



ASX Release: 21st January 2016

“Revised Announcement: Acquisition of The Search Party Pty Ltd”

Highlights

- Bid Implementation Agreement to acquire 100% of the issued capital in The Search Party Pty Ltd (“Search Party or TSP”) on the basis of 198.1 ALA shares for every 1 TSP share held.
- Search Party is an Australian headquartered global online recruitment marketplace that includes and benefits recruiters in the employment process, which has recently experienced monthly growth of approximately 20%+ in key recruitment metrics and operates in a global recruitment market of approximately US\$300bn.
- Search Party has operations internationally, including in the United Kingdom and Canada, and has cutting edge technology and data science with over \$17m invested in the company in the last 4 years.
- The Search Party online recruitment marketplace has more than 3,500 registered employers and more than 500 registered recruiters, representing ~15 million candidate CVs.
- The Search Party online recruitment marketplace allows employers to hire 6x faster and 60%+ cheaper than traditional recruitment methods.
- On completion of the transaction Applabs intends to change its name to Search Party (International) Limited and for the group to focus its operations on development and rollout of the Search Party global online marketplace platform and associated technologies.

The Board of Applabs Technologies Ltd (ASX:ALA) (“Applabs” or the “Company”) is pleased to announce that it has signed a Bid Implementation Agreement (“BIA”) to merge with Search Party, a private company in the process of converting to an unlisted public company.

The transaction is proposed to be effected by means of a scrip for scrip off market takeover offer by the Company to acquire all of the voting shares in TSP. Search Party’s Directors have indicated that they intend to unanimously recommend the bid to their shareholders and have committed to accept the offer for 100% of their own shares in the absence of receipt of a superior offer and other usual defeating conditions. Full information on the terms of the acquisition will be contained in a formal Bidder’s Statement to be lodged with ASIC and subsequently delivered to Search Party shareholders as soon as possible.

Both parties have completed legal and financial due diligence and should the takeover bid successfully complete, TSP will become a wholly owned subsidiary of the Company, and shareholders in TSP will become shareholders in the Company.



Overview of the transaction

Under the terms of the BIA:

The Company will make a takeover bid for 100% of the issued capital of TSP, on the basis of 198.1 Applabs shares for every 1 TSP share. The maximum consideration for all voting shares in TSP is 310,207,364 Applabs shares. (Please refer to the Pro-Forma Capital structure table in this document for the basis and assumptions in calculating the maximum consideration).

Full details of the transaction are included in the BIA (Schedule 3).

Capital Raisings

The Company must:

- obtain subscriptions to issue fully paid ordinary shares in the Company at an issue price of \$0.10 each to raise not less than \$1,000 and not more than \$2,120,000 (before costs) (“Capital Raising Prospectus”); and
- issue 10 million fully paid ordinary shares in the Company and 30 million unlisted options in the Company (exercisable at \$0.15 at any time with 2 years after their date of issue) to Facilitators who have provided facilitation services in respect of the transaction (“Facilitation Securities”).

The issue of the above shares and options and the options under the Placement and the Advisor Securities (below) is subject to shareholder and regulatory approval.

Additionally, the Company also intends to:

- place 4,500,000 fully paid ordinary shares in the Company to sophisticated and professional investors each at an issue price of A\$0.10 to raise \$450,000 (before costs), together with one free attaching listed option, expiring on 21st May 2016 and exercisable at 25c each (being the same terms as the existing listed ALAO options) (“Placement”); and
- issue, in connection with corporate advisory services previously provided to the Company, 2,000,000 fully paid ordinary shares, together with one free attaching listed option, expiring on 21st May 2016 and exercisable at 25c each (being the same terms as the existing listed ALAO options) for nil consideration to non-related corporate advisors (“Advisor Securities”).

TSP must raise and receive valid applications, under its existing rights issue offer, from existing shareholders, underwriters or third parties for not less than \$2,000,000 (“Minimum”) and up to \$5,000,000 (“Maximum”) with the ability to take oversubscriptions for a further \$2,000,000 (“Oversubscription”) at an issue price of not less than \$19.81 (“TSP Rights Issue”).

Completion

Completion of the transaction will be subject to the satisfaction of certain bid conditions, which must be satisfied or waived by Applabs, including:



- Applabs having a relevant interest in at least 90% of the TSP voting shares at the end of the offer period.
- Applabs shareholders approving various matters relating to the transaction, which will be included in the Notice of Meeting to be dispatched to shareholders.
- Applabs obtaining subscriptions for not less than \$1,000 and not more than \$2,120,000 pursuant to the Capital Raising Prospectus.
- All options in TSP being validly converted into TSP shares or otherwise cancelled as soon as possible and in any event before the end of the offer period.
- TSP raising and receiving valid applications, under the TSP Rights Issue offer, from existing shareholders, underwriters or third parties for not less than \$2,000,000 (Minimum) and up to \$5,000,000 (Maximum) with the ability to take oversubscriptions for a further \$2,000,000 (Oversubscriptions) at an issue price of not less than \$19.81.
- Applabs receiving written confirmation from ASX that ASX will re-admit the Company's securities to quotation, subject to the satisfaction of such terms and conditions (if any) as are prescribed by ASX or the Listing Rules.
- Full conditions of the takeover offer are detailed in the BIA in Schedule 3.

Following shareholder approval and with effect from completion of the transaction, Applabs proposes to change its name to "Search Party (International) Limited" and has reserved the ticker (ASX:SP1)

The Applabs securities to be issued as part of the transaction to TSP security holders will be subject to any applicable escrow restrictions in accordance with the ASX Listing Rules.

Implementation of the BIA has the unanimous endorsement of the TSP Board.

New Board and Management

On the takeover bid becoming unconditional, it is proposed that the Company will appoint the following directors:

- Mr Ben Hutt – (CEO & Managing Director of TSP) International management consultant, ex Macquarie Group.
- Mr Trevor Loewensohn – (Chairman of TSP) Managing Director Alceon, formerly Global Head of Capital Markets Babcock & Brown, Vice Chairman UBS, Joint CEO JP Morgan.



- Mr Josh Rogers – (NED) Marketplace specialist creating or advising 7 marketplaces including successful exit from freelancer.com, Previous MD of resource manager and corporate advisor Mitchell Morgan Group. Two decades of significant technology start-up experience including Comindico, Oriel Communications and Posse.
- Paul Bird – (NED) Founder & CEO EP2 Payments, Founder & Director Homestar Finance, 10 years strategic development roles PBL Media.



Pro Forma Capital Structure

Following the Capital Raisings and completed takeover, the indicative effect on the Company's capital structure will be as follows:

	Shares	Listed Options	Unlisted Options
Balance at the date of this Notice	44,061,754	35,619,920	
To be issued pursuant to the Takeover Bid	310,207,364 ⁽¹⁾		
To be issued pursuant to the Placement and Advisor Securities	6,500,000		
To be issued pursuant to the Capital Raising Prospectus	10,000 ⁽²⁾		
Options to be issued pursuant to the Placement and Advisor Securities		6,500,000	
Facilitation Securities	10,000,000		30,000,000 ⁽³⁾
Balance following completion of the takeover and Capital Raisings	370,779,118	42,119,920	30,000,000

(1) This reflects the number of TSP shares as at the date of this Notice, being 1,086,848 (equating to 215,304,588 Applabs shares), and assumes the following:

- TSP will before the end of the offer period issue up to, the maximum under the Oversubscriptions to the TSP Rights Issue, being an additional 272,173 TSP shares (equating to 53,917,471 Applabs shares);
- 930 existing TSP options will be cancelled for nil consideration; and
- 206,892 TSP options will be exercised and new TSP shares will be issued before the end of the offer period (equating to 40,985,305 ALA shares).

The takeover bid will be extended to all additional TSP shares issued under the TSP Rights Issue and on the exercise of the options (up to the additional maximum of TSP shares set out above).

(2) Oversubscriptions of \$2,120,000 may be raised through the issue of an additional 21,120,000 Applabs shares under the Capital Raising Prospectus.



(3) Unlisted Facilitation options have an exercise price of \$0.15 and expiry date two years after their date of issue.

Financial Effect of the Transaction

If the transaction completes, it is expected to have the effect on Applabs total assets, equity, revenue and profit before tax and extraordinary items set out in schedule 2.

Indicative Timetable

An indicative timetable for the completion of the Merger and re-compliance with Chapters 1 and 2 of the Listing Rules is in the table below.

Indicative Timetable

Event	Date
Joint announcement of Takeover Bid	19 January 2016
Draft Notice of Bidder Shareholder Meeting lodged with ASX/ASIC	12 February 2016
Bidder lodges Bidder's Statement with ASIC and serves it on Company	12 February 2016
Company lodges Target's Statement with ASIC and serves it on Bidder	12 February 2016
Offer Period commences (begin dispatch of Bidder's Statement and Target's Statement to Shareholders)	26 February 2016
Completion of joint dispatch of Bidder's Statement and Target's Statement and Notice of Bidder Shareholder Meeting to Shareholders	29 February 2016
Prospectus lodged with ASIC	29 February 2016
Bidder holds Bidder Shareholder Meeting	29 March 2016
Bidder to issue notice under section 630(3) (unless Offer Period extended beforehand)	29 March 2016
End of Offer Period	5 April 2016



Anticipated date for re-instatement to trading on ASX

12 April 2016

***Dates in the above table are indicative only.**

Chapter 11 of the ASX Listing Rules

The transaction constitutes a change in the nature and scale of Applabs activities pursuant to Chapter 11 of the ASX Listing Rules. Applabs will accordingly be required to obtain shareholder approval for the change and also to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules. Applabs shares will be suspended from the commencement of trading on the day of the shareholder meeting convened for the purpose of shareholder approval of the change in nature and scale of Applabs activities, pending re-compliance with the ASX Listing Rules.

Comments

Since launching its recruitment marketplace in beta in October 2013, international technology start-up Search Party is helping to define a new way of recruiting. They focus on utilising technology to help existing recruiters adopt a profitable, lower cost business model, that allows them to serve SMEs effectively. Search Party has a clear focus on benefitting all stakeholders in the process, employees, recruiters and candidates. For employers it means hiring 6X faster at 60% less cost than traditional methods without sacrificing quality. For recruiters, it means they get new customers at no cost using their database of candidates. Search Party roles get placed with minimal effort growing their business and profitability.

Applabs Director Charles Thomas, who will stay on the Board of Search Party post transaction, said the acquisition will take Applabs from a technology-focused vehicle managing a portfolio of investments as well as developing applications in-house, to a company with a single focus in a proven business set for further global growth. Most of the portfolio of investee companies within ALA currently will be divested where possible.

Mr Thomas said “We have been actively reviewing numerous technology acquisitions over the last 18 months and Search Party provides us with a rare opportunity to invest in an Australian-based technology business entering the next phase of its expansion with strong global growth opportunities. It is a unique innovator in the recruitment space and truly understands the value recruiters play in hiring the best employees. It’s not about disruption or the removal of recruiters but about empowering recruiters and employers to make better decisions through innovation and data science”.

“Search Party has candidates and customers in more than 50 countries and is well on the way to addressing a problem all businesses face globally – hiring great people quickly, simply and at a lesser cost than the traditional model. There is huge global opportunity currently being ignored by other companies” said Mr Thomas.



Search Party CEO Ben Hutt said “The transaction is the next logical step in Search Party’s business growth. Our mission is to make recruitment easier, faster, and more reliable for all those involved. We’ve seen huge growth in Australia, the UK and Canada and have interest and opportunities all over the world with employers and recruiters embracing Search Party as a smarter way of hiring,” said Mr Hutt.

“This acquisition further supports our mission. Applabs is the perfect partner to allow Search Party to grow, invest heavily in our platform and data science capabilities and take our marketplace to more countries,” said Mr Hutt.

Applabs brings approximately \$2.5 million cash to the merged entity and Search Party will also conclude a partially underwritten rights issue which it launched late last year. Search Party initiated a \$5 million capital raise, with current cash or commitments of ~\$4 million raised. The maximum targeted is \$5 million with a potential to take an additional \$2 million.

Search Party plans to further refine its platform over the next 12 months, including the release of several data science enhancements. Search Party also plans to enter the US and Asian markets in 2016.

About Search Party

Search Party is an online recruitment marketplace. For Employers it means hiring 6X faster at 60% less cost than traditional methods without sacrificing quality. For Recruiters, it means they get new customers at no cost using their database of candidates. Search Party roles get placed with minimal effort growing their business and profitability. The company was founded in Sydney with offices in London and Toronto. JobAdvisor, the Australian employer review site, is also owned by Search Party. For more information, visit thesearchparty.com & jobadvisor.com.au

About Applabs Technologies Ltd

Applabs Technologies Ltd (ASX:ALA) is the first ASX listed app development and technology financier. The Company offers a unique business model of both an app developer and a technology financier, enabling the Company to produce apps for customers as well as the ability to fund, develop and market exciting new leading edge apps internally.

For further Information, please contact

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Charles Thomas
Charles@applabs.com.au

CEO – Search Party
Ben Hutt
Ben@thesearchparty.com



Schedule 1: TSP Overview and an introduction to online employment marketplaces

Search Party is a global employment marketplace that includes Recruitment Agencies in the employment process. Online marketplaces are the single biggest opportunity to redefine how industries work (as demonstrated by Uber & AirBNB for example) and Search Party addresses the US\$300Bn recruitment industry, providing an opportunity for Recruiters to expand into servicing SME businesses.

Search Party technology and data science enables employers to access the services of Recruiters in a way that's quick, easy and affordable. For Recruiters, Search Party delivers opportunities to work with new customers, in a way that it can be profitable to operate at a reduced fee. Our view is that Recruiters should work with more businesses on a greater proportion of roles than they do currently. By making them cheaper, more customers, particularly SMEs, who can't afford full service recruitment fees and struggle to attract high quality direct candidates, have access to Recruiter services. By delivering very fast (~2 weeks on average), high quality hiring, Search Party improves profitability and productivity for Employer SME businesses and Recruiters servicing them.

Reducing employment costs and time-to-hire is also a priority for Enterprise customers, and whilst large corporates are not a focus, we have attracted large customers in each of our locations and will continue to offer enterprise services to large corporates.

Search Party currently has more than 500 Recruiters, 15 million candidate CVs, and more than 3,500 Employers in its three current operating locations (UK, Canada, Australia). Creation of a launch base of Recruiter and Employer partners for USA and Asia is in train for 2016.

Market Opportunity

Recruitment is a US\$300Bn revenue global industry and currently less than US\$9Bn transacted online (including all Job Boards, LinkedIn, and other online platforms). There is tremendous opportunity to use technology to do recruitment and sourcing more effectively, as demonstrated by the plethora of new innovation in the space.

Search Party believes that the Recruiter is key to speeding up and increasing quality of the recruitment outcome. Essentially we help the US\$300Bn traditional recruitment industry grow into new customers (SMEs) by reducing their fees and being more efficient. In the UK, Canada and Australia agencies place only ~20% of all vacancies (mostly with large companies), the remainder being placed through Job-Boards and other channels. By reducing the fee and TSP marketing directly to SMEs we enlarge the market opportunity, effectively growing the US\$300Bn.



Whilst others aim to dis-intermediate, we believe that making the intermediary (in our case a skilled recruiter) is key to making hires quickly, easily, and with high quality.

The Technology

Search Party has been innovating in recruitment since 2011 when the business was founded to develop end-to-end SAAS CRM and Payroll solution. The platform has been developed entirely in Australia and architected to be scalable from the start. TSP use best of breed technologies to facilitate various aspects of what they do. Since the very beginning TSP believed in Big Data and Machine Learning, and they have had a dedicated Data Science team since 2012. Collectively this enables TSP to process vast quantities of candidate data, make it usable, deal with anonymisation and Search in a way that others can't, and ensure they can deal with all the complexities involved in operating globally.

How it works

1. Recruiters advertise using their (anonymised) candidate data (TSP already have more than 500 Recruiters and more than 15 million candidate CVs in the UK, Canada and internationally).
2. Employers search and shortlist for their next employee in minutes using TSP data science. For them it's free to join and they only pay a fee they've agreed on hire (often less than half traditional Recruiter rates). TSP have more than 3,500 employers, growing consistently.
3. Recruiters screen and engage candidates as they usually do.
4. Employers interview and hire as they normally do, but 600% faster and 60% cheaper
5. Search party, as the marketplace that facilitates all transactions takes 20% of the recruiter's fee.

Why TSP is a unique opportunity

Online marketplaces are the single biggest opportunity to redefine how industries work (as demonstrated by Uber & AirBNB for example) and Search Party addresses the US\$300Bn recruitment industry, providing an opportunity for Recruiters to expand into servicing SME businesses. Search Party is an early stage global marketplace, founded in Australia, which (should the transaction proceed) will now list in Australia via the ALA transaction. It's a very rare investment opportunity in that typically these marketplaces are born in the USA. The Board and Management team are very high calibre, and TSP believe they have all the ingredients required to make this business a global success.



Schedule 2: Financial Effect of the Transaction

If the transaction completes, it is expected to have the effect on ALA's total assets, equity and revenue and profit as follows:

	Applabs Accounts (pre-acquisition) as at 31 December 2015 (unaudited)	Consolidated pro-forma accounts as at 31 December 2015 (unaudited)
Total Assets	\$3,942,174.26	\$7,352,174.26 ²
Total Liabilities	\$718,335.92	\$1,188,335.92

Applabs intends to focus on the digital recruitment market place of TSP post the merger and relisting. It will also proceed to sell listed investments which are not currently escrowed. As such revenue and profit will be a function of the TSP business and the fee take it accepts for use of its platform (typically 20%).

The TSP business generates revenue but currently its expenses are greater than its revenues given the early stage nature of the marketplace relative to the ultimate expected scale of the platform. Applabs therefore expects that losses will continue in the business until the scale grows per management's growth plans.

The pro-forma financial information above contains the following pro-forma adjustments:

1. Cash at bank in ALA of \$2,284,025.73 as at 31 December 2015, cash at bank in TSP of \$1,005,000.00 as at 31 December 2015.
2. Excluding intellectual property.

Note:

This information is unaudited and preliminary. Detailed information regarding the financial effect of the transaction will be contained in the further transaction documents that will be prepared and disclosed in due course including the target and bidders statement, the re-compliance prospectus and the notice of meeting.



Schedule 3: Bid Implementation Agreement

Bid Implementation Agreement

Applabs Technologies Limited (ACN 139 977 772)
(Bidder)

The Search Party Pty Ltd (ACN 149 006 913)
(Company)



This Agreement is made this

day of

2016.

Between

Applabs Technologies Limited (ACN 139 977 772) of Suite 7, 234 Churchill Avenue, Subiaco, WA 6008 (**Bidder**).

and

The Search Party Pty Ltd (ACN 149 006 913) of Level 1, 79 Commonwealth Street, Surry Hills, New South Wales, 2010 (**Company**).

Recitals

- A. The Bidder is proposing to make a Takeover Bid for all the Shares and the Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal.
- B. The parties have agreed to implement the Takeover Bid on the terms and conditions set out in this agreement.

The parties agree as follows:

1. Definitions, Interpretation and Governing Law

1.1 Definitions

In this agreement the following terms shall bear the following meanings:

Agreed Bid Terms means the terms and conditions set out in Schedule 1.

Announcement Date means the date of the announcement of the Takeover Bid by the Bidder.

ASIC means the Australian Securities and Investment Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this agreement.

ASX means ASX Limited ABN 98 008 624 691 or the exchange operated by it, as the context requires.

Bid Conditions means the conditions to the Takeover Bid included in section 3 Schedule 1.

Bidder Board means the board of directors of the Bidder as constituted from time to time.

Bidder Group means the Bidder and its related bodies corporate.

Bidder Material Adverse Change means between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (a) an event, change, condition, matter for thing occurs or will or is reasonably likely to occur;
- (b) information is disclosed or announced by the Bidder concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (c) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Company (whether or not becoming public),



(each of (a), (b) and (c) a **Bidder Specific Event**) which, whether individually or when aggregate with all such events, changes, conditions, matters of things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (d) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Bidder Group, taken as a whole; or
- (e) without limiting the generality of paragraph (d) above, the effect of a diminution in the value of the consolidated net assets of the Bidder Group, taken as a whole, by at least \$500,000 against what it would reasonably have been expected to have been but for such Bidder Specified Event,

other than:

- (f) an event, matter, change or circumstance caused, or materially contributed to, by the Company;
- (g) anything required or permitted to be done or not done under this agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid, the Prospectus Offer or the Re-Compliance Process;
- (h) any event, matter, change or circumstance:
 - (i) fairly disclosed by the Bidder to the Company or any Related Person of the Company;
 - (ii) disclosed in public filings by the Bidder to ASX or ASIC; or
 - (iii) otherwise known by the Company or any Related Person of the Company, at any time prior to the date of this agreement;
- (i) an event, matter, change or circumstance in or relating to :
 - (i) economic, business, regulatory or political conditions in general; or
 - (ii) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (iii) any change affecting the industry in which the Bidder operates generally;
- (j) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which the Bidder's insurers have agreed to pay; or
- (k) anything done with the prior written consent of the Company.

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

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

Bidder Shareholder Meeting means a meeting of Bidder Shareholders to consider and (if thought fit) approve the following resolutions (which will be conditional upon the passing of each other):

- (a) the change to the nature and/or scale of the Bidder's activities as a result of the Takeover Bid, for the purposes of Listing Rule 11.1.2;
- (b) the Prospectus Offer for the purpose of Listing Rule 7.1;

- (c) the change of the name of the Bidder to "The Search Party" or such other name as determined by the Company;
- (d) the election of the person appointed under clause 8.6 as Directors;
- (e) the issue of the Facilitation Securities;
- (f) approval for past issues of shares in the Bidder for the purposes of replenishing the Bidder's placement capacity under ASX listing rule 7.1 and/or 7.1A (if applicable); and
- (g) any other resolution that the Bidder reasonably requires, in consultation with the Company, for the purpose of implementing the transaction contemplated by this agreement.

Bidder's Statement means the bidder's statement to be prepared by the Bidder in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

Board means the board of Directors of the Company.

Break Fee means \$300,000.

Business Day means a day on which banks are open for business in Perth, other than a Saturday, Sunday or public holiday.

Company Group means the Company and its related bodies corporate.

Competing Proposal means:

- (a) in relation to the Company, a bona fide proposal or offer (other than the TSP Capital Raising) that, if successfully completed, would result in a person other than the Bidder or its associates:
 - (i) directly or indirectly acquiring a relevant interest or an economic interest in 15% or more of the Shares or of the share capital of any of the Company's related bodies corporate;
 - (ii) directly or indirectly acquiring control of the Company;
 - (iii) directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of the Company or any of its related bodies corporate; or
 - (iv) otherwise acquiring or merging with the Company; and
- (b) in relation to the Bidder (excluding the issue of the Placement and the Facilitation Securities), a bona fide proposal or offer that, if successfully completed, would result in a person other than the Company or its associates:
 - (i) directly or indirectly acquiring a relevant interest or an economic interest in 15% or more of the Bidder Shares or of the share capital of any of the Bidder's related bodies corporate;
 - (ii) directly or indirectly acquiring control of the Bidder; or
 - (iii) otherwise acquiring or merging with the Bidder;

whether by way of takeover offer, scheme of arrangement, shareholder-approved acquisition, capital reduction, buy back, sale or purchase of shares or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction or arrangement.

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

Corporations Act means the Corporations Act 2001 (Cth).

Current Assets means cash at bank, security deposits, accounts receivable and other assets (including the Bidder's shareholding in the Company) that are reasonably expected to be converted to cash within 12 months.

Director means a director of the Company.

Encumbrance means any mortgage, fixed or floating charge, pledge, lien, option right to acquire a security or to restrain someone from acquiring a security (including a right of pre-emption or right of first refusal), assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (including a "security interest" as defined under the Personal Property Securities Act 2009 (Cth), and any agreement to create any of the foregoing or allow any of the foregoing to exist.

Essential Bid Conditions means the Bid Conditions set out in paragraphs (a) to (g) in section 3 of Schedule 1.

Essential Bidder Resolutions means each of the resolutions referred to in the definition of Bidder Shareholder Meeting in this clause 1.1 (other than the resolution referred to in paragraph (c) of that definition).

Exclusivity Agreement means the no shop/no talk agreement dated on or about 7 December 2015 between the Bidder and the Company (which was extended by mutual agreement on 17 December 2015).

Exclusivity Period means the period from the date of this agreement until the end of the Offer Period or such other date as the Bidder and the Company agree in writing.

Executive Entitlement means payment by the Bidder to Patrick Glovac of all of his contractual entitlements for the termination of his executive services agreement, specifically including but not limited to:

- (a) payment in lieu of all accrued leave entitlements under clause 7.1 and 7.2 of the executive services agreement; and
- (b) payment of the full termination entitlements under clause 10.5(b)(ii) of the executive services agreement.

Facilitation Securities means:

- (a) up to 10,000,000 Bidder Shares; and
- (b) up to 30,000,000 Bidder options (being options to acquire Bidder Shares at \$0.15, exercisable at any time prior to 2 years after their date of issue),

to be issued by the Bidder to the Facilitators subject to the Bidder obtaining the necessary shareholder and regulatory approvals at the Bidder Shareholder Meeting.

Facilitators means third parties (some of who may be a Related Person of the Bidder) that have provided facilitation services to the Bidder for the purpose of the Takeover Bid.

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

Intellectual Property means the Company's intellectual property specified in Schedule 5.

Listing Rules means the official listing rules of ASX.

Minimum Acceptance Condition means the Bid Condition set out in paragraph (c) in section 3 of schedule 1.

Non-Executive Entitlement means payment by the Bidder to Rocco Tassone of all of his contractual entitlement for the termination of his non-executive services agreement,

specifically including payment of the full termination entitlements under clause 7.2(b)(ii) of his executive services agreement.

Notice of Bidder Shareholder Meeting means the notice of the Bidder Shareholder Meeting to be prepared by the Bidder in accordance with the Corporations Act and Listing Rules, to convene the Bidder Shareholder Meeting.

Offer means each offer to acquire Ordinary Shares made in connection with the Ordinary Share Offer.

Offer Period means the period that the Offer is open for acceptance.

Option means an option to acquire a Share in the Company.

Optionholder means a registered holder of Options.

Ordinary Share means an ordinary share in the capital of the Company.

Ordinary Share Offer has the meaning given in clause 2.1.

Ordinary Shareholder means a registered holder of Ordinary Shares.

Placement means the Bidder's proposed placement of the following securities:

- (a) up to 4,500,000 Bidder Shares at an issue price of \$0.10 per Bidder Share with one free attaching listed option in the Bidder for every Bidder Share issued (being up to 4,500,000 of the Bidder's current series of listed options); and
- (b) up to 2,000,000 Bidder Shares for nil consideration with one free attaching listed option in the Bidder for every Bidder Share issued (being up to 2,000,000 of the Bidder's current series of listed options) to consultants of the Bidder in lieu of services provided.

Prescribed Occurrences means those occurrences listed in section 652C of the Corporations Act.

Prospectus means the prospectus proposed to be issued by the Bidder in connection with the Prospectus Offer.

Prospectus Offers means the following:

- (a) an offer by the Bidder of not less than 10,000 Bidder Shares and, unless otherwise agreed by the Bidder and the Company, not more than 21,200,000 Bidder Shares, at \$0.10 per Bidder Share made pursuant to a prospectus prepared in accordance with Chapter 6D of the Corporations Act (before the costs of the Prospectus Offer);
- (b) an offer by the Bidder for the issue of the Facilitation Securities to the Facilitators; and
- (c) subject to the Company's consent (which must not be unreasonably withheld or delayed) any other offers that the Bidder requires for the purpose of facilitating the secondary trading of any of the Bidder's securities.

Re-Compliance Process means the process and actions undertaken by the Bidder to re-comply with Chapters 1 and 2 of the Listing Rules, including preparation of the Prospectus.

Record Date means the date set by the Bidder pursuant to section 633(2) of the Corporations Act.

related body corporate has the meaning given in section 50 of the Corporations Act.

Related Person means in relation to a party:

- (a) a related body corporate;
- (b) its advisers or an adviser of a related body corporate of that party; or

(c) an officer or employee of any entity referred to in Items 1 or 2 of this definition.
relevant interest has the meaning given in section 608 and 609 of the Corporations Act.

Security Interest has the same meaning as in section 51A of the Corporations Act.

Share means an Ordinary Share.

Shareholder means an Ordinary Shareholder.

Subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Superior Proposal means a Competing Proposal in relation to the Company that the Company's Board determines in good faith is:

- (a) reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; and
- (b) more favourable to Shareholders as a whole than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal.

Takeover Bid means the Ordinary Share Offer.

Target Recommendation Condition means the condition that the Bidder has Current Assets of at least \$1.5 million as at the date of the Bidder's Statement.

Target's Statement means the target's statement to be prepared by the Company in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.

Third Party means a party other than the Company, the Bidder and any of their Subsidiaries.

Timetable means the indicative timetable set out in Schedule 2.

TSP Capital Raising means the offer by the Company to subscribe for shares dated 12 November 2015 (being an offer of up to 252,441 fully paid ordinary shares at a price not less than \$19.81 per share to raise up to \$5 million and up to \$2 million in oversubscriptions).

Unacceptable Circumstances has the meaning set out in section 657A of the Corporations Act.

Unconditional means, subject to the Bidder complying with clause 4 of this agreement, the Bidder issuing a notice in accordance with section 630(3) of the Corporations Act, declaring that a Takeover Bid is free or freed (as the case may be) from all defeating conditions otherwise applicable to the Takeover Bid other than the Prescribed Occurrence Condition, subject to compliance with section 650F(1)(a) of the Corporations Act.

1.2 Interpretation

In this agreement:

- (a) headings are for convenience only and do not affect interpretation;
- (b) specifying anything after the words 'including', 'includes', 'for example' or any similar expression does not limit what else is included unless there is express wording to the contrary;
and unless the context indicates a contrary intention;
- (c) the expression 'person' includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;



- (d) a reference to any party includes that the party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes and substituted or additional trustee;
- (e) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (h) references to parties, clauses, schedules, exhibits or annexures and references to parties, clauses, schedules, exhibits and annexures to or of this agreement, and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) the word 'includes' in any form is not a word of limitation;
- (k) a reference to '\$' or 'dollar' is to Australian currency;
- (l) if any day appointed or specified by this agreement for the payment of any money or doing of any thing falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day.

2. The Takeover Bid

2.1 Making the Takeover Bid

The Bidder agrees to make an offer pursuant to an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all of the Ordinary Shares on terms and conditions no less favourable to Ordinary Shareholders than the Agreed Bid Terms (**the Ordinary Share Offer**).

2.2 Directors' recommendation and acceptance

The Company represents and warrants that:

- (a) the Board has met and considered the possibility of the Bidder agreeing to make the Takeover Bid; and
- (b) all of the Directors have informed the Company that they will:
 - (i) unanimously recommend that Shareholders accept the Offer to be made to them under the Takeover Bid in the absence of a Superior Proposal;
 - (ii) procure cancellation or the exercise of all Options so that they are converted into issued Shares on or before the close of the Offer Period; and
 - (iii) accept, or procure the acceptance of, the Offer in respect of any Shares, that they, or their associates, own or control.



2.3 Shares issued during the Offer Period

The Bidder agrees that, subject to section 617 of the Corporations Act, it will extend its Offer under the Ordinary Share Offer to all Ordinary Shares that are issued on completion of the TSP Capital Raising or exercise of Options prior to the close of the Offer Period.

2.4 Fractional entitlements

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

3. Public Announcement of Takeover Bid

Immediately after the execution and exchange of this agreement, the Bidder and the Company must issue a joint public announcement concerning the Takeover Bid substantially in the form set out in Schedule 6, or as otherwise agreed between the parties.

4. Facilitating the Takeover Bid

4.1 Bidder's Statement and Target's Statement

- (a) The Bidder will ensure that the Bidder's Statement (including any documentation dispatched together with the Bidder's Statement) is consistent with the Agreed Bid Terms and complies with all applicable legal requirements.
- (b) The Bidder will, to the extent practicable, give the Company a reasonable opportunity to review an advanced draft of the Bidder's Statement at least 5 Business Day before the Bidder is required to lodge the Bidder's Statement with ASIC, and will consult in good faith with the Company with respect to any comments the Company may have.
- (c) The Company will ensure that the Target's Statement (including any documentation dispatched together with the Target's Statement) complies with all applicable legal requirements.
- (d) The Company will, to the extent practicable, give the Bidder a reasonable opportunity to review an advanced draft of the Target's Statement at least 5 Business Days before the Company is required to lodge the Target's Statement with ASIC, and will consult in good faith with the Bidder in relation to any comments the Bidder may have.

4.2 Dispatch of the Offer

- (a) The Company agrees that the Offer and accompanying documents to be sent by the Bidder under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by the Bidder that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act.
- (b) Each party agrees to use reasonable endeavours to implement the Takeover Bid as quickly as reasonably permitted in the circumstances, having regard to the Timetable.
- (c) Provided that a Superior Proposal has not been received by the Company in the interim, each party agrees to use reasonable endeavours to send the Bidder's Statement and Target's Statement to the Shareholders together.

4.3 Access to information

Each party agrees to provide the other party, on a timely basis, with information that may be reasonably required to assist in the preparation of the Bidder's Statement and the Target's Statement (as applicable).

4.4 Promoting the Takeover Bid

- (a) During the Offer Period, in the absence of a Superior Proposal, the Board will support the Takeover Bid and participate in efforts reasonably required by the Bidder to promote the merits of the Takeover Bid, including meeting with key Shareholders, analysts, management, customers and press if requested to do so by the Bidder, but only to the extent that the Board has determined, in good faith and acting reasonably after receiving written legal advice from external lawyers, that it can comply with this clause 4.4 without breaching the Directors' fiduciary or statutory duties.
- (b) During the Offer Period, in the absence of a Superior Proposal and on the condition that the Target Recommendation Condition is satisfied, the Company agrees:
 - (i) to include in all public statements relating to the Takeover Bid (following the initial announcement of the Takeover Bid made pursuant to clause 3), a statement to the effect that:
 - (A) the Directors unanimously recommend that Shareholders accept the Offer to be made to them; and
 - (B) each Director intends to accept, or procure the acceptance of, the Offer made to them in respect of all Shares and exercise all Options they own or control;
 - (ii) not to make any public statement or take any other public action which would suggest that the Takeover Bid is not unanimously recommended by the Directors; and
 - (iii) to procure that the Directors do not withdraw their recommendations subsequently,

in each case, in the absence of a Superior Proposal and on the condition that the Target Recommendation Condition is satisfied.

4.5 Company assistance with Prospectus Offer

The Company will provide on a timely basis any assistance and information that is reasonably requested by the Bidder to enable the Bidder to complete the Prospectus Offer.

4.6 Bid Conditions

- (a) Subject to clause 4.6(c), each party must use all reasonable endeavours to satisfy the Bid Conditions as soon as practicable after the date of this agreement.
- (b) Subject to clause 4.6(c), each party agrees not to do, or omit to do, anything which will, or is likely to, result in any of the Bid Conditions being breached.
- (c) Nothing in this clause 4.6 prevents the Company or the Board from taking, or failing to take, action where to do otherwise would, in the opinion of the Board (determined in good faith), constitute a breach of the Directors' fiduciary or statutory duties.
- (d) Each party must promptly notify the other if it becomes aware that any Bid Condition has been satisfied. If any event occurs or becomes apparent which would cause

any of the Bid Conditions to be breached or cause satisfaction of them to be unreasonably delayed, each party must, to the extent that the party is actually aware of such information, immediately notify that other party of that event.

- (e) A reference in this clause 4.6 to a Bid Condition being breached includes a reference to the Bid Condition not being, or not being capable of being, satisfied.

4.7 No Independent Expert

The parties agree that an independent expert's report for the Target's Statement is not required by section 640 of the Corporations Act. The parties acknowledge and agree that the Company does not currently intend to commission the preparation of an independent expert's report for the Target's Statement.

4.8 Bidder Shareholder Approval Condition

- (a) The Bidder must use its best endeavours to procure the satisfaction of the Essential Bidder Resolutions.
- (b) Without limiting clause 4.8(a), the Bidder must take all necessary steps to:
- (i) prepare the Notice of Bidder Shareholder Meeting; and
 - (ii) call and convene the Bidder Shareholder Meeting to approve the Essential Bidder Resolutions.
- (c) Without limiting clause 4.8(a), the directors of the Bidder will recommend that Bidder Shareholders vote in favour of the Essential Bidder Resolutions at the Bidder Shareholder Meeting, subject to the directors of the Bidder, in good faith and acting reasonably forming the view that they cannot make the recommendation in clause 4.8(c) on the grounds it would be in breach of their fiduciary or statutory duties (including but not limited to any conflict of interest arising from being a related party or any other reason).

5. Takeover Bid – Variation and Waiver

5.1 Variation

Subject to clause 5.3, the Bidder may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act, provided that the varied terms and conditions are not less favourable to Shareholders than the Agreed Bid Terms.

5.2 Waiver of Bid Conditions and Extension

Subject to the Corporations Act and clause 5.3, the Bidder may declare the Takeover Bid to be free from any Bid Condition or extend the Takeover Bid at any time.

5.3 Essential Bid Conditions

The Bidder may only waive or vary an Essential Bid Condition with the prior written consent of the Company, not to be unreasonably withheld or delayed.

6. Escrow by ASX

The parties agree that any Bidder Shares issued to Facilitators under the Prospectus Offer and Shareholders on completion of the Takeover Bid may be the subject of escrow by ASX. The Company agrees to use its reasonable endeavours to procure execution of all necessary ASX escrow agreements as soon as is reasonably practicable.

7. Exclusivity

7.1 Exclusivity

- (a) In consideration of the Bidder having subscribed for 25,240 Shares under the TSP Capital Raising as announced on 17 December 2015, with effect from execution of this agreement, the parties agree to extend the term of the Exclusivity Agreement to the end of the Exclusivity Period.

7.2 No existing discussions

Each party represents and warrants that, other than the discussions with the other party in respect of the Takeover Bid, it is not as at the date of this agreement in negotiations or discussions in respect of any Competing Proposal with any person.

7.3 No Shop

During the Exclusivity Period, each party must not, and must ensure that each of its Related Persons does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any person; and
- (b) disclose or otherwise provide any material non-public information about the business or affairs of the Company Group to any person,
- (c) in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 7.3, but nothing in this clause 7.3 prevents either party from making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid.

7.4 Bidder Matching Right

Without limiting clause 7.2 during the Exclusivity Period, the Company:

- (a) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, the Company or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal; and
- (b) must use its best endeavours to procure that none of its Directors change their recommendation in favour of the Takeover Bid to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against either Takeover Bid),
unless:
- (c) the Board acting in good faith and in order to satisfy what the members of the board consider to be their statutory or fiduciary duties determines that the Competing Proposal would be or would likely to be an actual, proposed or potential Superior Proposal;
- (d) the Company has provided the Bidder with the material terms and conditions of the actual, proposed or potential Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Competing Proposal;

- (e) the Company has given the Bidder at least 5 Business Days after the date of the provision of the information referred to in clause 7.4(d) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and
- (f) the Company party has not announced a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 5 Business Day period in clause 7.4(e).

7.5 Cease discussions

Each party must cease any discussions or negotiations existing as at the date of this agreement relating to:

- (a) any actual, proposed or potential Competing Proposal; or
- (b) any transaction (other than the TSP Capital Raising) that would, or would reasonably be expected to, reduce the likelihood of success of either Takeover Bid.

7.6 Provision of information

During the Exclusivity Period, each party must as soon as possible provide the other party with:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, written statement of, any material non-public information about its business or affairs disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Proposal that has not previously been provided to the other party.

8. Other Obligations During the Offer Period

8.1 Conduct of the Company During Offer Period

Until the end of the Offer Period:

- (a) the Company must, and must procure that each of its related bodies corporate:
 - (i) conduct their business in its usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency; and
 - (ii) preserve and maintain the value of their business and assets, and their relationships with customers, suppliers, employees and others with whom they have business dealings; and
- (b) the Company must not issue any Shares except as a consequence of the TSP Capital Raising or on the exercise of Options.

8.2 Conduct of Bidder During Offer Period

Until the end of the Offer Period:

- (a) the Bidder must comply with its obligations under the Part 6.9 of the Corporations Act;
- (b) the Bidder must, and must procure that each of its related bodies corporate, conduct its business in its usual and ordinary course and on a basis consistent with past

practice or as may be required in order to satisfy a specific requirement of a Government Agency;

- (c) the Bidder must not, and must procure that each of its related bodies corporate do not, incur or commit to incur an amount of capital expenditure in excess of \$100,000 other than capital expenditure in the day to day operating activities of the business of the Bidder and its subsidiaries conducted in the same manner as before the Announcement Date;
- (d) the Bidder must not, and must procure that each of its related bodies corporate do not:
 - (i) acquire, offer to acquire or agree to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than \$100,000;
 - (ii) enter into, agree to enter into or announce any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
 - (A) requires payments, expenditure or the foregoing of revenue by any member of the Bidder Group of an amount in excess of \$100,000 on any individual basis; or
 - (B) is material in the context of the Bidder Group and is not in the ordinary course of business;
 - (iii) enter into or agree to enter into, terminate or agree to terminate a contract, commitment or arrangement for the provision of services or a licence to a Third Party that is a new or existing customer that results in any member of the Bidder Group incurring costs greater than \$100,000 on an individual basis or, in aggregate, exceeds \$100,000 for the entire term of such contract, commitment or arrangement;
 - (iv) provide or agree to provide financial accommodation or a guarantee for any amount greater than \$100,000, or receive financial accommodation for any amount greater than \$100,000;
 - (v) enter into, amend, or agree to enter into or amend, any material contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of Bidder (except for the anticipated sublease arrangement to be entered into by the Bidder which has been disclosed to the Company prior to the date of this agreement, payment of the Executive Entitlement and the payment of the Non-Executive Entitlement);
 - (vi) incur, agree to incur or bringing forward the time for incurring, or granting to a third party a right the exercise of which would involve any member of the Bidder Group incurring or agreeing to incur an amount of capital expenditure in excess of \$100,000;
 - (vii) enter or agree to enter into any agreement in respect of the employment or engagement of a person in a managerial or executive office (as that expression is defined in the Corporations Act);
 - (viii) alter or agree to alter the terms of employment or benefits of any employee of the Bidder Group;
 - (ix) engage in any conduct that would or is reasonably likely to result in a Bidder Material Adverse Change;



- (x) announce, make, declare or pay any distribution to its shareholders (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie); and
- (e) the Bidder must ensure that no Prescribed Occurrences occur in relation to any member of the Bidder Group; and
- (f) the Bidder must ensure that the Target Recommendation Condition is satisfied as at the date of the Bidder's Statement.

8.3 Notification

Each party must promptly notify the other party in writing if it becomes aware of a matter which is a breach of or inconsistent with clause 8.1 or 8.2.

8.4 Permitted Conduct

The obligations of the parties under clause 8.1 and 8.2 do not apply in respect of:

- (a) any matter required to be done or procured by the other party pursuant to, or which is otherwise contemplated by, this agreement, the Prospectus Offer or the Re-Compliance Process;
- (b) any matter which has been fairly disclosed by the Bidder to the Company or by the Company to the Bidder respectively prior to the date of this agreement;
- (c) any matter which is required to be done by law or be an order of a court or a Government Agency; and
- (d) any matter the undertaking of which the other party has approved in writing (which approval must not be unreasonably withheld or delayed).

8.5 Intellectual Property

The Company covenants and agrees that, during the Offer Period:

- (a) it shall not, other than with the prior written consent of the Bidder:
 - (i) sell, assign or dispose of any legal or beneficial interest in any of the Intellectual Property; or
 - (ii) create or permit the creation of any Encumbrance over any of the Intellectual Property;
- (b) it shall maintain and renew its existing Intellectual Property under applicable intellectual property laws to the extent required to keep the Intellectual Property in good standing; and
- (c) promptly pass to Bidder any notice or communication from any Government Agency or third party in any way affecting or potentially affecting the Intellectual Property.

8.6 Company Representation on the Bidder Board

Subject to the Minimum Acceptance Condition being satisfied, the Bidder must, as soon as is practicable thereafter, take all actions necessary to ensure:

- (a) the appointment of Benjamin Hutt, Joshua Rogers, Paul Bird and Trevor Loewensohn as directors of the Bidder, subject to the receipt of necessary consents from the individuals to act as directors of the Bidder;

- (b) the termination of Rocco Tassone and Patrick Glovac from their roles as directors on the Bidder's Board (for the avoidance of doubt, Charles Thomas, will continue to on the Bidder's Board after the completion of the Takeover Bid on the terms of his current non-executive services agreement dated 9 September 2015, with such terms to be reviewed in accordance with the terms of the non-executive services agreement; and
- (c) it pays the Executive Entitlement and the Non-Executive Entitlement, with effect from the date of the Offer becoming Unconditional (or such later date as agreed by Bidder and the Company).

9. Confidentiality

9.1 Confidentiality Agreement

- (a) The Company releases the Bidder from its confidentiality obligations owed to the Company under the Exclusivity Agreement to the extent necessary for the Bidder to make the Takeover Bid provided always that the Bidder consults with the Company regarding the form and content of any proposed disclosure of Company confidential information and takes all reasonable steps to restrict that disclosure to the maximum extent possible.
- (b) The Bidder releases the Company from its confidential obligation owed to the Bidder under the Exclusivity Agreement to the extent necessary for the Company to issue the Target's Statement provided always that the Company consults with the Bidder regarding the form and content of any proposed disclosure of the Bidder confidential information and takes all reasonable steps to restrict that disclosure to the maximum extent possible.
- (c) Each party acknowledges and agrees that, except as provided for in clause 9.1(a) and (b), it continues to be bound by the Exclusivity Agreement in respect of all information received by it from the other party before or after the date of this agreement.

9.2 Public Announcements

Subject to clauses 4 and 9.3:

- (a) a party must not make any public announcement of a transaction undertaken in connection with the Takeover Bid without reasonable consultation with the other party other than in a form approved by both parties;
- (b) a party must not make any submission to ASX or ASIC without reasonable consultation with the other party; and
- (c) each party must use all reasonable endeavours to provide the approval and constructively participate in the consultation contemplated by the above sub-clauses as soon as practicable.

9.3 Required disclosure

Where a party is required by law or any Listing Rules to make any announcement or make any disclosure relating to or connected with the Takeover Bid, it must immediately notify the other party of the actual or anticipated requirement and use its best endeavours (without breach of applicable law) to delay and withhold disclosure until the other party has had a reasonable opportunity to oppose disclosure by lawful means.

9.4 Survival of obligations

The rights and obligations of the parties in respect of confidentiality under:

- (a) this clause 9; and
- (b) the Exclusivity Agreement,
- (c) survive termination of this Agreement for a period of two years.

10. Warranties

10.1 Mutual Warranties

Each party represents and warrants to the other that, as at the date of this agreement and until the close of the Offer Period:

- (a) it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) it has full power and capacity to enter into and perform its obligations under this agreement;
- (c) this agreement has been duly executed and is a legal, valid and binding agreement, enforceable against the party in accordance with its terms;
- (d) all necessary authorisations for the execution, delivery and performance by it of this agreement in accordance with its/their terms have been obtained;
- (e) it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this agreement or the transaction contemplated by it;
- (f) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it, for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets; and
- (g) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement.

10.2 Company Warranties

- (a) In addition to the warranties set out in clause 10.1, the Company represents and warrants that as at the date of this agreement:
 - (i) the information contained in Schedule 3 is complete and accurate, and there are no other securities on issue, or that might be issued as a result of the exercise of any Options, convertible securities or other rights, nor has it offered or agreed to issue any such shares, securities, options, convertible securities or other rights to any party;
 - (ii) there is no Encumbrance (of whatsoever nature) over any assets of the Company Group other than as disclosed on the Personal Property Securities Register; and
 - (iii) it has, so far as it is aware, fairly disclosed to the Bidder all material information in relation to the Company and its business that could

reasonably be expected to be material to the Bidder's assessment of the Company in relation to the Takeover Bid, and has not knowingly withheld any material information or disclosed to the Bidder any information that is misleading or deceptive in any material respect.

- (b) For the purposes of clause 10.2(a)(iii), the Company will be deemed to know or be aware of a particular fact, matter or circumstance if the Company or a Director or officer of the Company is actually aware of that fact, matter or circumstance as at the date of this agreement.

10.3 Bidder Warranties

- (a) In addition to the warranties set out in clause 10.1, the Bidder represents and warrants that as at the date of this agreement:
- (i) the Bidder Shares to be issued to Shareholders under the Takeover Bid will be fully paid, and (subject to clause 6) issued free from any Encumbrances or other third party interests;
 - (ii) other than the approvals referred to in defeating condition to the Agreed Bid Terms set out in paragraph 3(a), (d) and (g) of Schedule 1, no approvals are required to be obtained by the Bidder under any law, rule or regulation (including under the Listing Rules) to perform and observe its obligations under this agreement and to consummate the transaction contemplated by this agreement;
 - (iii) the information contained in Schedule 4 is complete and accurate as at the date of this agreement, and there are no other shares or other securities on issue, or that might be issued as a result of the exercise of any options, convertible securities or other rights, nor has it offered or agreed to issue any such shares, securities, options, convertible securities or other rights to any party (except the Placement and the Facilitation Securities);
 - (iv) it will have as at the date of the Bidder's Statement, Current Assets of at least \$1.5 million;
 - (v) it is not in breach of its continuous and periodic disclosure obligations under the Corporations Act and the Listing Rules and is not relying on the carve out in Listing Rule 3.1A to withhold any information from public disclosure (other than in respect of the Offer);
 - (vi) it has, so far as it is aware, fairly disclosed to the Company all material information in relation to the Bidder and its business that could reasonably be expected to be material to the Company's assessment of the Bidder in relation to the Takeover Bid, and has not knowingly withheld any material information or disclosed to the Company any information that is misleading or deceptive in any material respect;
- (b) For the purposes of clause 10.3(a)(vi), the Bidder will be deemed to know or be aware of a particular fact, matter or circumstance if the Bidder or one of its directors or officers is actually aware of that fact, matter or circumstance as at the date of this agreement.

10.4 Reliance on Representations and Warranties

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for the representations or inducements expressly set out in this agreement.

- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.
- (c) Each party acknowledges and confirms and clauses 10.4(a) and 10.4(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX.

10.5 Notification

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes a breach of any of the representations and warranties given by it under this clause 10.

10.6 Release of Officers

- (a) Subject to the Corporations Act, none of the Directors or officers of the Company will be liable for anything done or purported to be done in connection with the Takeover Bid or any transaction contemplated by this agreement, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including omission) or bad faith on the part of such person. The Company receives and holds the benefit of this clause as agent for its Directors and officers.
- (b) Subject to the Corporations Act, none of the directors or officers of the Bidder will be liable for anything done or purported to be done in connection with either Takeover Bid or any transaction contemplated by this agreement, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including omission) or bad faith on the part of such person. The Bidder receives and holds the benefit of this clause as agent for its directors and officers.

11. Termination

11.1 Termination Rights

Either party may terminate this agreement by written notice to the other party if at any time after the date on which the Takeover Bid is announced under clause 3 and before the end of the Offer Period:

- (a) if:
 - (i) the Board has received a Superior Proposal; and
 - (ii) the Board withdraws or adversely modifies the Board's recommendation in relation to the Takeover Bid and concurrently approves or recommends the implementation of the Superior Proposal;
- (b) the other party is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (c) a representation or warranty given by the other party under clause 10 is or becomes untrue in any material respect and the breach of the representation or warranty is of a kind that, had it been disclosed to the first party before its entry into this

agreement, could reasonably be expected to have resulted in that first party either not entering into this agreement or entering into it on materially different terms;

- (d) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits either Takeover Bid, and the action is final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or
- (e) the Company has received a Superior Proposal and pursuant to that Superior Proposal the proponent of the Superior Proposal becomes entitled to or increases its entitlement to more than 50% of the voting power (as defined in the Corporations Act) in the Company;
- (f) the Bidder lawfully withdraws the Takeover Bid or for any reason the Takeover Bid lapses, including non-satisfaction or waiver of any of the Bid Conditions to the Takeover Bid; or
- (g) if the Company has not prior to the end of the Offer Period lawfully effected the cancellation and/or exercise of all of its Options and issued all necessary Shares in respect of the exercise of such Options.

11.2 Company Specific Termination Rights

The Company may terminate this agreement by written notice to the Bidder at any time after the date of this agreement and before the end of the Offer Period if a Bidder Material Adverse Change occurs.

11.3 Effect of Termination

If this agreement is terminated by a party under this clause 11:

- (a) each party will be released from its obligations under this agreement, except its obligations under clauses 9.2(c), 11, 12, and 15.1;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

12. Break Fee

12.1 Payable by the Company

The Company undertakes to the Bidder that if before the last day of the Offer Period, this agreement is terminated by:

- (a) the Bidder under:
 - (i) clause 11.1(a), other than as a result of:
 - (A) a breach by the Bidder of clauses 4.8, 7.2, 7.3 or 8.2(f);
 - (B) the occurrence of a Bidder Material Adverse Change that is material in the context of the Takeover Bid; or
 - (C) Bid Condition 3(a) not being satisfied and not being waived (where the failure to satisfy or waive Bid Condition 3(a) is not due to a material breach of this agreement or contributed to by the Company),

resulting in the Bidder being unable to make, or complete, the Offer;
or

- (ii) clause 11.1(b);
- (b) the Bidder or the Company under clause 11.1(e); or
- (c) the Bidder pursuant to a breach of a representation or warranty given by the Company pursuant to clause 11.1(c);

then the Company must pay to the Bidder the Break Fee with 5 Business Days of receipt of notice in accordance with this agreement.

12.2 Acknowledgement

The parties agree and acknowledge that the Break Fee shall not be payable where the Bidder is entitled to terminate this agreement in accordance with clause 11.1(f).

13. Composition of break fees and limitation on liabilities

13.1 Composition acknowledgement

- (a) The parties acknowledge that each party will suffer significant costs and losses if the parties enter into this agreement and the Takeover Bid is subsequently not implemented. These costs include:
 - (i) advisory costs, legal costs, costs of increased advertising expenditure, costs of management and directors' time;
 - (ii) costs of any other steps that the Bidder could have taken to further its business objectives on a stand-alone basis (or taking different steps in relation to any of those matters from those it could have taken on a stand-alone basis);
 - (iii) costs of not pursuing alternative acquisitions or strategic initiatives;
 - (iv) reputational costs associated with a failed action and the implications of those costs in the event either party seeks to execute alternative acquisitions in the future;
 - (v) costs of the uncertainty and possible long-term harm to the trading price of the party's securities; and
 - (vi) costs with respect to the Bidder's commitment fees and other financing costs.
- (b) Each party acknowledges that the costs outlined in sub-clause (a) above are difficult to calculate and that the specified break fee in clause 12 represents a fair and reasonable estimate of those costs. Each party acknowledges that the Bidder has requested the inclusion of clause 12 and that the parties would not otherwise have entered into this agreement to participate in the Takeover Bid. Each party believes that the Takeover Bid will provide significant benefits to that party and its shareholders and that it is appropriate to agree to inclusion of clause 12 in order to secure those benefits.

13.2 Reduction of break fee

If it is determined by the Takeovers Panel or a court that all or any part of the Break Fee (Disallowed Amount):

- (a) is unlawful;
 - (b) involves a breach of the duties of the directors of the Company; or
 - (c) constitutes unacceptable circumstances,
- then:
- (d) the Company's obligation under clause 12 does not apply to the extent of the Disallowed Amount; and
 - (e) if the Bidder has received the Disallowed Amount, the Bidder must refund to it the Company within 5 Business Days of the final determination.

13.3 No further liability

- (a) Despite any other provision in this agreement, the payment of the break fee set out in clause 12 represents the sole and absolute liability of the Company under or in connection with this agreement upon termination of this agreement pursuant to the clauses referred to in clause 12 and, other than the payment required under that clause, no further damages, fees, expenses or reimbursements of any kind are payable by the Company under or in connection with this agreement.
- (b) If this agreement is terminated by either party pursuant to clause 11.1(d), no damages, fees, expenses or reimbursement of any kind are payable by either the Company or the Bidder under or in connection with this agreement.

14. GST

14.1 Interpretation

In this clause 14, a word or expression defined in the *A New tax System (Goods and Services Tax) Act 1999* (Cth) had the meaning given to it in that Act.

14.2 GST Gross Up

- (a) Subject to clause 14.2(b), if a party makes a supply under or in connection with this agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 14.2 (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 14.2(a) does not apply to any consideration that is expressed in this agreement to be inclusive of GST.

14.3 Reimbursement and Indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 14.2.

14.4 Tax Invoice

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

15. General

15.1 Notices

- (a) Any notice or other communication including, but not limited to, any request, demand, consent or approval, to or by a party to this agreement:
- (i) must in legible writing and in English addressed as shown below:
 - (A) If to the Bidder:
 - Address: Suite 7, 234 Churchill Court, Subiaco, WA 6008
 - Attention: Charles Thomas
 - Email: Charles@applabs.com.au
 - (B) If to the Company:
 - Address: Level 1, 79 Commonwealth Street, Surry Hills, New South Wales, 2010
 - Attention: Jason Shephard
 - Email: jason@thesearchparty.comor as specified to the send to the other Parties by notice;
 - (ii) where the sender is a company, must be signed by an officer or under the common seal of the sender;
 - (iii) is regarded as being given by the sender and received by the addressee:
 - (A) is by delivery in person, when delivered to the addressee;
 - (B) if by post, 3 Business Days from and including the date of postage; or
 - (C) is by email, when received by the addressee's server, but if the delivery or receipt is on a day that is not a Business Day or is after 5.00pm (addressee's time) it is regarded as received at 9.00 am on the following Business Day; and
 - (iv) can be relied on by the addressee and the addressee is not likely to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) In this clause 15.1, reference to an addressee includes a reference to an addressee's officers, agents or employees.

15.2 Governing Law and Jurisdiction

- (a) This agreement is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the exclusive jurisdiction if courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party

irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

15.3 Duty, Costs and Expenses

- (a) The Bidder must pay all stamp duty in respect of the execution, delivery and performance of any transaction evidenced by this agreement.
- (b) Except as otherwise provided in this agreement, each party must pay its own legal costs and expenses in respect of the negotiation, preparation, execution, delivery and completion of this agreement.

15.4 Invalidity and Enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 15.4(a) does not apply where enforcement of the provision of this agreement in accordance with clause 15.4(a) would materially affect the nature or effect of the parties' obligations under this agreement.

15.5 Waivers and Variation

- (a) A provision or, or a right, discretion or authority created under, this agreement may not be:
 - (i) waived except in writing signed by the party granting the waiver; and
 - (ii) varied except in writing signed by the parties.
- (b) A failure or delay in exercise, or partial exercise, or power, rights, authority, discretion or remedy arising from a breach of, or default under this agreement does not result in a waiver or that right, power, authority, discretion or remedy.

15.6 Assignment of Rights

- (a) Rights arising out of or under this agreement are not assignable by a party without the written prior consent of the other party.
- (b) A breach of clause 15.6(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 15.6(b) does not affect the construction of any other part of this agreement.

15.7 Further Assurances

Each party must do all things and execute all further documents necessary to give full effect to this agreement.

15.8 Counterparts

This agreement may be executed in any number of counterparts.

15.9 Severability

Any provision in this agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without

affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

15.10 Attorneys

Each of the attorneys executing this agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

15.11 Time is of the Essence

Time is of the essence of this agreement.

15.12 Entire Understanding

- (a) This agreement and the Exclusivity Agreement contain the entire understanding between the parties as to the subject matter of this agreement. To the extent of any inconsistency between them, this agreement prevails.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this agreement are merged in and superseded by this agreement (and the Exclusivity Agreement) and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this agreement; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

15.13 Relationship of Parties

This agreement is not intended to create a partnership, joint venture or agency relationship between the parties.



Schedule 1 – Agreed Terms

1. Consideration

The consideration under the Ordinary Share Offer is 198.1 Bidder Shares for every Ordinary Share held.

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

The Bidder will apply to the ASX for the quotation Bidder Shares within 7 days of serving the Bidder's Statement on the Company.

2. Offer Period

1 month from the date of the Offer, unless extended in accordance with the Corporations Act.

3. Bid Conditions

(a) Approval of Essential Bidder Resolutions

Bidder Shareholders approve the Essential Bidder Resolutions in accordance with the Corporations Act, the Listing Rules and the constitution of the Bidder before the end of the Offer Period.

(b) Prospectus Offers Conditions

The Prospectus Offers close and, as at the close of the Prospectus Offers, the Bidder receives or becomes entitled to receive, in immediately available funds, gross proceeds of no less than \$1,000 (before the costs of the Prospectus Offers) as a result of subscriptions made under the Prospectus Offers.

(c) Minimum Acceptance

At the end of the Offer Period the Bidder has a relevant interest in at least 90% of the Ordinary Shares then on issue and is entitled to proceed to compulsory acquisition of all outstanding Ordinary Shares under the Corporations Act.

(d) ASX Consent to Re-Admission

The Bidder receives from ASX written confirmation that ASX will terminate the suspension of Bidder Shares from official quotation, subject to the satisfaction of such terms and conditions (if any) as are prescribed by ASX or the Listing Rules and such conditions being capable of being satisfied.

(e) Conversion or Cancellation of Options

All Options in the Company being validly converted into issued Shares or otherwise cancelled as soon as possible and in any event before the end of the Offer Period.

(f) Successful completion of the TSP Capital Raising

The Company raising and receiving valid applications from existing shareholders, underwriters or other third parties for not less than AUD\$2 million under the TSP Capital Raising at an issue price of not less than AUD\$19.81 per Share and issuing all such Shares applied for under the TSP Capital Raising.

(g) Regulatory Approvals

Before the end of the Offer Period, all approvals or consents that are required by law or by any Government Agency or any other regulatory third party as are necessary to permit:

- (i) the Offer to be lawfully made to and accepted by the Shareholders;
- (ii) the transactions contemplated by the Bidder's Statement to be completed; and

(iii) the Company to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(h) **No Regulatory Action and Consents**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect preliminary or final decision, order or decree issued by any Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by the Bidder or any associate of the Bidder),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion or any transaction contemplated by the Bidder's Statement or which requires the divesture by the Bidder of any Shares or any material assets of the Company or any subsidiary of the Company.

(i) **No Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (ii) information disclosed or announced by the Company concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (iii) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Bidder (whether or not becoming public),

(each of (i), (ii) and (iii) a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (iv) a material adverse effect of the business, assets, liabilities, financial or trading position, profitability or prospects of the Company Group taken as a whole; or
- (v) without limiting the generality of clause 3(i)(iv), the effect of a diminution in the value of the consolidated net assets of the Company Group, taken as a whole, by at least \$500,000 against what it would reasonably have been expected to have been but for such a Specified Event,

other than:

- (vi) an event, matter, change or circumstance caused, or materially contributed to, by the Bidder;
- (vii) anything required or permitted to be done or not done under this agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
- (viii) any event, matter, change or circumstance:

- (A) fairly disclosed by the Company to the Bidder or any Related Person of the Bidder;
 - (B) disclosed in public filings by the Company to ASX or ASIC; or
 - (C) otherwise known by the Bidder or any Related Person of the Bidder, at any time prior to the date of this agreement:
- (ix) an event, matter, change or circumstance in or relating to:
 - (A) economic, business, regulatory or political conditions in general;
 - (B) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (C) any change affecting the industry in which the Company operates generally;
 - (x) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which the Company's insurers have agreed to pay; or
 - (xi) anything done with the prior written consent of the Bidder.
- (j) **Capital Expenditures**
- Between the Announcement Date and the end of the Offer Period (each inclusive), the Company does not incur or commit to incur without the prior written consent of the Bidder an amount of capital expenditure in excess of \$100,000 other than:
- (i) capital expenditure incurred on existing projects in which the Company has an interest as at the Announcement Date; or
 - (ii) capital expenditure contained in the annual budgets disclosed to the Bidder prior to the date of this agreement or in the day to day operating activities of the business of the Company and its subsidiaries conducted in the same manner as before the Announcement Date.
- (k) **No Litigation on Foot or Pending**
- Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against the Company which may reasonably result in a judgement or \$50,000 or more is commenced, is threatened to be commenced, is announced, or is made known to the Bidder (whether or not becoming public) or the Company, other than that which is in the public domain as at the Announcement Date.
- (l) **Equal Access**
- Between the Announcement Date and the end of the Offer Period, the Company promptly, and in any event within 2 Business Days, provides to the Bidder a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to the Company or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by the Company or any of its directors, officers, agents or representatives to any person other than the Bidder, other than in the ordinary course or ordinary business, for the purposes of soliciting encouraging or facilitating any proposal with respect to:
- (i) a takeover bid for, or scheme of arrangement proposed by, the Company, under the Corporations Act;
 - (ii) the acquisition by that person or an associate of substantially all the assets and operations of the Company; or
 - (iii) any transaction having a similar economic effect.
- (m) **No Prescribed Occurrences**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in sections 652C of the Corporations Act) happen:

- (i) the Company converting all or any of the Shares into a larger or smaller number of the shares under section 254H of the Corporations Act;
- (ii) the Company or a subsidiary of the Company resolving to reduce its share capital in any way;
- (iii) the Company or subsidiary of the Company entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) the Company or a subsidiary of the Company making an issue of Shares (other than the issue of Shares pursuant to the TSP Capital Raising or the issue of Shares on the exercise of Options) or granting an option over the Shares or agreeing to make such an issue or grant such an option;
- (v) the Company or a subsidiary of the Company issuing, or agreeing to issue, convertible notes;
- (vi) the Company or a subsidiary of the Company disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) the Company or a subsidiary of the Company granting or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (viii) the Company or a subsidiary of the Company resolving that it be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of the Company or of a subsidiary of the Company;
- (x) the making of an order by a court for the winding up of the Company or of a subsidiary of the Company;
- (xi) an administrator of the Company or of a subsidiary of the Company being appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) the Company or a subsidiary of the Company executing a deed of company arrangement; or
- (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole or a substantial part, of the property of the Company or of a subsidiary of the Company.

(n) **No Distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), the Company does not announce, make, declare or pay any distribution to its Shareholders (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(o) **Escrow**

Each Shareholder entering into such form of restriction agreement in respect of Bidder Shares issued to them on completion of the Takeover Bid (as applicable) as ASX may require.

Schedule 2 – Indicative Timetable

Event	Date
Joint announcement of Takeover Bid	18 January 2016
Draft Notice of Bidder Shareholder Meeting lodged with ASX/ASIC	12 February 2016
Bidder lodges Bidder's Statement with ASIC and serves it on Company	12 February 2016
Company lodges Target's Statement with ASIC and serves it on Bidder	12 February 2016
Offer Period commences (begin dispatch of Bidder's Statement and Target's Statement to Shareholders)	26 February 2016
Completion of joint dispatch of Bidder's Statement and Target's Statement and Notice of Bidder Shareholder Meeting to Shareholders	29 February 2016
Prospectus lodged with ASIC	29 February 2016
Bidder holds Bidder Shareholder Meeting	29 March 2016
Bidder to issue notice under section 630(3) (unless Offer Period extended beforehand)	29 March 2016
End of Offer Period	5 April 2016
Anticipated date for re-instatement to trading on ASX	12 April 2016



Schedule 3 – Company's Capital Structure

Number	Class	Consideration to the offered under the Offer
1,086,848*	Ordinary Shares	198.1 Bidder Shares for every Ordinary Share held
206,892	Options issued under the Company's Employee Option Plan Rules to acquire Ordinary Share, exercise price \$11.88 (ESOP Options)	Not Applicable^
930	Options to acquire Ordinary Share, exercise price \$215.20, expiry date 10 July 2022 (Seed A Options)	Not Applicable#

* As at the date of this deed, the Company has the right under the TSP Capital Raising to issue up to an additional 272,173 Ordinary Shares. The Offer will be extended pursuant to clause 2.3 to all additional shares issued under the TSP Capital Raising (up to the additional 272,173 Ordinary Shares), with 198.1 Bidder Shares to be offered for every Ordinary Share held.

^ It is expected that all ESOP Options will be exercised prior to the expiry of the Option Period. The Offer will be extended pursuant to clause 2.3 to all Ordinary Shares issued on exercise of the ESOP Options, with 198.1 Bidder Shares to be offered for every Ordinary Share held.

It is expected that all these Seed A Options will be cancelled for nil consideration prior to the expiry of the Option Period.

Schedule 4 – Bidder's Capital Structure

Number	Class
50,561,754	Bidder Shares
42,119,920	Listed options, exercisable at \$0.25, expiry date 21 May 2016

Note: The capital structure of the Bidder outlined above:

- (a) includes the maximum number of shares and options issued under the Placement; and
- (b) does not include the Facilitation Securities to be issued subject to the Bidder obtaining shareholder approval.



Schedule 5 – Intellectual Property

General

1. Software as a service (**SAAS**) application for provision of Recruitment Tools for Recruiters enabling: customer relationship management, CV parsing, skills extraction, invoicing, search, job-posting.
2. SAAS application for The Recruitment Marketplace for recruiters allowing: extraction of candidate data from recruitment company CRM databases, anonymisation, deduplication of these records, which are then made searchable to employers via their own accounts.
3. SAAS application for The Recruitment Marketplace for employers allowing: searching and identification of candidates for vacancies, commercial facilitation of negotiation and communication with recruitment agencies throughout the recruitment process.

Domain Names

Domain Name	TLD	Expiration Date
advisors.jobs	.jobs	11/15/2016
ASEARCHPARTY.COM	.com	9/15/2018
jobadvisor.com.au	.com.au	2/4/2018
PSSST.NET	.net	8/8/2016
SEARCH-PARTY.COM	.com	12/10/2016
SEARCH-PARTY.INFO	.info	8/17/2016
SEARCH-PARTY.MOBI	.mobi	8/17/2016
SEARCHBEACON.COM.AU	.com.au	1/21/2016
SEARCHPARTY.CAREERS	.careers	8/10/2016
SEARCHPARTY.COM.AU	.com.au	9/3/2016
SEARCHPARTY.COMPANY	.company	8/10/2016
SEARCHPARTY.EMAIL	.email	8/10/2016
SEARCHPARTY.JOBS	.jobs	3/23/2017
SEARCHPARTY.ME	.me	7/30/2017
SEARCHPARTY.MEDIA	.media	8/10/2016
SEARCHPARTY.MOBI	.mobi	8/17/2016
SEARCHPARTY.SERVICES	.services	10/3/2016
SEARCHPARTYHOLDINGS.COM	.com	4/18/2018
SEARCHPARTYMAIL.COM	.com	9/30/2016
SEARCHPARTYMAIL.NET	.net	9/30/2016
SEARCHPARTYSERVICES.COM	.com	9/2/2016
TALENTPARTY.CO.UK	.co.uk	4/8/2024
TALENTPARTY.COM	.com	6/29/2017
TALENTPARTY.INFO	.info	4/15/2016
TALENTPARTY.SERVICES	.services	10/3/2016
TALENTPARTYIN.COM	.com	1/21/2017
TALENTPARTYPEOPLE.COM	.com	1/21/2017
TALENTPARTYSERVICES.CO.UK	.co.uk	10/3/2016
TALENTPARTYSERVICES.COM	.com	10/3/2016
TEMPURER.COM	.com	5/8/2022
TEMPURER.NET	.net	9/18/2016
THESEARCHBEACON.COM	.com	1/21/2019
THESEARCHBEACON.COM.AU	.com.au	1/21/2016

THESEARCHLIGHT.COM.AU	.com.au	1/21/2016
THESEARCHPARTY.CO	.co	9/19/2016
THESEARCHPARTY.CO.UK	.co.uk	9/20/2016
THESEARCHPARTY.COM	.com	1/7/2018
THESEARCHPARTY.MOBI	.mobi	9/20/2016
THESEARCHPARTY.SERVICES	.services	10/3/2016
THESEARCHPARTYIN.COM	.com	1/21/2017
THESEARCHPARTYPEOPLE.COM	.com	1/21/2017
THETALENTPARTY.CO.UK	.co.uk	4/8/2024
THETALENTPARTY.COM	.com	4/8/2024
TRACEYSHARP.COM	.com	9/2/2016
TSP.BUZZ	.buzz	3/9/2017
TSP.MEDIA	.media	3/10/2017
WHEREISTRACEYSHARP.CO.UK	.co.uk	10/27/2016
WHEREISTRACEYSHARP.COM	.com	9/2/2016
WHEREISTRACYSHARPE.COM	.com	9/2/2016
YOURSEARCHPARTY.CO	.co	9/15/2017
YOURSEARCHPARTY.COM	.com	9/16/2018

Business Names

Australia

The Search Party Pty Ltd (ACN 149 006 913)
Search Party Services Pty Ltd (ACN 601 175 42)
Search Party Holdings Pty Ltd (ACN 605 350 696)

Canada

The Search Party Limited (CN 681273)
Search Party Services Ltd (CN 681277)

US

The Search Party US Inc
The Search Party Services US Inc

UK

The Search Party Limited (CN 8821150)
Search Party Services Limited (CN 9218542)

Trademarks

COUNTRY	TRADE MARK No	TRADE MARK OWNER	TRADE MARK	CLASS	GOODS/SERVICES	STATUS
Australia	1495466	The Search Party Pty Ltd (ACN 149 006 913)	TEMPURER	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online database of employment candidates, recruiters, employers and employment opportunities; provision of online information in the fields of employment and recruitment; payroll preparation and processing services	Registered from 08.06.2012 Renewal due 08.06.2022
Australia	1580960	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35 38	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services Provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities	Registered from 18.09.2013 Renewal due 18.09.2023

COUNTRY	TRADE MARK NO	TRADE MARK OWNER	TRADE MARK	CLASS	Goods/Services	STATUS
Australia	1656825	The Search Party Pty Ltd (ACN 149 006 913)	JOBADVISOR	35	Providing information, including online, about advertising, business management and administration of office functions; online promotion on a computer network; advertising, including online advertising on a computer network; compilation and provision of online directories, including compilation and provision of business directories; business consultancy; business management; business information; business research; business recruitment consultancy; consultancy relating to personnel recruitment; employment recruitment; executive recruitment services; office support staff recruitment services; permanent staff recruitment; personnel recruitment; personnel recruitment advertising; personnel recruitment agency services; personnel recruitment consultancy; professional recruitment services; recruitment advertising; recruitment consultancy services; staff recruitment consultancy services; staff recruitment services; human resources; human resource management	Under Examination – Due date to respond is 19.05.2016
Madrid - UK	1150636	The Search Party Pty Ltd (ACN 149 006 913)	TEMPURER	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online database of employment candidates, recruiters, employers and employment opportunities; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Registered from 13.12.2012 Renewal due 13.12.2022
UK	3038488	The Search Party Ltd (CN 8821150)	THE SEARCH PARTY	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online database of employment candidates, recruiters, employers and employment opportunities; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Registered to Talent Party Ltd Registered from 20.01.2014 Renewal due 20 January 2024
Madrid - USA	4508558 79126415	The Search Party Pty Ltd (ACN 149 006 913)	TEMPURER	35	Provision of online information in the fields of employment and recruitment; payroll preparation and processing services	Registered from 08.04.2014 Declaration of Use due from 8 April 2019 to 8 April 2020
USA	86174498	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35	Provision of online information in the fields of employment and recruitment; payroll preparation and processing services.; Providing networking opportunities for individuals seeking employment; advertising, promotion, and marketing services in the nature of employment for candidates, employers and recruiters; providing an online searchable database featuring	Registered from 13 October 2015

COUNTRY	TRADE MARK NO	TRADE MARK OWNER	TRADE MARK	CLASS	GOODS/SERVICES	STATUS
					employment opportunities; providing online databases featuring information relating to employers and employees and places of employment	
Madrid – EU	1246058	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Accepted. In opposition period until 18.02.2016. Renewal due 10.12.2024
				38	Provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities	
Madrid – NZ	1246058	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Registered Renewal due 10.12.2024
				38	Provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities	
Madrid – Philippines	1246058	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Registered Declaration of Use due 10.12.2017 to 2.07.2020
				38	Provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities	Renewal due 10.12.2024
Madrid - Singapore	1246058	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Registered
				38	Provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities	

COUNTRY	TRADE MARK No	TRADE MARK OWNER	TRADE MARK	CLASS	GOODS/SERVICES	STATUS
Canada	1707279	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	N/A	Providing networking opportunities for individuals seeking employment; advertising and marketing services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services; provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities.	Under Examination - Pending
Hong Kong	303235590	The Search Party Pty Ltd (ACN 149 006 913)	THE SEARCH PARTY	35	Provision of online recruitment networking services; promotion services for employment candidates, employers and recruiters; provision of online information in the fields of employment and recruitment; payroll preparation and processing services.	Filed 15.12.2014 by Hong Kong trade mark agents
				38	Provision of (access to) online database of employment candidates, recruiters, employers and employment opportunities	Registered Renewal due 15.12.2024



Schedule 6 – Form of Initial Joint Public Announcement

Form to be agreed by both parties.

A handwritten signature or scribble in black ink, located in the bottom right corner of the page. It consists of several overlapping loops and a long, thin tail extending upwards and to the right.

Executed as an Agreement.

EXECUTED by APPLABS TECHNOLOGIES)
LIMITED (ACN 139 977 772) in accordance)
with section 127 of the Corporations Act:)



Signature of Director

Charles Thomas

Print Name of Director



Signature of Director/Secretary

Patrick Glovac

Print Name of Director/Secretary

EXECUTED by THE SEARCH PARTY PTY)
LTD (ACN 149 006 913) in accordance with)
section 127 of the Corporations Act:)



Signature of Director

TREVOR LOEWENSOHN

Print Name of Director



Signature of Director/Secretary

BENJAMIN WITT

Print Name of Director/Secretary

