
Merger implementation agreement

The Royal Automobile Club of Queensland Limited ACN 009 660 575

QT Mutual Bank Limited ACN 087 651 054

Table of contents

Parties	6
Background	6
Agreed terms	6
1 Definitions and interpretation	6
1.1 Definitions	6
1.2 Interpretation	17
1.3 Headings	18
2 Agreement to propose and implement the Merger	18
2.1 QTMB to propose the Demutualisation and the Scheme	18
2.2 Agreement to implement Merger	18
3 Conditions precedent.....	18
3.1 Conditions precedent	18
3.2 Benefit of certain Conditions Precedent	18
3.3 Waiver of Conditions Precedent	18
3.4 Reasonable endeavours	19
3.5 Regulatory matters	19
3.6 Notices in relation to Conditions Precedent	20
3.7 Effect of waiver or non-fulfilment	20
3.8 Consultation on failure of Condition Precedents	20
3.9 Failure to agree	21
3.10 Regulatory Approval	21
4 Outline of Scheme	21
4.1 Scheme	21
4.2 Scheme Consideration	21
4.3 Issue of Legacy Shares and payment of \$10 to Overseas Holders	22
4.4 Undertakings held as agent	22
4.5 No new QTMB Members after Record Date	22
4.6 RACQ Membership	22
4.7 Legacy Shares	23
4.8 Ranking of payment under clause 3.2(a)(ii) of RACQ NOHC Deed Poll	23
4.9 Payments to Overseas Holders	23
5 Co-operation and timing.....	23
5.1 General obligations	23

5.2	Transaction Implementation Committee	23
5.3	Access to people and information	24
5.4	Right to separate representation	25
5.5	Business matters	25
5.6	Co-operation on Legacy Share Terms	25
6	Implementation obligations of the parties.....	25
6.1	QTMB’s obligations	25
6.2	RACQ’s obligations	25
7	Scheme Booklet.....	26
7.1	Preparation	26
7.2	Content of the Scheme Booklet	26
7.3	RACQ Information	27
7.4	Disagreement on content	27
7.5	Verification	27
8	Profile of the Merged Group	28
8.1	Appointment of QTMB directors	28
8.2	Branding and operation	28
9	Conduct of business.....	28
9.1	QTMB’s obligations	28
9.2	Procedure for resolving differences	29
10	Exclusivity.....	30
10.1	No existing discussions	30
10.2	No-shop	30
10.3	No-talk	30
10.4	No due diligence	30
10.5	Notice of unsolicited approach	31
10.6	Exceptions	31
10.7	Matching Right	31
10.8	Legal advice	32
11	Reimbursement of costs.....	32
11.1	Background	32
11.2	Payment by QTMB to RACQ	32
11.3	Payment by RACQ to QTMB	33
11.4	No amount payable if Scheme becomes Effective	34
11.5	Timing of payment	34
11.6	Nature of payment to RACQ	34
11.7	Nature of payment to QTMB	34

11.8	Reduction in amount payable	35
11.9	Compliance with law	35
11.10	Survival	36
12	Representations and warranties	36
12.1	QTMB's representations and warranties	36
12.2	QTMB's indemnity	36
12.3	QTMB warranty certificate	36
12.4	RACQ's representations and warranties	36
12.5	RACQ's indemnity	37
12.6	RACQ warranty certificate	37
12.7	Maximum recovery	37
12.8	Parties to notify of potential breaches	37
13	Court proceedings	37
13.1	Appeal process	37
13.2	Defence of proceedings	38
13.3	Costs	38
14	Termination	38
14.1	Termination events	38
14.2	Termination	39
14.3	Effect of termination	39
14.4	Damages	39
15	Releases.....	39
15.1	QTMB release	39
15.2	RACQ release	40
16	Public announcements	40
16.1	Public announcement of Scheme	40
16.2	Required disclosure	40
16.3	Other announcements	41
17	Confidential information	41
18	Duty, costs and expenses	41
18.1	Stamp duty	41
18.2	Costs and expenses	41
19	GST	41
20	General	42
20.1	Amendments	42
20.2	Counterparts	42

20.3	No merger	42
20.4	Entire agreement	42
20.5	Further assurances	42
20.6	No waiver	42
20.7	Discretion in exercising rights	42
20.8	No liability for loss	42
20.9	Approvals and consents	42
20.10	Conflict of interest	43
20.11	Remedies cumulative	43
20.12	Indemnities	43
20.13	Enforceability	43
20.14	Construction	43
20.15	Governing law and jurisdiction	43
20.16	Severability	43
20.17	Consents	43
20.18	Notices	44
Schedule 1		46
	RACQ Prescribed Events	46
Schedule 2		47
	QTMB Prescribed Events	47
Schedule 3		49
	Conditions Precedent (clause 3.1)	49
Schedule 4		52
	Timetable (clause 5.1)	52
Schedule 5		53
	QTMB's Obligations (clause 6.1)	53
Schedule 6		55
	RACQ's Obligations (clause 6.2)	55
Schedule 7		56
	QTMB's representations and warranties (clause 12.1)	56
	except in the ordinary course of its mutual banking business	57
Schedule 8		58
	RACQ's representations and warranties (clause 12.4)	58
Execution		60
Annexure A		61
	Legacy Share Terms	61
Annexure B		62

Scheme	62
Annexure C	63
RACQ Deed Poll.....	63
Annexure D.....	64
RACQ NOHC Deed Poll	64

Merger implementation agreement

Dated

Parties

RACQ **The Royal Automobile Club of Queensland Limited ACN 009 660 575**
of c/- RACQ Operations Centre, 2649 Logan Road, Eight Mile Plains, QLD 4113

QTMB **QT Mutual Bank Limited ACN 087 651 054**
of 454 St Pauls Terrace, Fortitude Valley, QLD 4006

Background

- A QTMB and RACQ have agreed to merge by means of a members' scheme of arrangement under Part 5.1 Corporations Act.
- B At the request of RACQ, QTMB intends to propose the Demutualisation and the Scheme and issue the Scheme Booklet to QTMB Members.
- C The Scheme is conditional on QTMB Members voting in favour of the Demutualisation.
- D The implementation of the Demutualisation is conditional on QTMB Members voting in favour of the Scheme.
- E QTMB and RACQ have agreed to implement the Demutualisation and the Scheme on the terms and conditions of this document.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
ACCC	means the Australian Competition and Consumer Commission.
APRA	means the Australian Prudential Regulation Authority.
ASIC	means the Australian Securities & Investments Commission.
Authorised Officer	means, in respect of a party, a director or secretary of the party or any other person appointed by a party

Term	Definition
	to act as an Authorised Officer under this document.
Banking Act	means the <i>Banking Act 1959</i> (Cth).
Business Contracts	<p>means all agreements, leases, contracts and arrangements to which QTMB or any Subsidiary of QTMB is a party, including:</p> <ul style="list-style-type: none"> (a) agency agreements; (b) agreements relating to the provision of services to QTMB or any Subsidiary of QTMB; and (c) distribution channel agreements, but excluding agreements, leases, contracts and arrangements which: <ul style="list-style-type: none"> (d) are in the usual course of banking business; (e) are provided for in the business plan and budget of QTMB for FY16 as disclosed by QTMB to RACQ; (f) would result in an expense of less than \$50,000.
Business Day	means a day that is not a Saturday, Sunday or public holiday in Brisbane.
Competing Transaction	<p>means any proposal, agreement, arrangement or transaction, which, if completed, would have the same effect as, or be similar in economic terms to, the Merger or any other transaction (other than the Merger or the Demutualisation) described in paragraphs (a) to (f) below arising after the date of this document:</p> <ul style="list-style-type: none"> (a) a third party (either alone or with its associates) acquiring (directly or indirectly) (including by way of joint venture, alliance, dual listed company structure or otherwise) any interest in all or a substantial part of the business or assets of QTMB; (b) a third party (either alone or with its associates) becoming (directly or indirectly) the holder or controller of, or otherwise acquiring, all or substantially all of the shares in QTMB; (c) a third party (either alone or with its associates) acquiring Control of, or merging or amalgamating with QTMB, including by way of takeover bid, scheme of arrangement or capital reduction or contractual arrangement; (d) QTMB implementing any reorganisation of capital or dissolution (except as previously announced or disclosed to RACQ prior to the date of this document); (e) a third party acquiring (whether directly or

Term	Definition
	indirectly) a Relevant Interest in, or becoming the holder of, or having the right to acquire a legal, beneficial, or economic interest in, or control of, 10% or more of the QTMB Shares;
	(f) a third party entering into or completing a transaction or arrangement, or QTMB otherwise seeking to implement a transaction or arrangement, which would result in the demutualisation of QTMB as provided for in the QTMB Constitution or under Part 5 of Schedule 4 of the Corporations Act.; or
	(g) any other transaction which affects, prejudices or jeopardises, or might reasonably be expected to affect, prejudice or jeopardise, the consummation of the Merger.
Conditions Precedent	means the conditions precedent set out in Schedule 3.
Confidentiality Agreement	means the confidentiality agreement between the parties dated 27 November 2015.
Control	has the meaning given to that term in the Corporations Act.
Controller	has the meaning given to that term in section 50AA of the Corporations Act.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Court	means a court of competent jurisdiction under the Corporations Act.
Demutualisation	means the demutualisation of QTMB as provided for in Appendix 5 of the QTMB Constitution or under Part 5 of Schedule 4 of the Corporations Act (including, without limitation, by way of amendments to the QTMB Constitution and any required variation to the rights of QTMB Members, the reserves of QTMB and the capital structure of QTMB), from a mutual structure to a non-mutual public company owned by shareholders, in accordance with the QTMB Constitution, the Corporations Act and any other requirements of this document to give effect to the Merger.
Demutualisation Approval	means the special postal ballot of QTMB, conducted in accordance with the QTMB Constitution, at which QTMB Members will vote on the Demutualisation, and any other applicable approvals required for the Demutualisation.
Effective	when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) Corporations Act, of the order of the Court made

Term	Definition
	under section 411(4)(b) Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	means any one or more of the following: <ul style="list-style-type: none"> (a) any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, charge or security interest under the <i>Personal Property Securities Act 2009</i> (Cth); (b) any preferential or adverse interest of any kind; (c) a right to buy or use assets, for example a hire purchase agreement, option, licence, lease or agreement to purchase; (d) a right to set-off or right to withhold payment of a deposit or other money; (e) an easement, restrictive covenant, caveat or similar restriction over property; (f) an agreement to create any of the items referred to in paragraphs (a) to (e) above or to allow any of those items to exist; or (g) a notice under section 255 Tax Act (1936), subdivision 260-A in schedule 1 <i>Taxation Administration Act 1953</i> (Cth) or any similar legislation.
End Date	means the date which is 12 months from the date of this document or such other date as is agreed in writing by RACQ and QTMB.
Exclusivity Period	means the period from and including the date of this document to the earlier of: <ul style="list-style-type: none"> (a) the termination of this document in accordance with its terms; (b) the Effective Date; and (c) the End Date.
First Court Date	means the first day on which an application made to the Court, in accordance with item 10 of Schedule 5, for orders under section 411(1) Corporations Act convening the Scheme Meeting to consider the Scheme is heard.
FSSA	means the <i>Financial Sector (Shareholdings) Act 1998</i> (Cth).
General Meeting	means the extraordinary general meeting of QTMB at which QTMB Members will vote on the General Meeting Resolutions.

Term	Definition
General Meeting Resolutions	means resolutions to approve amendments to the QTMB Constitution and any other required resolutions.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Implementation Date	means the fifth Business Day following the Record Date or such other date agreed in writing by RACQ and QTMB.
Incoming Directors	means such persons who are nominated in writing by RACQ to QTMB prior to the Second Court Date.
Independent Expert	means the independent expert to be appointed by QTMB under item 3 of Schedule 5 after reasonable consultation with RACQ.
Independent Expert's Report	means the report to be prepared by the Independent Expert expressing an opinion, for inclusion in the Scheme Booklet, on whether the Demutualisation and the Scheme are in the best interests of Scheme Participants and QTMB Members (as applicable) and that the benefits being provided to QTMB Members are fair and reasonable having regard to any loss of rights and change as to voting rights and rights to participate in the reserves and profits of QTMB.
Input Tax Credit	has the meaning given to that term in the GST Act.
Insolvent	a person is Insolvent if: <ul style="list-style-type: none"> (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property; (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this document); (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; (e) it is taken (under section 459F(1) Corporations Act) to have failed to comply with a statutory demand;

Term	Definition
	<p>(f) it is the subject of an event described in section 459C(2)(b) or section 585 Corporations Act (or it makes a statement from which another party to this document reasonably deduces it is so subject);</p> <p>(g) it is otherwise unable to pay its debts when they fall due; or</p> <p>(h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.</p>
Key Personnel Contract	means a contract of employment between QTMB or any Subsidiary of QTMB and a QTMB Direct Report.
Lease	means a lease or licence held by QTMB or any Subsidiary of QTMB of real property.
Legacy Share	means a redeemable preference share to be issued by RACQ NOHC on the Legacy Share Terms.
Legacy Share Terms	means the terms of issue of the Legacy Shares set out in Annexure A or as otherwise determined under clause 5.6.
Losses	means all claims, demands, damages, losses, costs, expenses and liabilities.
Material Contract	means a contract or commitment: <ul style="list-style-type: none"> (a) requiring total payments in excess of an amount equal to 10% of the relevant party's NPAT for the previous financial year; or (b) which is not entered into in the ordinary course of the business of the RACQ Group or the QTMB Group (as applicable).
Merged Eligible Product	means all QTMB banking products as at the Record Date.
Merged Group	means the group comprising of the combination of the RACQ Group and the QTMB Group following implementation of the Merger.
Merger	means the combination of QTMB and RACQ as a result of the Demutualisation and the implementation of the Scheme.
NPAT	means consolidated net profit after tax of the QTMB Group or the RACQ Group (as applicable).
Overseas Holder	means each registered holder of a QTMB Share with a registered address outside of Australia at 5.00pm on the Record Date.
Preserved Surplus Amount	means the amount equal to the total equity recorded in the audited annual financial statements of QTMB as at 30 June 2016 divided by the number of QTMB Shares on issue at the Implementation Date.

Term	Definition
QTMB Board	means the board of directors of QTMB.
QTMB Branches	means each branch operated by QTMB as at the date of the Second Court Date.
QTMB Constitution	means the constitution of QTMB.
QTMB Direct Report	means those employees of QTMB or its Subsidiaries who, as at the date of this document, report directly to the Chief Executive Officer of QTMB.
QTMB Group	means QTMB and its Subsidiaries.
QTMB Indemnified Parties	means QTMB's officers, employees, and advisers and its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.
QTMB Information	<p>means all information regarding the QTMB Group and businesses that is provided by QTMB or is reasonably requested by RACQ or the Independent Expert and provided by or on behalf of QTMB:</p> <ul style="list-style-type: none"> (a) to RACQ pursuant to clause 5.3; (b) to the Independent Expert to enable the Independent Expert's Report to be completed; (c) in the Scheme Booklet, excluding the RACQ Information and the Independent Expert's Report; and (d) to enable applications for Regulatory Approvals to be made.
QTMB Material Adverse Change	<p>means Specified Events which are not disclosed or properly taken into account in the preparation of the QTMB Group's financial statements and which had they been so disclosed or properly taken into account, individually or when aggregated with all such events, would have resulted in:</p> <ul style="list-style-type: none"> (a) the value of consolidated net assets of the QTMB Group reported in the QTMB Group's financial statements for the year ended 30 June 2015 being reduced by at least 2.5%; or (b) the value of NPAT of the QTMB Group reported in the QTMB Group's financial statements for the year ended 30 June 2015 being reduced by at least \$500,000, <p>but does not include:</p> <ul style="list-style-type: none"> (c) any matter fairly disclosed to RACQ or its Representatives on or before the date of this document (including as a result of disclosures made to ASIC); (d) any matter, event or circumstance arising from changes in economic or business conditions in Australia; (e) any change in taxation, interest rates or

Term	Definition
	<p>general economic conditions;</p> <p>(f) any change in accounting policy required by law; or</p> <p>(g) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this document, the Demutualisation, the Scheme or the transactions contemplated by them.</p>
QTMB Member	means each person registered in the Register as a holder of QTMB Shares.
QTMB Prescribed Event	means, except to the extent publicly disclosed prior to the date of this document or contemplated by this document or the Scheme, any of the events listed in Schedule 2 provided that a QTMB Prescribed Event listed in Schedule 2 will not occur where QTMB has first consulted with RACQ in relation to the event and RACQ has approved the proposed event or has not objected to the proposed event within five Business Days of having being so consulted.
QTMB Representative	means Brendon Comrie or such other representative nominated by QTMB in writing to RACQ.
QTMB Share	means a fully paid share in the capital of QTMB.
RACQ Board	means the board of directors of RACQ.
RACQ By-Laws	means the by-laws of RACQ prescribed by the RACQ Board in accordance with the constitution of RACQ.
RACQ Deed Poll	means a deed poll substantially in the form of Annexure C to this document.
RACQ Group	means RACQ and its Subsidiaries.
RACQ Indemnified Parties	means RACQ's officers, employees and advisers, its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.
RACQ Information	<p>means such information regarding RACQ and its Related Bodies Corporate that is reasonably requested by QTMB or the Independent Expert and provided by or on behalf of RACQ:</p> <p>(a) to QTMB pursuant to clause 5.3;</p> <p>(b) to the Independent Expert to enable the Independent Expert's Report to be completed;</p> <p>(c) to QTMB to enable the Scheme Booklet to be completed; and</p> <p>(d) to enable applications for Regulatory Approvals to be made.</p> <p>For the avoidance of doubt, RACQ Information does not include information about the QTMB Group (except to the extent it relates to any statement of intention relating to the QTMB Group following the Effective Date).</p>

Term	Definition
RACQ Material Adverse Change	<p>means Specified Events which are not disclosed or properly taken into account in the preparation of RACQ's financial statements and, which had they been so disclosed or properly taken into account, individually or when aggregated with all such events, would have resulted in:</p> <ul style="list-style-type: none"> (a) the value of consolidated net assets of the RACQ Group reported in the RACQ Group's financial statements for the year ended 30 June 2015 being reduced by at least 2.5%; or (b) the NPAT of the RACQ Group reported in RACQ Group's financial statements for the year ended 30 June 2015 being reduced by at least \$10 million, <p>but does not include:</p> <ul style="list-style-type: none"> (c) any matter fairly disclosed to QTMB or its Representatives on or before the date of this document; (d) any matter, event or circumstance arising from changes in economic, business or environmental conditions in Australia; (e) any change in taxation, interest rates or general economic conditions; (f) any change in accounting policy required by law; or (g) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this document, the Scheme or the transactions contemplated by them.
RACQ Membership	<p>means an entitlement to be an ordinary voting member of RACQ as a consequence of:</p> <ul style="list-style-type: none"> (a) a person holding a Merged Eligible Product at the relevant time; or (b) if no Merged Eligible Product is held by that person at that time, that person having been a QTMB Member as at the Record Date, but only for the period as and from the Implementation Date up to the first anniversary of the Record Date.
RACQ NOHC	<p>means Club Finance Holdings Limited ACN 612 096 787.</p>
RACQ NOHC Deed Poll	<p>means a deed poll substantially in the form of Annexure D to this document.</p>
RACQ Prescribed Event	<p>means, except to the extent publicly disclosed prior to the date of this document or contemplated by this document or the Scheme, any of the events listed in Schedule 1 provided that an RACQ Prescribed Event listed in Schedule 1 will not occur where RACQ has</p>

Term	Definition
	first consulted with QTMB in relation to the event and QTMB has approved the proposed event or has not objected to the proposed event within five Business Days of having being so consulted.
RACQ Representative	means Mark Mugnaioni or such other representative nominated by RACQ in writing to QTMB.
RBA	means the Reserve Bank of Australia.
Record Date	means 5.00pm on the fifth Business Day following the Effective Date or such other date as QTMB and RACQ agree in writing.
Register	means the share register of QTMB and Registry has a corresponding meaning.
Regulator's Draft	means the draft of the Scheme Booklet in a form acceptable to both parties which is provided to ASIC for approval in respect of the Scheme pursuant to section 411(2) Corporations Act and in respect of the Demutualisation pursuant to the QTMB Constitution and applicable requirements of the Corporations Act.
Regulatory Approval	means any approval of a Regulatory Authority to the Merger or any aspect of it which is necessary or desirable to implement the Merger.
Regulatory Authority	includes: <ul style="list-style-type: none"> (a) APRA, RBA, ACCC, ASIC; (b) the Takeovers Panel; (c) a government or governmental, semi-governmental or judicial entity or authority; (d) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (e) any regulatory organisation established under statute.
Regulatory Review Period	means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC confirms that it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the same meaning as given by sections 608 and 609 Corporations Act.
Representative	means any person acting for or on behalf of a party including any director, officer, employee, agent, contractor or professional advisor of a party.
Scheme	means the scheme of arrangement under Part 5.1 Corporations Act under which all the QTMB Shares will be transferred to RACQ NOHC substantially in the

Term	Definition
Scheme Booklet	<p>form of Annexure B together with any amendment or modification made pursuant to section 411(6) Corporations Act.</p> <p>means, in respect of the Scheme and the Demutualisation Approval, the information booklet or booklets (as may be required) to be despatched to QTMB Members and, in the case of the Scheme, approved by the Court and which must:</p> <ul style="list-style-type: none"> (a) include the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Independent Expert’s Report, information on the general taxation impact of the Scheme for Scheme Participants and, in the case of the Scheme, notices of meeting and proxy forms; and (b) comply with the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 and the QTMB Constitution.
Scheme Consideration	<p>means:</p> <ul style="list-style-type: none"> (a) for each Scheme Participant other than an Overseas Holder, the issue of a Legacy Share under the Scheme and in accordance with clause 4.2 of this document; and (b) for each Overseas Holder, payment of \$10 and the agreement to make the payment contemplated by clause 3.2(a)(ii) of RACQ NOHC Deed Poll (subject to the terms of the RACQ NOHC Deed Poll).
Scheme Meeting	<p>means the meeting of QTMB Members to be convened by the Court under section 411(1) Corporations Act at which QTMB Members will vote in relation to the implementation of the Scheme.</p>
Scheme Participants	<p>means each person who is a QTMB Member at the Record Date.</p>
Second Court Date	<p>means the first day on which an application made to the Court for an order under section 411(4)(b) Corporations Act approving the Scheme is heard.</p>
Specified Events	<p>means an event, occurrence or matter that:</p> <ul style="list-style-type: none"> (a) occurs after the date of this document; (b) occurs before the date of this document but is only announced or publicly disclosed after the date of this document; (c) occurs before the date of this document but the other party only becomes aware of the event, occurrence or matter after the date of this document; or (d) will or is likely to occur after the date of this document and which has not been publicly announced prior to the date of this

Term	Definition
	document.
Subsidiaries	has the meaning given to that term in the Corporations Act.
Superior Proposal	means a bona fide Competing Transaction which the QTMB Board, acting in good faith determines is: <ul style="list-style-type: none"> (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and (b) more favourable to QTMB Members than the Scheme, taking into account all terms and conditions of the Competing Transaction.
Takeovers Panel	means the body called the Takeovers Panel continuing in existence under section 261 of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) and given various powers under Part 6.10 Corporations Act.
Tax Invoice	has the meaning given to that term in the GST Act.
Timetable	means the timetable set out in Schedule 4 or as otherwise agreed in writing by QTMB and RACQ.
Transaction Implementation Committee	means a committee to be made up of such persons as the parties may agree from time to time.
Treasurer	means the Treasurer of the Commonwealth of Australia.

1.2 Interpretation

In this document:

- (a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (e) a reference to this document includes the agreement recorded by this document;
- (f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

- (h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (i) a reference to Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) the words 'include', 'including', 'for example' or 'such as' when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (k) a reference to 'month' means calendar month; and
- (l) time is a reference to Brisbane time.

1.3 Headings

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

2 Agreement to propose and implement the Merger

2.1 QTMB to propose the Demutualisation and the Scheme

QTMB agrees to propose the Demutualisation and (subject to the Demutualisation being approved by QTMB Members) the Scheme on and subject to the terms and conditions of this document.

2.2 Agreement to implement Merger

The parties agree to implement the Merger on the terms and conditions of this document.

3 Conditions precedent

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective and the obligations of RACQ under clause 4.2 are conditional on the satisfaction (or waiver, if applicable) of each of the Conditions Precedent contained in Schedule 3 to the extent and in the manner set out in clauses 3.2 and 3.4.

3.2 Benefit of certain Conditions Precedent

- (a) A Condition Precedent may only be waived in writing by a party entitled to the benefit of that Condition Precedent as noted in the table set out in Schedule 3 and will be effective only to the extent specifically set out in that waiver.
- (b) A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this clause 3.2 may do so in its absolute discretion.

3.3 Waiver of Conditions Precedent

If either QTMB or RACQ waives the breach or non-fulfilment of a Condition Precedent in accordance with this clause, then:

- (a) subject to subclause 3.3(b), that waiver precludes that party from suing the other for any breach of this document arising as a result of the breach or non-fulfilment of that Condition Precedent or arising from the same event which gave rise to the breach or non-fulfilment of that Condition Precedent; but
- (b) if the waiver of the Condition Precedent is itself conditional and the other party:
 - (i) accepts the condition, the terms of that condition apply notwithstanding any inconsistency with subclause 3.3(a); or
 - (ii) does not accept the condition, the Condition Precedent has not been waived.

3.4 Reasonable endeavours

Each of QTMB and RACQ agree to use reasonable endeavours to procure that:

- (a) each of the Conditions Precedent:
 - (i) is satisfied as soon as is reasonably practicable after the date of this document; and
 - (ii) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (b) there is no occurrence that would prevent the Conditions Precedent being satisfied.

3.5 Regulatory matters

Without limiting clause 3.4 each party:

- (a) **(Regulatory Approvals)** must promptly apply for all relevant Regulatory Approvals and take all steps it is responsible for as part of the approval process, including responding to requests for information from the relevant Regulatory Authority at the earliest practicable time;
- (b) **(representation)** subject to the requirements of the relevant Regulatory Authority, has the right to be represented and make submissions at any proposed meeting with any Regulatory Authority relating to any Regulatory Approval; and
- (c) **(consultation)** must consult with the other party in advance in relation to all material communications (whether written or oral, and whether direct or via a Representative) with any Regulatory Authority relating to any Regulatory Approval (**Communications**) and, without limitation:
 - (i) provide the other party with drafts of any material written Communications to be sent to a Regulatory Authority, and consider in good faith, and make such amendments as the other party reasonably requires; and
 - (ii) provide copies of any material written Communications sent to or received from a Regulatory Authority to the other party promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable to do so.

3.6 Notices in relation to Conditions Precedent

Each party must:

- (a) **(notice of satisfaction)** promptly notify the other in writing of satisfaction of a Condition Precedent and must keep the other informed of any material development of which it becomes aware that may lead to the breach or non-fulfilment of a Condition Precedent;
- (b) **(notice of failure)** immediately give written notice to the other of a breach or non-fulfilment of a Condition Precedent, or of any event which will prevent a Condition Precedent being satisfied;
- (c) **(notice of waiver)** upon receipt of a notice given under clause 3.6(b), give written notice to the other party as soon as reasonably possible (and in any event before 5.00pm on the day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of any Condition Precedent resulting from the occurrence of that event, specifying the Condition Precedent in question; and
- (d) **(certificates)** give to:
 - (i) the other (in draft), by 5.00pm on the Business Day immediately prior to the Second Court Date; and
 - (ii) the Court (in final form), on the Second Court Date,

a certificate signed by one of its directors and made in accordance with a resolution of its board confirming (in respect of the Conditions Precedent relating to it, other than the Condition Precedent in item 4 of Schedule 3) whether or not those Conditions Precedent have been satisfied or waived.

3.7 Effect of waiver or non-fulfilment

A waiver of such breach or non-fulfilment in respect of one Condition Precedent does not constitute:

- (a) a waiver of the breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
- (b) a waiver of the breach or non-fulfilment of that Condition Precedent resulting from any other event.

3.8 Consultation on failure of Condition Precedents

If:

- (a) there is a breach or non-fulfilment of a Condition Precedent which is not waived in accordance with this document by the time or date specified in this document for the satisfaction of the Condition Precedent;
- (b) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this document for the satisfaction of the Condition Precedent (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this document); or
- (c) the Scheme has not become Effective by the End Date,

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

- (d) the Merger may proceed by way of alternative means or methods;
- (e) to extend the relevant time for satisfaction of the Condition Precedent or to adjourn or change the date of an application to the Court; or
- (f) to extend the End Date.

3.9 Failure to agree

If the parties are unable to reach agreement within five Business Days of commencing consultations under clause 3.8 (or any shorter period ending at 5.00pm on the day before the Second Court Date):

- (a) subject to subclause 3.9(b), either party may terminate this document (and such termination will be in accordance with clause 14.1(e)(i)); or
- (b) if a Condition Precedent may be waived and exists for the benefit of one party only, that party only may waive that Condition Precedent or terminate this document (and such termination will be in accordance with clause 14.1(e)(ii)),

in each case before 8.00am on the Second Court Date. A party will not be entitled to terminate this document pursuant to this clause 3.9 if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of:

- (c) a breach of this document by that party; or
- (d) a deliberate act or omission of that party (that is not permitted by this document).

3.10 Regulatory Approval

A Regulatory Approval will be regarded as having been obtained notwithstanding that a condition or conditions may have been attached to that Regulatory Approval if that condition is, or, as the case may be, those conditions are, reasonably satisfactory to QTMB and RACQ.

4 Outline of Scheme

4.1 Scheme

Subject to clause 3.1, on the Implementation Date:

- (a) all of the QTMB Shares will be transferred to RACQ NOHC;
- (b) each Scheme Participant (other than an Overseas Holder), will be entitled to a Legacy Share in accordance with clause 4.2; and
- (c) each Overseas Holder will be entitled to payment of \$10 and the agreement to make the payment contemplated by clause 3.2(a)(ii) of RACQ NOHC Deed Poll (subject to the terms of the RACQ NOHC Deed Poll).

4.2 Scheme Consideration

In exchange for the transfer to RACQ NOHC of all QTMB Shares:

- (a) each Scheme Participant (other than an Overseas Holder), will be entitled to one Legacy Share; and
- (b) each Overseas Holder will be entitled to payment of \$10 and the agreement to make the payment contemplated by clause 3.2(a)(ii) of RACQ NOHC Deed Poll (subject to the terms of the RACQ NOHC Deed Poll).

4.3 Issue of Legacy Shares and payment of \$10 to Overseas Holders

- (a) RACQ must in respect of each QTMB Member who is entitled to a Legacy Share under clause 4.2(a) on the Implementation Date, procure that RACQ NOHC issues a Legacy Share to that QTMB Member.
- (b) RACQ must in respect of each Overseas Holder who is entitled to a payment under clause 4.2(b) on the Implementation Date, procure that RACQ NOHC:
 - (i) pays \$10 to that Overseas Holder; and
 - (ii) enters into and becomes bound by the RACQ NOHC Deed Poll (for the benefit of Overseas Holders).

4.4 Undertakings held as agent

QTMB acknowledges that the undertaking by RACQ in clause 4.3 is given to QTMB in its capacity as agent for each Scheme Participant.

4.5 No new QTMB Members after Record Date

QTMB agrees not to (and must procure that the QTMB Board does not) register any new QTMB Members or issue any new QTMB Shares after the Record Date to any entity other than RACQ NOHC.

4.6 RACQ Membership

RACQ covenants in favour of QTMB (in its own right and on behalf of each Scheme Participant) that:

- (a) RACQ will cause or procure that the RACQ By-Laws are amended prior to the Implementation Date so that:
 - (i) each Merged Eligible Product is recognised as an eligible product of RACQ as that term is defined in rule 1.1 of the RACQ By-Laws; and
 - (ii) RACQ Membership is granted to each Scheme Participant who is not already a member of RACQ as at the Record Date as a consequence of:
 - (A) that Scheme Participant holding a Merged Eligible Product as at the Implementation Date; or
 - (B) if no Merged Eligible Product is held by the Scheme Participant as at the Implementation Date, that Scheme Participant having been a QTMB Member as at the Record Date, but only for the period as and from the Implementation Date up to the first anniversary of the Record Date;
- (b) RACQ Membership will rank equally with all other existing RACQ ordinary voting members; and

- (c) the Scheme Participant's 'loyalty years', as at the Record Date, for the purposes of its RACQ membership, will be calculated and recognised on the following basis:
- (i) if the Scheme Participant was an RACQ member as at that date, that Scheme Participant's 'loyalty years' will be the longer of that Scheme Participant's:
 - (A) existing 'loyalty years' as an RACQ member as at the Record Date; or
 - (B) period of continuous membership with QTMB as at the Record Date; and
 - (ii) otherwise, that Scheme Participant's 'loyalty years' will equal the Scheme Participant's continuous membership with QTMB as at the Record Date.

4.7 Legacy Shares

RACQ covenants in favour of QTMB (in its own right and on behalf of each Scheme Participant, other than Overseas Holders) that Legacy Shares will rank in accordance with the Legacy Share Terms ahead of all other shares on issue in RACQ NOHC for a return of capital and the distributions provided for in the Legacy Share Terms.

4.8 Ranking of payment under clause 3.2(a)(ii) of RACQ NOHC Deed Poll

To the extent permitted by law, each Overseas Holder's entitlement to a payment under clause 3.2(a)(ii) of RACQ NOHC Deed Poll will rank equally with the entitlement of the holders of Legacy Shares to any payment of the Preserved Surplus Amount in respect of its Legacy Share in accordance with the Legacy Share Terms.

4.9 Payments to Overseas Holders

RACQ may discharge its obligations under clause 4.2(b) by procuring RACQ NOHC to credit a deposit account with a company within the QTMB Group issued in the name of that Overseas Holder which remains in place at the relevant date.

5 Co-operation and timing

5.1 General obligations

QTMB and RACQ must each:

- (a) use all reasonable endeavours and commit all reasonably necessary resources (including reasonably necessary management and corporate relations resources and the resources of external advisers); and
- (b) procure that its officers and advisers work in good faith and in a timely and co-operative fashion with the other party (including by attending such meetings and by providing such information as in each case may reasonably be required),

to produce the Scheme Booklet and implement the Demutualisation and Scheme as soon as reasonably practicable and to the extent practicable in accordance with the Timetable.

5.2 Transaction Implementation Committee

- (a) The parties must establish a Transaction Implementation Committee as soon as possible after the date of this document.

- (b) The role of the Transaction Implementation Committee will be to act as a forum for consultation and planning by parties to:
 - (i) facilitate satisfaction of the Conditions Precedent;
 - (ii) produce the Scheme Booklet; and
 - (iii) implement the Demutualisation and the Scheme.
- (c) The Transaction Implementation Committee will meet in person or by telephone as and when deemed necessary from the date of this document until the Merger is fully implemented.
- (d) The Implementation Committee will consider all matters relevant to implementing the Scheme, including the following:
 - (i) the structure and timetable for accomplishing the Merger;
 - (ii) applying for all necessary Regulatory Approvals;
 - (iii) accounting issues, including taxation, franking credits, acquisition provisioning;
 - (iv) superannuation funds;
 - (v) integration planning issues;
 - (vi) human resources issues, including management restructure and redundancies;
 - (vii) communication strategies, including with any Regulatory Authority, employees, QTMB Members and members of RACQ and the media; and
 - (viii) matters requiring consultation under clause 9.1(e).
- (e) The parties agree that nothing in this document is intended to create or constitutes the relationship of a partnership, trust, joint venture or any other relationship of a fiduciary nature between the parties. Unless this document expressly provides otherwise, no party has the power to incur any obligation or liability on behalf of, or to pledge the credit of, any other party.
- (f) Notwithstanding the above:
 - (i) each party may act in its own interests; and
 - (ii) each member of the Transaction Implementation Committee may act in the interests of the party they represent in participating in the Transaction Implementation Committee.

5.3 Access to people and information

Between the date of this document and the earlier of 5.00pm on the Business Day immediately before the Second Court Date and the date this document is terminated, the parties and their Subsidiaries must promptly provide one another and their respective executive officers and advisers with reasonable access to their respective executive officers and advisers and documents, records, and other information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) which the other party reasonably requests (including monthly management accounts) for the purposes of:

- (a) implementation of the Demutualisation and the Scheme;
 - (b) applying for all relevant Regulatory Approvals; and
 - (c) any other purpose agreed in writing between the parties,
- provided in every case that:
- (d) such access is reasonably necessary to the party requesting the information;
 - (e) neither the request nor the access places an unreasonable burden on the ability of the other party to run its business;
 - (f) the request is made by contacting the QTMB Representative or the RACQ Representative, as the case may be.

5.4 Right to separate representation

Each party is entitled to separate representation at all Court proceedings relating to the Scheme. Nothing in this document is to be taken to give RACQ or QTMB (as applicable) any right or power to make or give undertakings to the Court for or on behalf of the other party.

5.5 Business matters

Where a matter is required to be the subject of consultation under clause 9.1(e), in determining its action, if any, on that matter, QTMB will have regard to the potential effect of the action on integration planning issues, and subject to the fiduciary duties of the QTMB Board in relation to the matter, QTMB will select the action which has no or the least effect on those issues.

5.6 Co-operation on Legacy Share Terms

QTMB and RACQ must:

- (a) co-operate with each other to consider any modifications to the Legacy Share Terms as set out in Annexure A suggested by the other party; and
- (b) act reasonably in agreeing any such modifications which are desirable to better reflect the commercial intentions of the parties under this document, including to reduce risks of any adverse outcomes for QTMB Members from being issued with Legacy Shares.

Any modifications to the Legacy Share Terms must be agreed in writing by the parties.

6 Implementation obligations of the parties

6.1 QTMB's obligations

QTMB must comply with the obligations of QTMB set out in Schedule 5 and take all reasonable steps to implement the Demutualisation and the Scheme as soon as is reasonably practicable having regard to the Timetable and in any event prior to the End Date.

6.2 RACQ's obligations

RACQ must comply with the obligations of RACQ set out in Schedule 6 and take all reasonable steps to assist QTMB to implement the Demutualisation and the Scheme as soon as reasonably practicable having regard to the Timetable and in any event prior to the End Date.

7 Scheme Booklet

7.1 Preparation

Without limiting clauses 6.1 or 6.2:

- (a) **(preparation)** subject to clauses 7.1(b), 7.3(c) and 7.5, QTMB is generally responsible for the preparation of the Scheme Booklet but will provide drafts to and consult with RACQ in accordance with clause 7.2; and
- (b) **(compliance)** RACQ and QTMB must take all necessary steps to endeavour to ensure that the Scheme Booklet:
 - (i) complies with the requirements of:
 - (A) the Corporations Act and Corporations Regulations;
 - (B) ASIC Regulatory Guide 60; and
 - (C) the QTMB Constitution; and
 - (ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission).

7.2 Content of the Scheme Booklet

QTMB must:

- (a) **(consult RACQ):**
 - (i) provide to RACQ a draft of the Scheme Booklet (including the draft of any related proposed amendments to the QTMB Constitution) for the purpose of enabling RACQ to review and comment on that draft document;
 - (ii) take the comments made by RACQ into account in good faith when producing a revised draft of the Scheme Booklet (and related proposed amendments to the QTMB Constitution); and
 - (iii) provide to RACQ the proposed Regulator's Draft at least five days before it is submitted to ASIC to enable RACQ to review and comment on the proposed Regulator's Draft;
- (b) **(amend the Scheme Booklet)** implement such changes to those parts of the Scheme Booklet relating to RACQ which are provided in accordance with clause 7.2(a) as reasonably requested by RACQ and prior to finalising the Regulator's Draft;
- (c) **(Regulatory Review Period)** during the Regulatory Review Period:
 - (i) promptly provide to RACQ, and include in a revised draft of the Scheme Booklet, any new information not included in the Regulator's Draft which is required by the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or the QTMB Constitution to be included in the Scheme Booklet; and

- (ii) keep RACQ informed of any matters raised by ASIC in relation to the Scheme Booklet and use all reasonable endeavours, in co-operation with RACQ, to resolve any such matters; and
- (d) **(RACQ Information)** obtain approval from RACQ for the form and context in which the RACQ Information appears in the Scheme Booklet which approval must not be unreasonably delayed or withheld.

7.3 RACQ Information

RACQ:

- (a) must consult with QTMB as to the content of the RACQ Information;
- (b) consents to the inclusion of the RACQ Information in the Scheme Booklet; and
- (c) acknowledges that:
 - (i) it is responsible for ensuring that the RACQ Information is not misleading or deceptive in any material respect (whether by omission or otherwise) and that QTMB will not verify or edit that information in the Scheme Booklet; and
 - (ii) the Scheme Booklet will state that RACQ is responsible for the RACQ Information.

7.4 Disagreement on content

If RACQ and QTMB disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to the form or content of the RACQ Information contained in the Scheme Booklet, QTMB will make such amendments as RACQ, acting in good faith, reasonably requires; and
- (b) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the QTMB Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.

7.5 Verification

Each party must undertake appropriate verification processes for the information supplied by that party for the Scheme Booklet.

8 Profile of the Merged Group

8.1 Appointment of QTMB directors

As soon as practicable after the Second Court Date and subject to receipt of a consent to act from each Incoming Director, QTMB must use its best endeavours to cause the appointment of each Incoming Director to the QTMB Board and to any company in respect of which QTMB has nominee directors.

8.2 Branding and operation

The parties acknowledge that subject to the implementation of the Merger, it is RACQ's current intention to:

- (a) re-brand the QTMB Branches and products to reflect QTMB's merger with RACQ; and
- (b) merge the product suites of RACQ and QTMB over time, however, RACQ will not change the banking arrangements and products of existing QTMB members unless requested by a QTMB Member, in response to changes in the official interest rate by the RBA or in line with the loan agreement the QTMB Member has in place with QTMB.

9 Conduct of business

9.1 QTMB's obligations

During the period from the date of this document to the Implementation Date, QTMB must, and must cause each of its Subsidiaries to:

- (a) carry on its business in the usual, regular and ordinary course and in compliance in all material respects with all applicable laws and regulations and consistent with the most recent business plans and budgets disclosed by QTMB to RACQ prior to the date of this document;
- (b) to the extent consistent with clause 9.1(a), use reasonable efforts to preserve intact its current business organisation and goodwill, keep available the services of its current officers and employees and preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it but nothing in this paragraph requires QTMB to act contrary to its interests;
- (c) observe its obligations under each Business Contract and each Lease;
- (d) maintain its assets at normal levels having regard to historical trading levels and projected trading levels;
- (e) consult RACQ before:
 - (i) formulating or approving programs and budgets relating to its business including capital expenditure;
 - (ii) entering into any proposed contract involving the introduction of new products, services or business facilities which are not already in operation as at the date of this document;

- (iii) altering (including but not limited to an alteration involving a break fee arrangement) a Business Contract, Key Personnel Contract or a Lease;
 - (iv) renewing a Business Contract, Key Personnel Contract or a Lease;
 - (v) entering into a Business Contract, Key Personnel Contract or a Lease;
 - (vi) adopting or varying employment policies, including any redundancy policy (except if required by law);
 - (vii) entering into any borrowing facility other than treasury funding arrangements in the ordinary course of banking business;
 - (viii) commencing any litigation which may involve costs greater than \$50,000;
 - (ix) proposing the settlement of any litigation which may involve a claim greater than \$50,000; and
 - (x) increasing its level of provisioning for bad debts from that level disclosed in QTMB's financial reports for the year ended 30 June 2015; and
- (f) provide RACQ with copies of all notices of meetings, board minutes, board papers, reports, accounts, programs, budgets and like documents relating to QTMB to the extent such documents do not contain information confidential to third parties (QTMB must, however, use its best endeavours to obtain the approval of that third party to the disclosure of that information to RACQ if requested to do so by RACQ) or contain information regarding the Demutualisation or Merger or contain information which the QTMB directors consider is not in the best interests of QTMB to disclose (acting in good faith and for a proper purpose), which information may be omitted or redacted.

9.2 Procedure for resolving differences

If there is any difference of opinion between the parties regarding the access RACQ is to be provided to the documents referred to in clause 9.1(f) or the manner in which QTMB otherwise proposes to comply with its obligations under clause 9.1, the following steps are to apply and they apply in the following order for the purposes of seeking to resolve that difference. The time for each step runs from the time the initial consultation for that step is required by either party. After each step, a party may take the next step if the difference has not been resolved within the time indicated for that step.

Step	Description of step	Time limit
1	Consultation between RACQ Representative and QTMB Representative	48 hours
2	Consultation between the chief executive officer of RACQ and the chief executive officer of QTMB	5 Business Days
3	Mediation facilitated by, under a procedure determined by, a person selected by agreement between the parties, or failing agreement within three Business Days, by RACQ.	10 Business Days

10 Exclusivity

10.1 No existing discussions

QTMB represents and warrants that, other than the discussions with RACQ and its Representatives in respect of the Merger, it is not, nor are any of its Related Bodies Corporate or Representatives currently in negotiations or discussions in respect of or with a view to any Competing Transaction with any person.

10.2 No-shop

- (a) During the Exclusivity Period, QTMB must ensure that neither it nor any of its Related Bodies Corporate nor any of its Representatives directly or indirectly:
 - (i) solicits, invites, encourages or initiates any enquiries, negotiations or discussions; or
 - (ii) communicates any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Transaction.
- (b) Nothing in clause 10.2(a) prevents QTMB from continuing to make normal presentations to, and to respond to enquiries from any person in the ordinary course in relation to the Merger or its business generally.

10.3 No-talk

Subject to clause 10.6 during the Exclusivity Period, QTMB must ensure that neither it nor any of its Related Bodies Corporate nor any of its Representatives:

- (a) negotiates or enters into;
- (b) provides any non-public information (including due diligence information) to a third party in connection with (or with a view to obtaining); or
- (c) participates in negotiations or discussions with any other person regarding,

a Competing Transaction, even if that person's Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by QTMB or any of its Related Bodies Corporate or Representatives or the person has publicly announced the Competing Transaction.

10.4 No due diligence

Subject to clause 10.5, during the Exclusivity Period, QTMB must ensure that neither it nor any of its Related Bodies Corporate or Representatives:

- (a) solicits, invites, initiates, encourages, or permits any other person other than RACQ and their Representatives to undertake due diligence investigations on QTMB or any of its Related Bodies Corporate; or
- (b) makes available to any other person or permits any other person to receive other than RACQ and its Representatives (in the course of due diligence investigations or otherwise) any non-public information relating to QTMB or any of its Related Bodies Corporate.

10.5 Notice of unsolicited approach

Subject to any obligation of confidentiality during the Exclusivity Period, QTMB must promptly inform RACQ if it, or any of its Related Bodies Corporate or Representatives, receives any unsolicited approach with respect to any Competing Transaction and must disclose to RACQ the fact that such an approach has been made and the general nature of the approach.

10.6 Exceptions

Clause 10.3 and, where relevant, clause 10.4 does not apply to the extent that it restricts QTMB or the QTMB Board from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not solicited, invited, encouraged or initiated in contravention of clause 10.2) provided that the QTMB Board has determined, in good faith and acting reasonably that:

- (a) after consultation with its financial advisors, such a bona fide Competing Transaction could reasonably be considered to become a Superior Proposal; and
- (b) after receiving written legal advice from Queen's Counsel or Senior Counsel, that failing to respond to such a bona fide Competing Transaction would be reasonably likely to constitute a breach of the QTMB Board's fiduciary or statutory obligations.

10.7 Matching Right

- (a) During the Exclusivity Period, QTMB:
 - (i) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party or QTMB proposes to undertake or give effect to a Competing Transaction; and
 - (ii) must use its best endeavours to procure that none of its directors change their recommendation in favour of the Demutualisation and the Scheme to publicly recommend a Competing Transaction,

unless:

 - (iii) the QTMB Board acting in good faith determines that the Competing Transaction would or would likely to be a Superior Proposal;
 - (iv) QTMB has provided RACQ with the material terms and conditions of the Competing Transaction, including price and the identity of the party making the proposal; and
 - (v) QTMB has given RACQ at least ten Business Days after the provision of the information referred to in clause 10.7(a)(iv) to provide a matching or superior proposal (**Matching Offer**) to the terms of the Competing Transaction.
- (b) This clause 10.7 has repeating applications so that if any further proposal which constitutes a Competing Transaction is made after RACQ has made a Matching Offer, QTMB must comply with clauses 10.7(a)(i) and (ii) of this clause in respect of any new Competing Transaction, unless clauses 10.7(a)(iii) to (v) (inclusive) apply.
- (c) The QTMB Board must consider the Matching Offer and if it determines, acting in good faith, that the Matching Offer would provide an outcome that is more favourable to QTMB Members than the relevant Competing Transaction, QTMB and RACQ must use their best endeavours to agree any amendments to this document and the contents of the Scheme

Booklet, which are reasonably necessary to reflect the Matching Offer, and to enter into an appropriate amending agreement to give effect to those amendments and to implement the Matching Offer, in each case, as soon as reasonably practicable.

10.8 Legal advice

QTMB acknowledges that it has received legal advice on this document and the operation of this clause 10.

11 Reimbursement of costs

11.1 Background

This clause 11 has been agreed in circumstances where:

- (a) RACQ and QTMB believe that the Merger will provide significant benefits to RACQ, QTMB and their respective members or shareholders (as the case requires), and RACQ and QTMB acknowledge that, if they enter into this document and the Merger is subsequently not implemented, RACQ and QTMB will incur significant costs;
- (b) the parties have agreed that provision be made for the payments outlined in clause 11.2 and clause 11.3 without which the parties would not have entered into this document;
- (c) both the RACQ Board and QTMB Board believe that it is appropriate for RACQ and QTMB (respectively) to agree to the payments referred to in this clause 11 to secure each party's participation in the Merger; and
- (d) both parties have received legal advice on this document and the operation of this clause 11.

11.2 Payment by QTMB to RACQ

QTMB agrees to pay to RACQ \$1,500,000 if the Merger does not proceed because:

- (a) **(Competing Transaction)** on or before the End Date:
 - (i) QTMB enters into a legally binding agreement to undertake a Competing Transaction;
 - (ii) any member of the QTMB Board recommends a Competing Transaction; or
 - (iii) the QTMB Board determines or announces that a Competing Transaction is a Superior Proposal;
- (b) **(change of recommendation)** any member of the QTMB Board fails to recommend the Demutualisation or the Scheme or withdraws or adversely changes their recommendation except if:
 - (i) the director changes his recommendation following the receipt of a report of the Independent Expert where that report states that in the opinion of the Independent Expert, the Demutualisation or the Scheme (as applicable) is not in the best interests of QTMB Members or that the benefits being provided to QTMB Members are not fair and reasonable having regard to any loss of rights and change as to voting rights and rights to participate in the reserves and profits of QTMB (other than where a Competing Transaction has been proposed or

announced before the report is issued which the Independent Expert may reasonably regard to be on more favourable terms than the transaction contemplated by this document);

- (ii) there is a failure of a Condition Precedent in Schedule 3, Item 1 (Regulatory Approvals), Schedule 3, Item 2 (Demutualisation), Schedule 3, Item 3 (Scheme approval), Schedule 3, Item 4 (Court approval) or clause 14.1(d) (restraint) other than as a result of a breach by QTMB of clause 3.4; or
- (iii) QTMB validly terminates this document in accordance with clause 14.1(b)(ii);
- (c) **(material breach)** RACQ validly terminates this document in accordance with clause 14.1(b)(ii);
- (d) **(QTMB Prescribed Event or QTMB Material Adverse Change)** all of the following are satisfied:
 - (i) a QTMB Prescribed Event or a QTMB Material Adverse Change occurs prior to 8.00am on the Second Court Date; and
 - (ii) this document is terminated in accordance with clause 14; and
 - (iii) all of the following apply in relation to the QTMB Prescribed Event or the QTMB Material Adverse Change:
 - (A) the prevention of the QTMB Prescribed Event or QTMB Material Adverse Change was within the control of QTMB; and
 - (B) had the QTMB Prescribed Event or QTMB Material Adverse Change occurred prior to the date of this document, the QTMB Prescribed Event or QTMB Material Adverse Change might reasonably be expected to have resulted in RACQ not entering into this document; and
 - (C) QTMB has failed to rectify the QTMB Prescribed Event or QTMB Material Adverse Change within ten Business Days after receipt of notice from RACQ requiring QTMB to do so; or
- (e) **(breach of clause 10)** QTMB is in breach of clause 10 and does not cease the conduct which caused the breach within one Business Day following written notice from RACQ outlining the nature of the breach.

11.3 Payment by RACQ to QTMB

RACQ agrees to pay to QTMB \$1,500,000 if the Merger does not proceed because:

- (a) **(material breach)** QTMB validly terminates this document in accordance with clause 14.1(b)(ii); or
- (b) **(RACQ Prescribed Event or RACQ Material Adverse Change)** all of the following are satisfied:
 - (i) an RACQ Prescribed Event or an RACQ Material Adverse Change occurs prior to 8.00am on the Second Court Date; and
 - (ii) this document is terminated in accordance with clause 14; and

- (iii) all of the following apply in relation to the RACQ Prescribed Event or the RACQ Material Adverse Change:
 - (A) the prevention of the RACQ Prescribed Event or RACQ Material Adverse Change was within the control of RACQ; and
 - (B) had the RACQ Prescribed Event or RACQ Material Adverse Change occurred prior to the date of this document, the RACQ Prescribed Event or RACQ Material Adverse Change might reasonably be expected to have resulted in QTMB not entering into this document; and
 - (C) RACQ has failed to rectify the RACQ Prescribed Event or RACQ Material Adverse Change within ten Business Days after receipt of notice from QTMB requiring RACQ to do so.

11.4 No amount payable if Scheme becomes Effective

Notwithstanding the occurrence of any event under clause 11.2 or clause 11.3 no amount is payable under clause 11.2 or clause 11.3 if the Scheme becomes Effective.

11.5 Timing of payment

QTMB and RACQ must pay the amount referred to in clause 11.2 or clause 11.3 (as applicable) within ten Business Days of receipt of a demand for payment from the other party.

11.6 Nature of payment to RACQ

The amount payable by QTMB to RACQ under clause 11.2 is an amount to compensate RACQ for:

- (a) advisory costs (including costs of advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by RACQ in pursuing the Merger or in not pursuing other alternative acquisitions or strategic initiatives which RACQ could have developed to further its business and objectives,

but is without prejudice to and does not limit any rights which RACQ, any RACQ Indemnified Party or any RACQ member may have against QTMB.

11.7 Nature of payment to QTMB

The amount payable by RACQ to QTMB under clause 11.3 is an amount to compensate QTMB for:

- (a) advisory costs (including costs of advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by QTMB in pursuing the Merger or in not pursuing other alternative acquisitions or strategic initiatives which QTMB could have developed to further its business and objectives,

but is without prejudice to and does not limit any rights which QTMB, any QTMB Indemnified Party or any QTMB Member may have against RACQ.

11.8 Reduction in amount payable

- (a) The amount payable by QTMB to RACQ under clause 11.2 is reduced by an amount equal to the amount which is recovered by RACQ as a result of a claim against QTMB pursuant to any other remedies available to RACQ under this document including pursuant to clause 12.
- (b) Where the amount payable by QTMB to RACQ under clause 11.2 has already been paid, RACQ must, within two Business Days of the event contemplated by clause 11.8(a) which would have reduced the amount payable, refund an amount to QTMB which is equivalent to that calculated under clause 11.8(a).
- (c) The amount payable by RACQ to QTMB under clause 11.3 is reduced by an amount equal to the amount which is recovered by QTMB as a result of a claim against RACQ pursuant to any other remedies available to QTMB under this document including pursuant to clause 12.
- (d) Where the amount payable by RACQ to QTMB under clause 11.3 has already been paid, QTMB must, within two Business Days of the event contemplated by clause 11.8(c) which would have reduced the amount payable, refund an amount to RACQ which is equivalent to that calculated under clause 11.8(c).

11.9 Compliance with law

- (a) Subject to clause 11.9(e), if a Court, arbitral tribunal or the Takeovers Panel determines that any part of the agreement by a party under this clause 11:
 - (i) constitutes, or would if performed constitute a breach of the fiduciary or statutory duties of that party's board to that party; or
 - (ii) constitutes, or would, if performed constitute, unacceptable circumstances within the meaning of the Corporations Act; or
 - (iii) is, or would if performed be, unlawful for any other reason,

then, provided that that party has complied with its other obligations under this clause 11, that party will not be obliged to comply with that part of the agreement (but will be obliged to comply with all other parts of the agreement).
- (b) Subject to clause 11.9(e), if the Takeovers Panel or a Court makes a determination contemplated by clause 11.9(a), in respect of all or any part of a payment made under this clause 11, the party who received the payment must immediately refund all or such applicable part of it.
- (c) Subject to clause 11.9(e), if in such Takeovers Panel proceedings, the Takeovers Panel indicates to RACQ or QTMB that in the absence of a written undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) it will make a declaration of unacceptable circumstances, each of RACQ and QTMB (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this clause 11 will operate in a manner consistent with the terms of such undertakings.

- (d) If any third party makes any application to a Court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in clause 11.9(a), then each party must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the position that no such determination should be made.
- (e) Nothing in this clause 11.9 precludes either party from bringing or requires either party to bring appeal or review proceedings in relation to any determination referred to in clause 11.9(a). If either party brings such proceedings:
 - (i) the other must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the review application made by the first party; and
 - (ii) for the purposes of this clause 11 the determination the subject of the appeal or review proceeding will be deemed not to have been made and clause 11.9(a), 11.9(b) and 11.9(c) will have effect only in relation to any determination made in the appeal or review proceedings.

11.10 Survival

Any accrued obligations under this clause survive termination of this document.

12 Representations and warranties

12.1 QTMB's representations and warranties

QTMB represents and warrants to RACQ (on its own behalf and separately as trustee or nominee for each of the RACQ directors) that each of the statements set out in Schedule 7 is true and correct in all material respects as at the date of this document and as at 5.00pm on the Business Day immediately prior to the Second Court Date.

12.2 QTMB's indemnity

Subject to clause 12.7, QTMB indemnifies RACQ and the RACQ Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 12.1 not being true and correct.

12.3 QTMB warranty certificate

QTMB must provide to RACQ by 5.00pm on the Business Day immediately prior to the Second Court Date a certificate signed by a director of QTMB and made in accordance with a resolution of the QTMB Board stating, as at that date, that the representations or warranties given by QTMB in clause 12.1 remain true and accurate or, if any such representation or warranty is not true and accurate as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or inaccurate.

12.4 RACQ's representations and warranties

RACQ represents and warrants to QTMB (on its own behalf and separately as trustee or nominee for each of the QTMB directors) that each of the statements set out in Schedule 8 is true and correct in all material respects as at the date of this document and as at 5.00pm on the Business Day immediately prior to the Second Court Date.

12.5 RACQ's indemnity

Subject to clause 12.7, RACQ indemnifies QTMB and the QTMB Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 12.4 not being true and correct.

12.6 RACQ warranty certificate

RACQ must provide to QTMB by 5.00pm on the Business Day immediately prior to the Second Court Date a certificate signed by a director of RACQ and made in accordance with a resolution of the RACQ Board stating, as at that date, that the representations and warranties given by RACQ in clause 12.4 remain true and accurate or, if any such representation or warranty is not true and accurate as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or inaccurate.

12.7 Maximum recovery

Notwithstanding any other provisions of this document (except a provision making a party responsible for a specific cost), the maximum aggregate amount recoverable under this document:

- (a) by RACQ is the amount referred to in clause 11.2; and
- (b) by QTMB is the amount referred to in clause 11.3.

12.8 Parties to notify of potential breaches

- (a) If before the Second Court Date, QTMB becomes aware of any fact, matter or circumstance which results in or is reasonably likely to result in a breach of any statement set out in Schedule 8, QTMB must promptly provide to RACQ notice describing that fact, matter or circumstance in reasonable detail provided that nothing in this clause 12.8 obliges QTMB to make enquiries as to whether any fact, matter or circumstance of that type has arisen.
- (b) If before the Second Court Date, RACQ becomes aware of any fact, matter or circumstance which results in or is reasonably likely to result in a breach of any statement set out in Schedule 7, RACQ must promptly provide to QTMB notice describing that fact, matter or circumstance in reasonable detail provided that nothing in this clause 12.8 obliges RACQ to make enquiries as to whether any fact, matter or circumstance of that type has arisen.

13 Court proceedings

13.1 Appeal process

If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, RACQ and QTMB must appeal the Court's decision to the fullest extent possible except to the extent that:

- (a) the parties agree in writing otherwise; or
- (b) Queen's Counsel or Senior Counsel representing that party in relation to the Scheme indicates, in writing that, in their opinion, an appeal would likely have less than a 50% prospect of success; or

- (c) there is, in the bona-fide view of the QTMB Board a Superior Proposal in relation to a Competing Transaction received by QTMB which should be recommended in preference to the Scheme,

in which case either party may terminate this document in accordance with clause 14.1(e)(iii).

13.2 Defence of proceedings

Each of RACQ and QTMB must vigorously defend, or must cause to be vigorously defended, any lawsuits or other legal proceeding brought against it (or any of its Subsidiaries) challenging this document or the completion of the Merger. Neither RACQ nor QTMB will settle or compromise (or permit any of its Subsidiaries to settle or compromise) any claim brought in connection with this document without the prior written consent of the other, such consent not to be unreasonably withheld.

13.3 Costs

Any costs incurred as a result of the operation of this clause 13 will be borne equally by each party.

14 Termination

14.1 Termination events

Without limiting any other provision of this document (including clauses 3.9 and 13.1), this document may be terminated:

- (a) **(End Date)** by either party, if the Scheme has not become Effective on or before the End Date; or
- (b) **(lack of support or breach)** at any time prior to 8.00am on the Second Court Date:
- (i) by RACQ if the QTMB Board changes its recommendation to the Scheme Participants or QTMB Members (as applicable) that they vote in favour of the resolution to approve the Demutualisation or the Scheme, including any adverse modification to its recommendation, or otherwise makes a public statement indicating that it no longer supports the Merger; or
 - (ii) by either RACQ or QTMB if the other is in material breach of any clause of this document (including a warranty), taken in the context of the Merger as a whole, provided that either RACQ or QTMB, as the case may be, has, if practicable, given notice to the other setting out the relevant circumstances and stating an intention to terminate and, the relevant circumstances continue to exist five Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) after the time such notice is given; or
- (c) **(not approved)** by either party if the Demutualisation Approval is not obtained or the Scheme resolution submitted to the Scheme Meeting or the General Meeting Resolutions are not approved by the requisite majorities;
- (d) **(restraint)** by either party if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Merger;

- (e) **(consultation or appeal failure)** in accordance with and pursuant to:
 - (i) clause 3.9(a);
 - (ii) clause 3.9(b); or
 - (iii) clause 13.1;
- (f) **(Independent Expert)** by either party if the Independent Expert opines that the Demutualisation or the Scheme is not in the best interests of Scheme Participants or QTMB Members or that the benefits being provided to QTMB Members are not fair and reasonable having regard to any loss of rights and change as to voting rights and rights to participate in the reserves and profits of QTMB;
- (g) **(Insolvency)** by either party if the other party or any of their Related Bodies Corporate becomes Insolvent; or
- (h) **(agreement)** if agreed to in writing by RACQ and QTMB.

14.2 Termination

Where a party has a right to terminate this document, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this document.

14.3 Effect of termination

In the event that a party terminates this document, or if this document otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this document, other than the obligations set out in clauses 13.1, 17 and 19 will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause releases any party from liability for any pre-termination breach of this document.

14.4 Damages

In addition to the right of termination under clause 14.1 where there is no appropriate remedy for the breach in the agreement (other than termination), the non-defaulting party is, subject to clause 12.7, entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this document.

15 Releases

15.1 QTMB release

- (a) QTMB releases its rights, and agrees with RACQ that it will not make a claim, against any RACQ Indemnified Party as at the date of this document and from time to time in connection with:
 - (i) any breach of any representations and warranties of RACQ or any other member of the RACQ Group in this document; or
 - (ii) any disclosures containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the RACQ Indemnified Party has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 15.1(a) limits QTMB's rights to terminate this document under clause 14.1(b)(ii).

- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly.
- (c) RACQ receives and holds the benefit of this clause to the extent it relates to each RACQ Indemnified Party as trustee for each of them.

15.2 RACQ release

- (a) RACQ releases its rights, and agrees with QTMB that it will not make a claim, against any QTMB Indemnified Party as at the date of this document and from time to time in connection with:
 - (i) any breach of any representations and warranties of QTMB or any other member of the QTMB Group in this document; or
 - (ii) any disclosures containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the QTMB Indemnified Party has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 15.2(a) limits RACQ's rights to terminate this document under clause 14.1(b)(ii).

- (b) This clause is subject to any Corporations Act restriction and will be read down accordingly.
- (c) QTMB receives and holds the benefit of this clause to the extent it relates to each QTMB Indemnified Party as trustee for each of them.

16 Public announcements

16.1 Public announcement of Scheme

- (a) At a time agreed by the parties, acting reasonably, after signing this document, QTMB and RACQ will issue a joint public announcement of the proposed Merger in a form agreed between the parties.
- (b) From the date of signing this document until the Implementation Date, QTMB and RACQ may issue a public announcement regarding the status of the Merger provided that announcing party has consulted to the fullest extent possible with the other party.

16.2 Required disclosure

Where a party is required by law or a memorandum of understanding with a Regulatory Authority to make any announcement or make any disclosure relating to a matter the subject of the Merger, it may do so only after it has given the other party as much notice as possible and has consulted to the fullest extent possible in the circumstances with the other party and its legal advisers.

16.3 Other announcements

Subject to clauses 16.1 and 16.2 no party may make any public announcement or disclosure in connection with the Merger (including disclosure to a Regulatory Authority) other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

17 Confidential information

Each party acknowledges and agrees that it continues to be bound by the Confidentiality Agreement in respect of all information received by it from the other party on, before or after the date of this document.

18 Duty, costs and expenses

18.1 Stamp duty

RACQ must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this document or the Scheme or the steps to be taken under this document or the Scheme.

18.2 Costs and expenses

Except as otherwise provided in this document, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this document and the proposed, attempted or actual implementation of the Scheme and the Demutualisation.

19 GST

- (a) The consideration specified under this document is exclusive of GST.
- (b) If GST is or becomes payable on a supply made under or in connection with this document, an additional amount is payable by the recipient equal to the amount of GST payable on that supply as calculated by the supplier in accordance with the GST Act.
- (c) The additional amount payable under clause 19(b) is payable at the same time and in the same manner as the consideration for the supply.
- (d) If the amount of GST payable on a supply varies from the additional amount payable under clause 19(b), the parties must adjust the additional amount.
- (e) If a party is entitled to be reimbursed or indemnified under this document, the amount payable does not include any amount for GST for which the party is entitled to an Input Tax Credit.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a creditable acquisition by that party but to which the representative member of a GST group of which the party is a member is entitled.

20 General

20.1 Amendments

This document may only be amended by written agreement between the parties.

20.2 Counterparts

This document may be executed in any number of counterparts. All counterparts together make one instrument.

20.3 No merger

None of the terms or conditions of this document, or any act, matter or thing done under or by virtue of this document or any other agreement, instrument or document, or judgment or order of any court or judicial proceeding, operate as a merger of any of the rights and remedies of the parties under this document, and those rights and remedies must at all times continue in force.

20.4 Entire agreement

This document supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties.

20.5 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

20.6 No waiver

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

20.7 Discretion in exercising rights

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

20.8 No liability for loss

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

20.9 Approvals and consents

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

20.10 Conflict of interest

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

20.11 Remedies cumulative

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

20.12 Indemnities

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

20.13 Enforceability

For the purpose of this document:

- (a) QTMB is taken to be acting as agent and trustee on behalf of and for the benefit of all QTMB Indemnified Parties; and
- (b) RACQ is taken to be acting as agent and trustee on behalf of and for the benefit of all RACQ Indemnified Parties,

and all of those persons are to this extent taken to be parties to this document.

20.14 Construction

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

20.15 Governing law and jurisdiction

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

20.16 Severability

- (a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.
- (b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

20.17 Consents

Any consent referred to in, or required under, this document from any party may not be unreasonably withheld, unless this document expressly provides for that consent to be given in that party's absolute discretion.

20.18 Notices

- (a) A notice, consent or communication under this document is only effective if it is:
- (i) in writing, signed by or on behalf of the person giving it;
 - (ii) addressed to the person to whom it is to be given; and
 - (iii) given as follows:
 - (A) delivered by hand to that person's address;
 - (B) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;
 - (C) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or
 - (D) sent by email to that person's email address unless the sender receives a computer generated report that the email was not successfully sent, within two hours after the email being sent.
- (b) A notice, consent or communication given under clause 20.18(a) is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand or sent by fax or email	(a) that day, if delivered or sent by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

- (c) A person's address, fax number and email address are those set out below, or as the person notifies the sender:

Name	The Royal Automobile Club of Queensland Limited ACN 009 660 575
Attention	Darryn Hammond
Address	2649 Logan Road, Eight Mile Plains, QLD 4113
Email	Darryn.Hammond@racq.com.au
Fax	07 3423 2703

Name	QT Mutual Bank Limited ACN 087 651 054
Attention	Brendon Comrie
Address	454 St Paul's Terrace, Fortitude Valley, QLD 4006
Email	brendon.comrie@qtm.com.au
Fax	07 3842 6288

Schedule 1

RACQ Prescribed Events

- 1 **(Constitution)** RACQ adopts a new constitution or modifies or repeals its existing constitution or a provision of it.
- 2 **(Disposals)** RACQ Group disposes, or agrees to dispose of the whole or a substantial part of the RACQ Group's business or property.
- 3 **(Acquisitions, disposals or tenders)** RACQ Group:
 - (a) acquires or disposes of;
 - (b) agrees to acquire or dispose of;
 - (c) offers, proposes, announces a bid or tenders for,
any business, assets, entity or undertaking the value of which exceeds \$250 million.
- 4 **(Encumbrances)** other than in the ordinary course of business and consistent with past practice, RACQ Group creates, or agrees to create, any Encumbrance over the whole or a substantial part of RACQ Group's business or property.
- 5 **(Commitments and settlements)** other than in the ordinary course of business and consistent with past practice, or if agreed in writing between the RACQ group chief executive officer and QTMB group chief executive officer, RACQ or any of its Subsidiaries:
 - (a) enters into or agrees to enter into any Material Contract; or
 - (b) terminates or amends in a material manner any Material Contract.
- 6 **(Insolvency)** RACQ or any of its Related Bodies Corporate becomes Insolvent.

Schedule 2

QTMB Prescribed Events

- 1 **(Conversion)** QTMB converts all or any of its shares into a larger or smaller number of shares.
- 2 **(Reduction of share capital)** QTMB or any of its Subsidiaries resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
- 3 **(Buy-back)** QTMB or any of its Subsidiaries:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- 4 **(Distribution)** QTMB makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
- 5 **(Issuing or granting shares or options)** QTMB or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,
 in each case to a person outside the QTMB Group other than:
 - (d) as disclosed by QTMB to RACQ before the date of this document; or
 - (e) in the case of the issue of QTMB Shares to persons in accordance with QTMB's Constitution in the ordinary course of business.
- 6 **(Securities or other instruments)** QTMB or any of its Subsidiaries:
 - (a) issues securities or other instruments convertible into shares or debt securities; or
 - (b) agrees to issue securities or other instruments convertible into shares or debt securities,
 in each case to a person outside the QTMB Group other than as disclosed by QTMB to RACQ before the date of this document.
- 7 **(Constitution)** QTMB adopts a new constitution or modifies or repeals its constitution or a provision of it, other than in respect of any amendments required because of the Demutualisation, or the Scheme or as contemplated in the General Meeting Resolutions or as otherwise approved by RACQ.
- 8 **(Disposals)** QTMB or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the QTMB Group's business or property.
- 9 **(Acquisitions, disposals or tenders)** QTMB or any of its Subsidiaries:

- (a) acquires or disposes of;
 - (b) agrees to acquire or dispose of;
 - (c) offers, proposes, announces a bid or tenders for,
any business, assets, entity or undertaking the value of which exceeds \$5 million.
- 10 **(Encumbrances)** other than in the ordinary course of business and consistent with past practice, QTMB or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- 11 **(Employment arrangements)** other than in the ordinary course of business and consistent with past practice, QTMB or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind; or
 - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of this document).
- 12 **(Commitments and settlements)** other than if agreed in writing between the RACQ group chief executive officer and QTMB group chief executive officer, QTMB or any of its Subsidiaries:
- (a) enters into or agrees to enter into any Material Contract;
 - (b) terminates or amends in a material manner any Material Contract;
 - (c) waives any material third party default of a Material Contract; or
 - (d) accepts as a settlement or compromise of a material matter relating to a Material Contract, less than the full compensation due to QTMB or a Subsidiary of QTMB.
- 13 **(Insolvency)** QTMB or any of its Related Bodies Corporate becomes Insolvent.

Schedule 3

Conditions Precedent (clause 3.1)

Condition	Party entitled to benefit
<p>1 Regulatory Approvals</p> <p>Before 8.00am on the Second Court Date:</p> <p>(a) (ASIC) ASIC have issued or provided such consents or approvals or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Merger;</p> <p>(b) (Treasurer approval and APRA consent under FSSA and Banking Act):</p> <p>(i) under the FSSA, the Treasurer has approved RACQ holding a 'stake' (as that term is defined in the FSSA) in QTMB of 100%, and if such approval is subject to conditions, those conditions are acceptable to RACQ and QTMB;</p> <p>(ii) under section 63 of the Banking Act, the Treasurer has given prior written consent to QTMB in relation to the Scheme, and if such consent is subject to conditions those conditions are acceptable to QTMB and RACQ, acting reasonably; and</p> <p>(iii) under section 66 of the Banking Act, APRA consents to QTMB using "bank" in its name and if such consent is subject to conditions those conditions are acceptable to QTMB and RACQ, acting reasonably;</p> <p>(c) (Regulatory Authority) all other approvals of a Regulatory Authority which RACQ and QTMB agree are necessary or desirable to implement the Merger are obtained; and</p> <p>(d) (Court orders) no Court or Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Merger and no such order, decree, ruling, other action or refusal is in effect.</p>	<p>QTMB</p> <p>Cannot be waived</p> <p>Both</p> <p>Both</p>
<p>2 Demutualisation</p> <p>QTMB Members approve the Demutualisation by the requisite majority in accordance with the QTMB Constitution and the Corporations Act (as applicable).</p>	<p>Cannot be waived</p>
<p>3 Scheme approval</p> <p>QTMB Members approve the Scheme by the requisite majorities in accordance with the Corporations Act.</p>	<p>Cannot be waived</p>
<p>4 Court approval</p> <p>The Court approves the Scheme in accordance with section 411(4)(b) Corporations Act.</p>	<p>Cannot be waived</p>

Condition	Party entitled to benefit
<p>5 Third party consents</p> <p>All other approvals of a third party which the RACQ and QTMB agree are necessary or desirable to implement the Merger are obtained.</p>	Both
<p>6 Independent Expert</p> <p>The Independent Expert issues a report which concludes that the Scheme and the Demutualisation are each in the best interests of Scheme Participants and QTMB Members (as applicable) and that the benefits being provided to QTMB Members are fair and reasonable having regard to any loss of rights and change as to voting rights and rights to participate in the reserves and profits of QTMB, before the date on which the Scheme Booklet is lodged with ASIC.</p>	QTMB
<p>7 No QTMB Prescribed Event</p> <p>No QTMB Prescribed Event occurs between the date of this document and 8.00am on the Second Court Date.</p>	RACQ
<p>8 No QTMB Material Adverse Change</p> <p>No QTMB Material Adverse Change occurs or becomes apparent between the date of this document and 8.00am on the Second Court Date.</p>	RACQ
<p>9 No RACQ Prescribed Event</p> <p>No RACQ Prescribed Event occurs between the date of this document and 8.00am on the Second Court Date.</p>	QTMB
<p>10 No RACQ Material Adverse Change</p> <p>No RACQ Material Adverse Change occurs or becomes apparent between the date of this document and 8.00am on the Second Court Date.</p>	QTMB
<p>12 No termination</p> <p>This document has not been terminated in accordance with clause 14.</p>	Both
<p>13 RACQ Deed Poll and RACQ NOHC Deed Poll</p> <p>Between the date of this document and the date of sending the Scheme Booklet:</p> <p>(a) RACQ signs and delivers the RACQ Deed Poll; and</p> <p>(b) RACQ NOHC signs and delivers the RACQ NOHC Deed Poll.</p>	Both
<p>14 QTMB representations and warranties</p> <p>The representations and warranties given by QTMB under clause 12.1 of this document are true and correct in all material respects and not misleading or deceptive in any material respect as at the date of this document and as at 8.00am on the Second Court Date (except to the extent a relevant matter has been fairly disclosed to the RACQ Group or its Representatives as contemplated by this document).</p>	RACQ
<p>15 RACQ representations and warranties</p> <p>The representations and warranties given by RACQ under clause 12.4 of this document are true and correct in all material respects and not misleading or deceptive in any material respect as at the date of this document and as at 8.00am on the Second Court Date (except to the extent a relevant matter has been fairly disclosed to the QTMB Group or</p>	QTMB

Condition	Party entitled to benefit
its Representatives as contemplated by this document).	
<p>16 Change of control</p> <p>No person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which QTMB or any Subsidiary of QTMB is a party, or by or to which QTMB or any Subsidiary of QTMB or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of QTMB or QTMB and its Subsidiaries taken as a whole, in:</p> <p>(a) any monies borrowed by QTMB or any Subsidiary of QTMB being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;</p> <p>(b) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;</p> <p>(c) the interest of QTMB or any Subsidiary of QTMB in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or</p> <p>(d) the business of QTMB or any Subsidiary of QTMB with any other person being adversely affected,</p> <p>as a result of the acquisition of QTMB Shares by RACQ.</p>	RACQ
<p>17 Due diligence – QTMB</p> <p>Between the date of this document and 8.00am on the Second Court Date, no material QTMB Information becomes or is discovered to be misleading or deceptive, including by omission, in any material respect.</p>	RACQ
<p>18 Due diligence – RACQ</p> <p>Between the date of this document and 8.00am on the Second Court Date, no material RACQ Information becomes or is discovered to be misleading or deceptive, including by omission, in any material respect.</p>	QTMB
<p>17 General Meeting</p> <p>QTMB Members pass the General Meeting Resolutions in accordance with the QTMB Constitution.</p>	Both

Schedule 4

Timetable (clause 5.1)

Event	Target date
Send information to QTMB Members in relation to the Demutualisation Approval (Note: Scheme Booklet to be submitted to ASIC for comment before Day 0)	Day 0
Demutualisation Approval obtained	Day 0 + 28 days
Lodge Scheme Booklet with ASIC (Lodgement Date)	Day 0 + 31 days
Application in respect of the Court hearing to be held on the First Court Date, filed with the Court, served on ASIC	Lodgement Date + 18 days
First Court Date	Lodgement Date + 21 days
Printing and despatch of Scheme Booklet	First Court Date + 3 Business Days
Scheme Meeting and General Meeting held	First Court Date + 3 Business Days + 21 days
Second Court Date	Scheme Meeting + 5 Business Days
Lodge Court order with ASIC (Effective Date)	Second Court Date
Record Date (5.00pm on the date which is the Second Court Date plus five Business Days or such other date as QTMB and RACQ agree)	Second Court Date + 5 Business Day
Implementation Date	Record Date + 5 Business Days
End Date	12 months from the date of this document

Schedule 5

QTMB's Obligations (clause 6.1)

- 1 **(QTMB Information)** ensure that the QTMB Information included in the Scheme Booklet complies with applicable law and applicable ASIC Regulatory Guides.
- 2 **(Further QTMB Information)** provide to RACQ, Scheme Participants and QTMB Members (as applicable) such further or new QTMB Information as may arise after the Scheme Booklet has been sent to QTMB Members until the date of the Scheme Meeting as may be necessary to ensure that the QTMB Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **(Independent Expert)** promptly appoint the Independent Expert and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare its report for the Scheme Booklet.
- 4 **(Provide a copy of the report)** on receipt, provide RACQ with a copy of any draft or final report received from the Independent Expert for the purposes of RACQ confirming any factual information relating to RACQ.
- 5 **(QTMB Constitution)** prepare the required amendments to the QTMB Constitution (or proposed replacement QTMB Constitution) in a form approved by RACQ.
- 6 **(Directors' recommendation)** state in the Scheme Booklet and the public announcement contemplated by clause 16.1 (on the basis of statements made to QTMB by each member of the QTMB Board, but provided that in the case of the Scheme Booklet, no director has changed their recommendation or intentions) that each of the directors of the QTMB Board recommends to Scheme Participants and QTMB Members (as applicable) that the Demutualisation and Scheme be approved in the absence of a Superior Proposal relating to a Competing Transaction received by QTMB, unless:
 - (a) the Independent Expert opines that the Demutualisation or the Scheme is not in the best interest of QTMB Members or that the benefits being provided to QTMB Members are not fair and reasonable having regard to any loss of rights and change as to voting rights and rights to participate in the reserves and profits of QTMB; or
 - (b) in relation to matters occurring after the date of this document, the QTMB Board obtains written advice from Queen's Counsel or Senior Counsel that compliance or continued compliance with this clause would involve a breach of their fiduciary duties or would be unlawful on any other basis; or
 - (c) any of the circumstances in clauses 11.2(b)(ii) and 11.2(b)(iii) apply.
- 7 **(Directors' voting)** use its reasonable endeavours to procure that:
 - (a) each member of the QTMB Board votes any QTMB Shares in which they have a Relevant Interest in favour of the Demutualisation and Scheme and any other resolution submitted to QTMB Members for their approval in connection with the Demutualisation and Scheme; and
 - (b) each member of the QTMB Board does not change that voting intention, unless a Superior Proposal arises or the Independent Expert opines that the Demutualisation or

Scheme is not in the best interests of Scheme Participants or QTMB Members or that the benefits being provided to QTMB Members are not fair and reasonable having regard to any loss of rights and change as to voting rights and rights to participate in the reserves and profits of QTMB.

- 8 **(Registry details)** subject to the terms of the Scheme:
 - (a) provide all necessary information about the Scheme Participants and QTMB Members (as applicable) to RACQ which RACQ requires in order to assist it to solicit votes at the Scheme Meeting in a manner agreed between QTMB and RACQ and facilitate the grant of RACQ Membership to those Scheme Participants who are not already members of RACQ as at the Record Date; and
 - (b) provide any information that RACQ reasonably requests in relation to the Register and, where requested by RACQ, QTMB must procure such information to be provided to RACQ in such electronic form as is reasonably requested by RACQ.
- 9 **(Section 411(17)(b) statement)** apply to ASIC for the production of a statement pursuant to section 411(17)(b) Corporations Act stating that ASIC has no objection to the Scheme.
- 10 **(Court application)** apply to the Court for an order under section 411(1) Corporations Act directing QTMB to convene the Scheme Meeting.
- 11 **(Registration with ASIC)** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) Corporations Act and to register the disclosure statement included in the Scheme Booklet in relation to the Demutualisation in accordance with the QTMB Constitution and applicable requirements of the Corporations Act.
- 12 **(Demutualisation)** do all things necessary and required by the Corporations Act and the QTMB Constitution to give effect to the Demutualisation, and to disclose this information to QTMB Members by way of incorporating it into the Scheme Booklet.
- 13 **(Send Scheme Booklet)** send the Scheme Booklet to QTMB Members as soon as practicable after the Court orders QTMB to convene the Scheme Meeting.
- 14 **(Scheme Meeting)** convene the Scheme Meeting in accordance with any such orders made by the Court and seek the approval of QTMB Members for the Demutualisation and if this is approved, the Scheme and, for this purpose, the directors of QTMB must participate in reasonable efforts to promote the merits of the Demutualisation and the Scheme.
- 15 **(Court order)** apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and 411(6) Corporations Act.
- 16 **(Lodge)** lodge with ASIC an office copy of any such Court order approving the Scheme as approved by the QTMB Members at the Scheme Meeting in accordance with section 411(10) Corporations Act.
- 17 **(Registration)** if the Scheme becomes Effective and subject to RACQ having issued the Scheme Consideration to Scheme Participants, register all transfers of QTMB Shares to RACQ NOHC on the Implementation Date.
- 18 **(Other steps)** do all other things necessary to give effect to the Demutualisation, the Scheme, this document and the orders of the Court approving the Scheme.

Schedule 6

RACQ's Obligations (clause 6.2)

- 1 **(RACQ Information)** provide to QTMB for inclusion in the Scheme Booklet such RACQ Information as QTMB reasonably requires to prepare and issue the Scheme Booklet (including any information required under the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or the QTMB Constitution).
- 2 **(Further RACQ Information)** provide to QTMB such further or new RACQ Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that the RACQ Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **(Demutualisation)** do all things necessary and provide all necessary support to assist QTMB in preparing for and giving effect to the Demutualisation.
- 4 **(Independent Expert information)** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's report to be included in the Scheme Booklet.
- 5 **(Representation)** procure that it is represented by counsel at the court hearings convened for the purposes of section 411(4)(b) Corporations Act, at which, through its counsel, RACQ must undertake (if requested by the court) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this document and the Scheme.
- 6 **(RACQ Deed Poll)** prior to the Scheme Booklet being sent to QTMB Members, sign and deliver the RACQ Deed Poll.
- 7 **(RACQ NOHC Deed Poll)** prior to the Scheme Booklet being sent to QTMB Members, procure RACQ NOHC to sign and deliver the RACQ NOHC Deed Poll.
- 8 **(Accuracy of RACQ Information)** confirm in writing to QTMB the accuracy of the RACQ Information in the Scheme Booklet (other than any information regarding the QTMB Group contained in, or used in the preparation of, the information regarding the merged entity following implementation of the Scheme).
- 9 **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration in accordance with the terms of the Scheme, the RACQ Deed Poll and the RACQ NOHC Deed Poll.
- 10 **(Compliance with laws)** do everything reasonably within its power to ensure that the Scheme is effected in accordance with all applicable laws and regulations.

Schedule 7

QTMB's representations and warranties (clause 12.1)

- 1 **(Incorporation)** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **(Execution)** the execution and delivery of this document has been properly authorised by all necessary corporate action of QTMB.
- 3 **(Corporate power)** it has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document in accordance with its terms.
- 4 **(Binding obligations)** (subject to laws generally affecting creditors' rights and the principles of equity) this document constitutes legal, valid and binding obligations on it.
- 5 **(QTMB Information)** the QTMB Information provided in accordance with this document and included in the Scheme Booklet, as at the date of the Scheme Booklet, will be true and correct, and will comply in all material respects with the requirements of the Corporations Act, and all relevant regulatory guides, practice notes and other guidelines and requirements of ASIC and the QTMB Constitution.
- 6 **(Reliance)** the QTMB Information contained in the Scheme Booklet will be included on the understanding that RACQ and its directors will rely on that information for the purposes of considering and approving the RACQ Information in the Scheme Booklet before it is despatched.
- 7 **(Further information)** QTMB will, as a continuing obligation, provide to RACQ all such further or new information which may arise after the date of the Scheme Booklet until the date of the Scheme Meeting which may be necessary to ensure that there would be no breach of clause 7.1(b) if it applied as at the date upon which that information arose.
- 8 **(Disclosure)** QTMB has provided to RACQ all information actually known to it (having made reasonable enquiries) as at the date of this document regarding matters affecting or relating to it:
 - (a) which is not already in the public domain; and
 - (b) the disclosure of which might reasonably be expected to have a QTMB Material Adverse Change and result in RACQ not entering into this document at all or only entering into this document on materially different terms.
- 9 **(Complete and accurate)** all the information provided to RACQ by QTMB in connection with this document, whether under due diligence or not, has been prepared and provided in good faith and has been collated with all reasonable care and skill.
- 10 **(Reasonable assumptions)** to the extent information provided to RACQ, whether under due diligence or not, in connection with this document, includes forward looking statements, those forward looking statements are based on assumptions which QTMB believes, as at the date the information was provided and continues to believe, to be reasonable.
- 11 **(Opinions)** any statement of opinion or belief contained in the QTMB Information is honestly held and there are reasonable grounds for holding the opinion or belief.

- 12 **(Provision of information to Independent Expert)** all information provided by or on behalf of QTMB to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's report.
- 13 **(Compliance)** it and its Subsidiaries have complied in all material respects with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign governmental agencies having jurisdiction over them and have all material licenses, permits and franchises necessary for them to conduct their respective businesses as presently being conducted.
- 14 **(Securities)** QTMB's issued member shares as at 1 March 2016 are 68,288 QTMB Shares and it has not:
- (a) entered into any agreement or other arrangement (whether conditional or unconditional) which remains current to issue any QTMB Shares; or
 - (b) issued or agreed to issue any other securities or instruments which are still outstanding and which may convert into QTMB Shares,
- except in the ordinary course of its mutual banking business.
- 15 **(Solvency)** it is not Insolvent.
- 16 **(Employment contracts)** QTMB has not made any material amendments to any contracts of employment with any director or executive other as disclosed by QTMB to RACQ as at the date of this document.

Schedule 8

RACQ's representations and warranties (clause 12.4)

- 1 **(Incorporation)** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **(Execution)** the execution and delivery of this document has been properly authorised by all necessary corporate action of RACQ.
- 3 **(Corporate power)** it has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document in accordance with its terms.
- 4 **(Binding obligations)** (subject to laws generally affecting creditors' rights and the principles of equity) this document constitutes legal, valid and binding obligations on it.
- 5 **(Reliance)** the RACQ Information provided to QTMB for inclusion in the Scheme Booklet will be provided on the understanding that QTMB and its directors will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the Corporations Act.
- 6 **(RACQ Information)** the RACQ Information provided in accordance with this document and included in the Scheme Booklet, as at the date of the Scheme Booklet, will be true and correct, and will comply in all material respects with the requirements of the Corporations Act and all relevant regulatory guides, practice notes and other guidelines and requirements of ASIC and the QTMB Constitution.
- 7 **(Further information)** RACQ will, as a continuing obligation, provide to QTMB all such further or new information which may arise after the date of the Scheme Booklet until the date of the Scheme Meeting which may be necessary to ensure that there would be no breach of clause 7.1(b) if it applied as at the date on which that information arose.
- 8 **(Disclosure)** RACQ has provided to QTMB all information actually known to it (having made reasonable enquiries) as at the date of this document regarding matters affecting or relating to it:
 - (a) which is not already in the public domain; and
 - (b) the disclosure of which might reasonably be expected to have an RACQ Material Adverse Change and resulted in QTMB not entering into this document at all or only entering into this document on materially different terms.
- 9 **(Complete and accurate)** all the information provided to QTMB by RACQ in connection with this document, whether under due diligence or not, has been prepared and provided in good faith and has been collated with all reasonable care and skill.
- 10 **(Reasonable assumptions)** to the extent information provided to QTMB, whether under due diligence or not, in connection with this document, includes forward looking statements, those forward looking statements are based on assumptions which RACQ believes, as at the date the information was provided and continues to believe, to be reasonable.
- 11 **(Compliance)** it and its Subsidiaries have complied in all material respects with all Australian laws and regulations applicable to them and orders of Australian governmental agencies having

jurisdiction over them and have all material licenses, permits and franchises necessary for them to conduct their respective businesses as presently being conducted.

- 12 **(Opinions)** any statement of opinion or belief contained in the RACQ Information is honestly held and there are reasonable grounds for holding the opinion or belief.
- 13 **(Provision of information to Independent Expert)** all information provided by or on behalf of RACQ to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's report.
- 14 **(Solvency)** it is not Insolvent.

Execution

EXECUTED as an agreement

Executed by
The Royal Automobile Club of Queensland Limited
ACN 009 660 575 by its duly authorised officer in
the presence of:

<p>^ _____ Signature of witness</p> <p>^ _____ Name of witness (print)</p>	<p>^ _____ Signature of Authorised Officer</p> <p>^ _____ Full Name of Authorised Officer</p> <p>^ _____ Office Held</p>
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Executed by
QT Mutual Bank Limited ACN 087 651 054 by:

<p>^ _____ Director</p> <p>^ _____ Full name of Director</p>	<p>^ _____ Director/Secretary</p> <p>^ _____ Full name of Director/Secretary</p>
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Annexure A

Legacy Share Terms

Annexure B

Scheme

Annexure C

RACQ Deed Poll

Annexure D

RACQ NOHC Deed Poll
