

26 July 2019

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

Steadfast Group launches a takeover bid for IBNA

Further to the announcement made on 26 June 2019, please see attached announcement that Steadfast Group Limited has entered into a bid implementation agreement with IBNA Limited under which SDF will launch an off-market takeover bid for up to 100% of the fully paid ordinary shares in IBNA on the terms set out in the bid implementation agreement.

Yours faithfully



Linda Ellis
Group Company Secretary & Corporate Counsel

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MARKET RELEASE

26 July 2019

Steadfast Group launches a takeover bid for IBNA

Further to the announcement made on 26 June 2019, Steadfast Group Limited (ASX:SDF) announces the entry into a bid implementation agreement (**BIA**) with IBNA Limited (**IBNA**) under which SDF will launch an off-market takeover bid for up to 100% of the fully paid ordinary shares in IBNA on the terms set out in the BIA ("**Takeover Offer**").

IBNA is an unlisted public company and network of insurance brokerages, with approximately 80 IBNA broker members across Australia. IBNA's shareholders are comprised of IBNA broker members (or their associated entities). IBNA shareholders who accept the Takeover Offer will become members of the Steadfast Network. SDF will not have any equity interest in any IBNA broker members following this transaction.

The Takeover Offer is unanimously recommended by the IBNA Board, in the absence of a superior proposal.

The key features of the Takeover Offer include:

- Consideration of approximately \$69m in aggregate based on current estimated FY19 Professional Service Fees (**PSF**) (assuming 100% acceptance). This valuation will be confirmed upon final determination of FY19 PSF.
- The consideration is offered in the form of shares in SDF, which would involve the issue of an estimated 21.1m shares (based on SDF's 30 trading-day volume weighted average share price of \$3.28 on 25 June 2019, being the date preceding the previous announcement, and assuming SDF acquires 100% of IBNA).¹
- The offer is conditional upon, amongst other customary conditions:
 - SDF acquiring at least 80% of the IBNA shares;
 - IBNA undertaking a restructure such that each IBNA shareholder's proportionate shareholding in IBNA is appropriately adjusted to reflect the estimated PSF expected to be received by IBNA for the financial year ended 30 June 2019 which is attributable to that member;
 - IBNA terminating the A & I Member Services Pty Limited (**AIMS**) joint venture with AUB Group Limited (**Austbrokers**), which Austbrokers announced on 26 June 2019 would be ended through a phased exit; and
 - Each accepting IBNA shareholder or its associated IBNA broker member joining the Steadfast Network.

Further details in relation to the Takeover Offer conditions are set out in schedule 1 to the BIA, which is annexed to this announcement.

- IBNA broker members can now apply to join the Steadfast Network (subject to providing a validly completed application form and applicable Steadfast broker licence agreement).

¹ The consideration payable to each IBNA shareholder, and therefore the number of SDF shares expected to be issued to each accepting IBNA shareholder, will be determined on a proportionate basis following completion of the restructure of IBNA's share capital which is expected to be completed prior to the despatch of the Bidder's Statement.

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If IBNA broker members subsequently accept into the Takeover Offer, they are expected to receive their consideration after the Takeover Offer closes in early October 2019

- IBNA broker members will not receive any PSF rebate from SDF once they become Steadfast Network broker members
- IBNA intends to pay to IBNA shareholders a fully franked pre-completion dividend equal in aggregate to IBNA's excess cash after paying or provisioning for all costs and liabilities of IBNA (including costs incurred by IBNA in connection with the Takeover Offer and the termination of the AIMS joint venture)
- IBNA must not enter into any material documents with AIMS, Austbrokers or its related parties in connection with the AIMS exit arrangements without SDF's prior consent (not unreasonably withheld or delayed)
- The BIA contains customary termination rights, including that it may be terminated by SDF if a Superior Proposal (as defined in the BIA) is made or announced for IBNA by a third party and IBNA recommends that Superior Proposal. No break fees are payable by either party in the event of termination

Full particulars of the Takeover Offer will be provided in the Bidder's Statement and Target Statement expected to be despatched to IBNA shareholders on the dates set out below.

The indicative timetable for the Takeover Offer is as follows:

Event	Date
IBNA restructure meeting date	19 August 2019
SDF lodges Bidder's Statement with ASIC, ASX and serves it on IBNA	Late August 2019
SDF dispatches Bidder's Statement to IBNA shareholders	Late August 2019
Offer opens	Late August 2019
IBNA to lodge Target's Statement with ASIC, dispatch Target's Statement to IBNA shareholders and provide a copy to SDF	Mid-September 2019
Expected close of offer	Late September 2019

The full BIA is attached to this announcement.

If all IBNA shareholders accept the Takeover Offer, SDF expects this to add approximately \$8.2 million of underlying EBITA to SDF in FY20.

Accounting standards do not allow SDF to capitalise the consideration paid for the IBNA shares. Therefore, SDF's statutory accounts will reflect this consideration as an expense in FY20. This expense will be normalised in SDF's FY20 financial results as it is a non-trading loss.

Any questions should be directed to Robert Kelly, Managing Director & CEO on (02) 9495 6535.

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About Steadfast Group

Steadfast Group, established in 1996, is the largest general insurance broker network and group of underwriting agencies in Australasia. The Steadfast Network provides products and services to over 377 insurance broker businesses across Australia, New Zealand and Asia. Steadfast Network brokerages and Steadfast Underwriting Agencies generated billings of more than \$7 billion for the 12 months ended 30 June 2018. Steadfast Group operates as a co-owner and consolidator through its equity interests in a number of broker businesses, underwriting agencies and other complementary businesses. Steadfast Group also has an equity stake in unisonSteadfast, a global general insurance broker network with over 230 brokerages in 130 countries.

For further information, please visit investor.steadfast.com.au

Forward looking statements

This announcement contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. These forward-looking statements speak only as of the date of this announcement, and SDF does not undertake to publicly update or revise any forward-looking statement. Any forward-looking statements are subject to various risks that could cause SDF's actual results to differ materially from the results expressed or anticipated in these statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of SDF and its directors and management. SDF cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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Bid Implementation Agreement

Dated 26 July 2019

IBNA Limited (ACN 086 563 055) (the "Company")

Steadfast Group Ltd (ACN 073 659 677) (the "Bidder")

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
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DX 113 Sydney
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Bid Implementation Agreement

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Bid Implementation Agreement

Details

Parties		
Company	Name	IBNA Limited
	ACN	086 563 055
	Formed in	Australia
	Address	Unit 2, 6 Tarring Road, Hawthorne East VIC 3123
	Telephone	+61 408 108 908
	Email	Gary.Gribbin@gmail.com
	Attention	Gary Gribbin
Bidder	Name	Steadfast Group Ltd
	ACN	073 659 677
	Formed in	Australia
	Address	Level 4, 97-99 Bathurst Street Sydney NSW 2000
	Telephone	+61 2 9495 6500
	Email	Linda@steadfast.com.au
	Attention	Company Secretary
Governing law	New South Wales	
Business Day place	Sydney	
Recitals	A	Both the Bidder and the Company have as their primary business the provision of services to insurance brokers.
	B	The Bidder is proposing to acquire all of the Company Shares by way of the Takeover Bid.
	C	The Company and the Bidder have agreed to co-operate with each other in relation to the Takeover Bid on the terms of this document.

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Bid Implementation Agreement

General terms

1 Definitions and interpretation

1.1 Definitions

The following words have these meanings in this document unless the contrary intention appears.

Advisers means, in relation to an entity, its legal, financial and other expert or professional advisers.

AIMS JVA means the Shareholders Deed between the Company, Austbrokers and AIMS dated 27 June 2007 (as may be amended from time to time), together with any associated agreements or arrangements in relation to the business conducted by AIMS and any of its Subsidiaries.

AIMS means A & I Member Services Pty Limited (ACN 123 717 653).

Amount of the Consideration means:

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to non-monetary consideration in connection with a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to this document.

ASX means ASX Limited or the Australian Securities Exchange, as appropriate.

Austbrokers means AUB Group Limited (ACN 000 000 715).

Austbrokers Services means AUB Group Services Pty Limited (ACN 084 808 819).

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this document.

Bidder Counterproposal has the meaning given in clause 7.9.

Bidder Group means Bidder and its Related Bodies Corporate.

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

Bidder's Statement means the bidder's statement to be issued by the Bidder in respect of the Takeover Bid.

Broker means an insurance broker who is a member of the IBNA Network as at the date of this document, but excludes any person who ceases to be a member of the IBNA Network between the date of this document and the Register Date, except where such person has become a member of the Bidder's network of insurance brokers.

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Business Day means a business day as defined in the Listing Rules.

Company Board means the board of directors of Company and a **Company Director** means any director of the Company.

Company Group means Company and its Related Bodies Corporate.

Company Prescribed Occurrence means any of the events listed in Schedule 3 excluding an occurrence directly or indirectly as a result of any matter, event or circumstance required by this document (including, for the avoidance of doubt, any matter, event or circumstance which is required to give effect to the Restructure) or with the prior written consent of the Bidder.

Company Securities means Company Shares and securities of any type which are convertible or exchangeable into Company Shares or can be exercised to acquire Company Shares.

Company Share means a fully paid ordinary share in the Company.

Company Shareholder means a holder of one or more Company Shares.

Competing Proposal means any bona fide agreement, arrangement, or transaction which, if entered into or completed, would mean that a third party (either alone or with any associate thereof) would:

- (a) for any person who does not have a Relevant Interest in 20% or more of the Company Shares on the date of this document, directly or indirectly acquire a Relevant Interest in 20% or more of the Company Shares;
- (b) acquire Control of any member of the Company Group;
- (c) otherwise directly or indirectly acquire or merge with any member of the Company Group; and/or
- (d) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all of the business or assets of any member of the Company Group,

whether by way of a takeover bid, scheme, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets or liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Conditions means the conditions set out in Schedule 1.

Confidentiality Agreement means the Confidentiality Agreement between the Bidder and Company regarding a potential transaction.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Daily VWAP means the volume weighted average sale price (rounded to the nearest full cent) of Bidder Shares sold on ASX on a day but does not include any "Crossing" transacted outside the "Open Session State", or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or

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any overseas trades or trades pursuant to the exercise of options over Bidder Shares.

Details means the section of this document headed "Details".

Disclosed means Fairly Disclosed by one party in writing to the other party prior to the date of this document.

Effective Control when used in relation to the Takeover Bid, means the acquisition by the Bidder or one of its Related Bodies Corporate of a Relevant Interest in more than 80% of the Company Shares.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

End Date means the earliest of:

- (a) date of termination of this document in accordance with its terms; and
- (b) 31 March 2020, or such later date agreed in writing between the Bidder and the Company.

Exclusivity Period means the period commencing on the date of this document and ending on the earlier to occur of the following:

- (a) the end of the Offer Period; and
- (b) the End Date.

Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated person to identify the nature and scope of the relevant matter, event or circumstance.

FY19 PSF Receivables means any amount received by the Company as payment for professional services fees (otherwise known as marketing and administration fees) attributable to services provided by brokers in the Company's network on or prior to 30 June 2019.

FY20 PSF Receivables means any amount received or owing to the Company as payment for professional services fees (otherwise known as marketing and administration fees) attributable to services provided by Brokers on or after 1 July 2019.

Group means the Company Group or the Bidder Group, as applicable.

GST means a goods and services or similar tax imposed in Australia.

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

IBNA Network means the Company's network of insurance brokers.

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a controller appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this document); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this document reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Listing Rules means the Listing Rules of ASX.

Material Contract means a contract or commitment requiring payments over the term of the contract in excess of \$250,000.

New Bidder Shares means the Bidder Shares to be issued as Share Consideration.

Offer means each offer to acquire Company Shares to be made by the Bidder to each Company Shareholder under the Takeover Bid on the terms of this document.

Offer Date has the meaning given in Schedule 4 or such other date agreed between the Bidder and the Company.

Offer Unconditional Date has the meaning given in clause 3.8, being the date the Bidder gives a notice to the Company declaring the Offer to be free from all other Conditions in accordance with section 650F of the Corporations Act.

Offer Period means the period during which the Offer is open for acceptance.

Officers means, in relation to an entity, its directors, officers, partners and employees.

Permitted Dividend means one or more dividends or distributions (whether fully franked or otherwise) which are declared or determined or paid by the Company Board on or after the date of this document, provided that payment of such dividends or distributions:

- (a) comply with the Corporations Act;
- (b) do not result in the Company becoming Insolvent;
- (c) are not drawn from FY20 PSF Receivables; and
- (d) do not result in the Company having insufficient funds to pay or provision for all costs and liabilities of the Company, including but not limited to costs incurred by the Company in connection with the transactions contemplated by this document and the termination of the AIMS JVA.

PSF means a genuine and reasonable estimate agreed between the parties (acting reasonably and in good faith) of the aggregate amount of professional services fees (otherwise known as marketing and administration fees) attributable to the Brokers for the financial year ended 30 June 2019, which as at the date of this document is expected to be approximately \$8.2 million in aggregate.

Public Announcement means the announcement to be made by the Bidder in accordance with clause 10.1, in the form set out in Schedule 5.

Register means the share and option register of the Company.

Register Date means the date set by Bidder pursuant to section 633(2) of the Corporations Act, which date must be after the Restructure has been implemented.

Regulatory Approval means:

- (a) any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority, ruling or exemption from, by or with a Regulatory Authority; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgment, filing, registration or notification, the expiry of that period without intervention or action,

as may be necessary to enable a party to fulfil its obligations under this document.

Regulatory Authority includes:

- (a) ASX and ASIC;
- (b) the Australian Competition and Consumer Commission (ACCC);
- (c) a government or governmental, semi-governmental or judicial entity or authority;
- (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (e) any regulatory organisation established under statute.

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

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

Representatives of a party includes:

- (a) a Related Bodies Corporate of the party; and
- (b) Officers, Advisers and employees of the party or any of its Related Bodies Corporate.

Restricted Payment means:

- (a) any management, consulting, monitoring or other shareholder or directors' fees or bonuses or payment of a similar nature to a Restricted Person; or
- (b) any payments made or agreed to be made to a Restricted Person in respect of any share or loan capital in any member of the Company Group being issued, redeemed, purchased or repaid or any other return of capital by a member of the Company Group,

but does not include:

- (c) any payments that are expressly permitted or required to be made under this document (including if required to give effect to the Restructure);
- (d) any payment made in the ordinary course of business that a member of the Company Group has budgeted to undertake, including the payment of annual bonuses to employees and non-executive directors' fees which are less than \$50,000 in aggregate paid in the ordinary course of business where the quantum of such payments is consistent with past practice; and
- (e) any payment which is approved in writing by the Bidder (acting reasonably).

Restricted Person means any Company Shareholder or Company Director or any of their Associates.

Restructure means the restructure of the Company's capital structure to be undertaken by the Company to cause the proportion which each Company Shareholder's respective Company Shares bears to all of the issued Company Shares to be equal to the proportion which the PSF attributable to the relevant Company Shareholder bears to the aggregate PSF, which will be undertaken by way of new issue of Company Shares pursuant to an application deed poll for Company Shares, as contemplated in the Restructure NOM (or as otherwise agreed in writing between the parties).

Restructure Meeting Date means the date set out in the Timetable on which the Company will hold a general meeting of its members in respect of the Restructure.

Restructure NOM has the meaning given in clause 4.6(a).

SDF VWAP means the average of the Daily VWAPs (rounded to the nearest full cent) of Bidder Shares sold on ASX during the last 30 days on which sales were recorded prior to 26 June 2019, being \$3.28.

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SDF Broker Licence Agreement means the Licence and Services Agreement setting out the terms on which a Broker will join the Bidder's network of insurance brokers.

Share Consideration means the number of Bidder Shares calculated in accordance with clause 3.2.

Subsidiary of an entity means another entity which is a subsidiary of the first entity within the meaning of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which the Company Board, acting in good faith, and after receiving written legal advice from its legal advisers, determines:

- (a) is reasonably capable of being completed taking into account all aspects of the Competing Proposal including any timing considerations, any conditions precedent, the identity of the proponent and ability to finance; and
- (b) would, if completed substantially in accordance with its terms, likely be more favourable to the Company Shareholders (as a whole) than the Takeover Bid, taking into account all terms and conditions of the Competing Proposal.

Takeover Bid means the off-market takeover bid by the Bidder for the Company Shares that satisfies the requirements in clause 3 to be implemented in accordance with Chapter 6 of the Corporations Act.

Target's Statement means the Target's Statement to be issued by the Company in respect of the Takeover Bid.

Tax means any tax, levy, impost, charge or duty (including stamp and transaction duties) that is assessed, levied, imposed or collected by any imposed by any Regulatory Authority together with any related interest, penalties, fines and expenses in connection with them.

Timetable means the timetable set out in Schedule 4, or such other indicative timetable as the Company and the Bidder agree in writing.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in this document to:

- (a) **(variations or replacement)** a document (including this document) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this document;
- (c) **(reference to statutes)** 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;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (h) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (m) **(meaning not limited)** the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (n) **(time of day)** time is a reference to Sydney, New South Wales time; and
- (o) **(materiality)** a reference to the word 'material' in clauses 8.3(a)(vi), 8.3(a)(vii), 8.3(a)(x) or paragraph (c) of Schedule 1 means a liability or loss or adverse impact of \$250,000 or more.

1.3 **Next day**

If an act under this document to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day.

1.4 **Next Business Day**

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.5 **Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this document.

2 Co-operation

2.1 General obligations

The Company and the Bidder must each use all reasonable endeavours, and must procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party, in order to implement the Takeover Bid.

2.2 Access to information

To the extent reasonably required to implement the Takeover Bid, each party must following a written request from the other party giving a reasonable period of notice, provide the other party and its Representatives with any documents, records, and other information during normal business hours (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) reasonably requested by them prior to the earlier of the end of the Offer Period and the date this document is terminated.

2.3 Implementation obligations of the Company

The Company must:

- (a) provide all necessary information about the Register to the Bidder which the Bidder reasonably requires in order to assist it to solicit acceptances under the Takeover Bid; and
- (b) provide all necessary information about the Register, the PSF and the Restructure to the Bidder which the Bidder reasonably requires in order to assist it to calculate the Share Consideration in accordance with this document,

and, in each case where requested by the Bidder, the Company must provide such information to the Bidder in such electronic format as is reasonably requested by the Bidder.

2.4 Appointment of directors to Company

As soon as practicable after:

- (a) the Offer Unconditional Date; and
- (b) the Bidder has acquired a Relevant Interest in 80% of the Company Shares,

if requested by the Bidder, the Company must use its best endeavours to cause the appointment to the Company Board of persons nominated by the Bidder (subject to those persons providing a consent to act as a director of the Company) and the resignation of Company Directors such that the majority of Company Board members will comprise such persons nominated by the Bidder, provided that the Bidder will procure that its Representatives (excluding any independent directors appointed by the Bidder pursuant to this clause 2.4) do not participate in decisions of the Company in relation to the Takeover Bid.

3 The Offer

3.1 Offer by the Bidder

The Bidder must make the Offer to each Company Shareholder in respect of all Company Shares held by them on the Register Date on the terms of this document and otherwise in accordance with all applicable provisions of the Corporations Act.

3.2 Consideration

Under the Takeover Bid, the Bidder will offer each Company Shareholder **X** Bidder Shares for every fully paid Company Share held by that Company Shareholder on the Register Date, where **X** is calculated as follows:

$$X = P / S$$

Where:

$$P = (\text{PSF} \times 8.32) \div I$$

I = Total Company Shares on issue on the Register Date

S = SDF VWAP

The Bidder acknowledges and agrees that the consideration will not be reduced by the amount of any Permitted Dividend or by the value of any franking credits attaching to any such dividend.

3.3 SDF Broker Licence Agreement

The parties acknowledge that:

- (a) the parties will agree the form of SDF Broker Licence Agreement and associated application form (acting reasonably and in good faith) as soon as practicable after the date of this document;
- (b) it will be a term of the Offer that each Company Shareholder who wishes to accept the Offer must provide or procure that its associated Broker provides to the Bidder an application form and executed SDF Broker Licence Agreement (unless the relevant Broker has already provided such documents to the Bidder prior to acceptance of the Offer); and
- (c) the SDF Broker Licence Agreement will provide that on and from 1 July 2019 no professional services fee (or marketing and administration fee) rebates or similar payments will be paid by any Bidder Group member to any Broker.

3.4 Fractional entitlements

If the number of Company Shares held by a Company Shareholder means that their aggregate entitlement to Bidder Shares is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

3.5 Conditions of the Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.

- (b) Each party must use all reasonable endeavours to satisfy the Conditions as soon as practicable after the date of this document, provided that nothing prevents the Company or the Company Board from taking, or failing to take, action where to do otherwise would, in the opinion of the Company Board (determined in good faith and acting reasonably after receiving written legal advice from external lawyers), would be likely to constitute a breach of the Company Board's fiduciary or statutory obligations.
- (c) The Bidder may waive the satisfaction of the Conditions in its sole discretion, other than the Conditions set out in paragraphs (a) and (b) of Schedule 1 which cannot be waived without the Company's prior written consent (not to be unreasonably withheld or delayed).

3.6 Consultation on a failure of a Condition

If:

- (a) there is a breach or non-fulfilment of a Condition which is not waived in accordance with this document by the End Date; or
- (b) there is an act, failure to act or occurrence which will prevent a Condition being satisfied by the End Date (and the breach or nonfulfillment which would otherwise occur has not already been waived in accordance with this document),

then the parties must promptly consult in good faith with a view to determining whether:

- (c) the Takeover Bid may proceed by way of alternative means or methods, to the extent possible; or
- (d) to extend the End Date.

3.7 Failure to agree

If the parties are unable to reach an agreement under clause 3.6 within five Business Days of the commencement of consultation between the Bidder and the Company, either party may terminate this document (and such termination will be in accordance with clause 9.1).

3.8 Declaring Offer free of defeating conditions

Within five Business Days of the last of the Conditions set out in paragraphs (a), (b) and (c) of Schedule 1 having been satisfied or waived, the Bidder must give a notice to Company declaring the Offer to be free from all other Conditions in accordance with section 650F of the Corporations Act (**Offer Unconditional Date**).

3.9 Offer Period

The parties intend that the Offer Period will be one month, but acknowledge and agree that the Offer Period may be extended by the Bidder at its discretion (having consulted with the Company or automatically, in each case in accordance with the Corporations Act).

3.10 **No withdrawal of Offer without Company's consent**

The Bidder must not apply to ASIC for consent to withdraw unaccepted Offers under section 652B of the Corporations Act without the Company's prior written consent, such consent not to be unreasonably withheld.

4 **Recommendation, consultation and documentation**

4.1 **Bidder's obligations to prepare documentation**

- (a) The Bidder will prepare the Bidder's Statement and an acceptance form for the Offer, in each case consistent with clauses 3.2 to 3.9. The Bidder's Statement must not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and must comply in all material respects with the requirements of the Corporations Act and all relevant regulatory guides and other guidelines and requirements of ASIC.
- (b) The Bidder agrees to do, and will procure its Officers do, such things as are reasonably necessary to prepare the Bidder's Statement, attend to its lodgement with ASIC and despatch to Company Shareholders in accordance with the Timetable, subject to the Company granting any necessary consents and ASIC granting any necessary modifications.

4.2 **Company's obligations to prepare documentation**

- (a) The Company must prepare the Target's Statement in response to the Offer in accordance with the Corporations Act. The Target's Statement must not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and must comply in all material respects with the requirements of the Corporations Act and all relevant regulatory guides and other guidelines and requirements of ASIC.
- (b) The Company agrees to do, and will procure its Officers do, such things as are reasonably necessary to prepare the Target's Statement, its lodgement with ASIC and despatch to Company Shareholders in accordance with the Timetable.

4.3 **Provision of Information**

Each party agrees that it will provide to the other such information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) as is reasonably required by the other party in order to enable the other party to fulfil its obligations under this document, including, but not limited to, the preparation of the Bidder's Statement and the Target's Statement.

4.4 **Consultation in relation to termination of AIMS JVA**

The Company must:

- (a) provide regular updates to, and consult with, the Bidder in relation to its negotiation with Austbrokers and AIMS regarding termination of the AIMS JVA;
- (b) provide to the Bidder copies of all material correspondence between the parties to the AIMS JVA in relation to the termination of those arrangements; and

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- (c) not sign any material document in connection with the AIMS JVA or the termination of those arrangements with AIMS, Austbrokers or any of its Related Bodies Corporate without the Bidder's prior written consent (not to be unreasonably withheld or delayed).

4.5 **Provision of Broker PSF figures**

Without limiting clause 4.3, as soon as practicable following the date of this document, the Company must provide the Bidder with its genuine and reasonable estimate of the PSF figure and the amount thereof which is attributable to each Broker.

4.6 **Restructure**

- (a) No later than the date which is 21 days prior to the Restructure Meeting Date, the Company must issue a Notice of Meeting to each Company Shareholder (in a form agreed between the parties as soon as practicable after the date of this document and otherwise in accordance with the Corporations Act) for the purposes of obtaining the approval at a general meeting of the Company Shareholders for the implementation of the Restructure ("**Restructure NOM**").
- (b) The Company must use its reasonable endeavours to procure in the Restructure NOM a statement by the Company Board to the effect that the Company Directors unanimously recommend that the Company Shareholders vote in favour of the resolutions set out in the Restructure NOM, and that each Company Director intends to procure Company Shares owned or controlled by them or their associates are voted in favour of such resolutions, in each case in the absence of a Superior Proposal.
- (c) The Company must, in the absence of a Superior Proposal, use its reasonable endeavours to obtain the approval of the Company Shareholders in respect of, and give effect to, the Restructure.

4.7 **Directors' recommendations**

- (a) The Company must use its reasonable endeavours to procure in the Target's Statement and any other public statements made by the Company in relation to the Takeover Bid a statement by the Company Board to the effect that, subject to clause 4.7(b), the Company Directors unanimously recommend that Company Shareholders accept, and that each Company Director intends to procure the acceptance of Offers made in respect of Company Shares they own or control, in the absence of a Superior Proposal.
- (b) The Bidder acknowledges that each of the Company Directors may publicly (or otherwise) change, withdraw or modify its, his or her recommendation to accept the Offer if the Company has received, other than in breach of clause 7, a Superior Proposal.

4.8 **Sharing of Bidder's Statement and Target's Statement**

The Bidder agrees that it will provide a draft of its Bidder's Statement to the Company and the Company agrees that it will provide a draft of its Target's Statement to the Bidder as soon as reasonably practicable and in any event not less than 5 Business Days before the statement is due to be lodged with ASIC. Each party agrees to consider in good faith all reasonable and timely comments received from the other and its Advisers and make such changes to its statement as are reasonably required by the other.

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4.9 Timetable

Each party agrees to use its reasonable endeavours to comply with the Timetable (noting that all dates after lodgement of the Target's Statement are indicative only).

4.10 Consent to early dispatch of Bidder's Statement

The Company agrees (by authority of the directors) that the Offer and accompanying documents to be sent by Bidder under the Takeover Bid pursuant to item 6 of section 633(1) of the Corporations Act may be sent up to 14 days earlier than the earliest date for sending under item 6 of section 633(1) of the Corporations Act, provided the Bidder has first lodged the Bidder's Statement with ASIC and provided it to the Company pursuant to items 2 and 3 of section 633(1) of the Corporations Act.

5 Conduct of business

5.1 Overview

From the date of this document up to and including the earlier of the date the Bidder acquires Effective Control and the end of the Offer Period, the Company must conduct its business in the ordinary course.

5.2 Specific obligations

Without limiting clause 5.1 and other than with the prior written approval of the Bidder (which approval must not be unreasonably withheld or delayed) or as expressly required or contemplated by this document or the Restructure NOM (including in relation to implementation of the Restructure, declaration and payment of any Permitted Dividend and, subject to clause 4.4, termination of the AIMS JVA), the Company must, during the period contemplated by clause 5.1, use all reasonable endeavours to ensure that the Company, and each member of the Company Group:

- (a) **(business and assets)** maintains the condition of its business and assets;
- (b) **(officers and employees)** subject to the business needs of the Company, keeps available the services of its officers and employees;
- (c) **(relationships)** preserves its relationships with customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings;
- (d) **(change of control provisions)** with the reasonable assistance of the Bidder, obtains any change of control or similar consents required in connection with the Takeover Bid from counterparties to the Company's significant contracts (such contracts to be identified by the Company, in consultation with the Bidder); and
- (e) **(cash)** ensures there is no material decrease in the amount of cash in Company other than as:
 - (i) used in the ordinary course of business;
 - (ii) a result of reasonable costs incurred directly in relation to the transactions contemplated by this document, the Restructure, any Permitted Dividend, termination of the AIMS JVA or the Takeover Bid; or

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- (iii) a result of the payment of any Permitted Dividend.

5.3 Prohibited actions

Other than with the prior approval of the Bidder (which approval must not be unreasonably withheld or delayed) or as expressly required or contemplated by this document or the Restructure NOM (including in relation to implementation of the Restructure, declaration and payment of any Permitted Dividend and, subject to clause 4.4, termination of the AIMS JVA), the Company must not, and must ensure that each member of the Company Group does not, during the period referred to in clause 5.1:

- (a) **(Material Contracts)** enter into or terminate a Material Contract;
- (b) **(employment agreements)** increase the remuneration of (including with regard to superannuation benefits) or benefits provided to or pay any bonus (other than in accordance with existing arrangements and in the ordinary course) or issue any securities or options to, or otherwise vary the employment agreements with, any of its:
 - (i) Directors;
 - (ii) employees who earn an annual salary in excess of \$100,000; or
 - (iii) any other employees once remuneration increases have reached \$150,000 in aggregate;
- (c) **(accelerate rights)** accelerate the rights of any of its directors or employees to benefits of any kind;
- (d) **(termination payments)** pay a director, executive or employee a termination payment, other than as provided for in an existing employment contract in place as at 1 January 2019 and a copy of which has previously been provided to the Bidder;
- (e) **(information technology)** take any action in respect of its information technology systems which would have a material impact on those systems;
- (f) **(indebtedness)** incur additional financier indebtedness except as Disclosed by the Company (and, for the avoidance of doubt, such indebtedness does not restrict additional draw-downs on existing working capital or overdraft facilities in the ordinary course of business);
- (g) **(Restricted Payment)** permit any Restricted Payment; or
- (h) **(agree)** agree to do any of the matters set out above.

5.4 Exceptions to conduct of business provisions

Nothing in this clause 5 restricts the ability of the Company to take any action which:

- (a) is expressly required or permitted by this document (including any actions required in order to give effect to the Restructure) or otherwise required by law;
- (b) has been Disclosed to the Bidder; or
- (c) has been agreed to in writing by the Bidder.

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5.5 Permitted disposal

Nothing in this document restricts the ability of the Company to dispose of its interest in Xchanging Technology for Intermediaries Pty Ltd (ACN 603 956 172), provided that:

- (a) the Company must use best endeavours to complete the disposal prior to the date on which the Bidder's Statement is to be lodged with ASIC; and
- (b) prior to the entry into any documentation in relation to such disposal, the Company must obtain the Bidder's prior written consent to the terms of such documentation (not to be unreasonably withheld or delayed).

5.6 FY20 PSF Receivables

The parties acknowledge that, as between the Bidder and the Company:

- (a) each SDF Broker Licence Agreement entered into between the Bidder and a Company Shareholder (in their capacity as a Broker) or its associated Broker (a "**Transferred Broker**") will be deemed to be effective from 1 July 2019 (the "**Transfer Effective Date**") in respect of the entitlement to FY20 PSF Receivables;
- (b) if at any time after the Transfer Effective Date the Company receives any FY20 PSF Receivables which are attributable to a Transferred Broker, the Company must pay the amount received to the Bidder as soon as practicable following receipt, provided the Bidder has declared the Offer to be free of defeating Conditions pursuant to clause 3.8; and
- (c) the Company will not exercise any right or discretion under any existing licence agreement between the Company and a Transferred Broker to pay the Transferred Broker a rebate in connection with the FY20 PSF Receivables, provided the Bidder has declared the Offer to be free of defeating Conditions pursuant to clause 3.8.

5.7 Wrong pockets – FY19 PSF Receivables

- (a) The parties acknowledge that:
 - (i) the Company is entitled to all FY19 PSF Receivables, which may be received by the Company after the Offer Unconditional Date notwithstanding that the entitlement to such revenue accrued prior to the date of this agreement;
 - (ii) the parties have agreed that any FY19 PSF Receivables received by the Company after the Offer Unconditional Date will be paid to the relevant brokers responsible for generating those FY19 PSF Receivables;
 - (iii) such payment is made pursuant to the licence agreements between the Company and the relevant broker which existed prior to the date of this agreement;
 - (iv) such payment is not a term of the Takeover Offer, and does not form part of, or relate to, the Takeover Bid consideration; and
 - (v) nothing in this clause 5.7 restricts the Company from distributing FY19 PSF Receivables received prior to the Offer Unconditional Date to the relevant brokers in accordance with the relevant licence agreement.

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- (b) If at any time after the Offer Unconditional Date any FY19 PSF Receivable is received by the Company, the Company must, and the Bidder must procure that the Company, hold such amount as agent for the broker, and pay to the relevant broker responsible for generating that FY19 PSF Receivable the amount received by the Company as soon as practicable following receipt by way of electronic funds transfer, cheque or any other method agreed between the Company and the relevant broker in writing.

5.8 Access to people

Between the date of this document and the date the Bidder acquires Effective Control, the Company must provide the Bidder and its Officers and Advisers, subject to giving reasonable written notice with reasonable access during normal business hours to Company's Officers and Advisers which the Bidder reasonably requires for the purposes of:

- (a) implementing the Takeover Bid;
- (b) preparing for carrying on the business of the Company following completion of the Takeover Bid; and
- (c) any other purpose which is agreed in writing between the parties,

provided in every case that such access is reasonably necessary to the Bidder and does not place an unreasonable burden on the ability of Company to run its business.

6 Dealing in Company Shares and Bidder Shares

6.1 Purpose

Each party acknowledges that clauses 6.2 and 6.3 are intended to ensure that:

- (a) any acquisition of Company Shares by Bidder takes place in an efficient, competitive and informed market; and
- (b) Company Shareholders have a reasonable and equal opportunity to participate in any benefits accruing to the Company Shareholders through any proposal under which a person would acquire an interest in Company.

6.2 No Relevant Interest

- (a) Bidder warrants that, as at the date of this agreement, neither it, nor any of its controlled or managed Related Bodies Corporate:
 - (i) has a Relevant Interest in, or a right to acquire, any Company Shares (whether issued or not or held by the counterparty or not); or
 - (ii) has entered into any agreement or arrangement that confers rights the economic effect of which is equivalent or substantially equivalent to holding, acquiring or disposing of securities in the Company or any of its Subsidiaries or of any assets of the Company or any of its Subsidiaries (including cash-settled derivative contracts, contracts for difference or other derivative contracts).

- (b) Company warrants that, as at the date of this agreement, neither it, nor any of its controlled or managed Related Bodies Corporate:
- (i) has a Relevant Interest in, or a right to acquire, any Bidder Shares (whether issued or not or held by the counterparty or not); or
 - (ii) has entered into any agreement or arrangement that confers rights the economic effect of which is equivalent or substantially equivalent to holding, acquiring or disposing of securities in the Bidder or any of its Subsidiaries or of any assets of the Bidder or any of its Subsidiaries (including cash-settled derivative contracts, contracts for difference or other derivative contracts).

6.3 Bidder Standstill

Except pursuant to the Takeover Bid, Bidder must not, and must ensure that its Associates do not (alone or with others), during the Exclusivity Period:

- (a) acquire any Relevant Interest in Company Shares or otherwise acquire, purchase or sell, or agree to acquire, purchase or sell, any Company Shares (or direct or indirect rights, warrants or options to acquire any Company Shares) or any assets of the Company or any of its Related Bodies Corporate;
- (b) enter into any agreement or arrangement that confers rights the economic effect of which is equivalent or substantially equivalent to holding, acquiring or disposing of securities of the Company or any of its Related Bodies Corporate or of any assets of the Company or any of its Related Bodies Corporate (including cash-settled derivative contracts, contracts for difference or other derivative contracts);
- (c) solicit proxies from Company Shareholders, solicit support from Company Shareholders for any proposal by Bidder or any of its Associates, or otherwise seek to influence or control the management or policies of Company (including seeking to call, or seeking support for the calling of, a general meeting of the Company Shareholders other than in connection with the Restructure);
- (d) enter into any arrangements in relation to securities of the Company with any person who has a Relevant Interest in, or who holds, directly or indirectly, securities of the Company; or
- (e) aid, abet, counsel or induce any other person to do any of the things mentioned in clauses 6.4(a), 6.4(b), 6.4(c) or 6.4(d).

6.4 Company Standstill

The Company must not, and must ensure that its Associates do not (alone or with others), during the Exclusivity Period:

- (a) acquire any Relevant Interest in Bidder Shares or otherwise acquire, purchase or sell, or agree to acquire, purchase or sell, any Bidder Shares (or direct or indirect rights, warrants or options to acquire any Bidder Shares) or any assets of the Bidder or any of its Related Bodies Corporate;
- (b) enter into any agreement or arrangement that confers rights the economic effect of which is equivalent or substantially equivalent to holding, acquiring or disposing of securities of the Bidder or any of its Related Bodies Corporate or of any assets of the Bidder or any of its

Related Bodies Corporate (including cash-settled derivative contracts, contracts for difference or other derivative contracts);

- (c) solicit proxies from Bidder Shareholders, solicit support from Bidder Shareholders for any proposal by the Bidder or any of its Associates, or otherwise seek to influence or control the management or policies of the Bidder (including seeking to call, or seeking support for the calling of, a general meeting of Bidder Shareholders);
- (d) enter into any arrangements in relation to securities of the Bidder with any person who has a Relevant Interest in, or who holds, directly or indirectly, securities of the Bidder; or
- (e) aid, abet, counsel or induce any other person to do any of the things mentioned in clauses 6.3(a), 6.3(b), 6.3(c) or 6.3(d).

6.5 Prevalence over Confidentiality Agreement

Despite anything to the contrary in the Confidentiality Agreement, the terms of this clause 6 prevail over the terms of the Confidentiality Agreement to the extent of any inconsistency.

7 Exclusivity

7.1 Cease existing discussions

The Company agrees that, other than the discussions with the Bidder in respect of the Takeover Bid, it will immediately cease any other negotiations or discussions in respect of any Competing Proposal with any person. From the date of this document, the Company will promptly enforce the terms of any confidentiality agreement entered into with a party other than the Bidder in relation to a Competing Proposal and will immediately request the return of all confidential information relating to the Company Group from any such party and terminate their access to any confidential information on an ongoing basis.

7.2 No-shop

During the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) solicits, invites, encourages or initiates any enquiries, negotiations or discussions; or
- (b) communicates any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Proposal.

7.3 No-talk

Subject to clause 7.5, during the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives:

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any other person regarding,

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a Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Company or any of its Representatives or the person has publicly announced the Competing Proposal.

7.4 Due diligence information

Subject to clauses 7.5 and 7.6, during the Exclusivity Period, the Company must ensure that neither it nor any of its Representatives in relation to a Competing Proposal:

- (a) enables any other person other than the Bidder to undertake due diligence investigations on any member of the Company Group or their businesses or operations; or
- (b) makes available to any other person, or permits any other person to receive, other than the Bidder (in the course of due diligence investigations or otherwise) any non-public information relating to any member of the Company Group or their businesses or operations.

7.5 Exceptions

Clauses 7.3 and 7.4 do not apply to the extent that they restrict the Company or the Company Board from taking or refusing to take any action with respect to any actual or proposed Competing Proposal (which was not solicited, invited, encouraged or initiated by the Company in contravention of clause 7.2) provided that the Company Board has determined, in good faith and acting reasonably, that:

- (a) such actual or proposed Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers (who must be reputable advisers experienced in transactions of this nature) that failing to take or not take such action would constitute or be likely to constitute a breach of the Company Board's fiduciary or statutory obligations.

7.6 Further exceptions

Nothing in this document prevents the Company from continuing to make normal presentations to, and to respond to enquiries from, Brokers in the ordinary course in relation to the Takeover Bid or its business generally.

7.7 Notice of unsolicited approach

During the Exclusivity Period, and subject to clauses 7.5 and 7.6, the Company must promptly inform the Bidder if it or any of its Representatives:

- (a) receives any unsolicited approach with respect to any Competing Proposal and must disclose to the Bidder all material details of the Competing Proposal, including details of the proposed bidder or acquirer;
- (b) receives any request for information relating to the Company or any of its Related Bodies Corporate or any of their businesses or operations or any request for access to the books or records of the Company or any of its Related Bodies Corporate, which the Company has reasonable grounds to suspect may relate to a current or future Competing Proposal; and

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- (c) provides any information relating to the Company or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Proposal.

7.8 Matching right

Without limiting clauses 7.2 and 7.3, during the Exclusivity Period, the Company:

- (a) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party, Company or both proposes or propose to undertake or give effect to an actual Competing Proposal; and
- (b) must use its best endeavours to procure that none of its directors change their recommendation in favour of the Takeover Bid to publicly recommend an actual Competing Proposal (or recommend against the Takeover Bid),

unless:

- (c) the Company Board acting in good faith and in order to satisfy what the Company Board considers to be its statutory or fiduciary duties (having received written advice from its external legal advisers), determines that the Competing Proposal would be or would be likely to be a Superior Proposal;
- (d) the Company has provided the Bidder with the material terms and conditions of the actual Competing Proposal, including price and the identity of the third party making the actual Competing Proposal;
- (e) the Company has given the Bidder at least 5 Business Days after the date of the provision of the information referred to in clause 7.8(d) to provide a matching or superior proposal to the terms of the actual Competing Proposal; and
- (f) the Bidder has not announced or otherwise formally proposed to the Company a matching or superior proposal to the terms of the actual Competing Proposal by the expiry of the 5 Business Day period referred to in clause 7.8(e).

The Company acknowledges and agrees that each successive modification of any actual Competing Proposal will constitute a new actual Competing Proposal for the purposes of the requirements under clause 7.8 and accordingly Company must comply with clause 7.8(a) and clause 7.8(b) of this clause in respect of any new actual Competing Proposal unless clauses 7.8(c) to 7.8(f) (inclusive) apply.

7.9 Bidder Counterproposal

If the Bidder proposes to the Company, or announces amendments to the Takeover Bid or a new proposal that constitute a matching or superior proposal to the terms of the actual Competing Proposal ("**Bidder Counterproposal**") by the expiry of the 5 Business Day period referred to in clause 7.8(e), the Company must procure that the Company Board considers the Bidder Counterproposal and if the Company Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Company Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and conditions of the Bidder Counterproposal, then:

- (a) the Company and the Bidder must use their best endeavours to agree the amendments to this document that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal as soon as reasonably practicable; and
- (b) the Company must use its best endeavours to procure that each of the directors of Company continues to recommend the Takeover Bid (as modified by the Bidder Counterproposal) to Company Shareholders.

7.10 Legal advice

The Company acknowledges that it has received legal advice on this document and the operation of this clause.

8 Warranties

8.1 Reciprocal Warranties

Each of the Bidder and the Company represents and warrants to the other that, as at the date of this document:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation; and
- (b) the execution and delivery of this document has been properly authorised by all necessary corporate action and it has full corporate power and lawful authority to execute and deliver this document and to perform or cause to be performed its obligations under this document; and
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this document constitutes legal, valid and binding obligations on it and execution of this document will not result in a breach of or default under its constitution or any agreement or deed or writ, order or injunction, rule or regulation to which it or any member of its Group is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency except for the Regulatory Approvals and the approvals contemplated in the Restructure NOM.

8.2 Bidder Warranties

The Bidder represents and warrants to the Company that, other than as Disclosed to the Company:

- (a) as at the date of this document, so far as it is aware, the Bidder has, prior to the date of this document, Fairly Disclosed all information reasonably required to enable the Company to undertake due diligence enquiries into the Bidder for the purpose of determining whether to enter into this document and all information provided by the Bidder to the Company under this document, including, but not limited to information provided under clause 4.3 is complete and accurate in all material respects;
- (b) as at the date of this document, the New Bidder Shares to be offered as consideration under clause 3 will, once issued, be duly authorised and validly issued, fully paid, not liable to the imposition of any duty, not

subject to any on-sale restriction and be free of all Encumbrances and will rank equally with all other Bidder Shares; and

- (c) as at the date of this document and on each day up to and including the last day of the Offer Period, it has complied with its continuous disclosure obligations under the Listing Rules and the Corporations Act, and its accounts are prepared on a consistent basis with past practices and in accordance with all relevant accounting standards.

8.3 Company Warranties

The Company represents and warrants to the Bidder that, other than as Disclosed to the Bidder:

- (a) as at the date of this document:
 - (i) so far as it is aware, the Company has, prior to the date of this document, Fairly Disclosed all information reasonably required to enable the Bidder to undertake due diligence enquiries into the Company for the purpose of determining whether to enter into this document and all information provided by the Company to the Bidder under this document, including, but not limited to information provided under clause 4.3, is complete and accurate in all material respects;
 - (ii) the Company Group's accounts are prepared on a consistent basis with past practices and in accordance with all relevant accounting standards, including containing either provisions adequate to cover, or full particulars in notes of, all Tax (including deferred Tax) and other liabilities, the circumstances giving rise to which are known or ought to be known to the Company (whether quantified, contingent or otherwise);
 - (iii) to the best of the Company's knowledge, the Company and its Subsidiaries have complied in all material respects with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign governmental agencies having jurisdiction over them and have all material licenses, permits and franchises necessary for them to conduct their respective businesses as presently being conducted;
 - (iv) Schedule 2 accurately records the total number and details of Company Securities on issue as at the date of this document. There are no other shares, options, notes or other securities of Company and no rights to be issued such shares (other than as required to implement the Restructure), options, notes or other securities;
 - (v) there are no Encumbrances over all or any of the assets or revenues of any member of the Company Group;
 - (vi) all material Tax, levies, assessments, contributions, fees, rates, duties and other governmental or municipal charges or impositions (other than those that may still be paid without penalty or interest) for which any member of the Company Group are liable, including any penalty or interest, having been paid;
 - (vii) other than as provided for in the Company's audited financial statements for the financial year ended 30 June 2018 or the Company's management accounts for the financial year ended

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30 June 2019, no material additional liability (including for Tax) has, or will, accrue to any member of the Company Group otherwise than as a result of the trading activities in the ordinary course of business;

- (viii) there is no current, pending or threatened dispute between any member of the Company Group and any Regulatory Authority which would have a material adverse effect on the Company Group and, to the best of Company's knowledge, no such dispute is anticipated, nor is there any current, pending or threatened Tax audit or investigation of any member of the Company Group;
- (ix) to the best of the Company's knowledge, there is no current, pending or threatened investigation by any professional standards body or other Regulatory Authority of any Broker or Company Officer;
- (x) there is no material claim, action or proceeding pending or in progress or threatened against or relating to any member of the Company Group;
- (xi) all information relating to the PSF (whether provided to the Bidder before or after the date of this document) has been or will be (as applicable) prepared in good faith and on a consistent basis with industry standards and the past practices of the Company Group; and
- (xii) the Company has no employees.

8.4 Company indemnity

The Company agrees with the Bidder to indemnify and keep the Bidder indemnified against all claims, liabilities and losses which it may suffer or incur by reason of any breach of any of its warranties in clauses 8.1 and 8.3.

8.5 Bidder indemnity

The Bidder agrees with the Company to indemnify and keep the Company indemnified against all claims, liabilities and losses which it may suffer or incur by reason of any breach of any of its warranties in clauses 8.1 and 8.2.

9 Termination

9.1 Termination rights

This document may be terminated by either party by notice to the other party:

- (a) if the other party is in material breach of this document and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) in accordance with and pursuant to clause 3.7;
- (c) if the Bidder withdraws the Takeover Bid as permitted by the Corporations Act or the Takeover Bid lapses for any reason, including for non-satisfaction of a Condition;

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- (d) if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bid;
- (e) if the other party or any of their material Related Bodies Corporate becomes Insolvent; or
- (f) the Company Board has determined that a Competing Proposal would be or would be likely to be an actual Superior Proposal, provided that the Company complies with its obligations under clause 7 and the Bidder has decided not to match that Superior Proposal in accordance with clause 7.8.

9.2 Termination by Bidder

This document may be terminated by the Bidder by notice in writing to the Company if:

- (a) a Superior Proposal is made or publicly announced for the Company by a third party and any director of the Company publicly recommends that Superior Proposal;
- (b) any director of the Company does not recommend the Company Shareholders to accept the Offer or having recommended the Offer, withdraws or adversely modifies his or her recommendation of the Offer; or
- (c) a person (other than the Bidder or its Associates) has a Relevant Interest in more than 20% of the Company Shares on issue (other than existing Company Shareholders who at the date of this document hold a Relevant Interest in more than 20% of the Company Shares on issue).

9.3 Termination by the Company

This agreement may be terminated by the Company by a notice in writing to the Bidder if a majority of the Company Directors either:

- (a) adversely change or withdraw their recommendation to Company Shareholders in relation to the Takeover Bid; or
- (b) recommend a Competing Proposal,

in accordance with clause 4.7(b).

9.4 Effect of termination

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

- (a) each party will be released from its obligations under this document except its obligations under clauses 12 and 13.12;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this document; and
- (c) in all other respects, all future obligations of the parties under this document will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

10 Announcements

10.1 Announcement of Takeover Bid

Immediately following the execution and exchange of this document, the Bidder must publicly issue the Public Announcement.

10.2 Required Disclosure

Where a party is required by law, or in the case of the Bidder the Listing Rules, to make any announcement or make any disclosure relating to a matter the subject of the Takeover Bid, it may do so only after it has given the other party as much notice as reasonably practicable having regard to its disclosure obligations and has consulted with the other party to the extent reasonably practicable having regard to its disclosure obligations.

10.3 Other Announcements

Subject to clause 10.2, no party may make any public announcement or disclosure in connection with the Takeover Bid (including, where possible, disclosure to a Regulatory Authority) other than in a form approved by the other party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

11 Notices and other communications

11.1 Form

- (a) Unless this document expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing and signed by the sender (if an individual) or an Authorised Officer of the sender.
- (b) All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).
- (c) Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

11.2 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by email to the address referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address then communications must be to that address.

11.3 When effective and taken to be received

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another); or
- (b) if sent by email, the earlier of:
 - (i) when the sender receives an automated message confirming delivery; and
 - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed.

11.4 Receipt outside business hours

Despite anything else in this clause 11, if communications are received or taken to be received under clause 11.3 after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

12 Goods and services tax (GST)

12.1 Consideration does not include GST

The consideration specified in this document does not include any amount for GST.

12.2 Recovery of GST

If a supply under this document is subject to GST, the recipient must pay to the supplier an additional amount equal to the Amount of the Consideration multiplied by the applicable GST rate.

12.3 Time of payment

The additional amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the additional amount need not be paid until the supplier gives the recipient a Tax invoice.

12.4 Adjustment of additional amount

If the additional amount differs from the amount of GST payable by the supplier, the parties must adjust the additional amount.

12.5 Reimbursement

If a party is entitled to be reimbursed or indemnified under this document, the amount to be reimbursed or indemnified does not include any amount for GST for which the party is entitled to an Input Tax Credit.

12.6 Survival

This clause 12 will survive termination of this document.

13 Miscellaneous

13.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this document expressly states otherwise.

13.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

13.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this document.

13.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

13.5 Conflict of interest

The parties' rights and remedies under this document may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

13.6 Remedies cumulative

The rights and remedies in this document are in addition to other rights and remedies given by law independently of this document.

13.7 Variation and waiver

A provision of this document or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

13.8 No merger

The warranties, undertakings and indemnities in this document do not merge on completion of any transaction contemplated by this document.

13.9 Indemnities

The indemnities in this document are continuing obligations, independent from the other obligations of the parties under this document and continue after this document ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this document.

13.10 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this document; or

(b) to show whether the party is complying with this document.

13.11 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

13.12 Costs

The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this document and other related documentation except for stamp duty.

13.13 Stamp duty

The Bidder agrees to pay all stamp duty (including fines and penalties) payable and assessed on this document or in respect of a transaction evidenced by this document.

13.14 Entire agreement

This document and the Confidentiality Agreement constitute the entire agreement of the parties about their subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

13.15 Assignment

A party may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied in each case, without the prior written consent of the other party.

13.16 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, except for representations or inducements expressly set out in this document;
- (b) it does not enter into this document 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 document; and
- (c) clauses 13.16(a) and 13.16(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with a Regulatory Authority.

13.17 Governing law

This document is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

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13.18 Counterparts

This document may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

13.19 Knowledge and belief

Any statement made by a party on the basis of its knowledge, information, belief or awareness, is made on the basis that the party has, in order to establish that the statement is accurate and not misleading in any material respect, made all reasonable enquiries of its officers, managers and employees who could reasonably be expected to have information relevant to matters to which the statement relates.

Bid Implementation Agreement

Schedule 1 - Conditions to the Offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

- (a) **(minimum acceptance)** during or at the end of the Offer Period, the Bidder having received acceptances under the Offer which give the Bidder a Relevant Interest in at least 80% of the Company Shares;
- (b) **(Restructure)** the Company having obtained Company Shareholder approval of the matters required to implement the Restructure (as contemplated in the Restructure NOM) and having implemented the Restructure in compliance with all relevant laws and such that the Offer is able to be completed in accordance with the terms of this document at least 2 Business Days prior to the date on which the Bidder's Statement is to be lodged with ASIC in accordance with the Timetable, and provided to the Bidder evidence of completion of the Restructure (including an updated Register);
- (c) **(termination of AIMS JVA)** the Company having:
- (i) terminated the AIMS JVA and such termination (or any related arrangement with Austbrokers or any other person) does not have any material ongoing financial or legal liability for, or any other ongoing adverse impact on, the Company, or on the ability of the Bidder to undertake the Offer in accordance with this document; and
 - (ii) obtained a formal release from all relevant parties to the AIMS joint venture under which the Company is released in respect of any future performance, obligation or liability in connection with, directly or indirectly, the AIMS JVA or the AIMS joint venture;
- (d) **(no Company Prescribed Occurrences)** there not occurring a Company Prescribed Occurrence during the Offer Period;
- (e) **(no negative net assets)** there not having occurred or occurring (including with the giving of notice or lapse of time or both) any event or circumstance which has the effect of reducing the consolidated net assets of the Company Group to less than the amount of any FY20 PSF Receivables actually received by the Company which have not otherwise been accounted for in accordance with clause 5.6(b);
- (f) **(no restraining orders)** that between the date of this document and the end of the Offer Period:
- (i) there is not in effect any preliminary or final decision, order or decree issued by any Regulatory Authority; and
 - (ii) no application is made to any Regulatory Authority (other than by a member of the Bidder Group), or action or investigation is announced, threatened or commenced by a Regulatory Authority,

in consequence of, or in connection with, the Offer (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which:

- (iii) restrains, prohibits or impedes (or if granted could restrain, prohibit or impede), or otherwise materially adversely impacts on, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Bidder in respect of the Company and the Company Shares to be acquired under the Offer; or
 - (iv) requires the divestiture by Bidder of any Company Shares, or the divestiture of any assets of the Company Group, the Bidder Group, or otherwise.
- (g) **(non-existence of certain rights)** that no person has any right (whether subject to conditions or not) as a result of the Bidder acquiring Company Shares to:
- (i) acquire, or require the Company or a Subsidiary of the Company to dispose of, or offer to dispose of, any material asset of the Company or a Subsidiary of the Company; or
 - (ii) terminate or vary or exercise any right under any material agreement with the Company or a Subsidiary of the Company,
- except for any rights under any provision of any agreement or other instrument disclosed in writing to the Bidder or its Representatives prior to execution of this document;
- (h) **(no termination of this document by the Company)** between the date of this document and the end of the Offer Period, the Company does not terminate this document in accordance with its terms;
- (i) **(no material breach of this document by the Company)** between the date of this document and the end of the Offer Period, the Company is not in breach of any provision of this document in circumstances where:
- (i) that breach is material;
 - (ii) the Bidder has given written notice to the Company setting out that breach: and
 - (iii) either:
 - (A) the breach is incapable of remedy; or
 - (B) if the breach is capable of remedy but the breach is not remedied by the Company within 5 Business Days of it receiving notice from the Bidder.
- Without limitation, the Company acknowledges and agrees that any breach of clauses 4.4(c), 4.5, 4.6(a), 4.6(b), 5.1 to 5.3, or 8.3, will be material for the purposes of this paragraph (i) of Schedule 1;
- (j) **(Company Directors to recommend)** the Company Directors:
- (i) unanimously recommend that the Company Shareholders accept; and
 - (ii) state that each Directors intends to procure the acceptance of, in respect of Company Shares they own or control,

the Offer in the Target Statement in relation to the Takeover Bid, and do not modify that recommendation or statement (as the case may be); and

- (k) **(SDF Licence Agreement)** each accepting Company Shareholder having complied with applicable terms of the Offer, including (as applicable) it or its relevant associated Broker having executed an SDF Licence Agreement.

The above conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles the Bidder to rescind any contracts resulting from acceptance of the Offer.

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Bid Implementation Agreement

Schedule 2 - Company Securities

Capital structure of Company as at the date of this document

Share class	Number of shares on issue	Amount paid up on those shares
Ordinary shares	617,667	\$623,287.00

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Schedule 3 - Company Prescribed Occurrences

- (a) **(Conversion)** the Company converts all or any of its shares into a larger or smaller number of shares.
- (b) **(Reduction of share capital)** the Company resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
- (c) **(Buy-back)** the Company:
- (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- (d) **(Issuing or granting shares or options)** the Company or any of its Subsidiaries:
- (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make such an issue or grant such an option,
- in each case to a person outside the Company Group.
- (e) **(Securities or other instruments)** the Company or any of its Subsidiaries:
- (i) issues securities or other instruments convertible into shares or debt securities; or
 - (ii) agrees to issue securities or other instruments convertible into shares or debt securities,
- in each case to a person outside the Company Group.
- (f) **(constitution)** Company adopts a new constitution or materially modifies or repeals its constitution or a material provision of it.
- (g) **(disposals)** any member of the Company Group disposes, or agrees to dispose of the whole or a substantial part of its business or property;
- (h) **(acquisitions, disposals or tenders)** any member of the Company Group
- (i) acquires or disposes of;
 - (ii) agrees to acquire or dispose of; or
 - (iii) offers, proposes, announces a bid or tenders for,
- any business, assets, entity or undertaking the value of which exceeds \$250,000.

- (i) **(Insolvency)** Company or any of its Related Bodies Corporate becomes Insolvent.
- (j) **(related party transactions)** any member of the Company Group entering into, or resolving to enter into, a transaction with a related party of Company (other than a related party that is a member of Company Group) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E.
- (k) **(dealings with AIMS JVA parties)** any member of the Company Group entering into, or resolving to enter into, a transaction, arrangement, or agreement with Austbrokers, Austbrokers Services or AIMS (or any of their respective Representatives or joint venture partners) which is outside the ordinary course of the business of the Company Group, other than where such transaction, arrangement or agreement is reasonably necessary to terminate the AIMS JVA and is on terms reasonably acceptable to the Bidder.
- (l) **(indebtedness)** incur additional financier indebtedness except as Disclosed by the Company (and, for the avoidance of doubt, such indebtedness does not restrict additional draw-downs on existing working capital or overdraft facilities in the ordinary course of business).
- (m) **(encumbrance)** any member of the Company Group creates, or agrees to create any Encumbrance over the whole or a substantial part of its business or property, other than:
 - (i) a lien, retention of title (or similar security interest) which arises by operation of law or legislation or arises in the ordinary course of the Company Group's business;
 - (ii) to Company or another Company Group member; or
 - (iii) any security required in connection with Company's debt facilities Disclosed to the Bidder,

provided that a Company Prescribed Event listed in items (a) to (m) of this Schedule 3 will not occur where the conduct was expressly required or contemplated by this document or the Restructure NOM (including in relation to implementation of the Restructure, declaration and payment of any Permitted Dividend and, subject to clause 4.4, termination of the AIMS JVA), or where the Company has first consulted with the Bidder in relation to the event (and provided reasonable details of the proposed transaction and its material terms in writing to the Bidder) and the Bidder has approved the proposed event in writing or has not objected to the proposed event within 5 Business Days of having being so consulted.

Bid Implementation Agreement

Schedule 4 – Timetable

Item	Date
Restructure Meeting Date	19 August 2019 (the " Restructure Meeting Date ")
Restructure implementation date	On the Restructure Meeting Date
Lodge Bidder's Statement with ASIC, ASX and the Company	On the 3rd Business Day after the Restructure Meeting Date (the " Lodgement Date ")
Dispatch Bidder's Statement to Company Shareholders	On the next Business Day after the Lodgement Date (the " Offer Date ")
Bidder to notify ASIC, ASX and the Company that the Bidder's Statement has been dispatched to Company Shareholders	Approximately the second Business Day after the Offer Date (" Notification Date ")
Company to lodge Target's Statement with ASIC, dispatch Target's Statements to Company Shareholders and provide a copy to the Bidder	Approximately the 15th Business Day after the Notification Date
Assumed date on which the Conditions will be satisfied	Approximately the 30th Business Day after the Offer Date
Assumed date to Close Offer Period, and if applicable, proceed with compulsory acquisition	Approximately the 37th Business Day after the Offer Date

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Bid Implementation Agreement

Schedule 5 - Public Announcement



MARKET RELEASE

26 July 2019

Steadfast Group launches a takeover bid for IBNA

Further to the announcement made on 26 June 2019, Steadfast Group Limited (ASX:SDF) announces the entry into a bid implementation agreement (**BIA**) with IBNA Limited (**IBNA**) under which SDF will launch an off-market takeover bid for up to 100% of the fully paid ordinary shares in IBNA on the terms set out in the BIA ("**Takeover Offer**").

IBNA is an unlisted public company and network of insurance brokerages, with approximately 80 IBNA broker members across Australia. IBNA's shareholders are comprised of IBNA broker members (or their associated entities). IBNA shareholders who accept the Takeover Offer will become members of the Steadfast Network. SDF will not have any equity interest in any IBNA broker members following this transaction.

The Takeover Offer is unanimously recommended by the IBNA Board, in the absence of a superior proposal.

The key features of the Takeover Offer include:

- Consideration of approximately \$69m in aggregate based on current estimated FY19 Professional Service Fees (**PSF**) (assuming 100% acceptance). This valuation will be confirmed upon final determination of FY19 PSF.
- The consideration is offered in the form of shares in SDF, which would involve the issue of an estimated 21.1m shares (based on SDF's 30 trading-day volume weighted average share price of \$3.28 on 25 June 2019, being the date preceding the previous announcement, and assuming SDF acquires 100% of IBNA).¹
- The offer is conditional upon, amongst other customary conditions:
 - SDF acquiring at least 80% of the IBNA shares;

¹ The consideration payable to each IBNA shareholder, and therefore the number of SDF shares expected to be issued to each accepting IBNA shareholder, will be determined on a proportionate basis following completion of the restructure of IBNA's share capital which is expected to be completed prior to the despatch of the Bidder's Statement.

- IBNA undertaking a restructure such that each IBNA shareholder's proportionate shareholding in IBNA is appropriately adjusted to reflect the estimated PSF expected to be received by IBNA for the financial year ended 30 June 2019 which is attributable to that member;
- IBNA terminating the A & I Member Services Pty Limited (**AIMS**) joint venture with AUB Group Limited (**Austbrokers**), which Austbrokers announced on 26 June 2019 would be ended through a phased exit; and
- Each accepting IBNA shareholder or its associated IBNA broker member joining the Steadfast Network.

Further details in relation to the Takeover Offer conditions are set out in schedule 1 to the BIA, which is annexed to this announcement.

- IBNA broker members can now apply to join the Steadfast Network (subject to providing a validly completed application form and applicable Steadfast broker licence agreement). If IBNA broker members subsequently accept into the Takeover Offer, they are expected to receive their consideration after the Takeover Offer closes in early October 2019
- IBNA broker members will not receive any PSF rebate from SDF once they become Steadfast Network broker members
- IBNA intends to pay to IBNA shareholders a fully franked pre-completion dividend equal in aggregate to IBNA's excess cash after paying or provisioning for all costs and liabilities of IBNA (including costs incurred by IBNA in connection with the Takeover Offer and the termination of the AIMS joint venture)
- IBNA must not enter into any material documents with AIMS, Austbrokers or its related parties in connection with the AIMS exit arrangements without SDF's prior consent (not unreasonably withheld or delayed)
- The BIA contains customary termination rights, including that it may be terminated by SDF if a Superior Proposal (as defined in the BIA) is made or announced for IBNA by a third party and IBNA recommends that Superior Proposal. No break fees are payable by either party in the event of termination

Full particulars of the Takeover Offer will be provided in the Bidder's Statement and Target Statement expected to be despatched to IBNA shareholders on the dates set out below.

The indicative timetable for the Takeover Offer is as follows:

Event	Date
IBNA restructure meeting date	19 August 2019
SDF lodges Bidder's Statement with ASIC, ASX and serves it on IBNA	Late August 2019

SDF dispatches Bidder's Statement to IBNA shareholders	Late August 2019
Offer opens	Late August 2019
IBNA to lodge Target's Statement with ASIC, dispatch Target's Statement to IBNA shareholders and provide a copy to SDF	Mid-September 2019
Expected close of offer	Late September 2019

The full BIA is attached to this announcement.

If all IBNA shareholders accept the Takeover Offer, SDF expects this to add approximately \$8.2 million of underlying EBITA to SDF in FY20.

Accounting standards do not allow SDF to capitalise the consideration paid for the IBNA shares. Therefore, SDF's statutory accounts will reflect this consideration as an expense in FY20. This expense will be normalised in SDF's FY20 financial results as it is a non-trading loss.

Any questions should be directed to Robert Kelly, Managing Director & CEO on (02) 9495 6535.

About Steadfast Group

Steadfast Group, established in 1996, is the largest general insurance broker network and group of underwriting agencies in Australasia. The Steadfast Network provides products and services to over 377 insurance broker businesses across Australia, New Zealand and Asia. Steadfast Network brokerages and Steadfast Underwriting Agencies generated billings of more than \$7 billion for the 12 months ended 30 June 2018. Steadfast Group operates as a co-owner and consolidator through its equity interests in a number of broker businesses, underwriting agencies and other complementary businesses. Steadfast Group also has an equity stake in unisonSteadfast, a global general insurance broker network with over 230 brokerages in 130 countries.

For further information, please visit investor.steadfast.com.au

Forward looking statements

This announcement contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. These forward-looking statements speak only as of the date of this announcement, and SDF does not undertake to publicly update or revise any forward-looking statement. Any forward-looking statements are subject to various risks that could cause SDF's actual results to differ materially from the results expressed or anticipated in these statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of SDF and its directors and management. SDF cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Bid Implementation Agreement

Signing page

DATED: 26 July 2019

EXECUTED by **IBNA LIMITED** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)


.....
Signature of director/company secretary*
*delete whichever is not applicable

.....
Name of director/company secretary* (block letters)
*delete whichever is not applicable

EXECUTED by **STEADFAST GROUP LTD** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:


.....
Signature of director

Robert B. Kelly
.....
Name of director (block letters)


.....
Signature of ~~director~~/company secretary*
*delete whichever is not applicable

Linda Ellis
.....
Name of ~~director~~/company secretary* (block letters)
*delete whichever is not applicable

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Bid Implementation Agreement

Signing page

DATED:


EXECUTED by **IBNA LIMITED** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:



.....
Signature of director

James Angelis

.....
Name of director (block letters)


.....
Signature of ~~director~~/company secretary*

*delete whichever is not applicable

David Boursnell
.....
Name of director/company secretary* (block letters)

*delete whichever is not applicable

EXECUTED by **STEADFAST GROUP LTD** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

.....
Signature of director/company secretary*

*delete whichever is not applicable

.....
Name of director/company secretary* (block letters)

*delete whichever is not applicable

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