of this agreement), provide written notice to Vocus of the identity of the party or parties involved in the proposal and the material terms of that proposal (each an **Amcom Competing Proposal Notice**); and

- (ii) provide Vocus with updates of any material developments in relation to any such proposal.
- (b) If Amcom gives Vocus a Amcom Competing Proposal Notice, Amcom agrees that it will not, until the expiration of three Business Days following the receipt of the Amcom Competing Proposal Notice by Vocus:
 - (i) enter into any legally binding agreement with respect to the Competing Proposal; or
 - (ii) publicly recommend the Competing Proposal.
- (c) If Amcom gives Vocus a Amcom Competing Proposal Notice, Vocus agrees that the notice will be Confidential Information of Amcom (as defined in the Confidentiality Agreement).
- (d) If Amcom gives a Amcom Competing Proposal Notice, Vocus will have the right, but not the obligation, at any time until the expiration of three Business Days following receipt of the notice to:
 - (i) offer to amend the terms of the Scheme; or
 - (ii) to propose any other transaction,

which must be submitted to Amcom in writing (each a **Vocus Counterproposal**), and if Vocus does so, the Amcom Board must review the Vocus Counterproposal in good faith and in what the Amcom Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Vocus Counterproposal is more favourable to Amcom Shareholders than the Competing Proposal.
- (e) If the Amcom Board determines, in good faith and in order to satisfy what the Amcom Board considers to be its fiduciary and statutory duties, that the Vocus Counterproposal is more favourable to Amcom Shareholders than the Competing Proposal, then:
 - (i) if the Vocus Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending this agreement in relation to the Scheme and reflecting the Vocus Counterproposal;
 - (ii) if the Vocus Counterproposal contemplates any other transaction, Amcom must make an announcement as soon as reasonably practicable recommending the Vocus Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Vocus Counterproposal in good faith; and
 - (iii) Amcom must not take any of the steps referred to in clause 13.5(b).
- (f) Despite anything in this clause 13.5, each obligation of Amcom under this clause 13.5 does not apply:
 - (i) to the extent it restricts the Amcom Board from taking or refusing to take any action with respect to a Competing Proposal which is or may reasonably be expected to lead to a Superior Proposal (which was not solicited, initiated, invited, facilitated or encouraged (whether directly or indirectly) by Amcom or any of its Authorised Persons in contravention of clause 13.1); and
 - (ii) to the extent that the Amcom Board determines in good faith and after having taken written advice from its legal advisers that complying with such obligation would be likely to involve a breach of the fiduciary or statutory duties owed by any director of Amcom.

13.6 Vocus notice of Competing Proposal

- (a) During the Exclusivity Period, Vocus must:
- (i) within 2 Business Days of receipt by it or any of its Authorised Persons of any Competing Proposal or written proposal which may reasonably be expected to lead to a Competing Proposal (including any variation of a Competing Proposal made prior to the date of this agreement), provide written notice to Amcom of the identity of the party or parties involved in the proposal and the material terms of that proposal (each a **Vocus Competing Proposal Notice**); and
 - (ii) provide Amcom with updates of any material developments in relation to any such proposal.
- (b) If Vocus gives Amcom a Vocus Competing Proposal Notice, Vocus agrees that it will not, until the expiration of three Business Days following the receipt of the Vocus Competing Proposal Notice by Amcom:
- (i) enter into any legally binding agreement with respect to the Competing Proposal; or
 - (ii) publicly recommend the Competing Proposal.
- (c) If Vocus gives Amcom a Vocus Competing Proposal Notice, Amcom agrees that the notice will be Confidential Information of Vocus (as defined in the Confidentiality Agreement).
- (d) If Vocus gives a Vocus Competing Proposal Notice, Amcom will have the right, but not the obligation, at any time until the expiration of three Business Days following receipt of the notice to:
- (i) offer to amend the terms of the Scheme; or
 - (ii) to propose any other transaction,
- which must be submitted to Vocus in writing (each a **Amcom Counterproposal**), and if Amcom does so, the Vocus Board must review the Amcom Counterproposal in good faith and in what the Vocus Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Amcom Counterproposal is more favourable to Vocus Shareholders than the Competing Proposal.
- (e) If the Vocus Board determines, in good faith and in order to satisfy what the Vocus Board considers to be its fiduciary and statutory duties, that the Amcom Counterproposal is more favourable to Vocus Shareholders than the Competing Proposal, then:
- (i) if the Amcom Counterproposal contemplates an amendment to the Scheme, the parties must enter into a deed amending this agreement in relation to the Scheme and reflecting the Amcom Counterproposal;
 - (ii) if the Amcom Counterproposal contemplates any other transaction, Vocus must make an announcement as soon as reasonably practicable recommending the Amcom Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Amcom Counterproposal in good faith; and
 - (iii) Vocus must not take any of the steps referred to in clause 13.6(b).

- (f) Despite anything in this clause 13.6, each obligation of Vocus under this clause 13.6 does not apply:
- (i) to the extent it restricts the Vocus Board from taking or refusing to take any action with respect to a Competing Proposal which is or may reasonably be expected to lead to a Superior Proposal (which was not solicited, initiated, invited, facilitated or encouraged (whether directly or indirectly) by Vocus or any of its Authorised Persons in contravention of clause 13.1); and
 - (ii) to the extent that the Vocus Board determines in good faith and after having taken written advice from its legal advisers that complying with such obligation would be likely to involve a breach of the fiduciary or statutory duties owed by any director of Vocus.

14. Amcom Performance Rights

14.1 Amcom obligations

If the Court makes an order under section 411(1) of the Corporations Act directing Amcom to convene the Scheme Meeting, Amcom must:

- (a) procure that the Amcom Board resolves that, subject only to the requisite majorities of Amcom Shareholders approving the Scheme at the Scheme Meeting:
 - (i) all Amcom Performance Rights belonging to 'Tranche D', 'Tranche E' and Amcom Performance Rights belonging to 'Tranche F' that are held by Amcom's Chief Executive Officer will vest;
 - (ii) 50% of the Additional Performance Rights will vest; and
 - (iii) all Amcom Shares to be issued by virtue of the vesting of Amcom Performance Rights referred to in paragraphs (i) and (ii) above are issued to the relevant Amcom Performance Rights Holders,

by no later than the Business Day immediately before the Second Court Date;
- (b) give a written notice to each Amcom Performance Rights Holder pursuant to the Amcom Performance Rights Plan Rules of the resolutions passed by the Amcom Board in accordance with clause 14.1(a);
- (c) in relation to the remaining 50% of the Additional Performance Rights (other than those contemplated by clause 14.1(a)(ii)), enter into legally binding agreements with the relevant Amcom Performance Rights Holders (and Vocus, as applicable) by no later than the Business Day immediately before the Second Court Date such that, subject only to the requisite majorities of Amcom Shareholders approving the Scheme at the Scheme Meeting, those Amcom Performance Rights are either acquired by Vocus or cancelled for consideration that is consistent with clause 14.2, such acquisition or cancellation to take effect on the Implementation Date immediately following implementation of the Scheme;
- (d) take all actions necessary to ensure that any Amcom Performance Rights that remain outstanding as at the Record Date for any reason lapse or are otherwise cancelled; and
- (e) prior to the Amcom Board changes required under clause 7.1 Amcom will, to the extent that any cash sums payable under any employee incentive plan operated by Amcom were Fairly Disclosed in the Amcom Due Diligence Material or the Amcom Disclosure Letter:
 - (i) agree with Vocus (acting reasonably) an appropriate date on which all such cash sums shall be deemed to become due and payable; and

- (ii) on the date referred to in paragraph (i) above, arrange for the cash sums referred to in paragraph (i) above to be made.

14.2 Replacement performance rights

- (a) The consideration referred to in clause 14.1(c) must:
- (i) comprise such number of performance rights in Vocus (**Replacement Performance Rights**) to be calculated by multiplying the Adjusted Merger Ratio by the number of Additional Performance Rights referred to in clause 14.1(c) held by that Amcom Performance Rights Holder;
 - (ii) be on terms no less favourable than the terms of the Additional Performance Rights except with respect to the following:
 - (A) 50% of the Replacement Performance Rights will vest on the date that is 6 months after the Implementation Date;
 - (B) 50% of the Replacement Performance Rights will vest on the date that is 12 months after the Implementation Date;
 - (C) all of the Replacement Performance Rights will vest if the holder is employed by the Vocus Group on the date that a Change of Control occurs;
 - (D) all of the Replacement Performance Rights held by a person will lapse if that person resigns or is summarily dismissed from their employment with the Vocus Group for serious misconduct; and
 - (E) if the holder of the Replacement Performance Rights is terminated from their employment with the Vocus Group other than in the circumstances contemplated by clause 14.2(a)(ii)(D), that holder will retain their Replacement Performance Rights; and
- (b) Vocus undertakes in favour of Amcom to comply with, and provide all reasonable assistance to Amcom in complying with, this clause 14, including obtaining any and all necessary Regulatory Approvals, entering such legally binding agreements contemplated in clause 14.1(c) to which it is required to be a party and issuing the Replacement Performance Rights on the terms outlined in clause 14.2(a)(ii).

15. Notices

Any communication under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as shown below:

Amcom

Address: Level 22, 44 St Georges Terrace, Perth, WA, Australia 6000
Facsimile: +61 8 9244 6591
E-mail: david.hinton@amcom.com.au
For the attention of: David Hinton

Vocus

Address: Level 1, Vocus House, 189 Miller Street, North Sydney, NSW, Australia 2060
Facsimile: +61 2 9959 4348
E-mail: mark.simpson@vocus.com.au
For the attention of: Mark Simpson, Company Secretary

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 15(b); and
- (e) will be deemed to be received by the addressee:
 - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) **(in the case of fax)** at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in clause 15(b), unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

16. General

16.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this agreement.

16.2 Timetable

- (a) The parties agree that the Timetable is indicative only and is not binding on the parties.
- (b) Each party must use its reasonable endeavours to ensure that each step in the Timetable is met by the relevant date and must consult with the other party on a regular basis regarding its progress in implementing the Scheme in regards to the Timetable.

16.3 Payments

Unless otherwise expressly provided in this agreement, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this agreement, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

16.4 Interest

- (a) If a party fails to pay any amount payable under this agreement on the due date for payment, that party must pay interest on the amount unpaid at the higher of the Interest Rate plus 3% per annum or the rate (if any) fixed or payable under any judgment or other thing into which the liability to pay the amount becomes merged.
- (b) The interest payable under clause 16.4(a):
 - (i) accrues from day to day from and including the due date for payment up to the actual date of payment, before and, as an additional and independent obligation, after any judgment or other thing into which the liability to pay the amount becomes merged; and
 - (ii) may be capitalised by the person to whom it is payable at monthly intervals.

16.5 Consents or approvals

Unless this agreement expressly provides otherwise, a party may:

- (a) give conditionally or unconditionally; or
- (b) withhold,

its approval or consent in its absolute discretion.

16.6 GST

- (a) Any reference in this clause 16.6 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this agreement is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this agreement but for the application of this clause 16.6(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 16.6(c) does not apply to any taxable supply under or in connection with this agreement that is expressly stated to include GST.
- (d) The amount on account of GST payable in accordance with this clause 16.6 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

16.7 Stamp duty

Vocus must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this agreement or the Scheme or the steps to be taken under this agreement or the

Scheme (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme).

16.8 Expenses

Except as otherwise provided in this agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this agreement and the Explanatory Booklet and the proposed, attempted or actual implementation of this agreement and the Scheme.

16.9 Amendments

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

16.10 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of each other party, which consent that other party may give or withhold in its absolute discretion.

16.11 Business Day

Except where otherwise expressly provided, where under this agreement the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the next Business Day.

16.12 Waiver

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

- (a) failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this agreement.
- (b) any waiver given by any party under this agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) no waiver of a breach of any term of this agreement will operate as a waiver of another breach of that term or of a breach of any other term of this agreement.
- (d) nothing in this agreement obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.

16.13 Release of officers and directors

- (a) Subject to the Corporations Act, none of the past, present or future officers and directors of Amcom will be liable for anything done or purported to be done in connection with the Scheme or any transaction contemplated by this agreement in good faith, but nothing in this clause excludes any liability that may arise from wilful misconduct or bad faith on the part of such a person. Amcom receives and holds the benefit of this release, as agent for its directors and officers.
- (b) Subject to the Corporations Act, none of the past, present or future officers and directors of Vocus will be liable for anything done or purported to be done in connection with the Scheme or any transaction contemplated by this agreement in good faith, but nothing in this clause excludes any liability that may arise from wilful misconduct or bad faith on the part of such a person. Vocus receives and holds the benefit of this release, as agent for its directors and officers.

16.14 Counterparts

- (a) This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.
- (b) This agreement is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by electronic mail or facsimile machine to the e-mail address or facsimile number of the other party specified in clause 15, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

16.15 Entire agreement

- (a) This agreement:
 - (i) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
 - (ii) supersedes any prior agreement (whether or not in writing) between the parties.
- (b) Despite clause 16.15(a), the Confidentiality Agreement continues to apply to the parties in accordance with its terms, except to the extent of any express inconsistency, in which case this agreement prevails.

16.16 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

16.17 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this agreement.

16.18 Governing law

- (a) This agreement is governed by the laws applying in Western Australia.
- (b) Each party irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if the venue of those proceedings fall within clause 16.18(b)(i).

Schedule 1 – Indicative Timetable

Event	Date
Enter into Scheme Implementation Agreement	17 December 2014
Lodge Explanatory Booklet with ASIC for review and comment	Mid February 2015
First Court Date	Late February 2015
Explanatory Booklet registered with ASIC	Late February 2015
Despatch Explanatory Booklet to Amcom Shareholders	Late February 2015
Scheme Meeting	Late March 2015
Second Court Date	Late March 2015
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	Late March 2015
Record Date	Early April 2015 (5 Business Days after the Effective Date)
Implementation Date: Issue and allot Vocus Shares. Reconstitute boards of each Amcom Group company	Mid April 2015 (5 Business Days after the Record Date)

Schedule 2 – Deed Poll

For personal use only

Deed Poll

by

Vocus Communications Limited (**Vocus**)

in favour of

Scheme Shareholders

MinterEllison

L A W Y E R S

LEVEL 19 AURORA PLACE 88 PHILLIP STREET SYDNEY NSW 2000
AUSTRALIA DX 117 SYDNEY
T +61 2 9921 8888 F +61 2 9921 8123
www.minterellison.com

Deed Poll

Details	3
Agreed terms	4
1. Defined terms & interpretation	4
2. Nature of Deed Poll	4
3. Condition	5
4. Performance of Scheme obligations	5
5. Warranties	5
6. Continuing obligations	6
7. General	6
Signing page	9

Details

Date

Parties

Name	Vocus Communications Limited ABN 96 084 115 499
Short form name	Vocus
Notice details	Level 1, Vocus House 189 Miller Street North Sydney NSW 2060 Facsimile: +61 2 9959 4348 Email: mark.simpson@vocus.com.au Attention: Mark Simpson, Company Secretary

Background

- A Amcom Telecommunications Limited ABN 20 062 046 217 (**Amcom**) and Vocus have entered into the Scheme Implementation Agreement (**Scheme Implementation Agreement**) to provide for the implementation of the Scheme.
- B Under the Scheme Implementation Agreement, Amcom has agreed that it will propose and implement the Scheme in accordance with the Scheme Implementation Agreement.
- C Under the Scheme Implementation Agreement, Vocus has agreed to take all steps reasonably necessary to assist Amcom in proposing and implementing the Scheme in accordance with the Scheme Implementation Agreement.
- D Vocus is entering into this Deed Poll for the purpose of:
- (i) covenanting in favour of Scheme Shareholders that it will observe and perform the obligations contemplated of it under the Scheme Implementation Agreement;
 - (ii) covenanting in favour of the Scheme Shareholders to perform the steps attributed to it under the Scheme; and
 - (iii) ensuring that the Scheme Consideration is paid to the Scheme Shareholders.
- E The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be acquired, and transferred, to Vocus in exchange for the Scheme Consideration.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

Words and phrases defined in the Scheme Implementation Agreement have the same meanings in this Deed Poll unless the context requires otherwise.

1.2 Interpretation

- (a) In this Deed Poll, unless the context otherwise requires:
 - (i) the singular includes the plural and vice versa;
 - (ii) reference to a person includes references to corporations, partnerships, joint ventures, associations, bodies corporate and any Regulatory Authority;
 - (iii) references to agreements or deeds are to agreements or deeds as amended from time to time;
 - (iv) reference to a party includes their executors, administrators and permitted assigns or, being a company, its successors and permitted assigns;
 - (v) an agreement, representation or warranty in favour of two or more persons is for the benefit of each and all of them;
 - (vi) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Deed Poll and a reference to this Deed Poll includes any annexure, exhibit and schedule; and
 - (vii) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements to it.
- (b) Clause headings in this Deed Poll do not affect the interpretation of this Deed Poll.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

1.3 Time for performance

- (a) If the day on or by which a payment or an act is to be done under this Deed Poll is not a Business Day, that act must be done on the next Business Day.
- (b) In this Deed Poll, if a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (c) In this Deed Poll, a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (d) In this Deed Poll, a reference to time is a reference to Perth, Western Australia time.

2. Nature of Deed Poll

Vocus acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it and under the Scheme, each Scheme Shareholder irrevocably appoints Amcom as its agent and attorney to enforce this Deed Poll against Vocus.

3. Condition

3.1 Condition

The obligations of the Vocus under this Deed Poll are subject to the Scheme becoming Effective.

3.2 Termination

Subject to clause 6, unless Amcom and Vocus agree otherwise, the obligations of Vocus under this Deed Poll to Scheme Shareholders will automatically terminate and the terms of this Deed Poll will be of no further force or effect if and only if the Scheme Implementation Agreement is terminated or the Scheme does not become Effective on or before the End Date.,

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then in addition and without prejudice to any other rights, powers or remedies available to them:

- (a) Vocus is released from its obligations to further perform this Deed Poll except for any obligations which by their nature survive termination; and
- (b) Scheme Shareholders retain the rights they have against Vocus in respect of any breach of this Deed Poll which occurs before it is terminated.

4. Performance of Scheme obligations

4.1 Generally

Subject to clause 3:

- (a) Vocus covenants in favour of Scheme Shareholders to perform the steps attributed to Vocus under, and otherwise comply with, the Scheme as if Vocus were a party to the Scheme.
- (b) Vocus covenants in favour of Scheme Shareholders to comply with its obligations under the Scheme Implementation Agreement, in so far as that agreement relates to the Scheme, and, in respect of Vocus, do all things necessary or expedient on its part to implement the Scheme.

4.2 Payment of Scheme Consideration

- (a) Subject to clause 3, in consideration for the transfer to Vocus of all of the Scheme Shares and all rights and entitlement attaching to them by each Scheme Shareholder, Vocus undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder, in accordance with the terms of the Scheme.
- (b) Vocus undertakes in favour of each Scheme Shareholders that the New Vocus Shares which are provided to Scheme Shareholders in accordance with the Scheme:
 - (i) rank equally in all respects; and
 - (ii) are fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the articles of Vocus).

5. Warranties

Vocus represents and warrants to the Scheme Shareholders that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

- (c) it has taken necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll has been duly and validly executed and delivered by it and is valid and binding upon it.

6. Continuing obligations

6.1 Deed Poll irrevocable

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Vocus having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.2.

6.2 Variation

A provision of this Deed Poll may not be varied, altered or otherwise amended unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Amcom; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Amcom and is approved by the Court,

in which event Vocus will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. General

7.1 Stamp duty

Vocus:

- (a) must pay all stamp duty (if any) and any related fines and penalties in respect of the Scheme and this Deed Poll (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to the Scheme and this Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Further assurances

Vocus will, at its own expense, promptly do all things and execute and deliver all further documents required by law to give full effect to this Deed Poll and the transactions contemplated by it.

7.3 Assignment

- (a) The rights and obligations of Vocus and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with without the prior consent of Vocus and Amcom.
- (b) Any purported dealing in contravention of clause 7.3(a) is invalid.

7.4 Waiver

- (a) A waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing signed by the person granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
 - (i) a right arising from a breach of this Deed Poll; or
 - (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) Vocus is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) Vocus may not rely on any conduct of another person as a defence to the exercise of a right, power, authority, discretion or remedy by that other person.
- (e) This clause 7.4 may not itself be waived except in writing.

7.5 Notices

Any communication to Vocus under or in connection with this Deed Poll must be in writing and:

- (a) sent to Vocus, at:
Level 1, Vocus House
189 Miller Street
North Sydney NSW 2060
Facsimile: +61 2 9959 4348
Email: mark.simpson@vocus.com.au
Attention: Mark Simpson, Company Secretary

(or as otherwise notified by that party to the other party from time to time);
- (b) must be signed by the party making the communication or by a person duly authorised by that party;
- (c) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 7.5(a); and
- (d) will be deemed to be received by the addressee:
 - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) **(in the case of fax)** at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in clause 7.5(a), unless that delivery is not made on a Business Day, or

after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

7.6 Cumulative rights

The rights, powers and remedies of Vocus and the Scheme Shareholders under this Deed Poll are cumulative with the rights, powers or remedies provided by law independently of this Deed Poll.

7.7 Governing law and jurisdiction

- (a) This Deed Poll is governed by the laws of the State of Western Australia.
- (b) Vocus irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme and waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if the venue of those proceedings fall within this clause 7.7(b).

Signing page

EXECUTED as a deed.

Executed by Vocus Communications Limited ABN 96 084 115 499 in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director



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



Name of director (print)

Name of director/company secretary (print)

Schedule 3 – Scheme

For personal use only

Scheme of Arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth) between:

Amcom	Amcom Telecommunications Limited ABN 20 062 046 217 of Level 22 44 St Georges Terrace Perth WA 6000 and
Scheme Shareholders	each person who holds one or more Scheme Shares.

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

Additional Performance Rights means the 1,580,000 performance rights belonging to 'Tranche F' issued after the date of the Scheme Implementation Agreement.

Adjusted Merger Ratio means:

- (a) subject to paragraph (b), the Initial Merger Ratio; or
- (b) if the record date for any dividend, distribution or return of capital that is recommended, declared or paid by Amcom (other than any interim and/or special dividend recommended, declared or paid by Amcom in the ordinary course of business agreed between the parties) occurs on or after the date of this agreement but on or prior to the Implementation Date, the number of New Vocus Shares determined in accordance with the following formula (rounded down to 4 decimal places):

$$M = A \times \frac{B}{C}$$

where:

M = the Adjusted Merger Ratio;

A = the Initial Merger Ratio;

B = \$2.45 less the amount per Scheme Share of any such dividend, distribution or return of capital; and

C = \$2.45,

for each Scheme Share.

Amcom means Amcom Telecommunications Limited ACN 062 046 217.

Amcom Register means Amcom's register of members maintained under and in accordance with section 169 of the Corporations Act.

Amcom Registrar means Computershare Investor Services Pty Ltd ACN 078 279 277.

Amcom Share means an issued fully paid ordinary share in the capital of Amcom.

Amcom Shareholder means a person who is registered in the Amcom Register as the holder of Amcom Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, or if the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Rules means the ASX Settlement Operating Rules.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Perth or Sydney, Australia.

CHESS means the Clearing House Electronic Sub-register System for the electronic transfer of securities operated by ASX Settlement.

Close of Trading means the close of normal trading on ASX on the Effective Date.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll to be executed by Vocus, pursuant to which Vocus covenants in favour of the Scheme Shareholders to:

- (a) perform the steps attributed to Vocus under, and otherwise comply with, this Scheme as if Vocus were a party to this Scheme; and
- (b) comply with its obligations under the Scheme Implementation Agreement, in so far as that agreement relates to this Scheme, and in the case of Vocus, do all things necessary or expedient on its part to implement this Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the Scheme Order in relation to this Scheme.

Effective Date, with respect to this Scheme, means the date on which this Scheme becomes Effective.

End Date means:

- (a) 31 May 2015; or
- (b) such other date and time agreed in writing between Vocus and Amcom.

Excluded Shareholder means:

- (a) any Amcom Shareholder who is Vocus or a Related Body Corporate of Vocus; and
- (b) where the physically-settled equity swap transaction between Commonwealth Bank of Australia (**CBA**) and Vocus dated 24 October 2014 (**Swap**) has not been terminated, settled or closed out on or before the Record Date, CBA Equities Limited (ACN 003 485 952) in respect of 26,639,915 Amcom Shares to be disposed of under the Swap (as described in the Form 603 notice regarding Amcom given by CBA to the ASX on 27 October 2014).

Explanatory Booklet means the explanatory booklet to be despatched to Amcom Shareholders in accordance with clause 5.1(e) of the Scheme Implementation Agreement.

Implementation Date means, with respect to this Scheme, the fifth Business Day, or such other Business Day as the parties to the Scheme Implementation Agreement agree, following the Record Date for this Scheme.

Ineligible Foreign Shareholder means an Amcom Shareholder whose address as shown in the Amcom Register is located outside of Australia and its external territories, and any other jurisdictions as may be agreed in writing by Amcom and Vocus (unless Vocus is satisfied that it is permitted to allot and issue New Vocus Shares to that Amcom Shareholder pursuant to this Scheme by the laws of that place).

Initial Merger Ratio means 0.4614 New Vocus Shares per Scheme Share.

Listing Rules means the official listing rules of ASX as amended from time to time.

New Vocus Share means the new Vocus Shares to be issued under the terms of this Scheme as Scheme Consideration.

Record Date means, in respect of this Scheme, 7.00pm on the fifth Business Day (or such other Business Day as Amcom and Vocus agree in writing) following the Effective Date.

Registered Address means the address of each Amcom Shareholder as recorded on the Amcom Register.

Related Body Corporate of a person means a related body corporate of that person under section 50 of the Corporations Act.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Amcom and Scheme Shareholders in respect of all Scheme Shares, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Amcom and Vocus.

Scheme Consideration means the Adjusted Merger Ratio, to be provided to Scheme Shareholders under the terms of this Scheme as described in clause 5.2.

Scheme Order means the orders of the Court approving this Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Implementation Agreement means the agreement entered into between Amcom and Vocus dated [*] December 2014, under which each party undertakes specific obligations to give effect to this Scheme.

Scheme Meeting means the meeting of Amcom Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means an Amcom Share on issue as at the Record Date other than any Amcom Share then held by an Excluded Shareholder (but including any such Amcom Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means a person who holds one or more Scheme Shares.

Scheme Share Transfer means for each Scheme Shareholder, one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Splitting means the splitting by a holder of Amcom Shares into two or more parcels of Amcom Shares whether or not it results in any change in beneficial ownership of the Amcom Shares.

Vocus means Vocus Communications Limited ACN 084 115 499.

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

Vocus Register means the register of holders of Vocus Shares maintained under and in accordance with section 169 of the Corporations Act.

1.2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Perth, Australia time;
- (g) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2. Preliminary

2.1 Amcom

Amcom is a public company incorporated in Australia and registered in the Australian Capital Territory and is a company limited by shares. Amcom is admitted to the official list of ASX and its Shares are officially quoted on the stock market conducted by ASX. Its registered office is at Level 22, 44 St Georges Terrace, Perth, Western Australia 6000.

2.2 Amcom securities

As at the date of the Explanatory Booklet, Amcom has on issue or has granted (as applicable):

- (a) 266,399,148 Amcom Shares; and
- (b) 4,185,000 performance rights (including the Additional Performance Rights) granted under Amcom's Performance Rights Long Term Incentive Plan, which will have vested or

lapsed prior to the Record Date, or in the case of the Additional Performance Rights, legally binding agreements to acquire or cancel the Additional Performance Rights for consideration will have been executed by each of the holders of those Additional Performance Rights.

2.3 Vocus

Vocus is a company incorporated in Australia and is a company limited by shares. Its registered office is at Level 1, Vocus House, 189 Miller Street, North Sydney NSW 2060.

2.4 Agreement to implement this Scheme

Each of Amcom and Vocus have agreed, by executing the Scheme Implementation Agreement, to implement the terms of this Scheme and the steps contemplated to follow the implementation of this Scheme, to the extent those steps are required to be done by each of them.

2.5 Deed Poll

Vocus has executed the Deed Poll in favour of Scheme Shareholders.

2.6 Summary of Scheme

If this Scheme becomes Effective:

- (a) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Vocus and Amcom will become a subsidiary of Vocus;
- (b) in consideration of the transfer of the Scheme Shares, Vocus will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme;
- (c) Amcom will enter the name of Vocus in the Amcom Register as the holder of all the Scheme Shares; and
- (d) it will bind Amcom and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting.

3. Conditions precedent

3.1 Conditions precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions:

- (a) each of the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement (other than the condition precedent in clause 3.1(d)) having been satisfied or waived in accordance with the Scheme Implementation Agreement as at 8.00am on the Second Court Date or such other time specified in that condition precedent;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll being terminated in accordance with its terms, as at 8.00am on the Second Court Date;
- (c) the Court making the Scheme Order;
- (d) any other condition made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme, and which are acceptable to Amcom and Vocus, having been satisfied; and
- (e) the Scheme Order (and, if applicable, any orders under section 411(6) of the Corporations Act) approving this Scheme coming into effect, under section 411(10) of the Corporations Act, on or before the End Date.

3.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and the binding effect of this Scheme.

3.3 Certificate

At or before the Court hearing on the Second Court Date, Amcom and Vocus will each provide to the Court certificates, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not the conditions precedent to this Scheme (other than the condition precedent in clauses 3.1(c), 3.1(d) and 3.1(e) above and the condition precedent in clause 3.1(d) of the Scheme Implementation Agreement) have been satisfied or waived. The certificates given by Amcom and Vocus constitute conclusive evidence that the relevant conditions have been satisfied.

3.4 End Date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

3.5 Termination

Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before this Scheme becomes Effective, each of Vocus and Amcom are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

4. The Scheme

4.1 Lodgement of Scheme Order with ASIC

If the conditions (other than the conditions in clause 3.1(e)) in clause 3.1 of this Scheme are satisfied or, where applicable, waived, Amcom will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as practicable, and in any event by no later than 5.00pm on the first Business Day after the date on which the Court makes that Scheme Order (or on such other Business Day as Amcom and Vocus agree). This Scheme will be Effective on and from the Effective Date.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective in accordance with clause 3.4:

- (a) on or before 10.00am on the Implementation Date, in consideration for the transfer to Vocus of the Scheme Shares held by each Scheme Shareholder under the terms of this Scheme, Vocus will provide or procure provision of the Scheme Consideration to each Scheme Shareholder in accordance with clause 5.2;
- (b) as soon as practicable after 10.00am on the Implementation Date, and subject to Vocus fulfilling its obligations under clause 5.2, all of the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date must be transferred to Vocus without the need for any further act by any Scheme Shareholder (other than acts performed by Amcom as attorney or agent for Scheme Shareholders under this Scheme), by Amcom effecting a valid transfer or transfers of the Scheme Shares to Vocus under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:
 - (i) Amcom delivering to Vocus a duly completed Scheme Share Transfer executed by Amcom (as transferor) as the attorney and agent of each Scheme Shareholder under clause 8.1; and

- (ii) Vocus duly executing the Scheme Share Transfer (as transferee) and delivering it to Amcom for registration; and
- (c) as soon as possible after receipt of the duly executed Scheme Share Transfer from Vocus under clause 4.2(b)(ii), Amcom must enter the name of Vocus in the Amcom Register in respect of all of the Scheme Shares the subject of the Scheme Share Transfer.

4.3 Timing

Notwithstanding any other provision of this Scheme, while New Vocus Shares forming the Scheme Consideration must be issued (and relevant register updated to record their issuance) on the Implementation Date, any requirements under clause 5 for the sending of share certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

4.4 Provision of Scheme Consideration to Excluded Shareholder

Nothing in this Scheme requires Vocus to provide Scheme Consideration to any Excluded Shareholder.

5. Scheme Consideration

5.1 Scheme Consideration

Subject to this Scheme becoming Effective, in consideration of the transfer to Vocus of each Scheme Share held by a Scheme Shareholder under this Scheme, Vocus will provide the Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it on the Implementation Date as set out in this clause 5.

5.2 Scheme Consideration

- (a) Amcom will use its best endeavours to procure that, in consideration for the transfer to Vocus of the Scheme Shares held by each Scheme Shareholder under the terms of this Scheme, Vocus will provide or procure provision of the Scheme Consideration to each Scheme Shareholder on the Implementation Date and otherwise in accordance with this Scheme.
- (b) Subject to clauses 5.3(b) and 5.3(c) and to this Scheme becoming Effective, at 10.00am on the Implementation Date, the transactions which form part of this Scheme will be implemented in the following sequence:
- (i) each Scheme Shareholder will receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder at the Record Date, which is to be issued in the manner set out in clause 5.3; and
 - (ii) in exchange, all existing Amcom Shares at the Record Date will be transferred to Vocus or its nominee.
- (c) In order to facilitate the provision of the Scheme Consideration, Amcom must provide, or procure the provision of, to Vocus or a nominee of Vocus a complete copy of the Amcom register of members as at the Record Date (which must include the name, registered address and registered holding of each Scheme Shareholder as at the Record Date), within one Business Day after the Record Date. The details and information to be provided under this clause must be provided in such form as Vocus, its nominee or Vocus' share registry may reasonably require.

5.3 Allotment and issue of New Vocus Shares

- (a) Subject to clauses 5.3(b) and 5.3(c) and to this Scheme becoming Effective, Vocus must:

- (i) allot and issue the New Vocus Shares to Scheme Shareholders in accordance with this Scheme on terms such that each Vocus Share will rank equally in all respects with each existing Vocus Share;
- (ii) do everything reasonably necessary to ensure that the New Vocus Shares are approved for official quotation on ASX and that trading in the New Vocus Shares commences by the first Business Day after the Implementation Date; and
- (iii) ensure that on issue, each New Vocus Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.
- (b) Unless Vocus is satisfied that the laws of an Ineligible Overseas Shareholder's country of residence (as shown in the register of Amcom Shareholders) permit the issue of New Vocus Shares to the Ineligible Overseas Shareholder either unconditionally or after compliance with terms which Vocus reasonably regards as acceptable and practical, Vocus will be under no obligation under this Scheme to issue, and will not issue, any New Vocus Shares to Ineligible Overseas Shareholders, and instead will issue the New Vocus Shares that would otherwise have been issued to the Ineligible Overseas Shareholders to a nominee appointed by Vocus. Vocus will procure that as soon as reasonably practicable and in any event no more than 15 Business Days after the Implementation Date, the nominee sell those New Vocus Shares issued to the nominee on-market in such manner, at such price and on such other terms as the nominee determines in good faith. Promptly after the last sale of those New Vocus Shares, Vocus will procure that the nominee pays to Vocus the net proceeds from that sale (after deducting any applicable brokerage, stamp duty and other selling costs and taxes). Vocus will then remit the portion of the proceeds it receives from the nominee to each Ineligible Overseas Shareholders in accordance with their entitlement.
- (c) Any fractional entitlement of a Scheme Shareholder to a part of a New Vocus Share will be rounded up or down to the nearest whole number of New Vocus Shares (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half). Vocus may, acting reasonably, deem the holdings of two or more Scheme Shareholders to be held by one Scheme Shareholder to prevent any Share Splitting designed to obtain unfair advantage by reference to such rounding.
- (d) In the case of Scheme Shares held in joint names, any New Vocus Shares to be issued under this Scheme will be issued to and registered in the names of the joint holders and holding statements or notices confirming the issue of the New Vocus Shares will be forwarded to the holder whose name appears first in the Vocus Register as at the Record Date.

6. Entitlement to participate and dealings in Amcom Shares

6.1 Entitlement to participate

Each Scheme Shareholder will be entitled to participate in this Scheme.

6.2 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Amcom Shares will be recognised if:

- (a) in the case of dealings of the type effected by CHESS, the transferee is registered in the Amcom Register as the holder of the relevant Amcom Shares by the Record Date;
- (b) in all other cases share transfer forms in registrable form or transmission applications in respect of those dealings are received at the place where the Amcom Register is kept by the Record Date.

6.3 Amcom's obligation to register

Amcom must register any registrable transfers or transmission applications received in accordance with clause 6.2(b) by, or as soon as practicable after, the Record Date.

6.4 Transfer requests received after Record Date

Amcom will not accept for registration or recognise for any purpose any transfer, transmission or application in respect of Amcom Shares received after 7.00pm on the Record Date, other than a transfer to Vocus in accordance with this Scheme.

6.5 No disposal after Close of Trading

No Amcom Shareholder shall dispose of or purport to agree to dispose of any Amcom Shares or any interest therein after the Close of Trading. Any dealings in Amcom Shares after Close of Trading shall not be recognised by the Amcom Registrar.

6.6 Maintaining the Amcom Register

For the purpose of determining entitlements to Scheme Consideration, Amcom must, until the Scheme Consideration has been paid, maintain, or cause the Amcom Registrar to maintain, the Amcom Register in accordance with the provisions of this clause 6 and entitlements to the Scheme Consideration will be determined solely on the basis of the Amcom Register.

6.7 Statements of holding cease to have any effect

After 7.00pm on the Record Date, any share certificate or holding statement for Amcom Shares (other than statements of holding in favour of Vocus and its successors in title) will cease to have any effect as a document of title in respect of those shares and each current entry on the Amcom Register as at 7.00pm on the Record Date will cease to have any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration (other than the entries in respect of Vocus).

6.8 Provision of Scheme Shareholder's details

As soon as practicable after the Record Date, and in any event at least three Business Days before the Implementation Date, Amcom must ensure that a complete copy of the Amcom Register as at 7.00pm on the Record Date, including details of the names, registered addresses and holdings of Shares for each Scheme Shareholder are available to Vocus in the form Vocus reasonably requires.

7. Quotation of Shares

7.1 Suspension of trading in ASX

Amcom will apply to the ASX to suspend trading in the Shares on ASX from the Close of Trading.

7.2 Termination from official quotation

Provided that this Scheme has been fully implemented in accordance with its terms, Amcom will apply for termination of the official quotation of the Shares on ASX, and removal from the official list of ASX, on a date after the Implementation Date as determined by Vocus.

8. General provisions

8.1 Authority given to Amcom

On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, is deemed to have irrevocably appointed Amcom as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against Vocus; and
- (b) in the case of Scheme Shares in a CHESS holding:

- (i) causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register of Amcom to the issuer sponsored sub-register operated by Amcom or the Amcom Registrar at any time after Vocus has paid or procured the payment of the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
- (ii) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;
- (c) in the case of Scheme Shares registered in the issuer sponsored sub-register operated by Amcom or the Amcom Registrar, completing and signing on behalf of Scheme Shareholders any required form of transfer; and
- (d) executing any document necessary or taking any other act necessary to give effect to this Scheme and the transactions contemplated by it including, without limitation, execution of the Scheme Share Transfer,

and Amcom accepts such appointment. Amcom, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.1 to all or any of its directors and officers (jointly, severally or jointly and severally).

8.2 Status of Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred to Vocus under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to Amcom, and appointed and authorised Amcom as its attorney and agent to warrant to Vocus, that all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Vocus under this Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and that they have full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Vocus under this Scheme.

8.3 Further assurances

Amcom will execute documents and do all things and acts necessary or expedient in order to implement this Scheme.

8.4 Authority of Amcom

Each of the Scheme Shareholders consents to Amcom doing all things necessary for or incidental to the implementation of this Scheme.

8.5 Scheme binding

This Scheme binds Amcom and all Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency, overrides the constitution of Amcom.

8.6 Variation, cancellation or modification of rights

The Scheme Shareholders agree to the transfer of their Shares in accordance with this Scheme and agree to the variation, cancellation or modification of the rights attached to their Shares constituted or resulting from this Scheme (if any).

8.7 Beneficial entitlement to Scheme Shares

On this Scheme becoming Effective, pending registration by Amcom of Vocus in the Amcom Register as the holder of the Scheme Shares:

- (a) Vocus will be beneficially entitled to the Scheme Shares transferred to it under this Scheme as the holder of the Scheme Shares; and
- (b) each Scheme Shareholder:
 - (i) irrevocably appoints Vocus as attorney and agent (and directors Vocus in each capacity) to appoint any director, officer, secretary or agent nominated by Vocus as its sole proxy and, where applicable, its corporate representative to attend shareholder meetings of Amcom, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders resolution of Amcom;
 - (ii) undertakes not to otherwise attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative other than pursuant to clause 8.7(b)(i);
 - (iii) must take all other actions in the capacity of a registered holder of Scheme Shares as Vocus reasonably directs; and
 - (iv) acknowledges and agrees that in exercising the powers referred to in this clause 8.7(b), any director, officer, secretary or agent nominated by Vocus may act in the best interests of Vocus as the intended registered holder of the Scheme Shares.

8.8 Notices

- (a) Where a notice, transfer, transmission application or other communication referred to in this Scheme is sent by post to Amcom, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Amcom's registered office or at the office of the Amcom Registrar.
- (b) The accidental omission to give notice of the Scheme Meeting to any Amcom Shareholders, or the on-receipt of such a notice by any Amcom Shareholders, will not, unless ordered by the Court, invalidate this Scheme or the proceedings at the Scheme Meeting.

8.9 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Amcom may, by its counsel on behalf of all persons concerned consent to only such of those conditions or alterations to this Scheme to which Vocus has consented, such consent not to be unreasonably withheld or delayed.

8.10 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Scheme and each transaction effected by or made under this Scheme will be payable by Vocus.

8.11 Limitation of liability

None of Amcom, Vocus, nor any director, officer or secretary of any of them is liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

8.12 Governing Law

- (a) The governing law of this Scheme is the law in force in the State of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme and waives any objection it may now or in the future have to the venue of any proceedings, and any

claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if the venue of those proceedings fall within this clause 8.12(b).

For personal use only

Signing page

EXECUTED as an agreement.

**Executed by Amcom
Telecommunications Limited ABN 20 062
046 217** in accordance with section 127 of
the *Corporations Act 2001* (Cth):

Signature of director

CLIVE STEIN

Name of director (print)

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

DAVID HINTON

Name of director/company secretary (print)

**Executed by Vocus Communications
Limited ABN 96 084 115 499** in accordance
with section 127 of the *Corporations Act
2001* (Cth):

Signature of director

Name of director (print)

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

Name of director/company secretary (print)

Signing page

EXECUTED as an agreement.

**Executed by Amcom
Telecommunications Limited ABN 20 062
046 217** in accordance with section 127 of
the *Corporations Act 2001* (Cth):

Signature of director

Name of director (print)

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

Name of director/company secretary (print)

**Executed by Vocus Communications
Limited ABN 96 084 115 499** in accordance
with section 127 of the *Corporations Act
2001* (Cth):

Signature of director

**James R.T. Spenceley
Chief Executive Officer**

Name of director (print)

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

M. Simpson

Name of director/company secretary (print)

Annexure D Scheme

For personal use only

Scheme of Arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth) between:

Amcom

Amcom Telecommunications Limited

ABN 20 062 046 217

of

Level 22

44 St Georges Terrace

Perth WA 6000

and

Scheme Shareholders

each person who holds one or more Scheme Shares.

1. Definitions and interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

Additional Performance Rights means the 1,580,000 performance rights belonging to 'Tranche F' issued after the date of the Scheme Implementation Agreement.

Adjusted Merger Ratio means:

- (a) subject to paragraph (b), the Initial Merger Ratio; or
- (b) if the record date for any dividend, distribution or return of capital that is recommended, declared or paid by Amcom (other than any interim and/or special dividend recommended, declared or paid by Amcom in the ordinary course of business agreed between the parties) occurs on or after the date of this agreement but on or prior to the Implementation Date, the number of New Vocus Shares determined in accordance with the following formula (rounded down to 4 decimal places):

$$M = A \times \frac{B}{C}$$

where:

M = the Adjusted Merger Ratio;

A = the Initial Merger Ratio;

B = \$2.45 less the amount per Scheme Share of any such dividend, distribution or return of capital; and

C = \$2.45,

for each Scheme Share.

Amcom means Amcom Telecommunications Limited ACN 062 046 217.

Amcom Register means Amcom's register of members maintained under and in accordance with section 169 of the Corporations Act.

Amcom Registrar means Computershare Investor Services Pty Ltd ACN 078 279 277.

Amcom Share means an issued fully paid ordinary share in the capital of Amcom.

Amcom Shareholder means a person who is registered in the Amcom Register as the holder of Amcom Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, or if the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Rules means the ASX Settlement Operating Rules.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Perth or Sydney, Australia.

CHESS means the Clearing House Electronic Sub-register System for the electronic transfer of securities operated by ASX Settlement.

Close of Trading means the close of normal trading on ASX on the Effective Date.

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

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll to be executed by Vocus, pursuant to which Vocus covenants in favour of the Scheme Shareholders to:

- (a) perform the steps attributed to Vocus under, and otherwise comply with, this Scheme as if Vocus were a party to this Scheme; and
- (b) comply with its obligations under the Scheme Implementation Agreement, in so far as that agreement relates to this Scheme, and in the case of Vocus, do all things necessary or expedient on its part to implement this Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the Scheme Order in relation to this Scheme.

Effective Date, with respect to this Scheme, means the date on which this Scheme becomes Effective.

End Date means:

- (a) 31 May 2015; or
- (b) such other date and time agreed in writing between Vocus and Amcom.

Excluded Shareholder means:

- (a) any Amcom Shareholder who is Vocus or a Related Body Corporate of Vocus; and
- (b) where the physically-settled equity swap transaction between Commonwealth Bank of Australia (**CBA**) and Vocus dated 24 October 2014 (**Swap**) has not been terminated, settled or closed out on or before the Record Date, CBA Equities Limited (ACN 003 485 952) in respect of 26,639,915 Amcom Shares to be disposed of under the Swap (as described in the Form 603 notice regarding Amcom given by CBA to the ASX on 27 October 2014).

Explanatory Booklet means the explanatory booklet to be despatched to Amcom Shareholders in accordance with clause 5.1(e) of the Scheme Implementation Agreement.

Implementation Date means, with respect to this Scheme, the fifth Business Day, or such other Business Day as the parties to the Scheme Implementation Agreement agree, following the Record Date for this Scheme.

Ineligible Foreign Shareholder means an Amcom Shareholder whose address as shown in the Amcom Register is located outside of Australia and its external territories, and any other jurisdictions as may be agreed in writing by Amcom and Vocus (unless Vocus is satisfied that it is permitted to allot and issue New Vocus Shares to that Amcom Shareholder pursuant to this Scheme by the laws of that place).

Initial Merger Ratio means 0.4614 New Vocus Shares per Scheme Share.

Listing Rules means the official listing rules of ASX as amended from time to time.

New Vocus Share means the new Vocus Shares to be issued under the terms of this Scheme as Scheme Consideration.

Record Date means, in respect of this Scheme, 7.00pm on the fifth Business Day (or such other Business Day as Amcom and Vocus agree in writing) following the Effective Date.

Registered Address means the address of each Amcom Shareholder as recorded on the Amcom Register.

Related Body Corporate of a person means a related body corporate of that person under section 50 of the Corporations Act.

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Amcom and Scheme Shareholders in respect of all Scheme Shares, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Amcom and Vocus.

Scheme Consideration means the Adjusted Merger Ratio, to be provided to Scheme Shareholders under the terms of this Scheme as described in clause 5.2.

Scheme Order means the orders of the Court approving this Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Implementation Agreement means the agreement entered into between Amcom and Vocus dated [*] December 2014, under which each party undertakes specific obligations to give effect to this Scheme.

Scheme Meeting means the meeting of Amcom Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means an Amcom Share on issue as at the Record Date other than any Amcom Share then held by an Excluded Shareholder (but including any such Amcom Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means a person who holds one or more Scheme Shares.

Scheme Share Transfer means for each Scheme Shareholder, one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Splitting means the splitting by a holder of Amcom Shares into two or more parcels of Amcom Shares whether or not it results in any change in beneficial ownership of the Amcom Shares.

Vocus means Vocus Communications Limited ACN 084 115 499.

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

Vocus Register means the register of holders of Vocus Shares maintained under and in accordance with section 169 of the Corporations Act.

1.2 Interpretation

In this Scheme, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Perth, Australia time;
- (g) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2. Preliminary

2.1 Amcom

Amcom is a public company incorporated in Australia and registered in the Australian Capital Territory and is a company limited by shares. Amcom is admitted to the official list of ASX and its Shares are officially quoted on the stock market conducted by ASX. Its registered office is at Level 22, 44 St Georges Terrace, Perth, Western Australia 6000.

2.2 Amcom securities

As at the date of the Explanatory Booklet, Amcom has on issue or has granted (as applicable):

- (a) 266,399,148 Amcom Shares; and
- (b) 4,185,000 performance rights (including the Additional Performance Rights) granted under Amcom's Performance Rights Long Term Incentive Plan, which will have vested or

lapsed prior to the Record Date, or in the case of the Additional Performance Rights, legally binding agreements to acquire or cancel the Additional Performance Rights for consideration will have been executed by each of the holders of those Additional Performance Rights.

2.3 Vocus

Vocus is a company incorporated in Australia and is a company limited by shares. Its registered office is at Level 1, Vocus House, 189 Miller Street, North Sydney NSW 2060.

2.4 Agreement to implement this Scheme

Each of Amcom and Vocus have agreed, by executing the Scheme Implementation Agreement, to implement the terms of this Scheme and the steps contemplated to follow the implementation of this Scheme, to the extent those steps are required to be done by each of them.

2.5 Deed Poll

Vocus has executed the Deed Poll in favour of Scheme Shareholders.

2.6 Summary of Scheme

If this Scheme becomes Effective:

- (a) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Vocus and Amcom will become a subsidiary of Vocus;
- (b) in consideration of the transfer of the Scheme Shares, Vocus will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme;
- (c) Amcom will enter the name of Vocus in the Amcom Register as the holder of all the Scheme Shares; and
- (d) it will bind Amcom and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting.

3. Conditions precedent

3.1 Conditions precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions:

- (a) each of the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement (other than the condition precedent in clause 3.1(d)) having been satisfied or waived in accordance with the Scheme Implementation Agreement as at 8.00am on the Second Court Date or such other time specified in that condition precedent;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll being terminated in accordance with its terms, as at 8.00am on the Second Court Date;
- (c) the Court making the Scheme Order;
- (d) any other condition made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme, and which are acceptable to Amcom and Vocus, having been satisfied; and
- (e) the Scheme Order (and, if applicable, any orders under section 411(6) of the Corporations Act) approving this Scheme coming into effect, under section 411(10) of the Corporations Act, on or before the End Date.

3.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 3.1 is a condition precedent to the operation of clause 4 and the binding effect of this Scheme.

3.3 Certificate

At or before the Court hearing on the Second Court Date, Amcom and Vocus will each provide to the Court certificates, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not the conditions precedent to this Scheme (other than the condition precedent in clauses 3.1(c), 3.1(d) and 3.1(e) above and the condition precedent in clause 3.1(d) of the Scheme Implementation Agreement) have been satisfied or waived. The certificates given by Amcom and Vocus constitute conclusive evidence that the relevant conditions have been satisfied.

3.4 End Date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

3.5 Termination

Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before this Scheme becomes Effective, each of Vocus and Amcom are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

4. The Scheme

4.1 Lodgement of Scheme Order with ASIC

If the conditions (other than the conditions in clause 3.1(e)) in clause 3.1 of this Scheme are satisfied or, where applicable, waived, Amcom will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as practicable, and in any event by no later than 5.00pm on the first Business Day after the date on which the Court makes that Scheme Order (or on such other Business Day as Amcom and Vocus agree). This Scheme will be Effective on and from the Effective Date.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective in accordance with clause 3.4:

- (a) on or before 10.00am on the Implementation Date, in consideration for the transfer to Vocus of the Scheme Shares held by each Scheme Shareholder under the terms of this Scheme, Vocus will provide or procure provision of the Scheme Consideration to each Scheme Shareholder in accordance with clause 5.2;
- (b) as soon as practicable after 10.00am on the Implementation Date, and subject to Vocus fulfilling its obligations under clause 5.2, all of the Scheme Shares held by Scheme Shareholders, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date must be transferred to Vocus without the need for any further act by any Scheme Shareholder (other than acts performed by Amcom as attorney or agent for Scheme Shareholders under this Scheme), by Amcom effecting a valid transfer or transfers of the Scheme Shares to Vocus under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:
 - (i) Amcom delivering to Vocus a duly completed Scheme Share Transfer executed by Amcom (as transferor) as the attorney and agent of each Scheme Shareholder under clause 8.1; and

- (ii) Vocus duly executing the Scheme Share Transfer (as transferee) and delivering it to Amcom for registration; and
- (c) as soon as possible after receipt of the duly executed Scheme Share Transfer from Vocus under clause 4.2(b)(ii), Amcom must enter the name of Vocus in the Amcom Register in respect of all of the Scheme Shares the subject of the Scheme Share Transfer.

4.3 Timing

Notwithstanding any other provision of this Scheme, while New Vocus Shares forming the Scheme Consideration must be issued (and relevant register updated to record their issuance) on the Implementation Date, any requirements under clause 5 for the sending of share certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

4.4 Provision of Scheme Consideration to Excluded Shareholder

Nothing in this Scheme requires Vocus to provide Scheme Consideration to any Excluded Shareholder.

5. Scheme Consideration

5.1 Scheme Consideration

Subject to this Scheme becoming Effective, in consideration of the transfer to Vocus of each Scheme Share held by a Scheme Shareholder under this Scheme, Vocus will provide the Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it on the Implementation Date as set out in this clause 5.

5.2 Scheme Consideration

- (a) Amcom will use its best endeavours to procure that, in consideration for the transfer to Vocus of the Scheme Shares held by each Scheme Shareholder under the terms of this Scheme, Vocus will provide or procure provision of the Scheme Consideration to each Scheme Shareholder on the Implementation Date and otherwise in accordance with this Scheme.
- (b) Subject to clauses 5.3(b) and 5.3(c) and to this Scheme becoming Effective, at 10.00am on the Implementation Date, the transactions which form part of this Scheme will be implemented in the following sequence:
- (i) each Scheme Shareholder will receive the Scheme Consideration for each Scheme Share held by that Scheme Shareholder at the Record Date, which is to be issued in the manner set out in clause 5.3; and
 - (ii) in exchange, all existing Amcom Shares at the Record Date will be transferred to Vocus or its nominee.
- (c) In order to facilitate the provision of the Scheme Consideration, Amcom must provide, or procure the provision of, to Vocus or a nominee of Vocus a complete copy of the Amcom register of members as at the Record Date (which must include the name, registered address and registered holding of each Scheme Shareholder as at the Record Date), within one Business Day after the Record Date. The details and information to be provided under this clause must be provided in such form as Vocus, its nominee or Vocus' share registry may reasonably require.

5.3 Allotment and issue of New Vocus Shares

- (a) Subject to clauses 5.3(b) and 5.3(c) and to this Scheme becoming Effective, Vocus must:

- (i) allot and issue the New Vocus Shares to Scheme Shareholders in accordance with this Scheme on terms such that each Vocus Share will rank equally in all respects with each existing Vocus Share;
- (ii) do everything reasonably necessary to ensure that the New Vocus Shares are approved for official quotation on ASX and that trading in the New Vocus Shares commences by the first Business Day after the Implementation Date; and
- (iii) ensure that on issue, each New Vocus Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.
- (b) Unless Vocus is satisfied that the laws of an Ineligible Overseas Shareholder's country of residence (as shown in the register of Amcom Shareholders) permit the issue of New Vocus Shares to the Ineligible Overseas Shareholder either unconditionally or after compliance with terms which Vocus reasonably regards as acceptable and practical, Vocus will be under no obligation under this Scheme to issue, and will not issue, any New Vocus Shares to Ineligible Overseas Shareholders, and instead will issue the New Vocus Shares that would otherwise have been issued to the Ineligible Overseas Shareholders to a nominee appointed by Vocus. Vocus will procure that as soon as reasonably practicable and in any event no more than 15 Business Days after the Implementation Date, the nominee sell those New Vocus Shares issued to the nominee on-market in such manner, at such price and on such other terms as the nominee determines in good faith. Promptly after the last sale of those New Vocus Shares, Vocus will procure that the nominee pays to Vocus the net proceeds from that sale (after deducting any applicable brokerage, stamp duty and other selling costs and taxes). Vocus will then remit the portion of the proceeds it receives from the nominee to each Ineligible Overseas Shareholders in accordance with their entitlement.
- (c) Any fractional entitlement of a Scheme Shareholder to a part of a New Vocus Share will be rounded up or down to the nearest whole number of New Vocus Shares (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half). Vocus may, acting reasonably, deem the holdings of two or more Scheme Shareholders to be held by one Scheme Shareholder to prevent any Share Splitting designed to obtain unfair advantage by reference to such rounding.
- (d) In the case of Scheme Shares held in joint names, any New Vocus Shares to be issued under this Scheme will be issued to and registered in the names of the joint holders and holding statements or notices confirming the issue of the New Vocus Shares will be forwarded to the holder whose name appears first in the Vocus Register as at the Record Date.

6. Entitlement to participate and dealings in Amcom Shares

6.1 Entitlement to participate

Each Scheme Shareholder will be entitled to participate in this Scheme.

6.2 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Amcom Shares will be recognised if:

- (a) in the case of dealings of the type effected by CHESS, the transferee is registered in the Amcom Register as the holder of the relevant Amcom Shares by the Record Date;
- (b) in all other cases share transfer forms in registrable form or transmission applications in respect of those dealings are received at the place where the Amcom Register is kept by the Record Date.

6.3 Amcom's obligation to register

Amcom must register any registrable transfers or transmission applications received in accordance with clause 6.2(b) by, or as soon as practicable after, the Record Date.

6.4 Transfer requests received after Record Date

Amcom will not accept for registration or recognise for any purpose any transfer, transmission or application in respect of Amcom Shares received after 7.00pm on the Record Date, other than a transfer to Vocus in accordance with this Scheme.

6.5 No disposal after Close of Trading

No Amcom Shareholder shall dispose of or purport to agree to dispose of any Amcom Shares or any interest therein after the Close of Trading. Any dealings in Amcom Shares after Close of Trading shall not be recognised by the Amcom Registrar.

6.6 Maintaining the Amcom Register

For the purpose of determining entitlements to Scheme Consideration, Amcom must, until the Scheme Consideration has been paid, maintain, or cause the Amcom Registrar to maintain, the Amcom Register in accordance with the provisions of this clause 6 and entitlements to the Scheme Consideration will be determined solely on the basis of the Amcom Register.

6.7 Statements of holding cease to have any effect

After 7.00pm on the Record Date, any share certificate or holding statement for Amcom Shares (other than statements of holding in favour of Vocus and its successors in title) will cease to have any effect as a document of title in respect of those shares and each current entry on the Amcom Register as at 7.00pm on the Record Date will cease to have any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration (other than the entries in respect of Vocus).

6.8 Provision of Scheme Shareholder's details

As soon as practicable after the Record Date, and in any event at least three Business Days before the Implementation Date, Amcom must ensure that a complete copy of the Amcom Register as at 7.00pm on the Record Date, including details of the names, registered addresses and holdings of Shares for each Scheme Shareholder are available to Vocus in the form Vocus reasonably requires.

7. Quotation of Shares

7.1 Suspension of trading in ASX

Amcom will apply to the ASX to suspend trading in the Shares on ASX from the Close of Trading.

7.2 Termination from official quotation

Provided that this Scheme has been fully implemented in accordance with its terms, Amcom will apply for termination of the official quotation of the Shares on ASX, and removal from the official list of ASX, on a date after the Implementation Date as determined by Vocus.

8. General provisions

8.1 Authority given to Amcom

On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, is deemed to have irrevocably appointed Amcom as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against Vocus; and
- (b) in the case of Scheme Shares in a CHESS holding:

- (i) causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register of Amcom to the issuer sponsored sub-register operated by Amcom or the Amcom Registrar at any time after Vocus has paid or procured the payment of the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
- (ii) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;
- (c) in the case of Scheme Shares registered in the issuer sponsored sub-register operated by Amcom or the Amcom Registrar, completing and signing on behalf of Scheme Shareholders any required form of transfer; and
- (d) executing any document necessary or taking any other act necessary to give effect to this Scheme and the transactions contemplated by it including, without limitation, execution of the Scheme Share Transfer,

and Amcom accepts such appointment. Amcom, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.1 to all or any of its directors and officers (jointly, severally or jointly and severally).

8.2 Status of Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred to Vocus under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to Amcom, and appointed and authorised Amcom as its attorney and agent to warrant to Vocus, that all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Vocus under this Scheme will, at the date of transfer, be fully paid and free from mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and that they have full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Vocus under this Scheme.

8.3 Further assurances

Amcom will execute documents and do all things and acts necessary or expedient in order to implement this Scheme.

8.4 Authority of Amcom

Each of the Scheme Shareholders consents to Amcom doing all things necessary for or incidental to the implementation of this Scheme.

8.5 Scheme binding

This Scheme binds Amcom and all Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency, overrides the constitution of Amcom.

8.6 Variation, cancellation or modification of rights

The Scheme Shareholders agree to the transfer of their Shares in accordance with this Scheme and agree to the variation, cancellation or modification of the rights attached to their Shares constituted or resulting from this Scheme (if any).

8.7 Beneficial entitlement to Scheme Shares

On this Scheme becoming Effective, pending registration by Amcom of Vocus in the Amcom Register as the holder of the Scheme Shares:

- (a) Vocus will be beneficially entitled to the Scheme Shares transferred to it under this Scheme as the holder of the Scheme Shares; and
- (b) each Scheme Shareholder:
 - (i) irrevocably appoints Vocus as attorney and agent (and directors Vocus in each capacity) to appoint any director, officer, secretary or agent nominated by Vocus as its sole proxy and, where applicable, its corporate representative to attend shareholder meetings of Amcom, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders resolution of Amcom;
 - (ii) undertakes not to otherwise attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative other than pursuant to clause 8.7(b)(i);
 - (iii) must take all other actions in the capacity of a registered holder of Scheme Shares as Vocus reasonably directs; and
 - (iv) acknowledges and agrees that in exercising the powers referred to in this clause 8.7(b), any director, officer, secretary or agent nominated by Vocus may act in the best interests of Vocus as the intended registered holder of the Scheme Shares.

8.8 Notices

- (a) Where a notice, transfer, transmission application or other communication referred to in this Scheme is sent by post to Amcom, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Amcom's registered office or at the office of the Amcom Registrar.
- (b) The accidental omission to give notice of the Scheme Meeting to any Amcom Shareholders, or the on-receipt of such a notice by any Amcom Shareholders, will not, unless ordered by the Court, invalidate this Scheme or the proceedings at the Scheme Meeting.

8.9 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Amcom may, by its counsel on behalf of all persons concerned consent to only such of those conditions or alterations to this Scheme to which Vocus has consented, such consent not to be unreasonably withheld or delayed.

8.10 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Scheme and each transaction effected by or made under this Scheme will be payable by Vocus.

8.11 Limitation of liability

None of Amcom, Vocus, nor any director, officer or secretary of any of them is liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

8.12 Governing Law

- (a) The governing law of this Scheme is the law in force in the State of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme and waives any objection it may now or in the future have to the venue of any proceedings, and any

claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if the venue of those proceedings fall within this clause 8.12(b).

For personal use only

Annexure E Deed Poll

For personal use only

Deed Poll

by

Vocus Communications Limited (**Vocus**)

in favour of

Scheme Shareholders

MinterEllison

L A W Y E R S

LEVEL 19 AURORA PLACE 88 PHILLIP STREET SYDNEY NSW 2000
AUSTRALIA DX 117 SYDNEY
T +61 2 9921 8888 F +61 2 9921 8123
www.minterellison.com

Deed Poll

Details	3
Agreed terms	4
1. Defined terms & interpretation	4
2. Nature of Deed Poll	4
3. Condition	5
4. Performance of Scheme obligations	5
5. Warranties	5
6. Continuing obligations	6
7. General	6
Signing page	9

Details

Date

Parties

Name	Vocus Communications Limited ABN 96 084 115 499
Short form name	Vocus
Notice details	Level 1, Vocus House 189 Miller Street North Sydney NSW 2060 Facsimile: +61 2 9959 4348 Email: mark.simpson@vocus.com.au Attention: Mark Simpson, Company Secretary

Background

- A Amcom Telecommunications Limited ABN 20 062 046 217 (**Amcom**) and Vocus have entered into the Scheme Implementation Agreement (**Scheme Implementation Agreement**) to provide for the implementation of the Scheme.
- B Under the Scheme Implementation Agreement, Amcom has agreed that it will propose and implement the Scheme in accordance with the Scheme Implementation Agreement.
- C Under the Scheme Implementation Agreement, Vocus has agreed to take all steps reasonably necessary to assist Amcom in proposing and implementing the Scheme in accordance with the Scheme Implementation Agreement.
- D Vocus is entering into this Deed Poll for the purpose of:
- (i) covenanting in favour of Scheme Shareholders that it will observe and perform the obligations contemplated of it under the Scheme Implementation Agreement;
 - (ii) covenanting in favour of the Scheme Shareholders to perform the steps attributed to it under the Scheme; and
 - (iii) ensuring that the Scheme Consideration is paid to the Scheme Shareholders.
- E The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be acquired, and transferred, to Vocus in exchange for the Scheme Consideration.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

Words and phrases defined in the Scheme Implementation Agreement have the same meanings in this Deed Poll unless the context requires otherwise.

1.2 Interpretation

- (a) In this Deed Poll, unless the context otherwise requires:
 - (i) the singular includes the plural and vice versa;
 - (ii) reference to a person includes references to corporations, partnerships, joint ventures, associations, bodies corporate and any Regulatory Authority;
 - (iii) references to agreements or deeds are to agreements or deeds as amended from time to time;
 - (iv) reference to a party includes their executors, administrators and permitted assigns or, being a company, its successors and permitted assigns;
 - (v) an agreement, representation or warranty in favour of two or more persons is for the benefit of each and all of them;
 - (vi) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Deed Poll and a reference to this Deed Poll includes any annexure, exhibit and schedule; and
 - (vii) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements to it.
- (b) Clause headings in this Deed Poll do not affect the interpretation of this Deed Poll.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

1.3 Time for performance

- (a) If the day on or by which a payment or an act is to be done under this Deed Poll is not a Business Day, that act must be done on the next Business Day.
- (b) In this Deed Poll, if a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (c) In this Deed Poll, a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (d) In this Deed Poll, a reference to time is a reference to Perth, Western Australia time.

2. Nature of Deed Poll

Vocus acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it and under the Scheme, each Scheme Shareholder irrevocably appoints Amcom as its agent and attorney to enforce this Deed Poll against Vocus.

3. Condition

3.1 Condition

The obligations of the Vocus under this Deed Poll are subject to the Scheme becoming Effective.

3.2 Termination

Subject to clause 6, unless Amcom and Vocus agree otherwise, the obligations of Vocus under this Deed Poll to Scheme Shareholders will automatically terminate and the terms of this Deed Poll will be of no further force or effect if and only if the Scheme Implementation Agreement is terminated or the Scheme does not become Effective on or before the End Date.,

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then in addition and without prejudice to any other rights, powers or remedies available to them:

- (a) Vocus is released from its obligations to further perform this Deed Poll except for any obligations which by their nature survive termination; and
- (b) Scheme Shareholders retain the rights they have against Vocus in respect of any breach of this Deed Poll which occurs before it is terminated.

4. Performance of Scheme obligations

4.1 Generally

Subject to clause 3:

- (a) Vocus covenants in favour of Scheme Shareholders to perform the steps attributed to Vocus under, and otherwise comply with, the Scheme as if Vocus were a party to the Scheme.
- (b) Vocus covenants in favour of Scheme Shareholders to comply with its obligations under the Scheme Implementation Agreement, in so far as that agreement relates to the Scheme, and, in respect of Vocus, do all things necessary or expedient on its part to implement the Scheme.

4.2 Payment of Scheme Consideration

- (a) Subject to clause 3, in consideration for the transfer to Vocus of all of the Scheme Shares and all rights and entitlement attaching to them by each Scheme Shareholder, Vocus undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder, in accordance with the terms of the Scheme.
- (b) Vocus undertakes in favour of each Scheme Shareholders that the New Vocus Shares which are provided to Scheme Shareholders in accordance with the Scheme:
 - (i) rank equally in all respects; and
 - (ii) are fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the articles of Vocus).

5. Warranties

Vocus represents and warrants to the Scheme Shareholders that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

- (c) it has taken necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll has been duly and validly executed and delivered by it and is valid and binding upon it.

6. Continuing obligations

6.1 Deed Poll irrevocable

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Vocus having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.2.

6.2 Variation

A provision of this Deed Poll may not be varied, altered or otherwise amended unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Amcom; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Amcom and is approved by the Court,

in which event Vocus will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. General

7.1 Stamp duty

Vocus:

- (a) must pay all stamp duty (if any) and any related fines and penalties in respect of the Scheme and this Deed Poll (including without limitation the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this Deed Poll and each transaction effected by or made under or pursuant to the Scheme and this Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Further assurances

Vocus will, at its own expense, promptly do all things and execute and deliver all further documents required by law to give full effect to this Deed Poll and the transactions contemplated by it.

7.3 Assignment

- (a) The rights and obligations of Vocus and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with without the prior consent of Vocus and Amcom.
- (b) Any purported dealing in contravention of clause 7.3(a) is invalid.

7.4 Waiver

- (a) A waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing signed by the person granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
 - (i) a right arising from a breach of this Deed Poll; or
 - (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) Vocus is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) Vocus may not rely on any conduct of another person as a defence to the exercise of a right, power, authority, discretion or remedy by that other person.
- (e) This clause 7.4 may not itself be waived except in writing.

7.5 Notices

Any communication to Vocus under or in connection with this Deed Poll must be in writing and:

- (a) sent to Vocus, at:

Level 1, Vocus House
189 Miller Street
North Sydney NSW 2060
Facsimile: +61 2 9959 4348
Email: mark.simpson@vocus.com.au
Attention: Mark Simpson, Company Secretary

(or as otherwise notified by that party to the other party from time to time);
- (b) must be signed by the party making the communication or by a person duly authorised by that party;
- (c) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 7.5(a); and
- (d) will be deemed to be received by the addressee:
 - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) **(in the case of fax)** at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in clause 7.5(a), unless that delivery is not made on a Business Day, or

after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

7.6 Cumulative rights

The rights, powers and remedies of Vocus and the Scheme Shareholders under this Deed Poll are cumulative with the rights, powers or remedies provided by law independently of this Deed Poll.

7.7 Governing law and jurisdiction

- (a) This Deed Poll is governed by the laws of the State of Western Australia.
- (b) Vocus irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme and waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if the venue of those proceedings fall within this clause 7.7(b).

Signing page

EXECUTED as a deed.

Executed by Vocus Communications Limited ABN 96 084 115 499 in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director



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



Name of director (print)

Name of director/company secretary (print)

Annexure F Notice of Scheme Meeting

For personal use only

AMCOM TELECOMMUNICATIONS LIMITED

ACN 062 046 217

NOTICE OF SCHEME MEETING

Notice of Court ordered Scheme Meeting of Amcom Shareholders

Notice is hereby given, by an order of the Federal Court of Australia made on 30 March 2015 pursuant to section 411(1) of the Corporations Act, that a meeting of holders of ordinary shares in Amcom Telecommunications Limited (**Amcom**) will be held at 11.00 am (Perth time) on 6 May 2015 at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia.

The Court has also directed that Mr Tony Grist or, failing him, Mr Clive Stein, act as the chair of the Scheme Meeting.

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve a scheme of arrangement (with or without any modifications or conditions approved by the Court to which Amcom and Vocus Communications Limited (**Vocus**) agrees) proposed to be made between Amcom and Amcom Shareholders.

To enable you to make an informed voting decision, further information on the Scheme is set out in the Scheme Booklet which this notice forms part of. Capitalised terms used in this notice have the same meaning as set out in the defined terms in Section 11 of the Scheme Booklet.

Business of the meeting

Resolution – Approval of the Scheme

To consider and, if thought fit, to pass the following resolution:

"That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the proposed scheme of arrangement between Amcom Telecommunications Limited and the holders of its fully paid ordinary shares, designated the "Scheme", as contained in and more particularly described in the Scheme Booklet accompanying the Notice of Scheme Meeting (with or without any modifications or conditions approved at this meeting or approved by the Federal Court of Australia after this meeting, and to which Amcom and Vocus agree) is approved and, subject to approval of the Scheme by the Court, the Amcom Board is authorised to implement the Scheme with any such modifications or conditions."

BY ORDER OF THE COURT

David Hinton
Company Secretary
Amcom Telecommunications Limited

Dated 30 March 2015

EXPLANATORY NOTES

Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution must be approved by:

- unless the Court orders otherwise, a majority in number of Amcom Shareholders present and voting at the Scheme Meeting (in person, by proxy or attorney or in the case of a body corporate, by a duly appointed corporate representative); and
- at least 75% of the total number of votes cast by Amcom Shareholders at the Scheme Meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become effective, the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is passed by the Requisite Majorities and the other Conditions are satisfied or waived (as applicable), Amcom intends to apply to the Court on 13 May 2015 for approval of the Scheme.

VOTING

The Amcom Directors believe that the Scheme is attractive and in the best interests of Amcom Shareholders and recommend that Amcom Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.

Each of the Amcom Directors intend to vote all of the Amcom Shares held or controlled by them as at the Voting Record Date in favour of the Scheme, in the absence of a Superior Proposal.

Voting entitlement

Amcom has determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that Amcom Shareholders who are registered on the Amcom Share Register as at 5.00 pm (Perth time) on 4 May 2015 may vote at the Scheme Meeting in person, by attorney, by proxy or, in the case of a body corporate, by corporate representative.

How to vote

Amcom Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Scheme Meeting and by submitting the proxy appointment and voting instructions as set out below.

Voting in person (or by attorney)

Amcom Shareholders, or their attorneys, who plan to attend the Scheme Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Scheme Meeting, so that their shareholding may be checked against the Amcom Share Register and attendance recorded. Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Amcom for notation, deliver to Amcom's Share Registry (at the address or fax number provided above) the original instrument appointing the attorney or a certified copy of it by 5.00 pm (Perth time) on 5 May 2015.

Voting by a corporation

An Amcom Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, their name and address and the identity of their appointer.

Voting by proxy

Amcom Shareholders who wish to appoint a proxy to attend and vote at the Scheme Meeting, must complete and return the Proxy Form accompanying this Notice of Scheme Meeting to Amcom's Share Registry.

The Proxy Form must be received by the Share Registry (as indicated on the Proxy Form you receive) by no later than 11.00 am (Perth time) on 4 May 2015.

You must return the Proxy Form to Amcom's Share Registry by sending, delivering or faxing it as follows:

- Mail to:** Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
- Deliver to:** Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth, Western Australia
- Fax to:** 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)
- Custodians:** For Intermediary Online subscribers only (custodians) please visit
www.intermediaryonline.com to submit your voting intentions

A Proxy Form must be signed by the Amcom Shareholder or the Amcom Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act.

If a proxy appointment is signed by or validly authenticated by an Amcom Shareholder but does not name the proxy or proxies in whose favour it is given, the chair of the Scheme Meeting may act as proxy.

If:

- an Amcom Shareholder nominates the chair of the Scheme Meeting as the Amcom Shareholder's proxy; or
- a proxy appointment is signed by an Amcom Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the person acting as chair in respect of an item of business at the Scheme Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chair of the Scheme Meeting, the Amcom company secretary or any Amcom Director which do not contain a direction will be voted in support of the resolution at the Scheme Meeting.

An Amcom Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be an Amcom Shareholder) to represent him, her or it at the Scheme Meeting, other than the chair of the Scheme Meeting, by inserting the name of his chosen proxy in the space provided for that purpose on the Proxy Form.

An Amcom Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes (disregarding fractions). The Amcom Shares represented by proxy will be voted for or against or withheld from voting in accordance with instructions of the Amcom Shareholder on any ballot that may be called for, and if the Amcom Shareholder specifies a choice with respect to any matter to be acted upon, the Amcom Shares will be voted accordingly.

For personal use only

An Amcom Shareholder who has deposited a Proxy Form may revoke it prior to its use, by instrument in writing executed by the Amcom Shareholder or by his, her or its attorney duly authorised in writing or, if the Amcom Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at Amcom's Share Registry by 5.00 pm on the last Business Day preceding the day of the Scheme Meeting or with the chair of the Scheme Meeting on the day of, and prior to the start of, the Scheme Meeting. An Amcom Shareholder may also revoke a proxy in any other manner permitted by law.

Further information for Amcom Shareholders

If you have any questions please contact Amcom's Share Registry on 1300 763 915 (within Australia) or +61 3 9415 4000 (outside of Australia).

Directory

Amcom Telecommunications Limited

Level 22
44 St Georges Terrace
Perth WA 6000
AUSTRALIA

Company Secretary

David Hinton

Legal Adviser to Amcom

Clayton Utz
Level 27, QV.1 Building
250 St Georges Terrace
Perth WA 6000
AUSTRALIA

Share Registry

Computershare Investor Services Pty Limited
Level 2
45 St Georges Terrace
Perth WA 6000
AUSTRALIA

Investigating Accountant

Ernst & Young Transaction Advisory Services
Limited
8 Exhibition Street
Melbourne VIC 3000
AUSTRALIA

Directors

Mr Tony Grist (Chairman)
Mr Ian Warner
Mr Clive Stein
Mr Paul Brandling
Mr Peter Clifton
Mr Craig Coleman
Mr Anthony Davies

Financial Adviser to Amcom

Lazard Pty Ltd
Level 27
108 St Georges Terrace
Perth WA 6000
AUSTRALIA

Auditor

Ernst & Young
The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000
AUSTRALIA

Independent Expert

PricewaterhouseCoopers Securities Ltd
Darling Park Tower 2
201 Sussex Street
Sydney NSW 1171
AUSTRALIA

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all Registry enquiries call:

(within Australia) 1300 763 915
(outside Australia) +61 3 9415 4000

000001 000 AMM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online and view the Scheme Booklet

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 11:00am (Perth time) Monday, 4 May 2015

How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Amcom Telecommunications Limited hereby appoint

☐

the Chairman
of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of Amcom Telecommunications Limited to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on Wednesday, 6 May 2015 at 11:00am (Perth time) and at any adjournment or postponement of that meeting.

STEP 2

Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 Approval of the Scheme

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

AMM

1 9 7 3 5 5 A

Computershare