

Bulletproof enters into Scheme Implementation Deed with AC3

- Bulletproof and AC3 have entered into a Scheme Implementation Deed pursuant to which AC3 will acquire 100% of the shares in Bulletproof
- Bulletproof shareholders are offered cash consideration of 15.2 cents per share
- Bulletproof's Independent Board Committee unanimously recommend that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding that the Scheme is in the best interests of Bulletproof shareholders

Bulletproof Group Limited (ASX:BPF) ("Bulletproof" or "the Company") announces that it has entered into a scheme implementation deed ("Scheme Implementation Deed" or "SID") with Klikon Group Holdings Pty Limited ("AC3") pursuant to which AC3 will acquire 100% of the shares of Bulletproof by way of a scheme of arrangement ("Scheme").

The agreement with AC3 is the outcome of discussions that the Independent Board Committee and its advisers have held with several potential acquirers of the Company following the announcement by Macquarie Telecom on 21 November 2017 of its intention to make a takeover bid for Bulletproof at 11 cents per Bulletproof share ("Macquarie Telecom Takeover Offer"). Those discussions included access to a data room made available to interested parties, as announced by Bulletproof on 13 December 2017.

Pursuant to the Scheme, Shareholders in Bulletproof would receive cash consideration for their shares of 15.2 cents per Bulletproof share, valuing Bulletproof at a market capitalisation of approximately \$24.7 million.¹ This cash consideration reflects a premium of:

- a) 38% over the \$0.11 Macquarie Telecom Takeover Offer;**
- b) 127% over the closing price of Bulletproof of \$0.067 on 20 November 2017, the last trading day prior to the announcement of the Macquarie Telecom Takeover Offer;**
- c) 120% over the 30-day volume weighted average price of Bulletproof of \$0.069 on 20 November 2017.**

Independent Board Committee unanimously recommend the Scheme

Bulletproof's Independent Board Committee unanimously recommend that Bulletproof shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of Bulletproof's shareholders.

¹ Assumes 162,375,769 Bulletproof shares on issue.

Scheme Implementation Deed

The Scheme Implementation Deed (a copy of which is attached to this announcement) is subject to a number of conditions including requisite Bulletproof shareholder and Court approvals; no material adverse change, prescribed occurrences, restraints or breach of warranty in relation to Bulletproof. The Scheme is also conditional on an Independent Expert concluding that the Scheme is in the best interests of Bulletproof shareholders. The Scheme is not conditional on finance.

The Scheme Implementation Deed also contains customary exclusivity provisions including no shop and no talk restrictions, a notification obligation and a matching right, subject to Bulletproof directors' fiduciary obligations. The SID also details circumstances under which Bulletproof will be required to pay a break fee of \$246,000 (equivalent to approximately 1% of the transaction value) to AC3, and under which AC3 may be required to pay a reverse break fee to Bulletproof for an equivalent amount.

Commenting on the Scheme, Bulletproof Chairman, Craig Farrow, said: "We are delighted to present the Scheme to the shareholders of Bulletproof, as it provides materially better value than the takeover offer announced by Macquarie Telecom Group in November and at an offer price that is compelling for our shareholders. I'm confident that the combination of AC3 and Bulletproof should also be highly attractive to both our employees and customers given the capabilities and strength of a combined AC3 and Bulletproof group."

Indicative timetable and next steps

Shareholders do not need to take any action at the present time. A Scheme Booklet containing information relating to the Scheme, including reasons for the recommendation of the Independent Board Committee, and an independent expert's report, is expected to be sent to Bulletproof shareholders in April 2018. Bulletproof shareholders will be given the opportunity to vote on the Scheme at a Scheme Meeting expected to be held in May 2018. Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in June 2018.

Bulletproof is being advised by TMT Partners as corporate advisor and Allens as legal advisor.

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About Bulletproof

Founded in 2000, Bulletproof is Australia's leading cloud services company, supporting business, enterprise and government customers across the globe. Bulletproof has consistently been first to market with public and private cloud based services and innovations. With over a decade of experience in cloud, Bulletproof continues to drive industry innovation. Since being the first provider in Australia to launch a VMware public cloud service in 2006 and the first in 2012 to provide Managed AWS services, in 2013 Bulletproof was given the status of the first AWS Premier Consulting Partner in Australia and New Zealand.

In 2014, Bulletproof became Australia's first publicly listed pure play cloud services company, with offices in Sydney, Melbourne, Auckland and Wellington. Bulletproof Group Limited shares are listed on the Australian Securities Exchange (ASX) and are traded under the code BPF.

With the launch in 2016 of Bulletproof Support™ for Microsoft Azure, Bulletproof is now the leading end-to-end multi-cloud services company, guiding customers on their journey to the cloud through consulting, implementation and support services.

About AC3

AC3 is an award winning ICT managed services partner specialising in delivering solutions to both the public and private sectors. Since starting out more than 15 years ago, AC3 have forged an enviable reputation as a trusted technology partner, combining the best technology with the best people to deliver innovative solutions to help their customers reach their goals.

AC3 is a privately owned Australian company, operated by its Directors, backed by a solid senior leadership team and powered by some of the best and brightest IT minds in the country. AC3 believes that technology doesn't enable progress, people do. It's their smart, nimble and straightforward people behind the machines that make AC3 different.

AC3 provides a range of services across platforms and cloud, cyber security, workspace and mobility, service integration and management, and digital innovation.

Klikon Group Holdings Pty Limited
Bulletproof Group Limited

Scheme Implementation Deed

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This Deed is made on 15 February 2018

Parties

- 1 **Klikon Group Holdings Pty Limited** (ABN 46 167 162 987) of Level 8 East, 8 Central Avenue, Everleigh NSW 2015 (**KGH**).
- 2 **Bulletproof Group Limited** (ABN 84 148 162 092) of Level 17, 60 Margaret Street, Sydney NSW 2000 (the **Bulletproof**).

Recitals

- A KGH proposes to acquire (itself or via a Wholly-Owned Subsidiary) all of the Scheme Shares pursuant to the Scheme.
- B Bulletproof has agreed to propose the Scheme to Bulletproof Shareholders and to issue the Scheme Booklet to Bulletproof Shareholders, and KGH and Bulletproof have agreed to implement the Scheme, upon and subject to the terms and conditions of this Deed.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity.

Agreed Public Announcement means the public announcement to be agreed between Bulletproof and KGH to be made by Bulletproof in connection with the execution of this Deed.

Announcement Date means:

- (a) the date on which this Deed is executed; or
- (b) if this Deed is executed on a day that is not a Trading Day, the first Trading Day immediately following the day of execution.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act, where Bulletproof is the 'designated body'.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the official listing rules of ASX.

Bulletproof Board means the board of directors of Bulletproof (as constituted from time to time), and includes any authorised committee of directors including the Independent Board Committee Directors.

Bulletproof Break Fee means an amount equal to \$246,000.

Bulletproof Director means a director of Bulletproof.

Bulletproof Disclosed Information means all information (in whatever form):

- (a) disclosed to ASX by Bulletproof prior to the date of this Deed;

- (b) available at least 5 days before the date of this Deed on any publicly searchable records or registers of ASIC, the register maintained under the *Personal Property Securities Act 2009* (Cth), the High Court of Australia, the Federal Court of Australia or Supreme Courts (throughout Australia) or IP Australia; and
- (c) the documents and information (including written responses from Bulletproof and its Representatives to requests for further information made by KGH and its Representatives) contained in the data room made available by Bulletproof to KGH, the index of which and accompanying Q&A schedule have been initialled by, or on behalf of, the parties for identification.

Bulletproof ESOP means the following employee share options plans operated by Bulletproof:

- (a) General Employee Share Plan; and
- (b) Employee Share Ownership Plan.

Bulletproof Group means Bulletproof and its Subsidiaries.

Bulletproof Group Member means a member of the Bulletproof Group.

Bulletproof Indemnified Parties means:

- (a) each Bulletproof Group Member; and
- (b) the Officers of each Bulletproof Group Member.

Bulletproof Material Adverse Change means any event, occurrence or matter that occurs on or after the date of this Deed, which individually or when aggregated with any other matters, events or circumstances:

- (a) diminishes, or is reasonably likely to diminish, (whether now or in the future) the consolidated Net Tangible Assets of the Bulletproof Group by an amount equal to \$1 million or more, as compared to the consolidated Net Tangible Assets of the Bulletproof Group as at 31 December 2017 reported in Bulletproof's financial statements for the half-year ended 31 December 2017; or
- (b) as at the Effective Date, has diminished or is reasonably likely to diminish, (whether now or in the future) the consolidated earnings (being normalised earnings before interest and tax) of the Bulletproof Group by an amount equal to \$750,000 in circumstances where such event, occurrence or matter is not included in the Bulletproof budget for the financial year ending 30 June 2018;
- (c) has the result that the Bulletproof Group is unable to carry on its business in substantially the same manner as carried on as at the date of this Deed, or that otherwise materially and adversely affects the prospects of the Bulletproof Group,

other than an event, occurrence or matter:

- (d) required to be undertaken or procured by the Bulletproof Group pursuant to the Transaction Documents;
- (e) to the extent that event, occurrence or matter is fairly disclosed in the Bulletproof Disclosed Information;
- (f) to the extent that event, occurrence or matter was disclosed in writing by Bulletproof or during an interview with a member of the management team of Bulletproof to KGH prior to the date of this Deed (which does not include knowledge of the risk of an event, occurrence or matter happening);
- (g) arising from the engagement by Bulletproof of third party Advisers in connection with:

- (i) the proposed acquisition of Bulletproof by a third party (including KGH), including reasonable costs of such Advisers in advising on such a transaction and in connection with any Takeovers Panel or other legal proceedings;
- (ii) the Cloud House Litigation;
- (h) arising from an addition to, or departure from, the executive team of Bulletproof (including resignation of any such person);
- (i) arising from any actual or proposed change in any law or change in accounting standards after the date of this Deed;
- (j) arising from general economic, industry or political conditions or changes in those conditions (including financial market fluctuations, changes in interests rates or changes in foreign currency exchange rates) after the date of this Deed; or
- (k) arising from an act of terrorism, war (whether or not declared), natural disaster or the like after the date of this Deed.

Bulletproof Options means the following options granted by Bulletproof to Mr Craig Farrow:

- (a) 250,000 options, each in respect of one Bulletproof Share, which vest on 11 May 2018 and are able to be exercised from that date until 11 November 2021 at an exercise price of \$0.35 each; and
- (b) 250,000 options, each in respect of one Bulletproof Share, which vest on 11 May 2018 and are able to be exercised from that date until 11 November 2021 at an exercise price of \$0.39 each.

Bulletproof Provided Information means all information included in the Scheme Booklet, and any updates to that information prepared by or on behalf of Bulletproof in accordance with clause 5.1(j), other than:

- (a) the KGH Provided Information and any information solely derived from, or prepared solely in reliance on, the KGH Provided Information; and
- (b) the Independent Expert's Report.

Bulletproof Register means the register of members of Bulletproof maintained by or on behalf of Bulletproof in accordance with section 168(1) of the Corporations Act.

Bulletproof Regulated Event means the occurrence of any of the following events (other than as required to be undertaken or procured by the Bulletproof Group pursuant to, or otherwise as contemplated by, the Transaction Documents, or to the extent fairly disclosed in the Bulletproof Disclosed Information (including in the budgets for Bulletproof for the financial year ending on 30 June 2018), or as agreed to in writing by KGH (not to be unreasonably withheld or delayed)):

- (a) Bulletproof or any Subsidiary of Bulletproof converts all or any of its securities into a larger or smaller number of securities;
- (b) Bulletproof or any Subsidiary of Bulletproof reduces, or resolves to reduce, its capital in any way;
- (c) Bulletproof or any Subsidiary of Bulletproof:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Bulletproof or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option, other than to a Wholly-Owned Subsidiary of Bulletproof, and excluding any Bulletproof

Shares issued by Bulletproof as a result of the exercise of the Bulletproof ESOP in existence as at the date of this Deed;

- (e) Bulletproof or any of its Subsidiaries issues, or agrees to issue, convertible notes or any other security or instrument convertible into shares, other than to a Wholly-Owned Subsidiary of Bulletproof;
- (f) Bulletproof or any Subsidiary of Bulletproof creates, or agrees to create, any mortgage charge, lien or other encumbrance over the whole, or a substantial part, of its business or assets other than in the ordinary course of its business;
- (g) Bulletproof or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of Bulletproof or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (h) a liquidator or provisional liquidator of Bulletproof or any of its Subsidiaries is appointed;
- (i) a court makes an order for the winding up of Bulletproof or any of its Subsidiaries;
- (j) an administrator of Bulletproof or of any of its Subsidiaries is appointed under the Corporations Act;
- (k) Bulletproof or any of its Subsidiaries ceases, or threatens to cease, to carry on business;
- (l) Bulletproof or any of its Subsidiaries executes a deed of company arrangement;
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Bulletproof or any of its Subsidiaries;
- (n) Bulletproof or any of its Subsidiaries is deregistered as a company or otherwise dissolved;
- (o) Bulletproof or any of its Subsidiaries is or becomes unable to pay its debts when they fall due;
- (p) any dividend or distribution (whether of income or capital) is paid, announced or agreed to be paid by Bulletproof or any of its Subsidiaries;
- (q) Bulletproof or any of its Subsidiaries modifies or repeals or replaces its constitution or a provision of it, other than as provided for in this Deed;
- (r) Bulletproof or any of its Subsidiaries making or agreeing to make, any loan or advance, or entering into any financing arrangement, agreement or instrument with a person other than a Bulletproof Group Member, or amending the terms of any existing financing arrangement, agreement or instrument with a person other than another Bulletproof Group Member, in each case other than in the ordinary course of business or pursuant to its credit facilities in existence as at the date of this Deed;
- (s) in respect of any financing arrangement, agreement or instrument that Bulletproof or any of its Subsidiaries has with a person other than a Bulletproof Group Member, Bulletproof or any of its Subsidiaries:
 - (i) breaches any covenant which is not remedied in accordance with the relevant cure rights under the arrangement, agreement or instrument;
 - (ii) relies on any waiver or amendment to avoid the potential breach of any covenant unless the waiver or amendment extends for a period of at least the earlier of the term of the financing arrangement, agreement or instrument and the date that is two months after the Effective Date;

- (iii) allows an event of default, or potential event of default, to occur, which is not remedied in accordance with the relevant cure rights under the arrangement, agreement or instrument;
- (iv) allows an obligation to pay any amount to be accelerated other than to prevent an event referred to in paragraph (s)(i) or (s)(ii) above from occurring; or
- (v) permanently reduces the amount of debt ahead of a maturity date;
- (t) Bulletproof or any of its Subsidiaries entering into any agreement, arrangement or transaction with respect to derivative instruments (including swaps, future contracts, future commitments, commodity derivatives or options);
- (u) Bulletproof or any of its Subsidiaries makes any material change to its accounting policy, other than to the extent required by law or applicable accounting standards;
- (v) Bulletproof or any of its Subsidiaries waives, forgives, settles or compromises Claims that it has against any other person between the date of this Deed and the Effective Date with an aggregate value in excess of \$300,000; or
- (w) Bulletproof is delisted or is subject to suspension from quotation for five or more Trading Days, other than due to, or as a result of, any action taken by KGH or a KGH Group Member.

Bulletproof Share means a fully paid ordinary share in Bulletproof.

Bulletproof Shareholder means a person who is registered in the Bulletproof Register as a holder of Bulletproof Shares from time to time.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, Australia.

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

Cloud House Litigation means any matter arising under or in connection with the current ongoing litigation matter in New Zealand between the Bulletproof Group and Cloud House Limited in proceedings CIV 2017-404.

Communications means all forms of communications, whether written, oral, in electronic format or otherwise, and whether direct or indirect via agents or Representatives.

Competing Proposal means any expression of interest, proposal, offer, transaction or arrangement (other than any Transaction that may be made and implemented in accordance with this Deed) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) a Third Party will (other than as custodian, nominee or bare trustee):
 - (i) acquire an interest in, or a Relevant Interest in, or become the holder of, 20% or more of the shares in any Bulletproof Group Member;
 - (ii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in, all or a substantial part of the assets or business of any Bulletproof Group Member;
 - (iii) otherwise acquire control (within the meaning of section 50AA of the Corporations Act) of any Bulletproof Group Member; or

- (iv) otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or economic interest in, any Bulletproof Group Member or in all or a substantial part of their respective assets or business, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Bulletproof Group or other synthetic merger or any other transaction or arrangement; or
- (b) Bulletproof would be required to abandon or otherwise fail to proceed with the Scheme or the Transaction, by whatever means.

Conditions Precedent means the conditions precedent set out in clause 3.1.

Confidentiality Agreement means the Non-Disclosure and Confidentiality Agreement between Australian Centre for Advanced Computing and Communication Pty Ltd (ACN 095 046 923) and Bulletproof dated 30 October 2017.

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

Court means the Supreme Court of New South Wales or such other court of competent jurisdiction as KGH and Bulletproof may agree in writing.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 31 July 2018, or such later date as KGH and Bulletproof may agree in writing.

Exclusivity Period means the period commencing on the date of this Deed and ending on the earlier of:

- (a) the termination of this Deed in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

First Court Date means the first day of hearing of an application made to the Court by Bulletproof for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the Australian Competition and Consumer Commission, the Australian Taxation Office, ASX and any regulatory organisation established under statute or any Stock Exchange.

IER Recommendation has the meaning given to that term in clause 3.1(a).

Implementation Date means the date that is three Business Days after the Record Date, or such other date as Bulletproof and KGH may agree in writing or as may be required by ASX.

Independent Board Committee Directors means the independent sub-committee of the Bulletproof Board, which comprises of all of the Bulletproof Directors other than Mr Anthony Woodward.

Independent Expert means an independent expert to be engaged by Bulletproof to express an

opinion on whether the Scheme is in the best interests of Bulletproof Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by Bulletproof for inclusion in the Scheme Booklet, and any update to such report that the Independent Expert issues prior to the Scheme Meeting.

KGH Board means the board of directors of KGH.

KGH Break Fee means an amount equal to \$246,000.

KGH Deed Poll means a deed poll to be executed by KGH in favour of the Scheme Shareholders substantially in the form of Schedule 3, or in such other form as KGH and Bulletproof may agree in writing.

KGH Disclosed Information means all information (in whatever form) provided by KGH or any of its Representatives to Bulletproof or any of its Representatives in connection with the Scheme or relating to the KGH Group's past, present or future operations, affairs, business and/or strategic plans, whether provided before or after entry into this Deed.

KGH Group means KGH and its Related Bodies Corporate.

KGH Group Member means a member of the KGH Group.

KGH Indemnified Parties means:

- (a) each KGH Group Member; and
- (b) the Officers of each KGH Group Member.

KGH Provided Information means all information regarding the KGH Group and the Merged Group that is provided by or on behalf of KGH to Bulletproof or any of its Representatives to enable the Scheme Booklet to be prepared and completed in accordance with clause 5.1, and any updates to that information provided by or on behalf of KGH to Bulletproof or any of its Representatives in accordance with clause 5.3(f).

KGH Regulated Event means the occurrence of any of the following events (other than as required to be undertaken or procured by the KGH Group pursuant to the Transaction Documents, or to the extent fairly disclosed in the KGH Disclosed Information, or as agreed to in writing by Bulletproof):

- (a) KGH or any of its material Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of KGH or any of its material Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of KGH or any of its material Subsidiaries is appointed;
- (c) a court makes an order for the winding up of KGH or any of its material Subsidiaries;
- (d) an administrator of KGH or of any of its material Subsidiaries is appointed under section 436A, 436B or 436C of the Corporations Act;
- (e) KGH or any of its material Subsidiaries ceases, or threatens to cease, to carry on business;
- (f) KGH or any of its material Subsidiaries executes a deed of company arrangement;
- (g) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of KGH or any of its material Subsidiaries;
- (h) KGH or any of its material Subsidiaries is deregistered as a company or otherwise dissolved;

- (i) KGH or any of its material Subsidiaries is or becomes unable to pay its debts when they fall due; or
- (j) the trustee of any trust in which KGH or any Subsidiary of KGH has an interest of more than 50% and that would, if it were a company, be a material Subsidiary of KGH, undertaking an action in respect of that trust if the corresponding action, in the case of KGH and its material Subsidiaries, would (mutatis mutandis) constitute a KGH Regulated Event.

Merged Group means KGH and its Related Bodies Corporate, immediately after implementation of the Transaction.

Net Tangible Assets means, in respect of an entity or group, its net assets less intangible assets.

Notice of Meeting means the notice convening the Scheme Meeting, together with the proxy form for the Scheme Meeting.

Officer means, in relation to an entity, any of its directors, officers and employees.

Record Date means 7pm on the date that is five Business Days after the Effective Date, or such other date as may be agreed in writing between KGH and Bulletproof or as may be required by ASX.

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

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

Representative means, in relation to a person:

- (a) a Related Body Corporate of the person; or
- (b) an Officer of the person or any of the person's Related Bodies Corporate; or
- (c) an Adviser to the person or any of the person's Related Bodies Corporate.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Bulletproof and Bulletproof Shareholders substantially in the form of Schedule 2, or in such other form that KGH and Bulletproof agree in writing (such agreement not to be unreasonably withheld).

Scheme Booklet means the explanatory memorandum to be prepared in respect of the Scheme in accordance with the terms of this Deed and to be despatched by Bulletproof to Bulletproof Shareholders, including the Independent Expert's Report, the Scheme, the KGH Deed Poll and the Notice of Meeting.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to KGH of their Scheme Shares, as described in clause 4.

Scheme Meeting means the meeting of Bulletproof Shareholders to be ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Resolution means the resolution to be put to Bulletproof Shareholders to approve the Scheme (such resolution to be put to Bulletproof Shareholders at the Scheme Meeting and that, to be passed, must be approved by the requisite majorities of Bulletproof Shareholders under section 411(4)(a)(ii) of the Corporations Act).

Scheme Shareholder means each person who is registered in the Bulletproof Register as a holder of Scheme Shares as at the Record Date.

Scheme Shares means the Bulletproof Shares on issue as at the Record Date.

Second Court Date means the first day of hearing of an application made to the Court by Bulletproof for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Stock Exchange means ASX or another prescribed financial market.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received by the Bulletproof that the Bulletproof Board determines, acting in good faith and in order to satisfy what the Bulletproof Board considers to be its fiduciary or statutory duties:

- (a) is capable of being valued and completed, taking into account all aspects of the Competing Proposal, including its conditions; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to the Bulletproof Shareholders than the Transaction viewed in aggregate, taking into account all the terms and conditions of the Competing Proposal,

after taking into account a qualitative assessment of the identity, reputation and financial standing of the party making the Competing Proposal, but excluding any Competing Proposal resulting from a breach by Bulletproof or any of its Subsidiaries of their obligations under clause 11, it being understood that any actions by the representatives of Bulletproof or any of its Subsidiaries in breach of clause 11 will be deemed to be a breach by Bulletproof for the purposes of this definition.

Third Party means any of the following:

- (a) a person other than any KGH Group Member; or
- (b) a consortium, partnership, limited partnership, syndicate or other group in which no KGH Group Member has agreed in writing to be a participant.

Timetable means the indicative timetable in relation to the Scheme set out in Schedule 1, or such other indicative timetable as KGH and Bulletproof may agree in writing or as may be required by ASX.

Trading Day has the meaning given in the ASX Listing Rules.

Transaction means the proposed transactions pursuant to which KGH will acquire the Scheme Shares under the Scheme, in consideration for the provision of the Scheme Consideration.

Transaction Documents means:

- (a) this Deed;
- (b) the Scheme; and
- (c) the KGH Deed Poll.

Wholly-Owned Subsidiary means, in relation to a party, a body corporate, all of the issued shares of which are or will be directly or indirectly owned by that party.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) Nothing in this Deed is to be interpreted against a party solely on the ground that the party put forward this Deed or a relevant part of it.

- (d) The following rules apply unless the context requires otherwise.
- (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause or Schedule is a reference to a clause of, or Schedule to, this Deed.
 - (vi) A reference to an agreement or document (including a reference to this Deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Deed or that other agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a party to this Deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to *dollars* or \$ is to Australian currency.
 - (xi) A reference to time is to Sydney time.
 - (xii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
 - (xiii) A reference to a **liability** incurred by any person includes any liability of that person arising from or in connection with any obligation (including indemnities and all other obligations owed as principal or guarantor) whether liquidated or not, whether present, prospective or contingent and whether owed, incurred or imposed by or to or on account of or for the account of that person alone, severally or jointly or jointly and severally with any other person.
 - (xiv) A reference to a **loss** incurred by any person includes any loss, liability, damage, cost, charge or expense that the person pays, incurs or is liable for and any other diminution of value of any description that the person suffers, including all liabilities on account of taxes or duties, all interest, penalties, fines and other amounts payable to third parties and all reasonable legal expenses and other expenses in connection with investigating or defending any claim, action, demand or proceeding, whether or not resulting in any liability, and all amounts paid in settlement of any such claims.

1.3 Best and reasonable endeavours

A reference to a party using or obligation on a party to use its best endeavours or reasonable endeavours does not oblige that party to:

- (a) pay money:
 - (i) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or
 - (ii) in circumstances that are commercially onerous or unreasonable in the context of this Deed;
- (b) provide other valuable consideration to or for the benefit of any person; or
- (c) agree to commercially onerous or unreasonable conditions.

1.4 Consents and approvals

If the doing of any act, matter or thing under this Deed is dependent on the consent or approval of a party or is within the discretion of a party, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this Deed specifies otherwise).

1.5 Knowledge, belief or awareness of Bulletproof

- (a) Certain statements made in this Deed, including certain representations and warranties made by Bulletproof in clause 9.2, are given and made by Bulletproof only on the basis of its knowledge, belief or awareness. For the purposes of this Deed, Bulletproof's knowledge, belief or awareness is limited to the actual knowledge, belief or awareness of the following individuals:
 - (i) Ken Carr;
 - (ii) Damien Connor;
 - (iii) Craig Farrow;
 - (iv) Anthony Woodward;
 - (v) John Ferlito; and
 - (vi) Paula Kensington.
- (b) The knowledge, belief or awareness of any person other than the persons referred to in paragraph (a) will not be imputed to Bulletproof.
- (c) None of the persons referred to in paragraph (a) will bear any personal liability in respect of the representations or warranties made by Bulletproof in clause 9.2 or otherwise under this Deed.

1.6 Breach of Conditions Precedent

For the avoidance of doubt, a reference in this Deed to a Condition Precedent being breached includes a reference to the Condition Precedent becoming incapable of being satisfied.

2 Agreement to Proceed with Scheme

2.1 Bulletproof to propose Scheme

Bulletproof agrees to propose and implement the Scheme upon and subject to the terms and conditions of this Deed, and to use all reasonable endeavours to do so as soon as is reasonably practicable and otherwise in accordance with the Timetable.

2.2 KGH to assist

KGH agrees to assist Bulletproof to implement the Scheme upon and subject to the terms and conditions of this Deed, and to use all reasonable endeavours to do so as soon as is reasonably practicable and otherwise in accordance with the Timetable.

3 Conditions Precedent and Pre-Implementation Steps

3.1 Conditions Precedent

Subject to this clause 3, the obligations of Bulletproof under clause 5.1(n) and KGH's obligation to pay, or procure the payment of, the Scheme Consideration in accordance with clause 5.3(i) and as will be set out in the KGH Deed Poll are subject to the satisfaction (or waiver in accordance with clause 3.2) of each of the following Conditions Precedent:

Conditions Precedent for the benefit of KGH and Bulletproof

- (a) **(Independent Expert's Report)** the Independent Expert provides the Independent Expert's Report to Bulletproof, stating that in its opinion the Scheme is in the best interests of Bulletproof Shareholders, and the Independent Expert does not change its conclusion or withdraw the Independent Expert's Report by notice in writing to Bulletproof prior to 8am on the Second Court Date (the **IER Recommendation**);
- (b) **(Bulletproof Shareholder approval)** the Scheme Resolution is approved by the requisite majorities of Bulletproof Shareholders under section 411(4)(a)(ii) of the Corporations Act;
- (c) **(Court approval of Scheme)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act;
- (d) **(no restraints)** no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Governmental Agency of competent jurisdiction, remains in effect as at 8am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Transaction or any Transaction Document;

Conditions Precedent for the benefit of KGH only

- (e) **(no Bulletproof Regulated Events)** no Bulletproof Regulated Event occurs between the date of this Deed and 8am on the Second Court Date;
- (f) **(no Bulletproof Material Adverse Change)** no Bulletproof Material Adverse Change occurs between the date of this Deed and 8am on the Second Court Date; and
- (g) **(Bulletproof representations and warranties)** the representations and warranties of Bulletproof set out in clause 9.2:
 - (i) that are qualified as to materiality, are true and correct; and
 - (ii) that are not so qualified, are true and correct in all material respects,

as at the date of this Deed and as at 8am on the Second Court Date as though made on and as of that time.

3.2 Benefit and waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a) to 3.1(d) are for the benefit of each party, and (except in the cases of the Conditions Precedent in clauses 3.1(a), 3.1(b) and 3.1(c), which cannot be waived) any breach or non-fulfilment of any of those Conditions Precedent may only be waived with the written consent of both parties.
- (b) The Conditions Precedent in clauses 3.1(e) to 3.1(g) are for the sole benefit of KGH, and any breach or non-fulfilment of any of those Conditions Precedent may only be waived by KGH giving its written consent.
- (c) A party entitled to waive the breach or non-fulfilment of a Condition Precedent pursuant to this clause 3.2 may do so in its absolute discretion.
- (d) If a waiver by a party of a Condition Precedent is itself expressed to be conditional and the other party accepts the conditions, the terms of the conditions apply accordingly. If the other party does not accept the conditions, the relevant Condition Precedent has not been waived.
- (e) If a party waives the breach or non-fulfilment of a Condition Precedent, that waiver will not preclude it from suing the other party for any breach of this Deed constituted by the same event that gave rise to the breach or non-fulfilment of the Condition Precedent.
- (f) Waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same events or circumstances; or
 - (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event or circumstance.

3.3 Best endeavours and co-operation

Without prejudice to any other obligations of the parties under this Deed, each party will use their respective best endeavours to satisfy, or procure the satisfaction of, each of the Conditions Precedent as soon as reasonably practicable after the date of this Deed or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require).

3.4 Notifications

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) promptly notify the other party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied; and
- (c) promptly notify the other party in writing of a failure to satisfy a Condition Precedent or of any fact or circumstance that results in that Condition Precedent becoming incapable of being satisfied or that may result in that Condition Precedent not being satisfied in accordance with its terms (having regard to the obligations of the parties under clause 3.3).

3.5 Failure of Conditions Precedent

- (a) If:
- (i) there is a breach or non-fulfilment of a Condition Precedent that is not waived in accordance with clause 3.2 before the End Date; or
 - (ii) a Condition Precedent becomes incapable of satisfaction, having regard to the obligations of the parties under clause 3.3 (and the breach or non-fulfilment of the Condition Precedent that would otherwise occur has not already been waived),
- either party may serve notice on the other party, and the parties must then consult in good faith with a view to determining whether:
- (iii) the Scheme may proceed by way of alternative means or methods;
 - (iv) to extend the relevant time or date for satisfaction of the Condition Precedent;
 - (v) to change the date of the application to be made to the Court for orders under the Corporations Act approving the Scheme or to adjourn that application (as applicable) to another date agreed by the parties; or
 - (vi) to extend the End Date.
- (b) If KGH and Bulletproof are unable to reach agreement under clauses 3.5(a)(iii), 3.5(a)(iv), 3.5(a)(v) or 3.5(a)(vi) within five Business Days after the delivery of the notice under that clause or any shorter period ending at 5pm on the day before the Second Court Date, either party may terminate this Deed by notice in writing to the other party, provided that:
- (i) the Condition Precedent to which the notice relates is for the benefit of that party (whether or not the Condition Precedent is also for the benefit of the other party); and
 - (ii) there has been no failure by that party to comply with its obligations under this Deed, where that failure directly and materially contributed to the Condition Precedent to which the notice relates becoming incapable of satisfaction, or being breached or not fulfilled before the End Date,
- in which case clause 13.4 will have effect.

3.6 Certificates in relation to Conditions Precedent

- (a) On the Second Court Date, Bulletproof must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8am on the Second Court Date:
- (i) the conditions precedent set out in clauses 3.1(a), (b) and (c) have been satisfied or waived in accordance with this Deed; and
 - (ii) to the best of Bulletproof's knowledge whether the conditions precedent set out in clauses 3.1(d), (e), (f) and (g) have been satisfied or waived in accordance with this Deed.
- (b) Bulletproof must provide to KGH a draft of the certificate to be provided by it pursuant to this clause 3.6 by 5pm on the day that is two Business Days prior to the Second Court Date, and must provide to KGH on the Second Court Date a copy of the final certificate or other evidence provided to the Court.

4 Scheme

4.1 Outline of Scheme

- (a) The parties agree that:
 - (i) Bulletproof will propose the Scheme on and subject to the terms of this Deed; and
 - (ii) KGH will assist Bulletproof in proposing the Scheme on and subject to the terms of this Deed.
- (b) Subject to the Scheme becoming Effective, on the Implementation Date the general effect of the Scheme will be as follows:
 - (i) all of the Scheme Shares will be transferred to KGH in accordance with the terms of the Scheme; and
 - (ii) in consideration for the transfer to KGH of all Scheme Shares held by the Scheme Shareholders, the Scheme Shareholders will receive the Scheme Consideration in accordance with clause 4.2 and the terms of the Scheme.
- (c) KGH may nominate that the Scheme Shares will be transferred to a Wholly-Owned Subsidiary of KGH (rather than to KGH) by providing written notice to Bulletproof within 5 Business Days of the date of this Deed or such other time as agreed in writing by KGH and Bulletproof. In these circumstances, references to the Scheme Shares being transferred to KGH would be interpreted as being to a Wholly-Owned Subsidiary of KGH and such Wholly-Owned Subsidiary would be a party to the KGH Deed Poll.

4.2 Scheme Consideration

- (a) Subject to the Scheme becoming Effective and clauses 4.2(b) and 4.2(c), KGH agrees in favour of Bulletproof that, in consideration of the transfer to KGH of each Scheme Share under the Scheme, KGH will accept such transfer, and will provide to each Scheme Shareholder A\$0.152 in cash for each Scheme Share held by them, in accordance with the terms of the Scheme.
- (b) If the number of Scheme Shares held by a Scheme Shareholder as at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration includes a fractional entitlement to a cent, then the entitlement of that Scheme Shareholder must be rounded up to the nearest whole number of cents.
- (c) If KGH is of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with clause 4.2(b)) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, KGH may give notice to those Scheme Shareholders:
 - (i) setting out their names and registered addresses as shown in the Bulletproof Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares. KGH, in

complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

4.3 Bulletproof Options

- (a) Bulletproof will, as soon as reasonably practicable after the date of this Deed, use its reasonable endeavours to enter into a deed with Mr Craig Farrow in a form acceptable to KGH (acting reasonably) under which the Bulletproof Options held by Mr Craig Farrow are cancelled for nil or nominal consideration (subject to implementation of the Scheme) which effect from the Implementation Date.
- (b) Bulletproof must use reasonable endeavours to obtain any necessary waiver from ASX Listing Rule 6.23.2 in respect of the cancellation of the Bulletproof Options, provided that such waiver must be on terms acceptable to KGH (acting reasonably).

4.4 Bulletproof ESOP

Under the Bulletproof ESOPs, the Bulletproof Board may determine that a 'change of control event' has occurred in certain circumstances. The Bulletproof Board has certain powers in these circumstances, including to determine to forgive any amounts owing under the loans that have been made to employees under the Bulletproof ESOPs. Notwithstanding any other provision in this Deed, the Bulletproof Board shall continue to have the ability exercise its discretions under the Bulletproof ESOPs, as the Bulletproof Board sees fit to do so.

5 Steps for Implementation

5.1 Bulletproof's obligations in respect of the Scheme

Bulletproof must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable, and in particular Bulletproof must:

- (a) **(preparation of Scheme Booklet)** as soon as reasonably practicable after the date of this Deed, prepare the Scheme Booklet in accordance with clause 5.4;
- (b) **(Independent Expert)** promptly appoint the Independent Expert (if the Independent Expert has not been appointed prior to the date of this Deed), and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) **(liaison with ASIC)** as soon as reasonably practicable after the date of this Deed but no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act, and to KGH, and (to the extent reasonably practicable) keep KGH reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters), and use its best endeavours, in co-operation with KGH, to resolve any such matters (which will include allowing KGH to participate in Bulletproof's meetings and discussions with ASIC);
- (d) **(indication of intent)** apply to ASIC for a letter indicating whether ASIC proposes to make submissions to the Court, or intervene to oppose the Scheme, on the First Court Date;
- (e) **(approval of Scheme Booklet)** as soon as practicable after ASIC has provided its indication of intent in accordance with clause 5.1(d), procure that a meeting of the

Bulletproof Board is convened to approve the Scheme Booklet for despatch to Bulletproof Shareholders (and provide KGH with a copy of an extract of the applicable resolutions from the applicable minutes of meeting, as soon as practicable after those minutes have been prepared and signed);

- (f) **(Court documents)** prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) in accordance with all applicable laws, and provide KGH with drafts of those documents for review and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments from KGH and its Representatives on those drafts;
- (g) **(first Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for orders under section 411(1) of the Corporations Act directing Bulletproof to convene the Scheme Meeting;
- (h) **(registration of Scheme Booklet)** if the Court directs Bulletproof to convene the Scheme Meeting, as soon as possible after such orders are made, request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (i) **(Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court, including, as required, despatching the Scheme Booklet to Bulletproof Shareholders, convening and holding the Scheme Meeting in accordance with the Court orders, and putting the Scheme Resolution to Bulletproof Shareholders at the Scheme Meeting, provided that if this Deed is terminated under clause 13 it will take all steps reasonably required to ensure the Scheme Meeting is not held;
- (j) **(update Scheme Booklet)** if it becomes aware of information after the date of despatch of the Scheme Booklet, that is material for disclosure to Bulletproof Shareholders in deciding whether to approve the Scheme Resolution or that is required to be disclosed to Bulletproof Shareholders under any applicable law, as expeditiously as practicable:
 - (i) inform Bulletproof Shareholders of the information in an appropriate and timely manner, and in accordance with applicable law; and
 - (ii) to the extent it is reasonably practicable to do so, provide KGH with drafts of any documents that it proposes to issue to Bulletproof Shareholders under this clause 5.1(j) and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments received in a timely manner from KGH or its Representatives on those drafts;
- (k) **(section 411(17)(b) statement)** apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (l) **(Court approval)** if the Scheme Resolution is passed by the requisite majorities of Bulletproof Shareholders under section 411(4)(a)(ii) of the Corporations Act, as soon as practicable after such time apply to the Court for orders approving the Scheme;
- (m) **(provide Bulletproof Register information)** as soon as practicable after the Record Date, and in any event at least five Business Days before the Implementation Date, give to KGH (or as it directs) details of the names, registered addresses and holdings of Bulletproof Shares of every Scheme Shareholder as shown in the Bulletproof Register as at the Record Date, in such form as KGH may reasonably require;

- (n) **(implementation of the Scheme)** if the Court approves the Scheme:
 - (i) lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, as soon as possible after the Court makes those orders, and in any event by no later than 4pm on the first Business Day after the date on which the Court makes those orders or such other Business Day as Bulletproof and KGH may agree in writing;
 - (ii) use best endeavours to ensure that ASX suspends trading in Bulletproof Shares with effect from the close of trading on the Effective Date;
 - (iii) close the Bulletproof Register as at the Record Date to determine the identity of Scheme Shareholders and to determine their entitlements to the Scheme Consideration in accordance with the Scheme;
 - (iv) promptly execute proper instruments of transfer of, and register all transfers of, the Scheme Shares to KGH in accordance with the Scheme; and
 - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme and to effect the transfer of the Scheme Shares to KGH;
- (o) **(ASX listing)** use its best endeavours to ensure that the Bulletproof Shares continue to be quoted on ASX until the close of business on the Implementation Date;
- (p) **(representation)** allow, and not oppose, any application by KGH for leave of the Court to be represented, or the separate representation of KGH by counsel, at the Court hearings in relation to the Scheme, provided that in making any application for representation or in appearing before the Court, KGH acts in accordance with the Transaction Documents and does not oppose any application by Bulletproof in exercise of its rights under the Transaction Documents;
- (q) **(keep KGH informed)** from the First Court Date until the Implementation Date, promptly inform Bulletproof if it becomes aware (or ought reasonably to have become aware, after making all reasonable and diligent enquiries) that the Scheme Booklet contains a statement that is or has become misleading or deceptive in any material respect or that contains any material omission; and
- (r) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this Deed are effected in accordance with all applicable laws and regulations.

5.2 Appeal process

If the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, Bulletproof and KGH must:

- (a) consult with each other in good faith as to whether to appeal the Court's decision; and
- (b) appeal the Court decision unless the parties agree otherwise or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospects of success.

5.3 KGH's obligations in respect of the Scheme

KGH must take all steps reasonably necessary to assist Bulletproof to propose and implement the Scheme as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable, and in particular KGH must:

- (a) **(provide information)** provide to Bulletproof the information referred to in clause 5.4(d);

- (b) **(preparation of Scheme Booklet)** provide assistance with the preparation of the Scheme Booklet in accordance with clause 5.4;
- (c) **(Independent Expert information)** provide all assistance and information reasonably requested by Bulletproof or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **(liaison with ASIC)** provide reasonable assistance to Bulletproof to assist Bulletproof to resolve any matter raised by ASIC regarding the Scheme Booklet or the Scheme during its review of the Scheme Booklet;
- (e) **(approval of Scheme Booklet)** as soon as practicable after ASIC has provided its indication of intent in accordance with clause 5.1(d), procure that a meeting of the KGH Board (or of a committee of the KGH Board appointed for the purpose) is convened to approve those sections of the Scheme Booklet that comprise the KGH Provided Information as being in a form appropriate for despatch to Bulletproof Shareholders (and provide Bulletproof with a copy of an extract of the applicable resolutions from the applicable minutes of meeting, as soon as practicable after those minutes have been prepared and signed);
- (f) **(keep Bulletproof informed)** from the First Court Date until the Implementation Date, promptly inform Bulletproof if it becomes aware (or ought reasonably to have become aware, after making all reasonable and diligent enquiries) that the KGH Provided Information contains a statement that, in the form and context in which it appears in the Scheme Booklet, is or has become misleading or deceptive in any material respect or that contains any material omission, and provide such further or new information as is required to ensure that such information is no longer misleading or deceptive in any material respect or does not contain any material omission;
- (g) **(Court representation)** procure that, if requested by Bulletproof, it is represented by counsel at the Court hearings convened in connection with the Scheme, at which, through its counsel and if requested by the Court, KGH will undertake to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this Deed and the Scheme;
- (h) **(KGH Deed Poll)** prior to the First Court Date, execute the KGH Deed Poll;
- (i) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration in accordance with the Scheme and the KGH Deed Poll on the Implementation Date;
- (j) **(Bulletproof Provided Information)** during the period until the Bulletproof Provided Information becomes publicly available, only use the Bulletproof Provided Information with the prior written consent of Bulletproof (not to be unreasonably withheld); and
- (k) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this Deed are effected in accordance with all applicable laws and regulations.

5.4 Preparation of Scheme Booklet

- (a) **(Bulletproof to prepare)** Subject to KGH complying with its obligations under clause 5.4(d), Bulletproof must prepare the Scheme Booklet as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable.
- (b) **(Compliance requirements)** Bulletproof must ensure that the Scheme Booklet complies with the requirements of the Corporations Act, the ASX Listing Rules and all ASIC

Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, except that the obligation to do so in respect of the KGH Provided Information is subject to KGH complying with its obligations under clauses 5.4(d) and 9.1(b).

- (c) **(Content of Scheme Booklet)** Without limiting clause 5.4(b), the Scheme Booklet will include or be accompanied by:
- (i) the Scheme;
 - (ii) the Notice of Meeting;
 - (iii) a copy of this Deed (without the Schedules) or a summary of it;
 - (iv) a copy of the executed KGH Deed Poll;
 - (v) the Independent Expert's Report;
 - (vi) a statement that the Independent Board Committee Directors unanimously considers the Scheme to be in the best interests of Bulletproof Shareholders and recommends that Bulletproof Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal and subject to the IER Recommendation, unless prior to the issue of the Scheme Booklet the Bulletproof Board has changed or withdrawn those statements and recommendations in accordance with clause 7.1; and
 - (vii) a statement that each Independent Board Committee Director who is able to control voting rights in relation to Bulletproof Shares intends to vote those Bulletproof Shares, or procure that those Bulletproof Shares are voted, in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the IER Recommendation, unless prior to the issue of the Scheme Booklet the Bulletproof Director has changed his or her voting intention in accordance with clause 7.2.
- (d) **(KGH Provided Information)** KGH must provide the KGH Provided Information to Bulletproof as soon as is reasonably practicable after the date of this Deed and otherwise substantially in accordance with the Timetable, in a form that includes all information regarding the KGH Group that is required by the Corporations Act, the ASX Listing Rules and all ASIC Regulatory Guides applicable to members' schemes of arrangement under Part 5.1 of the Corporations Act, including all the information that would be required under sections 636(1)(c), (f), (h), (i), (k)(ii), (l) and (m) of the Corporations Act to be included in a bidder's statement if KGH were offering the Scheme Consideration as consideration under a takeover bid, and must provide to Bulletproof such assistance as Bulletproof may reasonably require in order to adapt such information for inclusion in the Scheme Booklet.
- (e) **(Review by KGH)** Bulletproof must:
- (i) make available to KGH drafts of the Scheme Booklet (including any draft of the Independent Expert's Report, but excluding those sections containing the Independent Expert's opinions or conclusions);
 - (ii) consult with KGH in relation to the content of those drafts (including the inclusion of any KGH Provided Information and any information solely derived from, or prepared solely in reliance on, the KGH Provided Information), and (acting reasonably and in good faith) take into account, for the purpose of amending those drafts, any comments from KGH and its Representatives on those drafts;

- (iii) implement any reasonably requested changes to those parts of the Scheme Booklet relating to KGH;
 - (iv) keep KGH informed of any matters raised by ASIC in relation to the Scheme Booklet and use all reasonable endeavours, in co-operation with KGH, to resolve those matters; and
 - (v) obtain approval from KGH for the form and context in which KGH Provided Information appears in the Scheme Booklet, which approval must not be unreasonably delayed or withheld.
- (f) **(Dispute as to Scheme Booklet)** If, after a reasonable period of consultation and compliance by Bulletproof with its obligations under clauses 5.4(e), KGH and Bulletproof, acting reasonably and in good faith, are unable to agree on the form or content of the Scheme Booklet, then:
 - (i) if the disagreement relates to the form or content of the KGH Provided Information (or any information solely derived from, or prepared solely in reliance on, the KGH Provided Information), Bulletproof will, acting in good faith, make such amendments to that information in the Scheme Booklet as KGH may reasonably require; and
 - (ii) if the disagreement relates to the form or content of the Bulletproof Provided Information, Bulletproof will, acting in good faith, decide the final form of that information in the Scheme Booklet.
- (g) **(Consent of KGH)** Without limiting clause 5.4(f), Bulletproof must obtain written consent from KGH in relation to the form and context in which any KGH Provided Information (and any information solely derived from, or prepared solely in reliance on, the KGH Provided Information) is used, such consent not to be unreasonably withheld by KGH.
- (h) **(Verification)** Bulletproof must undertake appropriate verification processes in relation to the Bulletproof Provided Information included in the Scheme Booklet, and KGH must undertake appropriate verification processes in relation to the KGH Provided Information included in the Scheme Booklet.

5.5 Bulletproof Board changes

On and from the Implementation Date, after KGH has provided, or procured the provision of, the Scheme Consideration in accordance with the Scheme and the KGH Deed Poll, Bulletproof must use its best endeavours to:

- (a) take all action necessary to procure that any Bulletproof Director designated by KGH in writing, and any director of any Bulletproof Subsidiary designated by KGH in writing, resigns their office; and
- (b) cause the appointment to the Bulletproof Board and to the boards of each of its Subsidiaries of such persons as nominated by KGH, subject to those persons having provided a consent to act as directors of the relevant company/companies.

6 Conduct of Business and Requests for Access

6.1 Conduct of Bulletproof business

During the period from the date of this Deed up to and including the Implementation Date, Bulletproof must:

- (a) procure that the Bulletproof Group conducts its business and operations in the ordinary course and substantially consistent (subject to any applicable laws and regulations) with

the manner in which each such business and operation has been conducted in the period prior to the date of this Deed and in compliance in all material respects with all applicable laws and regulations;

- (b) to the extent consistent with that obligation, use its best endeavours to preserve intact the Bulletproof Group's current business organisation, to keep available the services of the current Officers of it and the other Bulletproof Group Members, and to preserve the Bulletproof Group's relationship with Governmental Agencies, ratings agencies, customers, suppliers, licensors, licensees and others having business dealings with it;
- (c) procure that neither Bulletproof nor any Subsidiary of Bulletproof:
 - (i) disposes, or agrees to dispose, of shares in a Related Body Corporate of Bulletproof;
 - (ii) acquires, leases or disposes of, or agrees to acquire, lease or dispose of any entity, business or assets, other than:
 - (A) trading inventories and consumables in the ordinary and usual course of business; or
 - (B) as legally committed in any contract fairly disclosed to KGH in the Bulletproof Disclosed Information,where the value of such entity, business or assets, or the amount involved in the relevant transaction, exceeds \$100,000 (either individually or, in the case of related businesses or classes of assets or a series of related transactions, collectively);
 - (iii) other than as legally committed in any contract fairly disclosed to KGH in the Bulletproof Disclosed Information, enters into any contract or commitment (or any series of related contracts or commitments) that:
 - (A) is for a period of 1 year or more; or
 - (B) requires or may result in expenditure by Bulletproof (either alone or together with any Subsidiary of Bulletproof) of \$100,000 or more in any year,or undertakes capital expenditure in excess of \$100,000;
 - (iv) incurs any financial indebtedness or issues any indebtedness or debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this Deed;
 - (v) makes any loans, advances or capital contributions to, or investments in, any other person, other than to or in Bulletproof or any Wholly-Owned Subsidiary of Bulletproof in the ordinary course of business, or otherwise in the ordinary course of business;
 - (vi) agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital, or
 - (vii) appoint any employee or contractor receiving total remuneration in excess of \$250,000,

except to the extent:

- (d) required to be done or procured by Bulletproof pursuant to, or that is otherwise expressly permitted by, the Transaction Documents;

- (e) fairly disclosed in the Bulletproof Disclosed Information (including the budget for Bulletproof for the financial year ending on 30 June 2018);
- (f) arising from the engagement by Bulletproof of third party Advisers in connection with the proposed acquisition of Bulletproof by a third party (including KGH), including reasonable costs of such Advisers in advising on such a transaction and in connection with any Takeovers Panel or other legal proceedings; or
- (g) the undertaking of which KGH has approved in writing, such approval not to be unreasonably withheld or delayed.

6.2 Access to information and co-operation

- (a) **(Provision of access and information)** During the period from the date of this Deed up to and including the Implementation Date, Bulletproof must, and must procure each of its Subsidiaries to, respond to reasonable requests from KGH and its Representatives for information concerning the Bulletproof Group businesses and operations, and give KGH and its Representatives reasonable access to its Officers and records, and otherwise provide reasonable co-operation to KGH and its Representatives, in each case for the purposes of:
 - (i) the implementation of the Scheme;
 - (ii) the integration of the Bulletproof Group and the KGH Group following the implementation of the Scheme; or
 - (iii) any other purpose that is agreed in writing between the parties,subject to the proper performance by the directors and officers of Bulletproof and its Subsidiaries of their fiduciary duties.
- (b) **(Consultation with KGH)** Without limiting clause 6.2(a), during the period from the date of this Deed up to and including the Implementation Date, Bulletproof must consult with KGH, on a regular and ongoing basis, in relation to the conduct of material aspects of the Bulletproof Group businesses and operations (including but limited to the Data Centre Consolidation and Network Refresh projects and key employee appointments), and consider in good faith KGH's views in relation to the same.
- (c) **(Provision of additional information and right to supply)** Without limiting clauses 6.2(a) and 6.2(b), during the period from the date of this Deed up to and including the Implementation Date:
 - (i) Bulletproof must provide KGH with monthly management reports (on a monthly basis); and
 - (ii) subject to compliance with laws, in the event that Bulletproof proposes to enter into an agreement, arrangement or transaction for capital expenditure purposes with a third party under which it is proposed to be supplied goods or services similar to those supplied by any KGH Group Member and the total value of that transaction may result in expenditure by Bulletproof of \$100,000 or more in any year (**Proposed Supply Agreement**):
 - (A) Bulletproof must notify KGH promptly upon become aware of the existence of the Proposed Supply Agreement, and provide details of pricing (**Proposed Supply Price**); and
 - (B) if KGH notifies Bulletproof that it can match or provide a price lower than the Proposed Supply Price, Bulletproof must not enter into the Proposed Supply Agreement (including ceasing all related discussions and

negotiations) and must enter into an agreement with a KGH Group Member for the relevant goods or services.

- (d) **(Third Party Advisers)** On the date of this Deed, Bulletproof must obtain fee estimates from each third party Adviser in connection with the transactions contemplated by this Deed. Bulletproof must:
 - (i) within two Business Days of KGH's written request, provide an update of such costs to KGH; and
 - (ii) notify KGH in writing within two Business Days of it become aware that such costs estimates have, or are likely to be, exceeded.
- (e) **(Access)** From the date of this Deed until the Implementation Date, KGH may provide written notice to Bulletproof that it requests Bulletproof to organise for KGH to meet with key personnel of Bulletproof and key customers of Bulletproof for the purpose of preparing for a smooth transition of ownership of Bulletproof. Bulletproof will use reasonable endeavours to set up such meeting and, at its election, may have a representative of Bulletproof participate in any such meeting.
- (f) **(Limits on Bulletproof obligations)** Without limiting clauses 9.2(c) and 9.2(d), the obligations in clauses 6.2(a) , 6.2(b), 6.2(c), 6.2(d) and 6.2(e) do not require Bulletproof to:
 - (i) provide information to KGH concerning the Bulletproof Directors' and management's consideration of the Scheme;
 - (ii) provide any commercially sensitive or competitive information; or
 - (iii) breach an obligation of confidentiality to any person,and, for the avoidance of doubt, nothing in those clauses entitles either party to terminate this Deed or to claim damages for breach of contract in the event that they are not satisfied.
- (g) The parties acknowledge that all information that is provided pursuant to this clause 6.2 will be provided subject to the terms of the Confidentiality Agreement. KGH agrees to be bound by, and comply with, the Confidentiality Agreement.

7 Bulletproof Board Recommendations and Intentions

7.1 Bulletproof Board recommendation

- (a) The Agreed Public Announcement to be issued by Bulletproof immediately after execution of this Deed must state (on the basis of written statements or resolutions made by each of the Bulletproof Directors) that the Independent Board Committee Directors unanimously considers the Scheme to be in the best interests of Bulletproof Shareholders and recommends that Bulletproof Shareholders approve the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Bulletproof Shareholders.
- (b) Bulletproof must use its best endeavours to procure that the Independent Board Committee Directors:
 - (i) do not change or withdraw the statements and recommendations set out in the Agreed Public Announcement;
 - (ii) in the Scheme Booklet, states that the Independent Board Committee Directors unanimously considers the Scheme to be in the best interests of Bulletproof Shareholders and recommends that Bulletproof Shareholders approve the

Scheme Resolution, in the absence of a Superior Proposal, and does not change or withdraw those statements or recommendations once made; and

- (iii) does not make any public statement or any statement to brokers, analysts, journalists, Bulletproof Shareholders or professional or institutional investors to the effect, or take any other action that suggests, that the Scheme is no longer so considered or recommended,

unless:

- (iv) either:

- (A) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Bulletproof Shareholders (including in any update to its report); or

- (B) there is a Superior Proposal; and

- (v) the Independent Board Committee Directors have determined, after having consulted with its financial and legal advisers, that failure to take such action would likely be inconsistent with the directors' fiduciary or statutory duties owed by the Independent Board Committee Directors.

7.2 Bulletproof Director intentions

- (a) The Agreed Public Announcement to be issued by Bulletproof immediately after execution of this Deed, and the Scheme Booklet despatched to Bulletproof Shareholders, must state (on the basis of written statements or resolutions made by each of the relevant Independent Board Committee Directors) that each Independent Board Committee Director who holds Bulletproof Shares, or who has control over voting rights attaching to Bulletproof Shares, intends to vote in favour of the Scheme, or procure that the Bulletproof Shares the voting rights of which the Independent Board Committee Director has control over are voted in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Bulletproof Shareholders.
- (b) Bulletproof must use its best endeavours to ensure that each Independent Board Committee Director who holds Bulletproof Shares, or who has control over voting rights attaching to Bulletproof Shares:
 - (i) intends to vote in favour of the Scheme Resolution, or procure that the Bulletproof Shares the voting rights of which the Independent Board Committee Director has control over are voted in favour of the Scheme Resolution; and
 - (ii) does not change that voting intention,

unless:

- (iii) either:

- (A) the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of Bulletproof Shareholders (including in any update to its report); or

- (B) there is a Superior Proposal; and

- (iv) the applicable Independent Board Committee Director has determined, after having consulted with its financial and legal advisers, that failure to take such action would likely be inconsistent with the directors' fiduciary or statutory duties owed by the Independent Board Committee Directors.

7.3 Notification of change of recommendation

During the Exclusivity Period, Bulletproof must promptly notify KGH if it becomes aware that one or more members of the Independent Board Committee Directors has determined to withdraw or revise his or her recommendation that Bulletproof Shareholders vote in favour of the Scheme by the later of:

- (a) two Business Days before the date on which Bulletproof believes that the withdrawal or revision will occur; and
- (b) the date on which Bulletproof becomes aware of the determination to withdraw or revise the recommendation,

unless the Bulletproof Board, acting in good faith, after having consulted with its financial and legal advisers, determines that it would, or would be likely to, involve a breach of its fiduciary or statutory duties to so notify KGH.

8 Public Announcements, Communications and Confidentiality

8.1 Required announcements

- (a) On the Announcement Date, Bulletproof must release the Agreed Public Announcement, which has attached to it a summary of the key terms of this Deed.
- (b) Where a party is required by applicable law or the ASX Listing Rules to make any announcement or to make any disclosure in connection with this Deed (including its termination), the Scheme or any other transaction contemplated by this Deed or the Scheme, it may do so only after it has given the other party as much notice as is reasonably practicable in the context of any deadlines imposed by law or applicable requirement, but in any event prior notice, and has consulted with the other party as to (and has given the other party a reasonable opportunity to comment on) the form and content of that announcement or disclosure and taken all reasonable steps to restrict that disclosure to the greatest extent possible. Nothing in this clause requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable law or the ASX Listing Rules.

8.2 Agreement on other Communications

Except in relation to Communications regulated by clause 8.1 and to the extent permitted by applicable law:

- (a) KGH and Bulletproof must in good faith and on a timely and pragmatic basis consult with each other and agree in advance on all aspects (including the timing, form, content and manner) of:
 - (i) any Communications with any Governmental Agency in relation to the implementation of the Scheme, whether or not such Communications are for the purposes of satisfying a Condition Precedent; and
 - (ii) any public announcement or disclosure in connection with this Deed (including its termination), the Scheme or any other transaction contemplated by this Deed or the Scheme;
- (b) each of KGH and Bulletproof must ensure that any other Communications with third parties in relation to the Scheme (such as with employees or shareholders or with the media other than by way of public announcement or disclosure) must be in accordance with the communication protocols and messages agreed between the parties (and if branded with the name or logo of the other party, must be consented to by that party);

- (c) each party must provide copies to the other party of any written Communications sent to or received from a person referred to in clause 8.2(a) promptly upon despatch or receipt (as the case may be); and
- (d) each party will have the right to be present and make submissions at or in relation to any proposed meeting with any Governmental Agency in relation to the Scheme.

8.3 Confidentiality Agreement

Except as set out in clause 8.1(b), the parties acknowledge and agree that:

- (a) they continue to be bound by the Confidentiality Agreement after the date of this Deed; and
- (b) the rights and obligations of the parties under the Confidentiality Agreement survive termination of this Deed.

9 Representations and Warranties

9.1 KGH representations and warranties

KGH represents and warrants to Bulletproof (on its own behalf and separately as trustee for each of the Bulletproof Indemnified Parties) that, except as consented to in writing by Bulletproof:

- (a) on each date from the date of this Deed until (and including) the Second Court Date:
 - (i) KGH is a corporation validly existing under the laws of its place of incorporation;
 - (ii) KGH has the power to enter into and perform its obligations under this Deed and to carry out the transactions contemplated by this Deed;
 - (iii) KGH has taken all necessary corporate action to authorise the entry into this Deed and has taken or will take all necessary corporate action to authorise the performance of this Deed;
 - (iv) this Deed is KGH's valid and binding obligation enforceable in accordance with its terms;
 - (v) the execution and performance by KGH of this Deed and each transaction contemplated by this Deed did not and will not violate in any respect a provision of:
 - (A) a law, judgment, ruling, order or decree binding on it;
 - (B) its constitution; or
 - (C) any other document or agreement that is binding on it or any of its Subsidiaries; and
 - (vi) each KGH Group Member is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against any KGH Group Member for the winding up, dissolution or termination of that KGH Group Member or for the appointment of a liquidator, receiver, administrator, or similar officer over any or all of any KGH Group Member's assets;
- (b) on the First Court Date and the Second Court Date:
 - (i) the KGH Provided Information has been prepared and provided in good faith and on the understanding that Bulletproof and each of its Officers have relied on that information for the purposes of preparing the Scheme Booklet and proposing the

- Scheme, and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
- (ii) the KGH Provided Information complies in all material respects with the requirements referred to in clause 5.4(d);
 - (iii) the KGH Provided Information in the form and context in which it appears in the Scheme Booklet (as consented to by KGH in accordance with clause 5.4(g)) is not, as at that date, misleading or deceptive in any material respect and does not contain any material omission; and
 - (iv) all information provided by or on behalf of KGH to the Independent Expert to enable the Independent Expert's Report to be prepared has been prepared and provided in good faith and on the understanding that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
- (c) on the date of this Deed, the First Court Date, the date of the Scheme Meeting and the Second Court Date the KGH Disclosed Information has been disclosed in good faith, and KGH has used all reasonable endeavours to ensure there is no other material information, and it is not aware of any other material information, that has not been disclosed to Bulletproof and that is objectively necessary for Bulletproof Shareholders to make an informed decision as to whether they will approve the Scheme; and
- (d) as at the date of this Deed, KGH does not have a Relevant Interest in any Bulletproof Shares.

9.2 Bulletproof representations and warranties

Other than as fairly disclosed in the Bulletproof Disclosed Information, Bulletproof represents and warrants to KGH (on its own behalf and separately as trustee for each of the KGH Indemnified Parties) that, except as consented to in writing by KGH:

- (a) on each date from the date of this Deed until (and including) the Second Court Date:
- (i) Bulletproof is a corporation validly existing under the laws of its place of incorporation;
 - (ii) Bulletproof has the power to enter into and perform its obligations under this Deed and to carry out the transactions contemplated by this Deed;
 - (iii) Bulletproof has taken all necessary corporate action to authorise the entry into this Deed and has taken or will take all necessary corporate action to authorise the performance of this Deed;
 - (iv) this Deed is Bulletproof's valid and binding obligation enforceable in accordance with its terms;
 - (v) the execution and performance by Bulletproof of this Deed and each transaction contemplated by this Deed did not and will not violate in any respect a provision of:
 - (A) a law or treaty or a judgment, ruling, order or decree binding on it or any of its Related Bodies Corporate;
 - (B) its constitution; or
 - (C) any other document or agreement that is binding on it or any of its Subsidiaries;

- (vi) each Bulletproof Group Member is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against any Bulletproof Group Member for the winding up, dissolution or termination of that Bulletproof Group Member or for the appointment of a liquidator, receiver, administrator, or similar officer over any or all of any Bulletproof Group Member's assets;
 - (vii) Bulletproof is not aware of any material breach of law by any Bulletproof Group Member of any Australian or foreign laws and regulations applicable to it or orders of Australian or foreign Governmental Agencies having jurisdiction over it and the Bulletproof Group has all material licences, permits and franchises necessary for it to conduct its activities as presently being conducted;
 - (viii) so far as Bulletproof is aware, no regulatory action has been taken that would prevent, inhibit or otherwise have any adverse and material effect on Bulletproof's ability to fulfil its obligations under this Deed;
 - (ix) as at the date of this Deed, neither ASIC nor ASX (as applicable) has made a determination against any Bulletproof Group Member for any contravention of the requirements of the Corporations Act or the ASX Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the ASX Listing Rules; and
 - (x) so far as Bulletproof is aware, there has not been any event, change, effect or development that would require Bulletproof to restate Bulletproof's financial statements except to the extent fairly disclosed in the Bulletproof Disclosed Information;
- (b) as at the date of this Deed, the total securities of Bulletproof on issue are as follows:
- (i) 162,375,769 Bulletproof Shares; and
 - (ii) the Bulletproof Options,
- and no Bulletproof Group Member has issued (or is actually or contingently required to issue) any other securities or instruments that are still outstanding (or may become outstanding) and that may convert into Bulletproof securities;
- (c) on the First Court Date and the Second Court Date:
- (i) the Bulletproof Provided Information has been prepared and included in the Scheme Booklet in good faith and on the understanding that KGH and each of its Officers have relied on that information for the purposes of considering and approving the KGH Provided Information in the Scheme Booklet, and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
 - (ii) the Bulletproof Provided Information complies in all material respects with the requirements referred to in clause 5.4(b);
 - (iii) the Bulletproof Provided Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; and
 - (iv) all information provided by or on behalf of Bulletproof to the Independent Expert to enable the Independent Expert's Report to be prepared has been prepared and provided in good faith and on the understanding that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;

- (d) on the date of this Deed, the First Court Date, the date of the Scheme Meeting and the Second Court Date:
 - (i) following the making by Bulletproof of the Agreed Public Announcement, Bulletproof is not in breach of its continuous disclosure obligations under ASX Listing Rule 3.1 and is not withholding any information from KGH that is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A; and
 - (ii) the Bulletproof Disclosed Information has been disclosed in good faith, and Bulletproof has used all reasonable endeavours to ensure there is no other material information, and it is not aware of any other material information, that has not been disclosed to KGH and that is objectively necessary for KGH to make an informed decision as to whether to proceed with the Scheme; and
- (e) the Bulletproof Disclosed Information was provided or made available to KGH and its Representatives in good faith and, as at the date of this Deed, Bulletproof is not aware of any material misleading or deceptive statement in, or material omission from, any of the Bulletproof Disclosed Information.

9.3 Reliance by parties

Each party (**Representor**) acknowledges that:

- (a) in entering into this Deed the other party has relied on the representations and warranties provided by the Representor under this clause 9;
- (b) any breach of the representations and warranties provided by the Representor under this clause 9 after the Scheme becomes Effective may only give rise to a claim in damages and cannot result in a termination of this Deed; and
- (c) it has not entered into this Deed in reliance on any warranty or representation made by or on behalf of the other party except those warranties and representations set out in this Deed. This acknowledgment does not prejudice the rights any party may have in relation to the Bulletproof Provided Information, the Bulletproof Disclosed Information, the KGH Provided Information, the KGH Disclosed Information or any information filed by the other party with ASX or ASIC.

9.4 Notifications

Each party will promptly advise the other party in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 9.

9.5 Status of representations and warranties

Each representation and warranty in this clause 9:

- (a) is severable;
- (b) will survive the termination of this Deed; and
- (c) is given with the intent that liability under it will not be confined to breaches that are discovered prior to the date of termination of this Deed.

10 Indemnities and Releases

10.1 Indemnities and releases by Bulletproof

- (a) Subject to section 199A of the Corporations Act, Bulletproof agrees with KGH to indemnify and keep indemnified the KGH Indemnified Parties from and against all loss

that any of the KGH Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties of Bulletproof in clause 9.2.

- (b) To the fullest extent permitted by law, Bulletproof releases its rights against, and agrees with KGH that it will not make a claim against, any KGH Indemnified Party (other than KGH) in connection with:
- (i) any breach of any representation, covenant and warranty of KGH in this Deed; or
 - (ii) any disclosure made by any KGH Indemnified Party that contains any statement that is false or misleading whether in content or by omission,

except to the extent the relevant KGH Indemnified Party has not acted in good faith, has acted without taking reasonable care or has engaged in wilful misconduct.

10.2 Indemnities and releases by KGH

- (a) Subject to section 199A of the Corporations Act, KGH agrees with Bulletproof to indemnify and keep indemnified the Bulletproof Indemnified Parties from and against all loss that any of the Bulletproof Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties of KGH in clause 9.1.
- (b) To the fullest extent permitted by law, KGH releases its rights against, and agrees with Bulletproof that it will not make a claim against, any Bulletproof Indemnified Party (other than Bulletproof) in connection with:
- (i) any breach of any representation, covenant and warranty of Bulletproof in this Deed; or
 - (ii) any disclosure made by any Bulletproof Indemnified Party that contains any statement that is false or misleading whether in content or by omission,

except to the extent the relevant Bulletproof Indemnified Party has not acted in good faith, has acted without taking reasonable care or has engaged in wilful misconduct.

10.3 Survival of indemnities and releases

Each indemnity and release in clauses 10.1 and 10.2 will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity or release from any other obligations of that party under this Deed; and
- (d) survive the termination of this Deed.

10.4 Enforcement of indemnities

- (a) The indemnities and releases in clause 10.1 are given to KGH, for itself and as trustee for each of the other KGH Indemnified Parties.
- (b) The indemnities and releases in clause 10.2 are given to Bulletproof, for itself and as trustee for each of the other Bulletproof Indemnified Parties.
- (c) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by clause 10.1 or 10.2.

11 Exclusivity

11.1 Termination of existing discussions

Bulletproof represents and warrants that, as at the time of execution of this Deed, it is not in any negotiations or discussions, and has ceased any existing negotiations or discussions, in respect of any Competing Proposal with any person other than, for the avoidance of doubt, the discussions with KGH and its Representatives in respect of the Scheme and the Transaction.

11.2 No shop restriction

During the Exclusivity Period, Bulletproof must not, and must ensure that each of its Representatives does not, except with the prior written consent of KGH, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.

11.3 No talk restriction

During the Exclusivity Period, Bulletproof must not, and must ensure that each of its Representatives does not, directly or indirectly, except with the prior written consent of KGH:

- (a) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussion with respect to any actual, proposed or potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause,

unless either:

- (d) the Bulletproof Board, acting in good faith, after having obtained written advice from Bulletproof's external legal advisers and if appropriate, financial advisers, determines that, where there is a Competing Proposal, the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal or, where there is not yet a Competing Proposal, the steps that the Bulletproof Board proposes to take may reasonably be expected to lead to a Competing Proposal that is a Superior Proposal; or
- (e) the Bulletproof Board, acting in good faith, after having obtained written advice from Bulletproof's external legal advisers and if appropriate, financial advisers, determines that not undertaking that act would, or would be likely to, involve a breach of the fiduciary or statutory duties owed by any Bulletproof Director.

11.4 No due diligence

Without limiting the general nature of clause 11.3, during the Exclusivity Period, Bulletproof must not, and must ensure that each of its Representatives does not, except with the prior written consent of KGH, make available to any Third Party (other than to KGH or any of its Representatives) or permit any such Third Party to receive any non-public information relating to any Bulletproof Group Member in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal, unless:

- (a) either:
 - (i) the Bulletproof Board, acting in good faith, after having obtained written advice from Bulletproof's external legal advisers and if appropriate, financial advisers determines that, where there is a Competing Proposal, the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal or, where there is not yet a Competing Proposal, the steps that the Bulletproof Board proposes to take may reasonably be expected to lead to a Competing Proposal that is a Superior Proposal; or
 - (ii) the Bulletproof Board, acting in good faith, after having obtained written advice from Bulletproof's external legal advisers and if appropriate, financial advisers, determines that not undertaking that act would, or would be likely to, involve a breach of the fiduciary or statutory duties owed by any Bulletproof Director; and
- (b) the Third Party has entered into a written agreement in favour of Bulletproof regarding the use and disclosure of the confidential information by the person and that restricts the Third Party's ability to solicit the employees of the Bulletproof Group.

11.5 Exceptions

Nothing in this clause 11 prevents a party from:

- (a) engaging with Macquarie Telecom, its Representatives and the Takeovers Panel in connection with the application to the Takeovers Panel made by Macquarie Cloud Services Pty Ltd in relation to its offer to acquire all of the shares in the Bulletproof, or any other legal proceedings or proceedings with the Takeovers Panel in connection with the proposed acquisition of Bulletproof;
- (b) providing information to its Representatives;
- (c) providing information to any Governmental Agency;
- (d) providing information to its auditors, Advisers, customers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (e) providing information required to be provided by law or any Governmental Agency; or
- (f) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

11.6 Notification by Bulletproof

- (a) During the Exclusivity Period, Bulletproof must promptly notify KGH in writing of:
 - (i) any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with, Bulletproof or any of its Representatives with respect to any actual, proposed or potential Competing Proposal; or
 - (ii) any request for information relating to Bulletproof or its business and assets, if Bulletproof has reasonable grounds to suspect that it may relate to an actual, proposed or potential Competing Proposal,whether direct or indirect, whether solicited or unsolicited, and in writing or otherwise, unless the Bulletproof Board, acting in good faith and having consulted with its financial and legal advisers, determines that it would, or would be likely to, involve a breach of its fiduciary or statutory duties to so notify KGH.
- (b) A notice given under clause 11.6(a) must set out the name of the person who made the approach or request and all material details of the approach or request, unless the Bulletproof Board, acting in good faith and having consulted with its financial and legal

advisers, determines that it would, or would be likely to, involve a breach of its fiduciary or statutory duties to so notify KGH.

11.7 Matching right

- (a) Bulletproof must not enter into any agreement, arrangement or understanding (whether or not in writing) with a Third Party in relation to an actual, proposed or potential Competing Proposal unless:
 - (i) the Bulletproof Board has reasonably determined in good faith that the Competing Proposal is bona fide and would reasonably be expected to lead to a Superior Proposal;
 - (ii) Bulletproof has given KGH notice of the Competing Proposal, including the name of the Third Party making the Competing Proposal and the material terms of the Competing Proposal;
 - (iii) Bulletproof has given KGH not less than two Business Days after provision of the information required under clause 11.7(a)(ii) to consider the Competing Proposal and make a new proposal or propose a revision of the Scheme, which is on terms no less favourable than the terms of the Competing Proposal (**Counterproposal**); and
 - (iv) KGH has not made a written Counterproposal by the expiry of the two Business Days referred to in clause 11.7(a)(iii).
- (b) Bulletproof must procure that the Bulletproof Board considers any Counterproposal that Bulletproof receives and if the Bulletproof Board, acting in good faith, determines that the Counterproposal would provide an equivalent or superior outcome for the Bulletproof Shareholders to or than the Competing Proposal, taking into account all the terms and conditions of the Counterproposal, then:
 - (i) Bulletproof and KGH must use their best endeavours to agree to the amendments to the Transaction Documents and to enter into any agreements or deeds to give effect to those amendments and to implement the Counterproposal, in each case as soon as reasonably practicable; and
 - (ii) Bulletproof must use its best endeavours to procure the Independent Board Committee Directors to recommend the Counterproposal to Bulletproof Shareholders and not the Competing Proposal.
- (c) Notwithstanding anything else in this clause 11, each obligation of Bulletproof under this clause 11 does not apply to the extent that the Bulletproof Board, acting in good faith and having consulted with its financial and legal advisers, determines that it would, or would be likely to, involve a breach of the fiduciary or statutory duties owed by any Bulletproof Director.

11.8 Revised Competing Proposal

Any material modification to any Competing Proposal will be deemed to make that proposal a new Competing Proposal in respect of which Bulletproof must comply with its obligations under clause 11.7 again.

11.9 Equal access to information

If Bulletproof provides any information relating to the Bulletproof Group or any of their businesses to any person in connection with or for the purposes of a current or future Competing Proposal, it must promptly provide KGH with access to, or a copy of, that information.

11.10 Acknowledgement

KGH has required Bulletproof to agree to the obligations set out in this clause 11 in consideration of it proceeding with the Scheme and incurring significant costs in doing so. In the absence of obtaining these obligations from Bulletproof, KGH would not have entered into this Deed.

12 Break Fees

12.1 Payment of costs

- (a) Bulletproof and KGH believe that the Transaction will provide benefits to Bulletproof, KGH and their respective shareholders, and acknowledge that if they enter into this Deed and the Scheme is subsequently not implemented, both parties will incur significant costs.
- (b) In the circumstances referred to in clause 12.1(a):
 - (i) both parties requested that provision be made for the payments referred to in clauses 12.2 and 12.3, without which neither party would have entered into this Deed; and
 - (ii) the Bulletproof Board and the KGH Board believe that it is appropriate for both parties to agree to the payments referred to in clauses 12.2 and 12.3 in order to secure each other's participation.
- (c) Bulletproof and KGH acknowledge that the Bulletproof Break Fee and the KGH Break Fee represent a reasonable amount to compensate the other for the following:
 - (i) all advisory costs (including costs of Advisers other than success fees);
 - (ii) costs of management and directors' time;
 - (iii) all out of pocket expenses;
 - (iv) all commitment fees and other financing costs (whether associated with debt or equity finance); and
 - (v) reasonable opportunity costs in pursuing the Transaction or not pursuing other alternative acquisitions or strategic initiatives.
- (d) The parties agree that clauses 12.2 and 12.3 do not limit the rights of Bulletproof or KGH in respect of any other claims that they may have against each other, whether under this Deed or otherwise.

12.2 Bulletproof Break Fee

- (a) Subject to clauses 12.2(b), 12.2(c) and 12.4(a), Bulletproof must pay KGH the Bulletproof Break Fee in accordance with clause 12.5(a), without withholding or set off, if a Competing Proposal is announced or made prior to the End Date and is completed at any time prior to the date that falls six months after the End Date and, as a result, a Third Party acquires control of Bulletproof or the Bulletproof Group within the meaning of section 50AA of the Corporations Act.
- (b) Despite any other term of this Deed, the Bulletproof Break Fee is only payable once.
- (c) Despite any other term of this Deed, the Bulletproof Break Fee will not be payable to KGH if:
 - (i) the Scheme becomes Effective; or
 - (ii) as at the earlier of the date of termination of this Deed and the End Date, Bulletproof was entitled to terminate this Deed under clause 13.1(b) or 13.3(a).

- (d) For the avoidance of doubt, the Bulletproof Break Fee will not be payable merely by reason that the Scheme is not approved by Bulletproof Shareholders at the Scheme Meeting.

12.3 KGH Break Fee

- (a) Subject to clauses 12.3(b) and 12.4(b), KGH must pay Bulletproof the KGH Break Fee in accordance with clause 12.5(b), without withholding or set-off, if KGH fails to comply with its obligation to pay the Scheme Consideration to Scheme Shareholders in accordance with clause 4.2.
- (b) Despite any other term of this Deed, the KGH Break Fee will not be payable to Bulletproof if, as at the earlier of the date of termination of this Deed and the End Date, KGH was entitled to terminate this Deed under clause 13.1(b).

12.4 Compliance with law

- (a) If a court or the Takeovers Panel determines that any part of the Bulletproof Break Fee:
 - (i) constitutes or would, if performed, constitute:
 - (A) a breach of the fiduciary or statutory duties of the Bulletproof Board; or
 - (B) unacceptable circumstances within the meaning of the Corporations Act; or
 - (ii) is unenforceable or would, if paid, be unlawful for any reason,then Bulletproof will not be obliged to pay such part of the Bulletproof Break Fee and, if such payment has already been made, then KGH must within five Business Days after receiving written demand from Bulletproof refund that part of the Bulletproof Break Fee to Bulletproof.
- (b) If a court determines that any part of the KGH Break Fee:
 - (i) constitutes or would, if performed, constitute:
 - (A) a breach of the fiduciary or statutory duties of the KGH Board; or
 - (B) unacceptable circumstances within the meaning of the Corporations Act; or
 - (ii) is unenforceable or would, if paid, be unlawful for any reason,then KGH will not be obliged to pay such part of the KGH Break Fee and, if such payment has already been made, then Bulletproof must within five Business Days after receiving written demand from KGH refund that part of the KGH Break Fee to KGH.
- (c) Bulletproof and KGH must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 12.4(a) or 12.4(b).

12.5 Time for payment

- (a) Bulletproof must pay KGH the Bulletproof Break Fee, if it is payable pursuant to clause 12.2(a), within ten Business Days after receiving a written notice from KGH setting out the relevant circumstances and requiring payment of the Bulletproof Break Fee.
- (b) KGH must pay Bulletproof the KGH Break Fee, if it is payable pursuant to clause 12.3(a), within ten Business Days after receiving a written notice from Bulletproof setting out the relevant circumstances and requiring payment of the KGH Break Fee.

- (c) A written notice requiring payment of the Bulletproof Break Fee or the KGH Break Fee, as applicable, may only be made after the Scheme fails to become Effective by the End Date or this Deed is terminated in accordance with its terms.

13 Termination

13.1 Termination by either party

Either party (**terminating party**) may terminate this Deed by notice to the other:

- (a) in accordance with clause 3.5; or
- (b) at any time before 8am on the Second Court Date if the other party is in material breach of any clause of this Deed (including a material breach of a representation or warranty given by the other party under clause 9), provided that (except, where KGH is the terminating party, in the case of a material breach by Bulletproof of clause 7 or 11) the terminating party has given notice to the other party setting out the relevant circumstances and stating an intention to terminate this Deed, and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5pm on the last Business Day before the Second Court Date) from the time such notice is given.

13.2 Termination by KGH

KGH may terminate this Deed at any time before 8am on the Second Court Date by notice in writing to Bulletproof:

- (a) if either of the Independent Board Committee Directors publicly change (including by attaching qualifications to) or withdraw their statement that they consider the Scheme to be in the best interests of Bulletproof Shareholders or their recommendation that Bulletproof Shareholders approve the Scheme, or publicly recommend, promote or otherwise endorse a Competing Proposal, whether or not in accordance with clause 7.1(b); or
- (b) if a Competing Proposal is announced, made, or becomes open for acceptance and the Third Party announcing or making the Competing Proposal (either alone or together with its Associates) acquires a Relevant Interest in more than 50% of all Bulletproof Shares and that Competing Proposal is (or has become) free from any defeating conditions.

13.3 Termination by Bulletproof

Bulletproof may terminate this Deed at any time before 8am on the Second Court Date by notice in writing to KGH:

- (a) if a KGH Regulated Event occurs, provided that Bulletproof has given notice to KGH setting out the relevant circumstances and stating an intention to terminate this Deed, and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending at 5pm on the last Business Day before the Second Court Date) from the time such notice is given; or
- (b) if the Bulletproof Board publicly changes (including by attaching qualifications to) or withdraws its statement that it considers the Scheme to be in the best interests of Bulletproof Shareholders or its recommendation that Bulletproof Shareholders approve the Scheme, in either case in accordance with clause 7.1(b), or publicly recommends, promotes or otherwise endorses a Superior Proposal.

13.4 Effect of termination

In the event of termination of this Deed by either KGH or Bulletproof pursuant to clause 13.1, 13.2 or 13.3, this Deed will have no further force or effect and the parties will have no further obligations under this Deed, provided that:

- (a) this clause 13 and clauses 1, 8.3, 10, 12, 14 and 15 will survive termination; and
- (b) each party will retain any accrued rights and remedies, including any rights and remedies it has or may have against the other party in respect of any past breach of this Deed.

14 GST

14.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this Deed, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

14.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this Deed is based on any cost, expense or other liability, it must be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

14.3 Adjustment events

If an adjustment event occurs in relation to a supply made under or in connection with this Deed, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

14.4 Cost exclusive of GST

Any reference in this Deed (other than in the calculation of consideration) to a cost, expense or other similar amount (**Cost**) is a reference to that Cost exclusive of GST.

14.5 Survival

This clause will not merge upon completion and will continue to apply after expiration or termination of this Deed.

14.6 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) will have the same meaning in this clause.

15 Miscellaneous

15.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand to the address below or by email to the

email address below or the address or email address last notified by the intended recipient to the sender:

- (i) to Bulletproof: Address: Level 17, 60 Margaret Street,
Sydney, NSW 2000
Email: Paula.Kensington@bulletproof.net
Attention: Paula Kensington, CFO
- (ii) to KGH: Address: Level 8 East, 8 Central Ave, Eveleigh
NSW 2015,
Email: simon.xistouris@ac3.com.au
Attention: Simon Xistouris, CEO
- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;
 - (iii) in the case of delivery by any other method of post, six Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country);
 - (iv) in the case of email, the earlier of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the email is first opened or read by the intended recipient, or an employee or officer of the intended recipient; and
 - (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, during that two hour period, an automated message that the email has not been delivered, but if the result is that a Notice would be taken to be given or made:
 - (v) on a day that is not a business day in the place to which the Notice is sent or at a time that is later than 5pm in the place to which the Notice is sent, it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place; or
 - (vi) before 9am (local time) on a business day in the place to which the Notice is sent, then it will be taken to have been duly given or made at 9am (local time) on that business day in that place.

15.2 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this Deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

15.3 Remedies cumulative

The rights, powers and remedies provided to each party in this Deed are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

15.4 Entire agreement

This Deed and the Confidentiality Agreement contain the entire agreement between the parties with respect to their subject matter. They set out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersede all earlier Conduct by or between the parties in connection with their subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Deed and completing the transactions contemplated by it. If there is any inconsistency between the provisions of this Deed and the provisions of the Confidentiality Agreement, the provisions of this Deed will prevail to the extent of any inconsistency and the provisions of the Confidentiality Agreement will be construed accordingly.

15.5 Amendment

This Deed may be amended only by another agreement executed by both parties.

15.6 Assignment

Neither party can assign, charge, create a security interest over, encumber or otherwise deal with any of its rights or obligations under this Deed, or attempt or purport to do so, without the prior written consent of the other party.

15.7 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this Deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

15.8 Further assurances

Each party must do anything necessary or desirable (including executing agreements and documents) to give full effect to this Deed and the transactions contemplated by it.

15.9 Costs and duty

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Deed. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this Deed and any instrument executed under or any transaction evidenced by this Deed must be borne by KGH.

15.10 Severability of provisions

Any provision of this Deed that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Deed nor affect the validity or enforceability of that provision in any other jurisdiction.

15.11 Governing law and jurisdiction

This Deed is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

15.12 Counterparts

This Deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1**Indicative Timetable**

Event	Date
Bulletproof provides draft Scheme Booklet to ASIC	March 2018
First Court Date	End of March 2018
Despatch of Scheme Booklet completed	April 2018
Scheme Meeting	May 2018

Schedule 2

Scheme

Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)**Between**

Bulletproof Group Limited (ABN 84 148 162 092) of Level 17, 60 Margaret Street, Sydney, NSW, Australia 2000 (**Bulletproof**).

And

The holders of fully paid ordinary shares in the capital of Bulletproof (other than any person holding fully paid ordinary shares in the capital of Bulletproof on behalf of, or for the benefit of, KGH).

Recitals

- A Bulletproof is a public company limited by shares incorporated in Australia, and is admitted to the official list of ASX.
- B Bulletproof and KGH have entered into the Implementation Deed, pursuant to which, amongst other things, Bulletproof has agreed to propose the Scheme to Bulletproof Shareholders, and each of Bulletproof and KGH has agreed to take certain steps to give effect to the Scheme.
- C If the Scheme becomes Effective, then:
- (a) all the Scheme Shares will be transferred to KGH and the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of the Scheme; and
 - (b) Bulletproof will enter the name and address of KGH in the Bulletproof Register as the holder of the Scheme Shares.
- D KGH has entered into the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that it will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1 Definitions and Interpretation**1.1 Definitions**

In this document, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the ASX operated by it.

ASX Listing Rules means the official listing rules of ASX.

Bulletproof Register means the register of members of Bulletproof maintained by or on behalf of Bulletproof in accordance with section 168(1) of the Corporations Act.

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

Bulletproof Share Registry means Link Market Services Limited of Level 12, 680 George Street, Sydney NSW 2000.

Bulletproof Shareholder means a person who is registered in the Bulletproof Register as a holder of Bulletproof Shares.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, Australia.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Conditions Precedent means the conditions precedent to the Scheme set out in clause 2.1.

Consideration means A\$0.152 in cash, being the amount payable pursuant to the Scheme for each Scheme Share, subject to the terms of the Scheme.

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

Court means the Supreme Court of New South Wales or such other court of competent jurisdiction as KGH and Bulletproof may agree in writing.

Deed Poll means the deed poll dated [*] 2018 executed by KGH in favour of the Scheme Shareholders.

Effective means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 31 July 2018, or such later date as KGH and Bulletproof may agree in writing.

Excluded Share means a Bulletproof Share held by any person on behalf of, or for the benefit of, KGH.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the ACCC, the ATO, ASX and any regulatory organisation established under statute or any Stock Exchange.

Implementation Date means the date that is three Business Days after the Record Date, or such other date as may be agreed in writing between KGH and Bulletproof or as may be required by ASX.

Implementation Deed means the Scheme Implementation Deed dated 15 February 2018 between KGH and Bulletproof.

KGH means Klikon Group Holdings Pty Limited (ABN 46 167 162 987) of Level 8 East, 8 Central Avenue, Everleigh NSW 2015.

Record Date means 7pm on the date that is five Business Days after the Effective Date, or such other date as may be agreed in writing between KGH and Bulletproof or as may be required by ASX.

Registered Address means, in relation to a Bulletproof Shareholder, the address of that Bulletproof Shareholder shown in the Bulletproof Register.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Bulletproof and Bulletproof Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by KGH and Bulletproof.

Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to KGH of their Scheme Shares, as ascertained in

accordance with clause 5.

Scheme Meeting means the meeting of Bulletproof Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Shareholder means each person who is registered in the Bulletproof Register as a holder of Scheme Shares as at the Record Date.

Scheme Shares means the Bulletproof Shares on issue as at the Record Date other than the Excluded Shares.

Scheme Transfer means, in relation to each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act, which may be a master transfer of all or part of all of the Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Stock Exchange means ASX or another prescribed financial market.

Trust Account means an Australian dollar denominated trust account operated by Bulletproof or the Bulletproof Share Registry as trustee for the benefit of Scheme Shareholders.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause is a reference to a clause of this document.
 - (vi) A reference to an agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to *dollars* or \$ is to Australian currency.

- (xi) A reference to time is to Sydney time.
- (xii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
- (xiii) Words and phrases not specifically defined in this document have the same meanings (if any) given to them in the Corporations Act.

2 Conditions Precedent

2.1 Conditions Precedent to the Scheme

The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Implementation Deed (other than the condition precedent relating to the approval of the Court set out in clause 3.1(c) of the Implementation Deed) has been satisfied or waived in accordance with the Implementation Deed;
- (b) as at 8am on the Second Court Date, the Implementation Deed has not been terminated;
- (c) the Court makes orders approving the Scheme under section 411(4)(b) of the Corporations Act, including with such alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to KGH and Bulletproof;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to KGH and Bulletproof have been satisfied;
- (e) Bulletproof having lodged with ASIC an office copy of any order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme ; and
- (f) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving the Scheme come into effect, pursuant to section 411(10) of the Corporations Act.

For the avoidance of doubt, the satisfaction of the conditions precedent referred to in this clause 2.1 is a condition precedent to the operation of clauses 4, 5 and 6.

2.2 Certificate in relation to conditions precedent

- (a) On the Second Court Date, Bulletproof and KGH will each provide to the Court a certificate confirming whether or not all of the conditions precedent set out in clause 2.1(a) and 2.1(b) of the Scheme have been satisfied or waived.
- (b) The giving of a certificate by each of the Bulletproof and KGH under clause 2.2(a) will be conclusive evidence of those matters.

2.3 Termination of Implementation Deed

Without limiting any rights under the Implementation Deed, in the event that the Implementation Deed is terminated in accordance with its terms before 8am on the Second Court Date, Bulletproof and KGH are each released from:

- (a) any further obligation to take steps to implement the Scheme;
- (b) any liability with respect to the Scheme, and
- (c) in the case of KGH, any liability under the Deed Poll.

3 Scheme Becoming Effective

3.1 Effective Date of the Scheme

Subject to clause 3.2, the Scheme will take effect on and from the Effective Date.

3.2 End Date

The Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date, and Bulletproof and KGH will each be released from:

- (a) any further obligation to take steps to implement the Scheme;
- (b) any liability with respect to the Scheme, and
- (c) in the case of KGH, any liability under the Deed Poll.

4 Implementation of Scheme

4.1 Lodgement of Court orders

For the purposes of section 411(10) of the Corporations Act, Bulletproof must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible after the Court makes that order, and in any event by no later than 4pm on the first Business Day after the date on which the Court makes that order or such other Business Day as Bulletproof and KGH may agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration in the manner contemplated by clause 6, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to KGH, without the need for any further act by any Scheme Shareholder (other than acts performed by Bulletproof or any of its directors and officers as attorney and agent for Scheme Shareholders under the Scheme), by Bulletproof effecting a valid transfer or transfers of the Scheme Shares to KGH under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:

- (a) Bulletproof delivering to KGH for execution duly completed Scheme Transfers to transfer all of the Scheme Shares to KGH, duly executed by Bulletproof (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 9.3;
- (b) KGH executing the Scheme Transfers as transferee, attending to the stamping of the Scheme Transfers (if required) and delivering them to Bulletproof for registration; and
- (c) Bulletproof, immediately after receipt of the Scheme Transfers under clause 4.2(b) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), entering, or procuring the entry of, the name and address of KGH in the Bulletproof Register as the holder of all of the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to clauses 5.2 and 5.3, the Scheme Consideration in respect of the Scheme Shares for which a Scheme Shareholder is registered in the Bulletproof Register as the holder as at the Record Date comprises, for each of those Scheme Shares, the Consideration.

5.2 Fractional entitlements

If the number of Scheme Shares held by a Scheme Shareholder as at the Record Date is such that the aggregate entitlement of that Scheme Shareholder to Scheme Consideration includes a fractional entitlement to a cent in cash, then the entitlement of that Scheme Shareholder must be rounded up to the nearest whole number of cents.

5.3 Shareholding splitting or division

If KGH is of the opinion (acting reasonably and in consultation with Bulletproof) that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares that results in rounding in accordance with clause 5.2) have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, KGH may give notice to those Scheme Shareholders:

- (a) setting out their names (as shown in the Bulletproof Register) and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the other provisions of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of the Scheme, be taken to hold no Scheme Shares. KGH, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

6 Provision of Scheme Consideration

6.1 Payment of Consideration

- (a) Subject to conditions precedent in clause 2.1 being satisfied, KGH must, by no later than two Business Days before the Implementation Date, deposit in cleared funds into the Trust Account an amount equal to the aggregate amount of the Scheme Consideration payable to Scheme Shareholders, such amount to be held by Bulletproof on trust for the Scheme Shareholders and for the purpose of sending the aggregate amount of the Scheme Consideration to the Scheme Shareholders (except that any interest on the amount will be for the account of KGH).
- (b) On the Implementation Date and subject to funds having been deposited in accordance with clause 6.1(a), Bulletproof must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Trust Account by doing any of the following at its election:

- (i) sending (or procuring the Bulletproof Share Registry to send) the relevant amount to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the Trust Account; or
- (ii) depositing (or procuring the Bulletproof Share Registry to deposit) the relevant amount into an account with any Australian ADI (as defined in the Corporations Act) notified to Bulletproof (or the Bulletproof Share Registry) by an appropriate authority from the Scheme Shareholder.
- (c) Except for any amount retained pursuant to clause 6.4(b), to the extent that, following satisfaction of Bulletproof's obligations under clause 6.1(b), there is a surplus in the amount held in the Trust Account, that surplus must be promptly paid by Bulletproof to KGH.

6.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque to be paid to Scheme Shareholders pursuant to clause 6.1(b)(i) will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Bulletproof Register as at the Record Date; and
- (b) any amount to be deposited pursuant to clause 6.1(b)(ii) will be deposited directly to the nominated bank account of the joint holders.

6.3 Unclaimed moneys

- (a) Bulletproof may cancel a cheque sent under this clause 6 if the cheque:
 - (i) is returned to Bulletproof; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Bulletproof (or the Bulletproof Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Bulletproof must reissue a cheque that was previously cancelled under clause 6.3(a).
- (c) The *Unclaimed Moneys Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the *Unclaimed Moneys Act 1995* (NSW)).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of KGH.

6.4 Order of a court or Governmental Agency

If:

- (a) written notice is given to Bulletproof (or the Bulletproof Share Registry) of an order or direction made by a court of competent jurisdiction or by another Governmental Agency that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Bulletproof in accordance with this clause 6, then Bulletproof may procure that payment is made in accordance with that order or direction; or
- (b) written notice is given to Bulletproof (or the Bulletproof Share Registry) of an order or direction made by a court of competent jurisdiction or by another Governmental Agency

that prevents Bulletproof from making a payment to any particular Scheme Shareholder in accordance with clause 6.1(b), or such payment is otherwise prohibited by applicable law, Bulletproof may retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as payment in accordance with this clause 6 is permitted by that order or direction or otherwise by law,

and the payment or retention by Bulletproof (or the Bulletproof Share Registry) will constitute the full discharge of Bulletproof's obligations under clause 6.1(b) with respect of the amount so paid or retained until, in the case of clause 6.4(b), it is no longer required to be retained.

6.5 Definition of 'sending'

For the purposes of clause 6, the expression **sending** means, in relation to each Scheme Shareholder:

- (a) sending by ordinary pre-paid post or courier to the Registered Address of that Scheme Shareholder as at the Record Date; or
- (b) delivery to the Registered Address of that Scheme Shareholder as at the Record Date by any other means at no cost to the recipient.

7 Dealings in Bulletproof Shares

7.1 Dealings in Bulletproof Shares by Scheme Shareholders

For the purpose of establishing the persons who are Scheme Shareholders, dealings in Bulletproof Shares will be recognised by Bulletproof provided that:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Bulletproof Register as the holder of the relevant Bulletproof Shares by the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the Bulletproof Register is maintained by 5pm on the day which is the Record Date (in which case Bulletproof must register such transfers or transmission applications before 7pm on that day),

and Bulletproof will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, any transfer or transmission application in respect of Bulletproof Shares received after such times, or received prior to such times but not in registrable form.

7.2 Bulletproof Register

Bulletproof will, until the Scheme Consideration has been provided and the name and address of KGH has been entered in the Bulletproof Register as the holder of all of the Scheme Shares, maintain, or procure the maintenance of, the Bulletproof Register in accordance with this clause 7, and the Bulletproof Register in this form and the terms of the Scheme will solely determine entitlements to the Scheme Consideration. As from the Record Date (and other than for KGH following the Implementation Date), each entry in the Bulletproof Register as at the Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.

7.3 Effect of share certificates and holding statements

As from the Record Date (and other than for KGH following the Implementation Date), all share

certificates and holding statements for Scheme Shares will cease to have effect as documents of title in respect of those Scheme Shares.

7.4 Information to be given to KGH

Bulletproof must procure that, as soon as practicable after the Record Date and in any event at least three Business Days before the Implementation Date, details of the names, Registered Addresses and holdings of Bulletproof Shares of every Scheme Shareholder as shown in the Bulletproof Register as at the Record Date are given to KGH (or as it directs) in such form as KGH may reasonably require.

7.5 No disposals after Record Date

If the Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date, and any such disposal will be void and of no legal effect.

8 Suspension and Termination of Quotation of Bulletproof Shares

- (a) Bulletproof must apply to ASX for suspension of trading of the Bulletproof Shares on ASX with effect from the close of business on the Effective Date.
- (b) Bulletproof must apply to ASX for termination of official quotation of the Bulletproof Shares on ASX and the removal of Bulletproof from the official list of ASX with effect from the Business Day immediately following the Implementation Date.

9 General Provisions

9.1 Further assurances

- (a) Each Scheme Shareholder and Bulletproof will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it.
- (b) Without limiting Bulletproof's other powers under the Scheme, Bulletproof has power to do all things that it considers necessary or desirable to give effect to the Scheme and the Implementation Deed.

9.2 Scheme Shareholders' agreements and consents

Each Scheme Shareholder:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to KGH in accordance with the terms of the Scheme; and
- (b) irrevocably consents to Bulletproof and KGH doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

9.3 Appointment of Bulletproof as attorney for implementation of Scheme

Each Scheme Shareholder, without the need for any further act by that Scheme Shareholder, irrevocably appoints Bulletproof as that Scheme Shareholder's agent and attorney for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) under clause 4.2(a); and
- (b) enforcing the Deed Poll against KGH,

and Bulletproof accepts such appointment. Bulletproof, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 9.3 to all or any of its directors and officers (jointly, severally, or jointly and severally).

9.4 Warranty by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to KGH and Bulletproof, and, to the extent enforceable, to have appointed and authorised Bulletproof as that Scheme Shareholder's agent and attorney to warrant to KGH, that all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to KGH pursuant to the Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to KGH pursuant to the Scheme. Bulletproof undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to KGH on behalf of that Scheme Shareholder.

9.5 Title to Scheme Shares

On and from the Implementation Date, immediately after the provision of the Scheme Consideration to Scheme Shareholders pursuant to clause 6.1(b), KGH will be beneficially entitled to the Scheme Shares transferred to it under the Scheme pending registration by Bulletproof of the name and address of KGH in the Bulletproof Register as the holder of the Scheme Shares.

9.6 Appointment of KGH as attorney for Scheme Shares

- (a) From the Effective Date until KGH is registered in the Bulletproof Register as the holder of all Scheme Shares, each Bulletproof Shareholder:
 - (i) without the need for any further act by that Bulletproof Shareholder, irrevocably appoints KGH as its proxy to (and irrevocably appoints KGH as its agent and attorney for the purpose of appointing any director or officer of KGH as that Bulletproof Shareholder's proxy and, where appropriate, its corporate representative to):
 - (A) attend shareholders' meetings of Bulletproof;
 - (B) exercise the votes attaching to the Bulletproof Shares registered in the name of the Bulletproof Shareholder; and
 - (C) sign any Bulletproof Shareholders' resolution;

- (ii) may not itself attend or vote at any shareholders' meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.6(a)(i));
 - (iii) acknowledges and agrees that in exercising the powers conferred by clause 9.6(a)(i), KGH may act in the best interests of KGH as the intended registered holder of the Bulletproof Shares, and
 - (iv) must take all other action in the capacity of a Bulletproof Shareholder as KGH reasonably directs.
- (b) From the Effective Date until KGH is registered in the Bulletproof Register as the holder of all Scheme Shares, no Bulletproof Shareholder may attend or vote at any meetings of Bulletproof Shareholders or sign any Bulletproof Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 9.6.

9.7 Alterations and conditions to Scheme

If the Court proposes to approve the Scheme subject to any alterations or conditions, Bulletproof may, by its counsel or solicitors, and with the prior consent of KGH, consent on behalf of all persons concerned, including each Bulletproof Shareholder, to those alterations or conditions.

9.8 Binding effect of Scheme

The Scheme binds Bulletproof and all of the Bulletproof Shareholders from time to time (including those who did not attend the Scheme Meeting, did not vote at that meeting or voted against the Scheme) and, to the extent of any inconsistency, overrides the constitution of Bulletproof.

9.9 Enforcement of Deed Poll

Bulletproof undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against KGH on behalf of and as agent and attorney for the Scheme Shareholders.

9.10 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Bulletproof, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Bulletproof's registered office or by the Bulletproof Share Registry, as the case may be.

9.11 Costs and duty

- (a) Subject to clause 9.11(b), each of KGH and Bulletproof will pay their share of the costs of the Scheme in accordance with the Implementation Deed.
- (b) KGH will pay all duty (including stamp duty and any related fines, penalties and interest) payable on or in connection with the transfer by Scheme Shareholders of the Scheme Shares to KGH pursuant to the Scheme.

9.12 Governing law and jurisdiction

This Scheme is governed by the laws of New South Wales, Australia. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning the Scheme.

Schedule 3

KGH Deed Poll

Klikon Group Holdings Pty Limited

Deed Poll

101 Collins Street
Melbourne VIC 3000 Australia
T +61 3 9614 1011
F +61 3 9614 4661
www.allens.com.au

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This Deed Poll is made on

By

Klikon Group Holdings Pty Limited (ABN 46 167 162 987) of Level 8 East, 8 Central Avenue, Everleigh NSW 2015 (**KGH**).

In favour of

Each Scheme Shareholder

Recitals

- A KGH and Bulletproof Group Limited (ABN 084 148 162 092) (**Bulletproof**) have entered into a scheme implementation deed dated 15 February 2018 (the **Implementation Deed**).
- B Bulletproof has agreed in the Implementation Deed to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, KGH will acquire all of the Scheme Shares from Scheme Shareholders for the Scheme Consideration.
- C In accordance with the Implementation Deed, KGH is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that it will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

Terms defined in the Scheme, a copy of which is set out in the Schedule to this Deed Poll, have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this document' in that clause are references to 'this Deed Poll'.

2 Nature of Deed Poll

KGH acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder appoints Bulletproof as its agent and attorney to enforce this Deed Poll against KGH on behalf of that Scheme Shareholder.

3 Conditions Precedent and Termination

3.1 Conditions precedent

KGH's obligations under this Deed Poll are subject to the Scheme becoming Effective.

3.2 Termination

If the Implementation Deed is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of KGH under this Deed Poll will

automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless Bulletproof and KGH otherwise agree in accordance with the Implementation Deed.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) KGH is released from its obligations under this Deed Poll, except those obligations under clause 8.6; and
- (b) each Scheme Shareholder retains any rights, powers or remedies that Scheme Shareholder has against KGH in respect of any breach of its obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Compliance with Scheme Obligations

4.1 Obligations of KGH

Subject to clause 3, in consideration for the transfer to KGH of the Scheme Shares in accordance with the Scheme, KGH covenants in favour of each Scheme Shareholder that it will observe and perform all obligations contemplated of it under the Scheme, including the obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

5 Representations and Warranties

KGH makes the following representations and warranties.

- (a) **(Status)** It is a corporation validly existing under the laws of the place of its incorporation.
- (b) **(Power)** It has the power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (d) **(Document binding)** This Deed Poll is its valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping and registration.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law, judgment, ruling, order or decree binding on it; or
 - (ii) its constitution or other constituent documents.

6 Continuing Obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) KGH having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7 Further Assurances

KGH will, on its own behalf and, to the extent authorised by the Scheme, on behalf of each Scheme Shareholder, do all things and execute all deeds, instruments, transfers or other

documents as may be necessary or desirable to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail), email or by hand to the address or email address below or the address or email address last notified by the intended recipient to the sender:

to **KGH**:

Address: Level 8 East, 8 Central Ave, Eveleigh NSW 2015

Email: simon.xistouris@ac3.com.au

Attention: Simon Xistouris, CEO

- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;
 - (iii) in the case of delivery by any other method of post, six Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country);
 - (iv) in the case of email, the earlier of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the email is first opened or read by the intended recipient, or an employee or officer of the intended recipient;
 - (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, during that two hour period, an automated message that the email has not been delivered; and

but if the result is that a Notice would be taken to be given or made:

- (v) on a day that is not a business day in the place to which the Notice is sent or at a time that is later than 5pm in the place to which the Notice is sent, it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place; or
- (vi) before 9am (local time) on a business day in the place to which the Notice is sent, then it will be taken to have been duly given or made at 9am (local time) on that business day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by KGH or by any Scheme Shareholder operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

8.3 Remedies cumulative

The rights, powers and remedies of KGH and of each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

- (a) either:
 - (i) before the First Court Date, the amendment or variation is agreed to in writing by Bulletproof and KGH (which such agreement may be given or withheld without reference to or approval by any Bulletproof Shareholder); or
 - (ii) on or after the First Court Date, the amendment or variation is agreed to in writing by Bulletproof and KGH (which such agreement may be given or withheld without reference to or approval by any Bulletproof Shareholder), and, if required, the Court indicates that the variation would not of itself preclude approval of the Scheme; and
- (b) KGH enters into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

8.5 Assignment

The rights and obligations of KGH and of each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of KGH and Bulletproof.

8.6 Costs and duty

KGH must bear its own costs arising out of the negotiation, preparation and execution of this Deed Poll. All duty (including stamp duty and any fines, penalties and interest) payable on or in connection with this Deed Poll and any instrument executed under or any transaction evidenced by this Deed Poll must be borne by KGH. KGH must indemnify each Scheme Shareholder on demand against any liability for that duty (including any related fines, penalties and interest).

8.7 Governing law and jurisdiction

This Deed Poll is governed by the laws of New South Wales, Australia. KGH submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

Deed Poll

Allens & Linklaters

Schedule

Scheme

Executed and delivered as a Deed in Sydney, Australia.

Executed as a deed in accordance with
section 127 of the *Corporations Act 2001* by
Klikon Group Holdings Pty Limited:

Director Signature

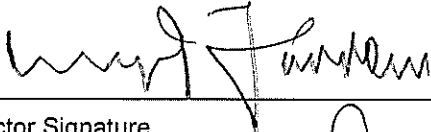
Director/Secretary Signature

Print Name

Print Name

Executed and delivered as a deed

Executed as a deed in accordance with
section 127 of the *Corporations Act 2001* by
Bulletproof Group Limited:



Director Signature



Print Name

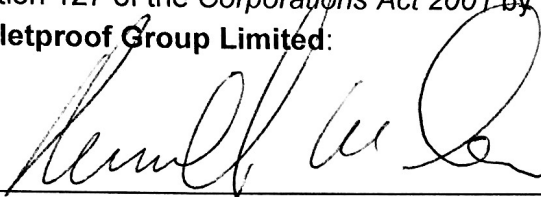


Director/Secretary Signature

Print Name

Executed and delivered as a deed

Executed as a deed in accordance with
section 127 of the *Corporations Act 2001* by
Bulletproof Group Limited:



Director Signature

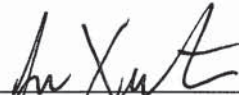
KENNETH M. CARR

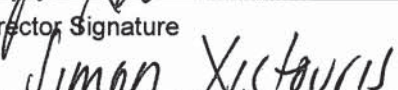
Print Name

Director/Secretary Signature

Print Name

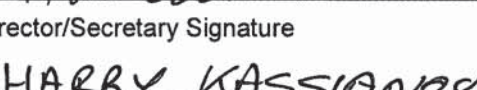
Executed as a deed in accordance with
section 127 of the *Corporations Act 2001* by
Klikon Group Holdings Pty Limited:



Director Signature


Print Name



Director/Secretary Signature


Print Name