

Date

2019

RUDRA LEGAL CORPORATION PTY LTD TRADING AS LAWBANK

AND

AND

AND

CONTRACT FOR SALE OF SHARES

Rudra Legal Corporation Pty Ltd
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Campbelltown NSW 2560
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THIS CONTRACT dated day of 2019

**BETWEEN Rudra Legal Corporation Pty Ltd ACN 163 240 319 trading as
LAWBANK** of 1/67 Scott Street, Liverpool, New South Wales (**Vendor**)

AND of (**Covenantor**)

AND of (**Purchaser**)

AND of (**Guarantor**)

RECITALS

- A.** The vendor is the registered holder and beneficial owner of the shares.
- B.** The covenantor is a shareholder in or director of the vendor or a beneficiary of a trust on behalf of which the vendor holds the shares.
- C.** The guarantor has requested that the vendor sell the shares to the purchaser.
- D.** The vendor wishes to sell to the purchaser and the purchaser wishes to buy from the vendor the shares on the terms and conditions of this contract.

OPERATIVE PART

1. Interpretation

This contract is governed by the laws of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of that state.

In this contract, unless the context otherwise requires:

- (a) References to legislation or provisions of legislation include changes or re-enactments of the legislation and statutory instruments and regulations issued under the legislation;
- (b) Words denoting the singular include the plural and vice versa, words denoting individuals or persons include bodies corporate and vice versa, references to documents or agreements also mean those documents or agreements as changed, novated or replaced, and words denoting one gender include all genders;
- (c) Grammatical forms of defined words or phrases have corresponding meanings;

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- (d) Parties must perform their obligations on the dates and times fixed by reference to the capital city of New South Wales;
 - (e) Reference to an amount of money is a reference to the amount in the lawful currency of the Commonwealth of Australia;
 - (f) If the day on or by which anything is to be done is a Saturday, a Sunday or a public holiday in the place in which it is to be done, then it must be done on the next business day;
 - (g) References to a party are intended to bind their executors, administrators and permitted transferees; and
 - (h) Obligations under this contract affecting more than one party bind them jointly and each of them severally.

2. Confidentiality

Where this contract provides that a party must treat any information confidentially, that party must not, and must ensure that any person who receives the information by the party's authority does not, until completion:

- (a) disclose any of the information in any form to anyone else; or
- (b) use any of the information except to:
 - (i) acquire or check information in connection with this contract and the transactions contemplated by it; or
 - (ii) perform any of its obligations under this contract or in relation to any of the transactions contemplated by it;

Unless:

- (c) the person who provides the information has first agreed in writing;
- (d) the information is disclosed to a professional adviser, banker or financial adviser of the party or to a person whose consent is required under this contract or for a transaction contemplated by it and that person undertakes to the person who provides the information:
 - (i) not to disclose any of the information in any form to anyone else; and
 - (ii) only to use the information for the purposes of advising the party or financing the party or considering whether to give that consent (as the case may be);
- (e) the law requires the disclosure or use; or
- (f) the information is available generally (but not if it is because a person has contravened a confidentiality obligation (including under this clause)).

If completion does not occur on or before the completion date, the party must return, and ensure that any person who receives the information by the party's

authority returns, the information (in any form in which it is held) to the person who provided the information. The obligations imposed by this clause survive termination of this contract.

3. Definitions

In this contract, unless the context otherwise requires the following words and expressions have the following meanings:

- (a) Balance date means the date of the balance sheet;
- (b) Balance sheet means the balance sheet of assets and liabilities of the company Annexure A including all notes and assumptions used in compilation of the balance sheet;
- (c) Business means the business conducted by the company as at the date of this contract;
- (d) Completion means completion of the sale and purchase of the shares under this contract;
- (e) Completion date means the latest of:
 - (i) the date specified in the Schedule; and
 - (ii) the day which is five business days after fulfilment (or waiver under this contract, of the conditions in this contract);
- (f) Conditions means the conditions precedent to completion specified in the Schedule;
- (g) Condition satisfaction date means the date so specified in the Schedule;
- (h) Government agency means a government or government department, a governmental, semi-governmental or judicial person and a person (whether autonomous or not) charged with administration of any applicable law;
- (i) GST law means the same as 'GST law' means in A New Tax System (Goods and Services Tax) Act 1999;
- (j) Independent accountant means a chartered accountant nominated by Chartered Accountants Australia and New Zealand;
- (k) Intellectual property means the registered and unregistered business names, copyrights, patents, trade marks, service marks, trade names, designs and similar industrial, commercial and intellectual property set out in the Schedule;
- (l) Loss or claim means, in relation to any person:
 - (i) a damage, loss, cost, expense or liability incurred by the person; or
 - (ii) a claim, demand, action, proceeding or judgment made against the person,

however arising and whether present or future, fixed or unascertained, actual or contingent;

- (m) Shares means the shares in the company described in the Schedule;
- (n) Shareholders agreement means the shareholders agreement in Annexure C (if any);
- (o) Tax means any tax, levy, impost, deduction, charge or duty of any kind and whether direct or indirect, and any related interest, penalty, fine or costs in connection with any of them, levied or imposed by any government agency;
- (p) Tax Act means, jointly, the Income Tax Assessment Act 1936 (Tax Act 1936) and the Income Tax Assessment Act 1997 (Tax Act 1997);
- (q) Vendor disclosures means the facts described in the Schedule; and
- (r) Warranty means each of the warranties and representations referred to in this contract in the case of warranties given by the vendor and the covenantor and in this contract in the case of warranties given by the purchaser and the guarantor.

4. Contract to sell and buy the shares

(a) **Sale and purchase**

The vendor agrees to sell to the purchaser and the purchaser agrees to buy from the vendor, the shares (together with all benefits, rights and entitlements accrued or attaching to the shares) free from encumbrance, security or third party interest for the price and otherwise on the terms and conditions of this contract.

(b) **Title and risk**

Title to and risk in the shares, passes to the purchaser on completion.

5. Payment of price

(a) **Payment**

The purchaser must pay:

- (i) the deposit to the deposit holder on the date of this contract; and
- (ii) the balance of the price on completion.

(b) **Deposit holder**

The parties shall instruct the deposit holder to hold the deposit as stakeholder and to account for the deposit to the party entitled to the deposit as provided for in this contract.

6. Conditions

(a) **Conditions precedent to completion**

The obligations of the parties to complete the sale and purchase of the shares do not become binding unless on or before the condition satisfaction date each of the conditions is fulfilled or waived.

(b) **Effect of non-fulfilment**

If a condition is not fulfilled or waived by the condition satisfaction date, the party for whose benefit the condition is expressed to be included may terminate this contract as to its future operation except for the enforcement of any right or claim which arises on or has arisen before this contract comes to an end. If a condition is expressed to be included for the benefit of more than one party, any such party may terminate this contract.

(c) **Notice of termination**

A party may only terminate this contract pursuant to this clause by giving 7 days notice to each other party.

(d) **Fulfilment or waiver**

A condition is waived if, and only if:

- (i) where the condition is expressed to be for the benefit of a particular party, that party gives notice of waiver of the condition to the other party; and
- (ii) otherwise, the parties agree in writing to waive the condition.

(e) **Obligation to satisfy conditions**

Where a condition specifies that a party must do an act, the specified party must do the specified act in accordance with the condition and, in any event, the vendor and the purchaser must use their respective best endeavours to ensure that the condition is fulfilled on or before the condition satisfaction date.

7. Conduct pending completion

(a) **Conduct of business**

The vendor must ensure that, until completion, the company:

- (i) conducts its business as a going concern with all due care and in accordance with normal and prudent practice (having regard to the nature of its business and past practice and so as to comply with all applicable laws);
- (ii) uses its best endeavours to maintain the profitability and value of its business;
- (iii) protects and maintains each of its assets;
- (iv) does not, unless required or contemplated by this contract, or unless

the purchaser first agrees in writing:

- (1) enter into, terminate or alter any term of any material contract or commitment;
- (2) except in the usual conduct of the business, incur any material liability;
- (3) except in the usual conduct of the business, dispose of, agree to dispose of, encumber or grant an option over, or any interest in, any asset; or
- (4) hire any new employee or terminate the employment of any employee or alter the terms of employment (including the terms of superannuation or any other benefit) of any employee.

(b) **Corporate action**

The vendor must ensure that until completion, the company does not:

- (i) issue or agree to issue any share capital or any security convertible into share capital;
- (ii) declare or pay any dividend or make any other distribution of its assets or profits;
- (iii) alter or agree to alter its constitution;
- (iv) pass any special resolution; or
- (v) alter its issued share capital in any way including by reduction of capital or share buyback.

(c) **Access to business**

The vendor must give the purchaser, and any person who has the purchaser's written authority, reasonable access to the business during normal business hours and must do whatever is reasonably necessary to introduce the purchaser to customers and suppliers connected with the business and give the purchaser reasonable assistance and advice about running the business during the assistance period.

(d) **Notice of change**

Where before completion an event occurs which has or may have a material effect on the profitability or value of the company or the value of the shares, the vendor must, immediately upon it becoming aware of that event, give notice to the purchaser fully describing the event.

8. **Shareholder or associate loan accounts**

(a) **Loans from shareholders or associates**

It is a condition of this contract that the vendor shall procure on completion the release of the company from any loan due to a shareholder or associate.

(b) **Loans to shareholders or associates**

It is a condition of this contract that the vendor shall procure on completion the repayment of any loan due to the company by a shareholder or associate.

9. Adjustments

(a) **Calculation of net assets**

On completion, the vendor and the purchaser shall prepare a balance sheet of the net assets of the company using the same accounting methods as were used for preparation of the balance sheet.

(b) **Positive adjustment amount**

If the net assets have increased, the price is increased by the proportion of the increase in net assets as the share capital represented by the shares bears to the total share capital of the company, except to the extent such increase in net assets is the result of a shareholder or associate forgiving a loan due by the company.

(c) **Negative adjustment amount**

If the net assets have declined, the price is decreased by the proportion of the decline in net assets as the share capital represented by the shares bears to the total share capital of the company.

10. Completion

(a) **Date and place of completion**

Completion is to occur on the completion date at the completion address.

(b) **Obligations of vendor at completion**

At completion the vendor must:

(i) deliver to the purchaser:

- (1) a deed releasing the company from liability to any shareholder or associate to whom the company owes a loan;
- (2) evidence to the satisfaction of the purchaser that any loan due to the company by a shareholder or an associate has been repaid;
- (3) the share certificates in respect of the shares;
- (4) an instrument of transfer of the shares naming as transferee the purchaser or its nominee which has been duly executed by the vendor;
- (5) the certificate of incorporation or registration of the company;

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- (6) the common seal (and any duplicate common seal, share seal or official seal), if any, of the company;
 - (7) a copy of the constitution of the company certified by the secretary of the company or a certificate by the secretary of the company that there is no constitution;
 - (8) the financial records of the company;
 - (9) the minute books and other records of meetings or resolutions of members and directors of the company;
 - (10) all registers of the company (including the register of members, register of options, register of security interests) all in proper order and condition and fully entered up to the completion date;
 - (11) all cheque books, financial and accounting books and records, copies of taxation returns and assessments, mortgages, leases, agreements, insurance policies, title documents, licences, indicia of title, certificates and all other records (including electronic records), papers, books and documents of the company;
 - (12) a duly completed authority for the alteration of the signatories of each bank account of the company in the manner required by the purchaser by notice before the completion date;
 - (13) all current permits, licences and other documents issued to the company under any legislation relating to its business activities;
 - (14) the written resignations of each director, secretary and public officer of the company in the form the purchaser requires;
 - (15) proxy forms duly completed in accordance with the company's constitution appointing the purchaser's nominees as proxy of the registered holder of the shares;
 - (16) any other document which the purchaser requires to obtain good title to the shares and to enable the purchaser to cause the registration of the shares in the name of the purchaser or its nominee including a certified copy of any power of attorney under which any document delivered under this contract has been signed; and
 - (17) the certificate of registration or other title document (if any) of each item of intellectual property.
- (ii) ensure that a duly convened meeting of the directors of the company is held and that at the meeting (as applicable):
- (1) the approval of the registration (subject to payment of stamp duty) of the transfer of the shares, the issue of a new share certificate for the shares in the name of the purchaser or its nominee and the cancellation of the existing share certificates;

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- (2) the appointment as additional directors, secretaries and public officers of the company of the persons nominated by the purchaser by notice before the completion date who have consented to so act;
 - (3) the retirement of each existing director, secretary and public officer of the company with effect from the end of that meeting with each retirement being by written notice by the retiring person acknowledging that the person has no claim against the company whether in respect of salary, fees, compensation or entitlement for loss of office, loans or otherwise (except in respect of legal entitlements to accrued long service leave and annual leave);
 - (4) the revocation of all existing authorities to operate bank accounts and the appointment of the persons nominated by the purchaser by notice before the completion date as signatories of the bank accounts; and
 - (5) the transaction of any other business of which the purchaser may give notice before the completion date; and
- (iii) confer on the purchaser title to the shares and place the purchaser in operating control of the company, the businesses and the assets of the company; and
 - (iv) do and execute all other acts and documents which this contract requires the vendor to do or execute at completion.

(c) Obligations of purchaser at completion

At completion the purchaser must:

- (i) pay all (or if a specific portion is required to be paid at completion, that part of) the price to the vendor or as the vendor may direct by notice to the purchaser, in cash or by bank cheque or in any other form that the parties may agree in writing;
- (ii) cause sufficient instruments of consent to be available to allow the directors of the company to pass the resolutions required by this contract;
- (iii) enter into the shareholders agreement and cause each person associated with the purchaser to sign all such documents as may be required of associates in the shareholders agreement;
- (iv) do and execute all other acts and documents which this contract requires the purchaser to do or execute at completion.

(d) Vendor's obligations until registration

After completion and until the shares are registered in the name of the purchaser and any nominee, the vendor must convene and attend general meetings of the company, vote at those meetings and take all other action as a registered holder of the shares only as the purchaser may lawfully require from time to time by notice.

(e) **Purchaser's obligation to register**

The purchaser must ensure that registration of the transfer of the shares takes place as soon as possible after completion.

(f) **Vendor assistance following completion**

For the assistance period, if the purchaser gives the vendor notice so requesting, the vendor must:

- (i) give the purchaser any information in the possession or control of the vendor concerning the matters relating to the company or its business specified in the notice; and
- (ii) attend at the premises at the time specified in the notice (being times not earlier than two business days after receipt of the notice) to assist the purchaser to gain knowledge concerning the company and the businesses.

11. Warranties

(a) **Warranties by vendor and covenantor**

Subject to the vendor disclosures in this contract:

- (i) the vendor and the covenantor warrant; and
- (iii) the vendor and the covenantor represent to the purchaser, as an inducement to the purchaser to enter into and complete this contract,

that each of the statements set out below is true, complete and accurate, both at the date of this contract and at the completion date (except that where a warranty refers to only one of those dates, that warranty is given only as at that date).

(b) **Solvency**

- (i) The vendor is not insolvent;
- (ii) The vendor is not an undischarged bankrupt.

(c) **Accuracy of information**

- (i) The facts set out in the balance sheet are true, complete and accurate in all respects.;
- (ii) All information which has been given by or on behalf of the vendor to the purchaser (or to any director, agent or adviser of the purchaser) with respect to the shares, the company or the business is true and accurate in all respects;
- (iii) All information which is known to the vendor relating to the shares, the company or the business or otherwise the subject matter of this contract which is material to be known by a purchaser of the shares has been disclosed in writing to the purchaser.

(d) **Capital, members and office holders**

- (i) The information disclosed in the ASIC register extract is complete, accurate and up to date. There are no outstanding documents to be provided and no events required to be notified to ASIC;
- (ii) There are no agreements, arrangements or understandings in force or securities issued which call for the present or future issue of, or grant to any person the right to require the issue of, any shares or other securities in the company.

(e) **Group structure**

- (i) The company does not hold any shares or other securities in any other body corporate;
- (ii) The company has no permanent establishment (as defined in any relevant double taxation agreement with the country of its incorporation) and is not registered to carry on business outside its jurisdiction of incorporation.

(f) **The company**

- (i) The company is duly incorporated;
- (ii) The company has not gone into liquidation or passed any resolution that it be wound up and no application for its winding up has been presented or threatened nor has any notice or purported notice under s 459E of the Corporations Act been given to the company;
- (iii) No writ of execution exists against any property of the company;
- (iv) No receiver, receiver and manager or other controller or administrator has been appointed nor is the appointment of a receiver, receiver and manager, other controller or administrator threatened, in relation (as applicable) to the shares, the company or the whole or any part of the undertaking or assets of the company and no event has occurred which entitles (or would, with the giving of notice or the lapse of time, entitle) any person other than the company, to appoint or seek the appointment by a court of a receiver, receiver and manager, other controller or administrator;
- (v) The company has full power and authority to own its property and assets and to conduct any business in Australia and does not own property or assets or conduct any business in any place other than Australia;
- (vi) The copy of the constitution of the company which has been supplied to the purchaser and which has been certified by its secretary on the date of this contract is a true copy of the constitution of the company.

(g) **Register and accounting records**

- (i) The register and the accounts, books, ledgers and financial and other material records of any kind of the company:
 - (1) have been fully, properly and accurately completed and contain no material inaccuracies or discrepancies;

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- (2) give a true and fair view of the financial, contractual and trading position of the company, its plant and machinery, fixed and current assets and liabilities (actual, prospective and contingent), debtors, creditors and stock in trade;
 - (3) contain a true and accurate record of its members from time to time; and
 - (4) have been properly kept and are up to date with true, complete and accurate entries and records.
- (ii) The company:
- (1) has complied with all legal requirements for the filing of returns, particulars, notices and other documents with all government and regulatory authorities (including any relevant stock exchange);
 - (2) has complied with all legal requirements in relation to the conduct of its business; and
 - (3) has conducted its business and its affairs generally in accordance with all applicable laws, orders, regulations, by-laws and other requirements.
- (iii) Since the balance date, no dividend in respect of any capital of the company has been declared or paid nor has there been any other distribution of property or assets to members of the company since the balance date.
- (iv) The business and affairs of the company have been conducted in accordance with its constitution.
- (h) **Business and assets**
- (i) Since the balance date, the business of the company has been conducted in the usual course and, without limitation, there has not been:
- (1) any material alteration to the terms of employment of any of its directors, executives or employees;
 - (2) any liability or obligation incurred or agreed to be incurred or any assets disposed of or agreed to be disposed of, otherwise than in the usual conduct of the business;
 - (3) any special resolution passed;
 - (4) any capital expenditure; or
 - (5) any operational expense incurred or agreed to be incurred which is of an unusual nature or abnormal amount having regard to the customary business practices applicable to the industry in which the company operates.

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- (ii) The company has good and marketable title to all its property and assets free from any encumbrance, security or third party interest and there is no agreement to give or create any security or third party interest and no claim has been made by any person to be entitled to an interest of that kind;
 - (iii) The property and assets of the company comprise all of the assets used in connection with or necessary for the continuing conduct of its business including the benefit of any contract used by the company in relation to its business;
 - (iv) All plant and equipment used in the conduct of the business of the company is in good repair and working condition fully operational for which it is used in the business (consistent with age);
 - (v) No loan to the company is repayable now or on demand;
 - (vi) All plant and equipment, furniture and vehicles in use by the company or on its premises are the property of the company;
 - (vii) The company has not entered into any offer or other arrangement which requires, as a term or condition of the supply of goods or services by or to the company, that the company or its customer acquire or supply goods or services from or to any other person (including the purchaser of goods or services from or supplier of them to the company);
 - (viii) The asset registers of the company comprise a complete and accurate record of all plant, equipment, machinery, and vehicles that the company's records show have been owned or possessed by it;
 - (ix) There are no outstanding commitments for capital expenditure other than replacements and normal purchases of plant and equipment in the ordinary course of business;
 - (x) The assets of the company are used solely by it in the carrying on of its business and none of those assets is used by any other person (whether in association or conjunction with it or otherwise).
- (i) **Accounts and financial position**
- (i) The accounts for the company:
 - (1) have been prepared in accordance with all relevant legislation and generally accepted accounting principles and standards applied on a consistent basis;
 - (2) show a true and fair view of the financial position and assets of the company as at the balance date and of its income, expenses and results of operations for the financial period ended on the balance date;
 - (3) are not affected by any unusual or non-recurring items;
 - (4) take account of all gains and losses, whether realised or unrealised, resulting from foreign currency transactions;

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- (5) include all reserves and provisions for taxes necessary to cover all tax liabilities (whether or not assessed) of the company up to the balance date;
 - (6) include all reserves and provisions desirable to cover liabilities (including, without limitation, liabilities for superannuation, long service leave and annual leave entitlements); and
 - (7) make disclosure of all material liabilities (whether actual, prospective, contingent or otherwise) and of every financial commitment of the company as at the balance date.
- (ii) No material changes have occurred in the assets and liabilities of the company from those disclosed in the balance sheet.
 - (iii) All the debts included in the balance owed to the company have realised, or will (in the ordinary course of business and in any event within 60 days after each debt first arises) realise the nominal amounts set out in the balance sheet (less the total of any reserves or provisions made in the accounts for bad and doubtful debts).
 - (iv) All loans shown as assets of the company are valid and subsisting debts in respect of which there is no dispute and will realise the nominal amounts shown in the balance sheet in accordance with their terms.
 - (v) The basis of depreciation adopted by the company in the balance sheet constitutes proper provision for depreciation and complies with the requirements of all tax legislation.
 - (vi) The values attributable to assets in the balance sheet are not different to the values of the assets for tax purposes.
- (j) **Real Property**
- (i) The company does not own or hold nor is it the occupier, lessee or tenant of or has any interest in any real property except for the property and the premises.
 - (ii) Where the company is the owner or lessee or lessor of property:
 - (1) the interest of the company so described is free from any encumbrance, security or third party interest;
 - (2) the property comprises all the freehold or leasehold properties owned, used or occupied by the company;
 - (3) the vendor is not aware of any outstanding orders or notices affecting the property.
 - (iii) Where the interest of the company in a property is a leasehold:
 - (1) the lease is valid and subsisting in accordance with its terms;
 - (2) the company has duly complied with and fulfilled all its obligations and duties under the lease;

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- (3) no event has occurred which may be grounds for termination of the lease; and
 - (4) the vendor is not aware of any litigation pending or threatened in connection with or arising out of the lease and no event has occurred and there is no claim in connection with or arising out of the lease which may give rise to litigation.
- (iv) The vendor has not been notified by the landlord of any material defect or other material circumstance that will or may with the lapse of time materially decrease the value of the property.

(k) **Environmental matters**

- (i) In these warranties as to environmental matters:

Contamination means, for any land, the presence in, on or under the land of a substance (including a chemical, a mineral or any natural or human produced substance) at a concentration above the concentration at which the substance is normally present in, on or under (respectively) land in the same locality, being presence that presents a risk of harm to human health or any other aspect of the environment;

Environment means all components of the earth, including:

- (1) land, air and water;
- (2) the atmosphere and any part or layer of it;
- (3) flora and fauna;
- (4) any organic or inorganic matter;
- (5) any living organism (including humans);
- (6) any human made or modified structure or area;
- (7) the aesthetic characteristics of the earth or any of its components, including their respective appearance, sound, odour, taste or texture; and
- (8) ecosystems with any combinations of any of the above;

Environmental approval means an approval, authorisation, consent, declaration, exemption, licence, permit or waiver, however described, granted under an environmental law;

Environmental law means any law (including legislation, common law or general law) which:

- (1) relates to pollution or contamination;
- (2) relates to the storage, handling, transportation, presence or disposal of dangerous goods, hazardous materials, asbestos or waste; or

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- (3) relates to town planning, the use of land, heritage, flora and fauna or the erection, placement, removal or use of structures and buildings;

Environmental notice means any written or unwritten requirement issued by a government agency in relation to the environment to take an action or to refrain from taking an action and includes a direction, order, demand, notice or request issued under an environmental law;

Pollution means the release, emission or discharge into the environment of a substance which directly or indirectly causes or has the potential to cause damage or harm to any aspect of the environment, and includes:

- (1) pollution of air;
 - (2) pollution of waters;
 - (3) noise; and
 - (4) pollution of land.
- (ii) There has been no material breach by the company of any environmental law in connection with its business or any property.
 - (iii) Every material environmental approval relied on by the company to operate its business or to use any part of a property or any asset owned or used by the company:
 - (1) has been issued and is current;
 - (2) has been complied with in all material respects; and
 - (3) is capable of being renewed or reissued on transfer of the shares to the purchaser if that is required under an environmental law.
 - (iv) No circumstance has arisen or event occurred which in the reasonable opinion of the vendor would in the normal course result in an amendment or revocation of any material environmental approval.
 - (v) The company has not been notified of any material proposed change, amendment or revocation of any material environmental approval.
 - (vi) There are no valid environmental notices which have been issued in respect of the business, any business of the company at any time, any asset of the company, any leased equipment of the company or any of the properties at any time.
 - (vii) There is no contamination in, on or under any of the properties or any other land owned or occupied by the company at any time which presents or is likely to present a significant risk of harm to human health or to any aspect of the environment if there is no change to the use of the properties in connection with the business conducted on the properties.

(viii) There are no current court proceedings in respect of the business or a business of the company at any time or any property or any asset owned or used by the company which relate to the environment and no such proceedings have been threatened.

(ix) None of the properties has at any time been used for the storage or disposal of waste.

(l) **Contracts**

(i) The company is not bound by any long term contract.

(ii) The company is not bound by any contract which contains any onerous or unusual provision or any other provision which ought to be disclosed to a prospective purchaser of shares in the company.

(iii) The company is not a party to any agreement or arrangement under the terms of which any other party to that agreement or arrangement is, by reason of any change in the beneficial ownership of shares in the company or by reason of compliance of any provision of this contract, entitled:

(1) to terminate that agreement or arrangement earlier than it would, apart for that change or compliance, have been liable to be terminated; or

(2) to require the adoption of terms less favourable to the company than those subsisting in the absence of that change or compliance.

(iv) The company is not a party to any agreement or arrangement of which it or any other party is in default or, but for the requirements of notice or lapse of time or both, would be in default.

(v) The company is not a party to any agreement, arrangement or understanding which contravenes any law.

(vi) The company has duly complied with and fulfilled all the obligations and duties that it owes under agreements to which it is party.

(vii) No event has occurred which may be grounds for termination of any agreement to which the company is a party.

(viii) No guarantee, surety or indemnity or letter of comfort has been given or entered into:

(1) by the company in respect of the discharge of the liabilities or the performance of the obligations (in either case whether present or future) of any other person; or

(2) by the vendor in respect of the discharge of the liabilities or the performance of the obligations of the company.

(ix) Every contract, instrument and other commitment to which the company is a party is valid and binding according to its terms and no party to it is in material default under its terms.

(m) **Intellectual property**

- (i) The company does not own, use or require in its business the use of any copyright, letters patent, trade marks, service rights, trade names, designs, business names or similar industrial, commercial or intellectual property rights, except for the intellectual property.
- (ii) The company in the conduct of its business does not infringe or wrongfully use any confidential information, trade secrets, copyrights, letters patent, trade marks, service rights, trade names, designs, business names or similar industrial, commercial or intellectual property rights.
- (iii) There are no users, licensees or parties with any rights with respect to any of the intellectual property, except the company.
- (iv) No disclosure has been made to any person of any industrial know-how or any financial or trade secret of the company to a person other than the purchaser except as required by law.
- (v) There are no royalty, licence or any other fees payable in connection with the conduct of the business of the company.

(n) **Tax**

- (i) The company is not and will not become subject to any tax in excess of the provisions for tax in the balance sheet (other than a liability for tax which arises by virtue of ordinary trading activities of the company between the balance date and completion) arising from or relating to:
 - (1) an act, event or omission on or before the completion date;
 - (2) any income, profit or gain earned, accrued or received on or before the completion date;
 - (3) disallowance of an income tax deduction for an expense, loss or outgoing incurred on or before the completion date;
 - (4) disallowance of a tax credit or rebate of tax, such as a dividend rebate;
 - (5) an asset of the company having been the subject of a claim for rollover relief (such as under Part IIIA of the Tax Act 1936 or Part 3 of the Tax Act 1997) on or before the completion date; or
 - (6) a determination under s 177F of the Tax Act 1936 in relation to a tax benefit obtained (or obtained but for that section) before or after completion in connection with a scheme to which Part IVA of the Tax Act 1936 applies and which was entered into or commenced to be carried out on or before the completion date (except to the extent of any compensatory adjustment under s 177F(3) of the Tax Act 1936 benefiting the company or the purchaser or a related body corporate of the purchaser).
- (ii) All taxes of any kind which the company has been liable to pay have been paid, and were paid by the final date for payment.

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- (iii) The company has no liabilities in respect of unpaid or unassessed taxes.
 - (iv) The company has deducted or withheld and paid to the relevant government agency administering a tax every amount any tax law requires it to deduct or withhold and pay.
 - (v) Since the day 5 years before the completion date the company has not suffered any investigation, audit, visit or written request for production of information by any government agency administering any tax. The company has not been notified of nor is it aware of any proposal for such an investigation, audit, visit or request. The company has no reason to suspect that such an investigation, audit, visit or request may occur.
 - (vi) In the period since the day 5 years before the completion date, the company has not paid, or become liable to pay, any penalty, fine or interest in connection with any tax. There is no circumstance by reason of which the company may become liable to pay any such penalty, fine or interest.
 - (vii) Every tax return made by the company has been made with true and full disclosure of all relevant matters and has included all information required by applicable law.
 - (viii) The company:
 - (1) has not entered into any arrangement for an extension of time for assessment or payment of any tax;
 - (2) does not have any unresolved issue, question, correspondence or dispute with any government agency administering a tax.
 - (ix) The company:
 - (1) has complied with all obligations under the Tax Act about the quotation of tax file numbers by its employees;
 - (2) has complied with all its obligations under any applicable law about tax, such as the Tax Act and the Fringe Benefits Act 1986 (Cth);
 - (3) has lodged every tax return it is required to lodge;
 - (4) has kept and maintained every document and record required by any applicable law about tax;
 - (5) has kept proper records of all information needed to work out capital gains, capital losses, net capital gains and net capital losses under the Tax Act; and
 - (6) has kept proper records of franking debits and franking credits which are sufficient for the purposes of the Tax Act and give rise to a franking account balance in conformity with the Tax Act.

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- (x) The share capital account of the company is a 'share capital account' under s 6(1) of the Tax Act 1936 and is not a 'tainted share capital account' under ss 160APA and 160ARDM of the Tax Act 1936.

(o) **Employees**

- (i) The company is not a party to any agreement with any union or industrial organisation in respect of its employees and their employment, but organizations that the company belongs to may have such arrangements in place and the purchaser should make its own enquiries.
- (ii) There is no contract of employment with any employee (or contract for the services of any person) to which the company is a party which cannot be terminated by one month's notice or less or (where that contract has not been reduced to writing) by reasonable notice, and in each case without giving rise to a liability for damage or compensation against the company.
- (iii) There is no threatened or pending dispute between the company and any employee or group of employees.
- (iv) All persons employed in or necessary for the conduct of the business of the company are employed by the company.
- (v) In the 12 months before the date of this warranty, no employee of the company with annual gross salary of \$100,000 or more has ceased to be employed by the company.
- (vi) The company has complied in all material respects with all contractual, statutory, legal and fiscal obligations of and in relation to its employment of its employees, including all codes of practice, collective agreements and awards.
- (vii) No director or employee of the company has given notice (which has not yet expired) terminating his contract of employment or is under notice of dismissal.
- (viii) Since the balance date, no emoluments, remuneration or fees have been paid or agreed to be paid by the company to any of its directors except for remuneration for services of full-time executive directors.
- (ix) The basis of the remuneration payable to the directors and employees of the company is the same as that in force at the balance date.
- (x) No moneys other than in respect of remuneration or emoluments for employment are payable to any director or employee of the company.
- (xi) The company is not under any present, future or contingent liability to pay to or for the benefit of any present or former director, employee or consultant or the wife, husband, widow or widower or any other relative of any such person in respect of past service whether by way of pension contribution, pension, retirement benefit or otherwise.

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- (xii) There are no payments due by the company in connection with the redundancy of any employee.
 - (xiii) There are no retirement benefits, pension schemes or other pension arrangements, whether legally enforceable or not, relating to the company in operation or effect.
 - (xiv) The company has no liability for any long service leave, holiday pay, sick pay, bonuses, commission or any other payments or liabilities due to any employee, director or consultant of the company under any industrial award or legislation or under any contract, agreement or arrangement, except those provided for in full in the balance sheet or which have accrued since the balance date in the ordinary course of business.

(p) **Superannuation**

- (i) Other than as reflected on the balance sheet, there is no liability outstanding against the company in relation to employers' contributions to superannuation, or any employee salary sacrifice superannuation.
- (ii) The company has complied with all its obligations to make superannuation contributions in respect of its present and former employees.
- (iii) Other than as set out in the completion balance sheet, there are no outstanding superannuation contributions owed by the company in relation to employers' contributions to superannuation or any employee salary sacrifice superannuation as at completion.

(q) **Compliance with law and absence of litigation**

- (i) There is no claim, action, proceeding or demand which may give rise to litigation involving:
 - (1) the vendor (either in relation to the shares or the company); or
 - (2) the company.
- (ii) There is no unsatisfied judgment, order, arbitration award or decision of any court, tribunal or arbitrator against the company or the vendor or any of the assets of the company or the shares.
- (iii) There is no outstanding claim, action, proceeding or demand current, pending or threatened, in respect of:
 - (1) the vendor (either in relation to the shares or the company); or
 - (2) the company.
- (iv) The vendor, in relation to the shares, and the company is not a party to any contract, agreement, arrangement or understanding which is in breach of any applicable competition legislation nor does the vendor, in relation to the shares, or the company, engage in any conduct or practice which is in breach of that legislation.

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- (v) The company holds all necessary or desirable licences (including statutory licences) and consents, planning permissions, authorisations and permits for the proper carrying on of its businesses in all aspects and all of those licences, consents, permissions, authorisations and permits:
 - (1) have been fully paid up;
 - (2) have been fully complied with;
 - (3) are in full force and effect;
 - (4) are not liable to be revoked or not renewed; and
 - (5) are not subject to any conditions.
 - (vi) There are no facts or circumstances involving the company or its affairs which are likely to result in the revocation of or variation in any material respect of any permit, licence, authority or consent held by it.
 - (vii) No permit, licence, authority or consent held by the company would be adversely affected by, or liable to be terminated revoked or varied in any material respect by reason of, a change in the ownership of the company.
- (r) **Insurance**
- (i) The company has adequate professional liability and public risk insurance having particular regard to its business.
 - (ii) All assets of the company which are insurable are insured for the full replacement value of them against fire and other risks normally insured against having regard to the customary practices applicable to the relevant industry in which its business is operated.
 - (iii) Nothing has been done or omitted to be done which makes any policy of insurance in respect of the company or its business or assets void or voidable or which would permit an insurer to cancel the policy or refuse or reduce a claim or materially increase premiums payable under the policy.
 - (iv) Each asset of the company of an insurable nature is insured with an insurance company duly authorised to carry on insurance business in Australia in amounts representing their full replacement or reinstatement value against the relevant risk.
 - (v) The company has not been notified by any insurer that it is required or it is advisable for it to carry out any maintenance, repairs or other works in relation to any of its assets.
 - (vi) There is no circumstance which could give rise to a claim under any insurance policy of the company.

(s) **Delegations and offers**

- (i) There are no powers of attorney or other authorities given by the company which could authorise any person to deal with the whole or any part of the company's assets or business.
- (ii) No offer, tender, quotation or similar intimation given or made by the company or by the vendor and still outstanding and relating to the shares or the business of the company is capable of giving rise to a contract merely by the unilateral act of any third party, other than in the ordinary course of business.

(t) **Profit sharing and finder's fee**

- (i) The company is not party to any agreement under which it is or may be bound to share the profit or pay any royalties or to waive or abandon any rights.
- (ii) No contract, agreement, arrangement or understanding to which the company is a party provides for any payment or receipt of funds not accurately reflecting the value on an arm's length basis of the services or goods in consideration of which that payment or receipt of funds is made.
- (iii) No contract, agreement, arrangement or understanding of the company involves, either directly or indirectly, any offer or payment to any government official to influence him or to assist in the obtaining or retaining of business, nor does it involve any offer or payment to any other person while knowing or having reason to know that all or a portion of the matter offered or any such payment would be made available or paid to any government official for those purposes.
- (iv) Other than any fees payable by the vendor to a business broker out of the price the vendor receives, the vendor has not taken any action so that any person becomes entitled to receive from the purchaser or from the vendor any finder's fee, brokerage or other commission in connection with the sale of the shares.

(u) **GST**

- (i) The company:
 - (1) is registered for GST;
 - (2) is not a member of a GST group; and
 - (3) has complied with the GST law.
- (ii) The company has not ever supplied or acquired anything in reliance on s 38-325 of the GST law (concerning supplies as a going concern).
- (iii) For every unrecovered payment of consideration for a supply, the company has properly made:
 - (1) every available decreasing adjustment; and

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- (2) every required increasing adjustment.
 - (iv) No determination has been made by the Commissioner of Taxation changing the attribution rules for acquisitions by or supplies to the company.
 - (v) The company has never issued a recipient created tax invoice. The company has not made and does not make acquisitions for which the company should issue a recipient created tax invoice.
 - (vi) No non-resident has ever made a taxable supply or a taxable importation through the company as resident agent.
 - (vii) The company has never made a 'reverse charged' acquisition to which division 83 or division 84 of the GST law applies.
 - (viii) The company has never made an agreement under division 83 of the GST law to make a 'reverse charged' supply or acquisition.
 - (ix) The company has never been a party to an agreement under division 153B of the GST law in respect of any supply or acquisition by or on behalf of the company or a principal or agent of the company.

(v) **Basis of warranties**

- (i) The warranties given by the vendor are given to the best of the vendor's knowledge and belief after the vendor has made enquiries reasonable in the circumstances.
- (ii) Vendor's indemnity

The vendor indemnifies the purchaser against:

- (1) any loss or claim of or against either or both the purchaser and the company to the extent that the claim arises from or is connected with any breach of any of the warranties or any other term of this contract;
- (2) any loss or claim of or against the purchaser by reason of the shares being worth less than they would have been worth had that breach not occurred;
- (3) any taxes which may be incurred by either or both the purchaser and the company relating to the performance by the vendor of its obligations under this contract,

except to the extent that the loss or claim or tax is the subject of this contract.

(w) **Claim to be reduction of price**

Any payment by the vendor under this contract is and shall be treated as a reduction of the price.

(x) **Duration of warranties**

The warranties in this clause remain in full force and are binding notwithstanding completion until the second anniversary of completion and,

where before that date the purchaser gives the vendor notice of a claim for a breach of a warranty, that warranty does not cease on that date and continues after that date to the extent required to enable the purchaser to prosecute that claim. This clause does not apply to warranties, but claims under those warranties must be made within 7 years from completion.

(y) **Claim limits**

- (i) In the absence of fraud, dishonesty, or wilful concealment (together, prescribed conduct) by or on behalf of the vendor, the aggregate liability of the vendor in respect of all loss or claims will not exceed the price.
- (ii) Neither party will be liable in respect of a claim:
 - (1) Unless notice of the claim has been given within the warranty duration period specified in this contract;
 - (2) To the extent that the party making the claim does not take such actions as are reasonable to mitigate any loss or damage which it may suffer in consequence of any breach by the other party of the terms of this contract;
 - (3) To the extent it is attributable to:
 - (A) Anything done or not done after the completion date by or on behalf of the party making the claim or any related body corporate of that party; or
 - (B) The enactment of any legislation after the date of this contract including legislation which has a retrospective effect;
 - (4) To the extent that the party making the claim has recovered the same loss under any other provision of this contract;
 - (5) To the extent that the subject of the claim has been or is made good or is otherwise compensated for without cost to the party making the claim or any related body corporate of that party;
 - (6) To the extent the warranty was qualified by a vendor disclosure in this contract; and
 - (7) To the extent a fact inconsistent with a warranty was known to the purchaser at the date of this contract.

(z) **Separate warranties**

Each warranty given by either the purchaser or the vendor is a separate warranty and its meaning is not affected by any other warranty.

(aa) **Purchaser's warranties**

The purchaser warrants and represents to the vendor, as an inducement to the vendor to enter into this contract and to sell the shares, and it is a condition of this contract that, at the date of this contract:

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- (i) the execution and delivery of this contract have been properly authorised by all necessary corporate action of the purchaser;
 - (ii) the purchaser has full corporate power and lawful authority to execute and deliver this contract and to consummate and perform or cause to be performed its obligations under this contract;
 - (iii) this contract constitutes a legal, valid and binding obligation on the purchaser enforceable in accordance with its terms by appropriate legal remedy;
 - (iv) this contract does not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound;
 - (v) there are no actions, claims, proceedings or investigations pending or threatened against it or to its knowledge by, against or before any person which may have a material effect on the sale and purchase of the shares in accordance with this contract;
 - (vi) the purchaser is not insolvent or bankrupt or unable to pay its debts as and when they fall due; and
 - (vii) the purchaser is not subject to any form of insolvency procedure and the purchaser has the financial capacity to promptly pay in full each tranche of the price that is payable under this contract and the deferred price.

12. Taxation indemnity

(a) Definitions

In this clause (and any other provision of this contract which relates to this clause or its subject matter) unless the context otherwise requires:

Assessment means:

- (i) any assessment, reassessment, amended assessment, default assessment, penalty or fine; and
- (ii) any demand or other document imposing, asserting or indicating an intention to assert any liability,

from a taxation authority in respect of tax of the company or of the purchaser in relation to the company;

Claim notice means a notice given by the purchaser to the vendor under this contract stating:

- (i) if the notices section of this clause applies, that the purchaser has received an assessment and attaches a copy of the assessment; or

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- (ii) if the notices section of this clause applies, the matter of which the purchaser has become aware that may lead to a tax liability, increased tax payable or tax claim as the case may be;

Disputing action means, in respect of a matter the subject of a claim notice, any action to cause the matter to be withdrawn, reduced or postponed or to avoid, resist, object to, defend, appeal against or compromise the matter;

Expenses means all costs and expenses of any disputing action, including without limitation, all legal and accountancy costs and disbursements on a full indemnity basis where the terms of the agreement or retainer with the relevant legal or accountancy adviser are, in all the circumstances, reasonable;

Increased tax payable means any tax liability relating to a period ending on or before completion beyond the amount of tax already paid by the company in relation to that period or provided for in the accounts of the company as at completion in relation to that period;

Ordinary trading activities means activities that are in the ordinary course of the company's trading activities and would not be unusual for a company operating a business similar to the kind of business that the company operated at the relevant time;

Payment date means, in relation to a payment that is required to be made by a taxable entity referred to in this contract, the business day 5 business days before the latest practical time at which the payment may be made without the taxable entity incurring a liability to pay any penalty or interest or suffering any loss;

Relevant rate means, where the taxable entity is:

- (i) a natural person (other than a natural person in the capacity of trustee), the sum of the highest rate of tax payable on taxable income by a natural person who is a resident taxpayer and the highest rate of the Medicare levy;
- (ii) a body corporate (other than a body corporate in the capacity of trustee), the rate of tax payable by companies on taxable income; and
- (iii) a trustee, whether a natural person or a body corporate, the sum of the highest rate of tax payable by the trustee in respect of the net income of the trust and the highest rate of the Medicare levy (if applicable);

Repayment means an amount of money that a taxable entity receives from the relevant taxation authority in respect of a payment made to that taxation authority and referred to in this clause;

Taxable entity means in relation to a tax liability or increased tax payable, that one of the purchaser and the company that but for the provisions of this clause, would be liable to make a payment to the relevant taxation authority in respect of that tax liability or increased tax payable, as the case may be;

Taxation authority means in respect of a tax, the person who administers the imposition and collection of that tax; and

Tax liability means any amounts payable by either or both of the company and the purchaser in respect of any assessment.

(b) Indemnity by vendor and covenantor

The vendor and the covenantor indemnify jointly and severally the purchaser and the company against:

- (i) except in the circumstances set out in this clause, any tax liability where the tax liability arises (in whole or in part, and if in part, to the extent that it arises) either:
 - (1) as a result of an event or omission which occurred or is deemed to have occurred on or before completion; or
 - (2) as a result of, or by reference to any income, profits or gains earned, accrued or received on or before completion;
- (ii) the costs incurred by the purchaser and the company in recovering under the indemnity in this clause.

(c) Exception

The purchaser and the company may not recover from the vendor or the covenantor and the vendor is not liable to the purchaser or the company under the above clause for an amount equal to any tax liability to the extent that:

- (i) it is disclosed or referred to in this contract;
- (ii) it is provided for in the balance sheet, or has been taken into account in determining the value at which any asset or liability is included in the balance sheet;
- (iii) it arises by virtue of ordinary trading activities of the company between the balance date and completion;
- (iv) it is caused by or contributed to by any act, omission, transaction, or arrangement:
 - (1) of or by or on behalf of the purchaser or any affiliate of the purchaser;
 - (2) of or by or on behalf of the vendor, or any other person, at the request of or with the fully informed prior written consent of the purchaser; or
 - (3) implementing, or permitted by, the terms of this contract or of any other contract contemplated by it;
- (v) it arises from a change in accounting policies or procedures from those used before completion;

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- (vi) it arises from any change after completion in any tax or in any applicable law or in its interpretation or in any administrative practice or ruling of a government agency (whether or not with any retrospective effect) of which the vendor did not have notice before completion;
 - (vii) it arises from a change in an election or choice for tax purposes, from an election or choice made (or from an absence of any election or choice made) before completion and to which the purchaser agrees to that course of action (or inaction) in writing;
 - (viii) it arises from the failure by the purchaser to supply to the vendor, on a timely basis, information which is reasonably requested by the vendor in relation to the claim;
 - (ix) it arises from the failure by the company after completion, in a timely manner, to:
 - (1) lodge any return, notice, objection or other document in relation to the claim;
 - (2) claim all or any portion of any relief, allowance, deduction, credit, rebate or refund;
 - (3) disclose or correctly describe in any return, notice, objection or other document relating to the claim any fact, matter or thing to the extent that it was or might reasonably be expected to have been within the knowledge of either the purchaser or the company;
 - (4) make any rollover or other election, claim or application to any government agency; or
 - (5) take any other action which the company is required or permitted to take under this clause or any laws relating to tax; or
 - (x) the purchaser has not complied with the notification clause in relation to the claim, unless the purchaser can demonstrate, to the reasonable satisfaction of the vendor, that the vendor has not been, and will not be, materially prejudiced or disadvantaged by the purchaser's non-compliance.

(d) **Notification of claims**

The purchaser must give to the vendor a claim notice:

- (i) within five business days of the purchaser receiving an assessment which may give rise to a tax liability or increased tax payable to which the vendor and covenantor indemnity clause of this contract applies; or
- (ii) in any other case, within 20 business days of the purchaser becoming aware of a matter that may lead to a tax liability, increased tax payable or tax claim to which the vendor and covenantor indemnity clause of this contract applies,

and the vendor and covenantor are only liable in respect of a tax liability or increased tax payable under the indemnity contained in this contract if a claim notice has been given to the vendor in respect of that particular tax liability or increased tax payable before the seventh anniversary of completion.

(e) **Failure to give claim notice**

The failure by the purchaser to give a claim notice to the vendor within the relevant period of time referred to in this contract does not affect the vendor's obligations under this contract and the vendor's remedy is in damages only.

(f) **Payment of liability by purchaser or the company**

Where a payment is required to be made by the taxable entity to the relevant taxation authority, the vendor must make that payment in settlement of the liability of the taxable entity before the payment date but if the vendor has not given notice to the purchaser on or before the payment date confirming that the payment to the taxation authority has been made:

- (i) the purchaser or the company may make the payment to the taxation authority; and
- (ii) if the purchaser or the company makes that payment, the vendor must pay to the purchaser or the company (as the case may be) on demand an amount equal to the payment made.

(g) **Repayment**

Where:

- (i) a payment has been made by the vendor in respect of the indemnity; and
- (ii) the taxable entity receives a repayment,

the taxable entity must, as soon as practicable and, in any event, not more than 3 business days after receipt by it of that repayment, cause an amount to be restored to the vendor calculated in accordance with the following formula:

$$A = R - (I \times T)$$

Where:

A is the amount to be restored to the vendor;

R is the amount of the repayment;

I is the amount of the component of the repayment that is interest on overpaid tax; and

T is the taxable entity's relevant rate (expressed as a decimal number).

(h) **Disputing action**

Subject to this contract, where the vendor receives a claim notice, the vendor may by notice to the purchaser within 30 business days of the claim notice being received, require the purchaser to:

- (i) take or ensure that the company takes such disputing action as the vendor may reasonably require from time to time by notice to the purchaser; or
- (ii) appoint or ensure that the company appoints the vendor or any other person nominated by the vendor to take any disputing action on behalf of the purchaser or the company in which case the purchaser must provide to the vendor copies of all records, papers, books and documents of the taxable entity relevant to the disputing action,

and the purchaser must take the action specified by the vendor in the notice but the vendor may not require the purchaser or the company to do any act, or omit to do any act, which or the omission of which would materially and adversely affect the purchaser or the company.

(i) **Legal proceedings**

The purchaser or the company is not obliged to take disputing action involving legal proceedings unless, if the purchaser so requires by notice to the vendor, the vendor obtains and delivers to the purchaser an opinion of senior counsel selected by the vendor with the prior approval of the purchaser (which approval must not be unreasonably withheld or delayed) that reasonable grounds exist to avoid, resist, object to, defend, appeal against or compromise the claim the subject of the claim notice.

(j) **Costs of disputing action**

The vendor indemnifies and must keep indemnified the purchaser and the company against:

- (i) the expenses; and
- (ii) any loss or claim of the purchaser or the company as a consequence of action taken under this contract,

and the vendor must, if the purchaser so requires by notice, provide to the purchaser or the company security for such costs which would be acceptable to a reasonable person in the position of the purchaser.

(k) **Purchaser to prepare returns**

The purchaser must ensure that any taxation return prepared by or on behalf of either of the purchaser or the company after the completion date that relates in whole or in part to a period prior to completion is prepared with due care, skill and diligence.

(l) **Consultation with vendor**

The purchaser must not, and the purchaser must ensure that the company does not, after completion, submit any taxation return concerning the company or enter into any correspondence with any taxation authority relating to a period on or before completion in relation to the company

without first providing a copy of the relevant return or correspondence to the vendor.

(m) **Response by the vendor**

The vendor must respond promptly to any communications to it from the purchaser or the company under this contract and if the vendor does so and that response is made in sufficient time to enable the purchaser or the company to do so without prejudicing its own interest, the purchaser must consider in good faith and take account of the vendor's response in making the relevant taxation return or correspondence to the greatest practical extent but need not do so to the extent that it would cause the purchaser or the company to suffer detriment.

(n) **Payment of refunds**

- (i) The purchaser must pay to the vendor, or deduct from any amount required to be paid by the vendor under this contract, an amount equal to any tax refund received by or credited to the company at any time in respect of a period up to completion, less the amount of tax on any interest payable by the recipient of the refund.
- (ii) Any payment by the purchaser under the taxations refund clause of this contract is and shall be treated as an increase in the price.

13. **Restraint**

(a) **Definitions**

In this clause (and any other provision of this contract which relates to this clause or its subject matter), unless the context otherwise requires:

Affiliate means:

- (i) in relation to a body corporate, any of the body's related bodies corporate or directors or a person with a substantial shareholding (as that term is defined in s 9 of the Corporations Act; and
- (ii) in relation to a natural person, any spouse or relative by blood or adoption of that person or any relative's spouse;

Restraint area means each of the areas described in the Schedule;

Restrained business means each business or operation similar to, or otherwise competitive with, any of the businesses of the company and, without limitation, includes each of the businesses described in the Schedule; and

Restraint period means each of the periods described in the Schedule.

(b) **Restraint obligation**

Except as permitted by this clause, the vendor and the covenantor must not, and must ensure that each of its affiliates does not, during any of the restraint periods within any of the restraint areas:

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- (i) conduct, carry on, promote, participate in, operate, finance or engage in (whether on its own account or in partnership, in joint venture or as employee or agent of or manager for any other person); or
 - (ii) be concerned or interested in (directly or indirectly, or through any interposed body corporate, trust, partnership, or entity) as trustee, principal, agent, shareholder, beneficiary, or as an independent contractor, consultant, adviser or in any other capacity), or
 - (iii) assist any entity in which the vendor or the covenantor has any direct or indirect equity interest to engage in,

any of the restrained businesses.

(c) **Permitted involvement**

This contract does not prevent the vendor or the covenantor holding in aggregate less than 5 per cent of the issued shares or units of a body corporate or unit trust listed on the Australian Stock Exchange.

(d) **Further undertakings to protect goodwill**

During any restraint period, within any restraint area, the vendor and the covenantor must not and must make sure that each of its affiliates does not:

- (i) secure or seek to attract the custom of any person who is at completion, or had been within a period of 24 months prior to completion, a customer of the company;
- (ii) do or say anything harmful to the reputation of the company;
- (iii) do or say anything which may lead a person to cease, curtail or alter the terms of its dealings with the company;
- (iv) represent itself as being in any way connected with or interested in or associated with:
 - (1) the company (except as the prior owner of the shares); or
 - (2) any other business carried on by the purchaser of by the company;
- (v) use a name which is similar to the present name of the company;
- (vi) use any of the intellectual property;
- (vii) disclose or use to its advantage or disadvantage of the purchaser:
 - (1) the name of any customer of the company;
 - (2) any of the intellectual property; or
 - (3) any of the trade secrets, secrets or confidential operations, processes or dealings of, or any confidential information relating to, the company or its organisations, finances, transactions, customers or affairs; or

(viii) seek to engage or engage the services of any person who is or becomes an employee of or service provider to the company.

(e) **Restraints cumulative**

Each of the restraints in this contract (which results from the differing combinations of restrained businesses, restraint periods and restraint areas) is a separate, severable and independent restraint from the other restraints imposed (although they are cumulative in effect).

(f) **Reasonableness of restraint**

The vendor and the covenantor acknowledge that each of the restraints in this contract are reasonable in its extent (as to duration, geographical area and restrained conduct) having regard to the interests of each party to this contract and extends no further (in any respect) than is reasonably necessary and is solely to protect the purchaser as purchaser of the shares in respect of the goodwill of the company and the businesses.

14. Guarantee

(a) **Guarantee**

In consideration of the vendor, at the request of the guarantor, entering into this contract, the guarantor guarantees each of the obligations of the purchaser to the vendor under this contract.

(b) **No limitation**

The granting of time or other concession to the purchaser will not vary or discharge the guarantor's liability to the vendor.

(c) **Rights against vendor**

The vendor need not first exercise its rights against the purchaser before exercising its rights under this guarantee.

(d) **Joint and several liability**

If there is more than one guarantor, the obligations under this guarantee are joint and several.

15. Costs and stamp duty

(a) **Cost generally**

Except to the extent specified in this contract, each party must bear and is responsible for its own costs in connection with the preparation, execution, completion and carrying into effect of this contract.

(b) **Stamp duty generally**

The purchaser must bear and is responsible for all stamp duty on or in respect of:

- (i) this contract; and

-
- (ii) the instrument of transfer referred to in the completion clause of this contract.

16. Notices

A notice or communication to a party must be in writing and delivered to that party or that party's practitioner in one of the following ways:

- (a) Delivered personally; or
- (b) Posted to their address when it will be treated as having been received on the second business day after posting; or
- (c) Faxed to their facsimile number when it will be treated as received when it is transmitted; or
- (d) Sent by email to their email address when it will be treated as received when it enters the recipient's information system.

17. General

(a) Amendment

This contract may only be amended or supplemented in writing, signed by the parties.

(b) Waiver

The non-existence of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

(c) Entire agreement

This contract is the entire agreement of the parties on the subject matter. The only enforceable obligations and liabilities of the parties in relation to the subject matter are those that arise out of the provisions contained in this contract. All representations, communications and prior agreements in relation to the subject matter are merged in and superseded by this contract.

(d) Severability

Any provision in this contract which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this contract or affecting the validity or enforceability of that provision in any other jurisdiction.

(e) **Assignment before completion**

Before completion, no party may assign or transfer any of its rights or obligations under this contract without the prior consent in writing of all the other parties.

(f) **No merger**

No provision of this contract:

- (i) merges on or by virtue of completion; or
- (ii) is in any way modified, discharged or prejudiced by reason of any investigations made or information acquired by or on behalf of the purchaser or any of the conditions specified in this contract being waived.

(g) **Further assurance**

Each party must do, sign, execute and deliver and must ensure that each of its employees and agents does, signs, executes and delivers, all deeds, documents, instruments and acts reasonably required of it or them by notice from another party to effectively carry out and give full effect to this contract and the rights and obligations of the parties under it, both before and after completion.

(h) **Counterparts**

This contract may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

(i) **Attorneys**

Each attorney who executes this contract on behalf of a party declares that the attorney has no notice of the revocation or suspension by the grantor or in any manner of the power of attorney under the authority of which the attorney executes this contract and has no notice of the death of the grantor.

(j) **GST**

- (i) If a party makes a supply to another party under or in connection with this contract, then (unless the consideration is expressly stated to be inclusive of GST) the consideration for that supply is exclusive of GST, and in addition to paying or providing that consideration the recipient must:
 - (1) pay to the supplier an amount equal to any GST for which the supplier is liable on that supply, without deduction or set-off of any other amount; and
 - (2) make the payment as and when the consideration or part of it must be paid or provided, except that the recipient need not pay unless the recipient has received a tax invoice (or an adjustment note) for that supply.
- (ii) If a party provides payment for or any satisfaction of a claim or a right to claim under or in connection with this contract (for example, for a breach of any warranty or for reimbursement of any expense) that

gives rise to a liability for GST, the provider must pay, and indemnify the claimant against, the amount of that GST.

- (iii) If a party has a claim under or in connection with this contract for a cost on which that party must pay an amount for GST, the claim is for the cost plus all amounts for GST (except any amount for GST for which that party is entitled to an input tax credit).
- (iv) If a party has a claim under or in connection with this contract whose amount depends on actual or estimated revenue or which is for a loss of revenue, revenue must be calculated without including any amount received or receivable as reimbursement for GST (whether that amount is separate or included as part of a larger amount).

SCHEDULE

Company:			
Shares:			
Price:			
Deposit:			
Deposit holder:			
Completion date:			
Completion address:			
Conditions precedent to completion:			
Conditions for the benefit of the Vendor:	Satisfaction date:		
Conditions for the benefit of the Purchaser:	<ol style="list-style-type: none"> 1. The landlord of the premises has consented in writing to the change in control of the company. 2. The franchisor has consented in writing to the change in control of the company. 3. Each supplier to the company has consented in writing to the change in control of the company. 		
	Satisfaction date:		
Premises:			
Intellectual property:			
Vendor disclosures:	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Disclosure (qualification of warranty)</td> <td style="width: 30%;">Warranty No (qualified by disclosure)</td> </tr> </table>	Disclosure (qualification of warranty)	Warranty No (qualified by disclosure)
Disclosure (qualification of warranty)	Warranty No (qualified by disclosure)		
Assistance period:	<p>Before completion: days</p> <p>After completion: days</p>		
Restraint	Restrainted business means each of the following:		
Part 1:			
(i)			
(ii)			
Part 2:	Restraint areas means each of the following:		
(i)			
(ii)			
(iii)			
Part 3:	Restraint periods means each of the following periods:		
(i)	from completion until 2 years after completion;		

(ii)	from completion until 1 year after completion;
(iii)	from completion until 6 months after completion
Jurisdiction: (for interpretation of contract and resolution of disputes)	

Execution page

SIGNED AS AN AGREEMENT

SIGNED BY RUDRA LEGAL CORPORATION PTY LTD ACN 163 240 319 TRADING AS LAWBANK in the presence of:)) Signature
..... Signature of witness		
..... Print name of witness		

EXECUTED BY Error! Reference source not found.))	
..... Director	 Director
Name: ...		Name: ...

SIGNED BY in the presence of:))	
..... Signature of witness	 Signature
..... Print name of witness		

EXECUTED BY Error! Reference source not found.))	
..... Director	 Director
Name: ...		Name: ...

ANNEXURE A – Balance Sheet

ANNEXURE B – ASIC Register Extract

ANNEXURE C – Shareholders agreement