

1 August 2018

National Stock Exchange of Australia
PO Box 283
Newcastle NSW 2300

IQNOVATE LTD ANNOUNCES INTENTION TO RE-DOMICILE TO THE UNITED STATES AND LIST ON NASDAQ

iQNovate Ltd (NSX: IQN) is pleased to announce its intention to re-domicile from Australia and the National Stock Exchange to the United States of America (US) and to list on Nasdaq, pending shareholder and regulatory approvals.

The re-domicile will be realised by an all scrip bid for the securities in IQN via a scheme of arrangement (**Scheme**) between IQN and The iQ Group Global Inc. (**TIGG**), a newly incorporated entity in the US (which is intending to list its shares on Nasdaq). Pursuant to the Scheme, existing IQN securities will be exchanged for securities in TIGG. IQN shareholders will vote upon the Scheme and the re-domicile to the US, which is expected to be put to IQN shareholders and implemented by the end of this calendar year.

Dr. George Syrmalis, IQN Chief Executive Officer and Chairman commented “IQN was founded in 2011, and in the past seven years, has significantly grown and evolved; it has acquired, developed and de-risked significant life science assets, mitigated corporate start-up risk, refined and globalized its business model and built a valuable global network of bioscience professionals. These milestones have now triggered the realization of our mid-term group strategy, which mandates corporate consolidation and relocation to the US, the home of the global bioscience industry.

This is the logical next step in our development, where we can showcase our group, our assets, our pipeline, and our people to significant institutional capital and global financial and healthcare centres of influence.”

The flagship asset in the IQN portfolio is the IP and technology to a novel biosensor that is capable of detecting glucose levels using saliva and is at late stage development. This platform technology has been extended to other diagnostic tests in and specifically to tumor markers, immunology and hormone testing.

Dr. Syrmalis further stated “strategically we have always operated in terra incognita. With this transaction, we create a precedent and set an example, not only for the wider iQ Group ventures, but the entire biotechnology sector in Australia. Success in commercializing great science is not just about the technology, but also about access to purposefully placed capital.”

The independent director of IQN will unanimously recommend that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding that the proposed transaction is in the best interests of IQN shareholders.

Transaction overview and merger rationale

Pursuant to the Scheme to be put to IQN shareholders for approval, TIGG will issue IQN shareholders with 0.02857 TIGG shares for each IQN share held.

The rationale behind the proposed transaction is that:

- The US is widely considered as the home of biotechnology and the sector is transitioning towards becoming a mainstream investment class in the US.
- The US is home to a more knowledgeable and less risk averse demographic with increased capital and an appetite for a diverse asset portfolio. Listing on Nasdaq should provide improved marketability of, and liquidity for, IQN securities (listed as TIGG securities).
- When comparing Australian biotech assets to “equipotent” US biotech assets there is a significant price disparity, with US assets priced significantly higher.
- The move will facilitate the establishment of further beneficial relationships in the US, potentially creating increased merger and acquisition activity.

Scheme Implementation Agreement

A copy of the Scheme Implementation Agreement entered into by IQN and TIGG is attached to this release and contains customary terms and conditions for transactions of this type. The merger is subject to a number of conditions precedent which are set out in the Scheme Implementation Agreement including customary clauses, IQN shareholder approval, court approval and regulatory approval for the listing of TIGG shares on Nasdaq. Subject to the listing of the common stock of TIGG on Nasdaq, IQN will cease to trade on the NSX.

Indicative timetable

IQN shareholders do not need to take any action in relation to the Scheme. It is expected that IQN shareholders will receive the scheme booklet in relation to the Scheme (Scheme Booklet) in October 2018, which will include a more detailed explanation of the proposed transaction, along with a copy of the Independent Expert’s Report.

An indicative timetable for the proposed transaction is set out in the attached Scheme Implementation Agreement. The indicative timetable is however subject to change.

Advisers

IQN has appointed HWL Ebsworth as its legal adviser.

TIGG has appointed Hughes Hubbard & Reed LLP as its legal adviser.

For further information, please contact;

Investor Relations Team

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About iQnovate

Bridging science with business

iQnovate is a scientifically driven life science asset management organisation. It has exceptional organic research and development capability. This enables iQnovate to conceptualise, source, validate and commercialise biotechnology assets that have extraordinary and potentially disruptive outcomes, thus advancing human health.

iqnovate.com

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Scheme Implementation Agreement

iQNovate Limited ACN 149 731 644

and

The iQ Group Global Inc

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Scheme Implementation Agreement

Date / 5th August 2018

Parties **The iQ Group Global Inc**
(Bidder)

iQnovate Limited ACN 149 731 644
(Target)

- Recitals**
- A. Target intends to effect a re-domiciliation by scheme of arrangement under Part 5.1 of the Corporations Act which will result in Target Shareholders ceasing to hold Target Shares (Target being incorporated in Australia) and becoming the holders of Bidder Shares (Bidder being incorporated in the State of Delaware, USA).
 - B. Bidder and Target have agreed to undertake certain steps to enable the Scheme to be proposed, approved and implemented subject to, and in accordance with, this agreement.
 - C. As a result of the Scheme:
 - (a) Bidder will acquire all of the Target Shares in return for the issue of Bidder Shares;
 - (b) Target will become a wholly-owned subsidiary of Bidder; and
 - (c) the Target Shareholders will transfer their Target Shares to Bidder in return for Bidder Shares and so become Bidder Shareholders.

The parties agree, in consideration of, among other things, the mutual promises contained in this agreement as follows:

1. Definitions and Interpretation

1.1 Definitions

The meanings of the terms used in this agreement are set out below.

ASIC	means the Australian Securities and Investments Commission.
ATO	means the Australian Taxation Office.
Bidder	means The iQ Group Global Inc.
Bidder Costs	means all reasonable and actual costs or out of pocket expenses payable by Bidder in connection with the Scheme.
Bidder Directors	means the directors of the Bidder.
Bidder Indemnified Parties	means Bidder and the Bidder Directors and the officers, employees and advisers of Bidder.
Bidder Information	means the information provided by Bidder to Target for inclusion in the Scheme Booklet, and includes information in relation to Bidder as a consequence of the issue of the Scheme Consideration under the terms of the Scheme. Bidder Information does not include any information about Target (except to the extent it relates to any statement of intention relating to Target following the Effective Date).
Bidder Material Adverse Change	means a Material Adverse Change in relation to Bidder.
Bidder Prescribed Occurrence	means the occurrence of any of the events listed in Schedule 3 but excludes: <ul style="list-style-type: none"> (a) a matter required to be done or procured by Bidder pursuant to, or which is otherwise contemplated by, this agreement, the Scheme or the Deed Poll; or (b) a matter the undertaking of which has been approved by Target in writing.
Bidder Share	means a share of common stock in Bidder.
Business Day	means a business day as defined in the NSX Listing Rules.
Claim	means any allegation, cause of action, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, for restitution, under statute or otherwise.

Competing Proposal	<p>means any expression of interest, proposal, offer, transaction or arrangement (other than any transaction that may be made and implemented in accordance with this agreement) by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms:</p> <p>(a) a person or persons will:</p> <ul style="list-style-type: none"> (i) acquire voting power in, or a Relevant Interest in, or become the holder of, 20% or more of the Target Shares; (ii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain a legal, beneficial or economic interest in, all or a substantial part of the assets or business of Target; (iii) otherwise acquire Control of Target; or (iv) otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a significant shareholding or economic interest in, Target or in all or a substantial part of its assets or business, <p>whether by way of takeover offer, scheme of arrangement, member approved acquisition, capital reduction, security buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, recapitalisation, establishment of a new holding company or other synthetic merger or any other transaction or arrangement; or</p> <p>(b) Target would be required to abandon or otherwise fail to proceed with the Scheme, by whatever means.</p>
Condition Precedent	means a condition precedent set out in clause 2.1 and Schedule 1.
Confidentiality Deed	means the confidentiality deed made between the parties on or about the date of this agreement.
Control	has the meaning given 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 the Federal Court of Australia, Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act.
Deed Poll	means a deed poll to be executed by Bidder in favour of the Target Shareholders under which Bidder will covenant in favour of the Target Shareholders to perform the obligations of, or attributed to, Bidder under the Scheme.
Effective	means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
End Date	means 31 December 2019 or such later date as the parties agree in writing.
No-Action Relief	means the application to be made by Bidder for no-action relief from the SEC under Section 3(a)(10) of the Securities Act of 1933 (US), confirming that the SEC would take no action objecting to the availability of an exemption from SEC registration for the offers and sales of the Bidder Shares to be issued in accordance with the Scheme.
Explanatory Memorandum	means the explanatory memorandum to be despatched to the Target Shareholders pursuant to section 412 of the Corporations Act, which will accompany the notice of meeting convening the Meeting and a proxy form for the Scheme Resolution.
First Court Date	means the first day on which the application made to the Court for orders under section 411(1) of the Corporations Act, convening the Meeting to consider the Scheme, is heard.
Government Agency	means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity and includes any minister (including for the avoidance of doubt, the Commonwealth Treasurer), ASIC, ATO, NSX, SEC, NASDAQ and any regulatory organisation established under statute or otherwise or any stock exchange.
GST	has the meaning given in the GST Act.

GST Act	means <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Implementation Date	means the tenth Business Day following the Record Date or such other date as the parties agree in writing.
Independent Expert	means the independent expert appointed by Target to provide an opinion on whether the Scheme is fair and reasonable and in the best interests of non-associated Target Shareholders.
Insolvent	means in relation to a party: <ul style="list-style-type: none"> (a) the party is or becomes unable to pay its debts as and when they fall due or is otherwise presumed to be insolvent under the insolvency laws applying to that party; (b) the party suspends or threatens to suspend payment of its debts generally; (c) the calling of a meeting to consider a resolution to wind up the party (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the party) or the making of an application or the making of any order, or the passing of any resolution, for the winding up or liquidation of the party other than where the application or order (as the case may be) is set aside within 7 days; (d) the appointment of a provisional liquidator, liquidator, receiver or a receiver and manager or other insolvency official to the party or to the whole or a substantial part of the property or assets of the party; (e) the appointment of an administrator to the party; (f) the entry by a party into any compromise or arrangement with creditors; (g) as a result of the operation of section 459F(1) of the Corporations Act, the party is taken to have failed to comply with a statutory demand; (h) anything analogous to anything referred to in paragraphs (a) to (g) (inclusive) of this definition or which has a substantially similar effect, occurs with respect to a person under any law of any jurisdiction.
Ineligible Overseas Target Shareholder	means a Target Shareholder whose address as shown on the Register on the Record Date is a place outside Australia and its external territories and New Zealand unless Bidder determines that it is lawful and not unduly onerous or impracticable to issue that Target Shareholder with Bidder Shares in accordance with this agreement

when the Scheme is implemented.

Material Adverse Change

means any matter, event or circumstance that occurs on or after the date of this agreement, or is likely to occur on or after the date of this agreement, which individually, or when aggregated with any other matters, events or circumstances of a like kind, has resulted in or could reasonably be expected to result in:

- (a) a diminution or reduction of:
 - (i) the distributable income of Bidder or Target (as applicable) by 30% or more compared to what it could reasonably have been but for such matter, event or circumstance; or
 - (ii) the net assets (the excess of total assets over total liabilities on a consolidated basis) of Bidder or Target by 30% or more compared to what it would reasonably have been expected to have been but for such matter, event or circumstance; or
- (b) Bidder or Target (as applicable) being unable to carry on its business in substantially the same manner as carried out before the date of this agreement,

other than any matter, event or circumstance that arises from any change occurring (directly or indirectly) as a result of any matter, event or circumstance required or permitted by this agreement, the Scheme, the Deed Poll or the transactions contemplated by them, including any cost or expense associated with them.

Material Contract

means a contract or commitment (or any series of related contracts or commitments):

- (a) under which Target or Bidder might reasonably be expected to make total payments in excess of \$10,000,000 or receive total payments in excess of \$10,000,000 within 24 months from the date of this agreement; or
- (b) under which Target or Bidder does not have an unconditional right to terminate within 12 months of entry into the contact or commitment without material penalty; or
- (c) under which a material restraint is imposed on the conduct of the business of Target or Bidder; or
- (d) which is entered into other than in the ordinary course of business and which may otherwise reasonably be expected to be material to the operations of Target or Bidder; or
- (e) which grants an exclusive right to a third party and which is not capable of termination by Target or Bidder on 90 days'

notice or less,

but excludes this agreement.

Meeting	means the meeting of the Target Shareholders to consider and if thought fit to pass the Scheme Resolution, and includes any adjournment of that meeting.
Meeting Date	means the date on which the Meeting is held (including any date to which the Meeting is adjourned).
NASDAQ	means the Nasdaq Stock Market LLC.
NASDAQ Application	means the application to be made to NASDAQ by Bidder for the listing of its common stock, which listing requires compliance with all applicable listing criteria and the prior approval by NASDAQ.
NASDAQ Stock Market Rules	means the rules and by-laws of NASDAQ.
Nominee	means a nominee appointed by Target.
NSX	means the National Stock Exchange of Australia.
NSX Listing Rules	means the listing rules of NSX.
Record Date	means 7.00 pm on the fifth Business Day following the Effective Date or such other date as the parties agree in writing.
Register	means the share register of Target and Registry has a corresponding meaning.
Regulatory Guide 60	means ASIC's Regulatory Guide 60 (Schemes of arrangement).
Regulatory Approvals and Modifications	means all reliefs, waivers confirmations, exemptions, consents or approvals necessary to implement the transactions contemplated under this agreement, and includes: <ul style="list-style-type: none"> (a) declaration of effectiveness from the SEC of a Form 10 filed with the SEC to register the class of Bidder Shares; (b) No-Action Relief from the SEC under section 3(a)(10) of the

Securities Act of 1933;

- (c) receipt of conditional approval from NASDAQ for Bidder for the listing of its common stock on NASDAQ;
- (d) NSX confirmation to Target that the timetable for the implementation of the Scheme is acceptable to NSX under NSX Practice Note 18.

Regulatory Review Period	means the period from the date on which the draft Explanatory Memorandum is submitted to ASIC to the earlier of: <ul style="list-style-type: none"> (a) ASIC stating that it has no objection to the Explanatory Memorandum; and (b) the date that is 14 days after the date of submission unless ASIC objects to the Explanatory Memorandum in that period and those objections are not withdrawn before the end of that period.
Related Body Corporate	has the same meaning as given by section 9 of the Corporations Act.
Relevant Interest	has the same meaning as given by sections 608 and 609 of the Corporations Act.
Scheme	means the scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Target Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and approved in writing by Bidder and Target.
Scheme Booklet	means the scheme booklet, complying with the requirements of the Corporations Act, the Corporations Regulations and Regulatory Guide 60, to be prepared by Target in respect of the Scheme in accordance with clause 8 to be despatched to the Target Shareholders and which must include or be accompanied by: <ul style="list-style-type: none"> • a copy of the Scheme agreement; • the Explanatory Statement; • the Independent Expert's Report; • a copy or summary of this agreement; • a copy of the executed Deed Poll; • a notice of meeting; and • proxy form(s).
Scheme Consideration	means the consideration to be provided by Bidder to each Target Shareholder for the transfer to Bidder of each Target Share, being, for each Target Share held by a Target Shareholder as at the Record

Date, 0.02857 Bidder Shares.

- Scheme Resolution** means a resolution approving the Scheme passed by the Target Shareholders pursuant to section 411(4)(a)(ii) of the Corporations Act.
- SEC** means the US Securities and Exchange Commission.
- SEC Form 10** means the registration statement filed with the SEC by Bidder registering the class of Bidder Shares, the effectiveness of which registration is required, among other things, as a condition to listing on NASDAQ.
- Second Court Date** means the first day on which the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard.
- Superior Proposal** means a bona fide Competing Proposal that the Target Independent Director, acting in good faith, and after receiving written legal advice from his legal adviser (who must be a reputable legal adviser experienced in transactions in the nature of the transactions contemplated by this agreement) and written advice from his financial adviser in order to satisfy what the Target Independent Director consider to be their fiduciary or statutory duties, determine:
- (a) is capable of being valued and completed, taking into account all aspects of the Competing Proposal, including its conditions precedent; and
 - (b) would, if completed substantially in accordance with its terms, be more favourable to Target Shareholders (as a whole) than the Scheme, taking into account all the terms and conditions of the Competing Proposal and all aspects of the Scheme.
- Takeovers Panel** means the panel established by Part 10 of the *Australian Securities and Investment Commission Act 2001* (Cth).
- Target** means IQNovate Limited ACN 149 731 644.
- Target Constitution** means the constitution of Target, as amended from time to time.
- Target Costs** means all reasonable and actual costs or out of pocket expenses payable by Target in connection with the Scheme.
- Target Indemnified** means Target and the directors, officers, employees and advisers of

Parties	Target.
Target Independent Director	means Peter Simpson.
Target Information	means all information in the Scheme Booklet other than the Bidder Information, the Tax Opinion and the Independent Expert's report.
Target Material Adverse Change	means a Material Adverse Change in relation to Target.
Target Prescribed Occurrence	means the occurrence of any of the events listed in Schedule 2 but excludes: <ul style="list-style-type: none"> (a) a matter required to be done or procured by Target pursuant to, or which is otherwise contemplated by, this agreement, the Scheme or the Deed Poll; or (b) a matter the undertaking of which has been approved by Bidder in writing.
Target Share	means a fully paid ordinary share in the capital of Target, including all shares on issue as at the Effective Date.
Target Shareholder	means a registered holder of one or more Target Shares at the Record Date.
Tax Opinion	means a letter setting out the tax implications of the Scheme a copy of which is to be included in the Scheme Booklet.
Tax Opinion Provider	means BDO East Coast Partnership (ABN 83 236985 726).
Timetable	means the indicative timetable in relation to the Scheme, as set out in Schedule 4, or such other indicative timetable as the parties agree in writing.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.

- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this agreement.
- (f) A reference to an agreement or document (including a reference to this agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this agreement or that other agreement or document.
- (g) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to \$ is to the lawful currency of Australia.
- (j) Words and phrases not specifically defined in this agreement have the same meanings (if any) given to them in the Corporations Act.
- (k) A reference to time is a reference to time in Sydney, Australia.
- (l) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
- (m) The meaning of general words is not limited by specific examples introduced by including, or for example, or similar expressions.
- (n) A reference to a party using its best endeavours or reasonable endeavours does not include a reference to that party paying money or providing other valuable consideration to or for the benefit of any person (and an obligation on a party to use its best or reasonable endeavours does not oblige that party to pay money or provide other valuable consideration to or for the benefit of any person) or agreeing to commercially onerous or unreasonable conditions.
- (o) A reference to a fact, matter, circumstance or thing being fairly disclosed to a person means disclosed in writing to any of that person or any of that person's advisers in good faith and in sufficient detail so as to reasonably apprise a person (or one of its advisers) as to the nature and scope of the relevant fact, matter, circumstance or thing.

2. Conditions Precedent

2.1 Operation of Conditions Precedent

The Scheme will not become Effective and the obligations of the parties under the Scheme will not be binding unless each of the Conditions Precedent has been satisfied or waived in accordance with this clause 2.

2.2 Benefit of certain Conditions Precedent

- (a) A Condition Precedent may only be waived in writing by the party entitled to the benefit of that Condition Precedent as noted in this clause 2.2 and will be effective only to the extent specifically set out in that waiver. If both parties are entitled to the benefit of a Condition Precedent then both parties must sign the waiver.
- (b) The Conditions Precedent in paragraphs 1, 5 and 12 of Schedule 1 are for the benefit of each party.
- (c) The Conditions Precedent in paragraphs 7, 9, 10, 14 of Schedule 1 are for the sole benefit of Bidder.
- (d) The Conditions Precedent in paragraphs 3, 6, 8, 11, 13, 15, of Schedule 1 are for the sole benefit of Target.
- (e) The Conditions Precedent in paragraphs 2 and 4 of Schedule 1 cannot be waived.
- (f) A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this clause 2.2 may do so in its absolute discretion.

2.3 Waiver of Conditions Precedent

If either Target or Bidder (or both if necessary) waives the breach or non-fulfilment of a Condition Precedent in accordance with this clause 2.3, then:

- (a) subject to clause 2.3(b), that waiver precludes any party from suing any other for any breach of this agreement 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 clause 2.3(a); or
 - (ii) does not accept the condition, the Condition Precedent has not been waived.

2.4 Reasonable endeavours

- (a) Target must use all reasonable endeavours to procure that:
 - (i) each of the Conditions Precedent in paragraphs 1, 2, 3, 4, 7, 9, 10, 12, 13, and 14 of Schedule 1:

- (A) is satisfied as soon as practicable after the date of this agreement; and
- (B) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (ii) there is no occurrence that would prevent those Conditions Precedent being satisfied.
- (b) Bidder must use all reasonable endeavours to procure that:
 - (i) each of Conditions Precedent in paragraphs 5, 6, 8, 11, 12 and 15 of Schedule 1:
 - (A) is satisfied as soon as practicable after the date of this agreement; and
 - (B) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
 - (ii) there is no occurrence that would prevent those Conditions Precedent being satisfied.
- (c) Each party must, to the extent that it is within its power to do so, use all reasonable endeavours to procure that:
 - (i) the Condition Precedent in paragraph 1 of Schedule 1:
 - (A) is satisfied as soon as practicable after the date of this agreement; and
 - (B) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
 - (ii) there is no occurrence that would prevent that Conditions Precedent being satisfied.

2.5 Regulatory matters

Without limiting clause 2.4 but subject to clause 2.6, each of Target and Bidder must promptly apply for all relevant Regulatory Approvals and Modifications and take all steps it is responsible for as part of the approval process, including responding to requests for information at the earliest practicable time.

2.6 Provision of undertakings

Notwithstanding any other provision of this agreement, for the purposes of satisfying any Regulatory Approvals and Modification, no party is required to agree to any adverse conditions or to provide or to agree to provide any adverse written undertakings to a Government Agency which are not acceptable to that party.

2.7 Notifications

Each party must:

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

2.8 Conditions Precedent not met

- (a) If any of the Conditions Precedent are not satisfied or waived by the date specified in this agreement for its satisfaction (or an event occurs that would prevent a Conditions Precedent being satisfied by that date) or the Scheme has not become Effective by the End Date, then the parties must consult in good faith with a view to determining whether:
 - (i) the Scheme, or a transaction that results in Bidder acquiring all of the Target Shares, may proceed by way of alternative means;
 - (ii) to extend the relevant time for satisfaction of the Condition Precedent; or
 - (iii) to extend the End Date.
- (b) If the parties are unable to reach agreement under clause 2.8(a) within five Business Days, then unless the relevant Condition Precedent is waived in accordance with this clause 2, either party may terminate this agreement without any liability to the other party by reason of that termination alone, but without limiting either party's rights in respect of a breach of this agreement before its termination.
- (c) A party will not be entitled to terminate this agreement pursuant to this clause 2.8 if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of:
 - (i) in the case of Target, a breach of this agreement by Target or a deliberate act or omission of Target; or
 - (ii) in the case of Bidder, a breach of this agreement by Bidder or a deliberate act or omission of Bidder.

3. Proposal of Scheme

3.1 Target to propose the Scheme

Target agrees to propose and implement the Scheme on and subject to the terms and conditions of this agreement.

3.2 Bidder to assist

Bidder agrees to assist Target in proposing and implementing the Scheme on and subject to the terms and conditions of this agreement.

3.3 Fractional entitlements

If the number of Target Shares held by a Target Shareholder is such that the aggregate entitlement of the Target Shareholder to Scheme Consideration includes a fractional entitlement to a Bidder Share, then the entitlement of that Target Shareholder must be rounded down to the nearest whole number of Bidder Shares.

3.4 Ineligible Overseas Target Shareholders

If the Register records an Ineligible Overseas Target Shareholder at any time prior to the Record Date:

- (a) Target will, on or before the Implementation Date, appoint a Nominee.
- (b) The Nominee will participate in the Scheme in the same way as Target Shareholders who are not Ineligible Overseas Target Shareholders.
- (c) Bidder will be under no obligation under the Scheme to issue, and will not issue, any Bidder Shares to any Ineligible Overseas Target Shareholder, and instead will issue the Bidder Shares to which that Ineligible Overseas Target Shareholder would otherwise have been entitled to the Nominee.
- (d) Target will procure that, as soon as reasonably practicable and in any event no more than:
 - (i) 15 Business Days after the Implementation Date, the Nominee sells all of the Bidder Shares issued to the Nominee pursuant to clause 3.4(c) in such manner, at such price and on such terms as the Nominee determines in good faith; and
 - (ii) 25 Business Days after the Implementation Date, the Nominee remits to the relevant Ineligible Overseas Target Shareholders the proportion of the net proceeds of sale (rounded to the nearest cent, after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) to which that Ineligible Overseas Target Shareholder is entitled.

3.5 Ranking of Bidder Shares

The Bidder Shares issued as Scheme Consideration must, on their issue, rank equally in all respects with all other Bidder Shares then on issue.

4. Co-operation and timing

Target and Bidder will use all reasonable endeavours and commit necessary resources (including management and corporate relations resources and the resources of external advisers) to finalise the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the Timetable, subject to compliance with their respective

obligations, powers and duties under this agreement and all applicable laws and the NSX Listing Rules and the proper performance by the directors of each of Bidder and Target of their duties.

5. Outline of Scheme

5.1 The Scheme

Subject to clause 2.1, on the Implementation Date:

- (a) all of the Target Shares will be acquired by Bidder in accordance with the terms of the Scheme; and
- (b) each Target Shareholder will be entitled to receive the Scheme Consideration in accordance with the terms of the Scheme.

5.2 Provision of Scheme Consideration

- (a) Bidder undertakes to Target that, subject to the terms of this agreement, if the Scheme becomes Effective, and in consideration for the transfer to Bidder of each Target Share held by a Target Shareholder:
 - (i) Bidder will accept the transfer of the Target Shares; and
 - (ii) Bidder will provide to each Target Shareholder (including, where appropriate, the Nominee) the Scheme Consideration in accordance with this agreement and the Deed Poll.

6. Access to information

6.1 Access

From the date of this agreement, each party must afford to the other party and its officers, employees and advisers, reasonable access to such documents, records and other information (subject to any existing confidentiality obligations owed to third parties), premises, personnel and advisers of the party and such reasonable co-operation as the other party reasonably requires for the purpose of completing the transactions contemplated by this agreement.

6.2 Exceptions

Clause 6.1 does not require a party to:

- (a) do anything that would cause undue disruptions to the operation of its business in the ordinary course;
- (b) provide information concerning the party's consideration of the Scheme; or
- (c) breach an obligation of confidentiality to any person.

6.3 Acknowledgement

The parties acknowledge that all information that is provided pursuant to this clause 6 will be provided subject to the terms of the Confidentiality Deed.

7. Implementation obligations of the parties

7.1 Target's obligations

Target must take all reasonable steps to implement the Scheme as soon as is reasonably practicable and in any event prior to the End Date. In particular Target must comply with the obligations set out in Schedule 5.

7.2 Bidder's obligations

Bidder must take all reasonable steps to:

- (a) assist Target to implement the Scheme as soon as reasonably practicable and in any event before the End Date and in particular Bidder must comply with the obligations set out in Schedule 6; and
- (b) obtain the declaration of effectiveness by the SEC of the SEC Form 10, obtain the No-Action Relief from the SEC, obtain approval from NASDAQ of the NASDAQ Application for the listing of the Bidder Shares on NASDAQ and complete the transactions contemplated by this agreement.

8. Scheme Booklet

8.1 Preparation

Without limiting clauses 7.1 or 7.2:

- (a) Target is generally responsible for the preparation of the Target Information contained in the Scheme Booklet but will provide drafts to and consult with Bidder in accordance with clause 8.2;
- (b) Target must take all necessary steps to ensure that the Target Information:
 - (i) complies with the requirements of:
 - (A) the Corporations Act;
 - (B) the Corporations Regulations;
 - (C) Regulatory Guide 60;
 - (D) the NSX Listing Rules; and
 - (E) any other applicable law; and

- (ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission); and
- (c) Bidder must take all necessary steps to ensure that the Bidder Information:
 - (i) complies with the requirements of:
 - (A) the Corporations Act;
 - (B) the Corporations Regulations;
 - (C) Regulatory Guide 60;
 - (D) the NSX Listing Rules; and
 - (E) any other applicable law; and
 - (ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission).

8.2 Content of Scheme Booklet

Target must:

- (a) provide drafts of the Scheme Booklet to Bidder for the purpose of enabling Bidder to review and comment on that draft document and must take the comments made by Bidder into account in good faith when producing a revised draft of the Scheme Booklet;
- (b) implement any reasonably requested changes to those parts of the Scheme Booklet relating to Bidder, which are provided in accordance with 8.3(a) by Bidder;
- (c) during the Regulatory Review Period, keep Bidder informed of any matters raised by ASIC in relation to the Scheme Booklet and use all reasonable endeavours, in co-operation with Bidder, to resolve those matters; and
- (d) obtain approval from Bidder for the form and context in which Bidder Information appears in the Scheme Booklet, which approval must not be unreasonably delayed or withheld.

8.3 Bidder Information

Bidder:

- (a) must consult with Target as to the content of Bidder Information;
- (b) must not unreasonably delay or withhold their consent to the inclusion of the Bidder Information in the form, content and context provided by Bidder in the Scheme Booklet; and
- (c) acknowledges that it is responsible for ensuring that Bidder Information is not misleading or deceptive in any material respect (whether by omission or otherwise) and that Target will not verify or edit that information in the Scheme Booklet.

8.4 Responsibility statement

- (a) Without limiting this clause 8, the Scheme Booklet must include a responsibility statement, in a form to be agreed by the parties, which will contain words to the effect that:
- (i) Target has provided, and is responsible for the Target Information in the Scheme Booklet, and that Bidder and Bidder Indemnified Parties do not accept any responsibility for the accuracy or completeness of the Target Information;
 - (ii) Bidder has provided, and is responsible for, Bidder Information in the Scheme Booklet, and that Target and the Target Indemnified Parties do not accept any responsibility for the accuracy or completeness of Bidder Information;
 - (iii) the Independent Expert has provided and is responsible for the Independent Expert's report and that:
 - (A) Target and the Target Indemnified Parties do not assume any responsibility for the accuracy or completeness of the Independent Expert's report; and
 - (B) Bidder and Bidder Indemnified Parties do not assume any responsibility for the accuracy or completeness of the Independent Expert's report; and
 - (iv) Tax Opinion Provider has provided and is responsible for the Tax Opinion and that:
 - (A) Target and the Target Indemnified Parties do not assume any responsibility for the accuracy or completeness of the Tax Opinion; and
 - (B) Bidder and Bidder Indemnified Parties do not assume any responsibility for the accuracy or completeness of the Tax Opinion.

8.5 Misleading or deceptive information

Until the Implementation Date, each party must promptly inform the other if it becomes aware that any information in the Scheme Booklet, in the form and context in which it appears in the Scheme Booklet, is or has become misleading or deceptive in any material respect (whether by omission or otherwise) having regard to applicable disclosure requirements and provide to the other party any further or new information that is required to ensure that the information in the Scheme Booklet is no longer misleading or deceptive and that the Scheme Booklet or the information contained in it is updated accordingly.

8.6 Disagreement on content

If Bidder and Target 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 Bidder Information contained in the Scheme Booklet, Target will make the amendments that Bidder reasonably requires; and
- (b) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the Target Independent Director will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.

8.7 Verification

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

9. Conduct of business

9.1 Conduct

Until the Implementation Date, each party must:

- (a) conduct its business in the usual and ordinary course consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency;
- (b) use its reasonable endeavours to preserve and maintain the value of its business and assets and the relationships with suppliers and employees;
- (c) not acquire, agree to acquire, or create any option or right to acquire one or more companies, businesses or assets (or an interest in one or more companies, businesses or assets) for an amount in aggregate of greater than \$5,000,000 that is payable within 24 months of the date of this agreement;
- (d) not dispose, agree to dispose, or create any option or right to dispose of the whole or any part of its business or assets for an amount in aggregate greater than \$5,000,000; and
- (e) not incur any commitments involving capital expenditure of greater than the amount of \$5,000,000 that is payable within 24 months of the date of this agreement.

9.2 Prohibited actions

- (a) Other than with the prior written approval of Bidder, Target must not, until the Implementation Date, take any action that would be reasonably expected to give rise to a Target Prescribed Occurrence or a Target Material Adverse Change.
- (b) Other than with the prior written approval of Target, Bidder must not, until the Implementation Date, take any action that could reasonably be expected to give rise to a Bidder Prescribed Occurrence or a Bidder Material Adverse Change.

9.3 Permitted acts

Nothing in clauses 9.1 or 9.2 restricts a party from doing any of the following permitted actions:

- (a) that is contemplated by this agreement;
- (b) to reasonably and prudently respond to an emergency or disaster or to address an occupational health and safety risk or issue that directly affects the party's business (including a situation giving rise to a risk of personal injury or damage to property);
- (c) that is necessary for the party to meet a material contractual obligation or comply with an express statutory provision; or
- (d) approved by the other party in writing, such approval not to be unreasonably withheld or delayed.

9.4 D&O insurance

Target is entitled at any time before the Implementation Date to arrange and pay for directors and officers run-off insurance cover for the current directors and officers of Target for a period of 7 years from the Implementation Date.

10. Reimbursement of Costs

10.1 Costs and expenses

- (a) Subject to clause 10.1(b), the parties acknowledge and agree that Target will pay the Bidder Costs.
- (b) If the Scheme is not completed by the End Date and Target, acting reasonably, considers that the delay or non-completion of the Scheme is due to or partially attributable to a breach of the Bidder Directors' fiduciary duties, Target will not be liable to pay any amount of the Bidder Costs,

10.2 Indemnity by Target

Subject to clause 10.1(b), Target indemnifies each Bidder Indemnified Party against all loss suffered or incurred by reason of any breach of Target's obligations under clause 10.1(a).

11. Warranties

11.1 General

Each party represents and warrants to the other that, at the date of this agreement:

- (a) it is duly incorporated under the laws of the place of its incorporation;
- (b) it has the power and authority to sign this agreement and, subject to the Regulatory Approvals and Modifications being made, perform and observe all its terms;
- (c) this agreement has been duly executed and is a legal, valid and binding agreement, enforceable against it in accordance with its terms;

- (d) it is not bound by any contract which may restrict its right or ability to enter into or perform this agreement;
- (e) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or deregistration or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets; and
- (f) no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement.

11.2 Target warranties

Target represents and warrants to Bidder that:

- (a) Target's issued capital as at the date of this agreement is 144,950,414 Target Shares;
- (b) at the date the Scheme Booklet is despatched to Target Shareholders, the Target Information in the Scheme Booklet will not be misleading or deceptive in any material respect (whether by omission or otherwise) having regard to all relevant requirements of the Corporations Act, the NSX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel;
- (c) other than in respect of its employee share scheme, it is not under any actual or contingent obligation to issue and has not offered to issue any Target Shares or securities convertible into Target Shares to any person, including any option, convertible security or other right;
- (d) subject to the announcement of the Scheme in accordance with this agreement, Target is not in breach of its continuous disclosure obligations under the NSX Listing Rules;
- (e) Target is not Insolvent;
- (f) no regulatory action has been taken that would prevent, inhibit or otherwise have any adverse and material effect on Target's ability to fulfil its obligations under this agreement;
- (g) as far as Target is aware, no action has been taken to wind up Target whether under Chapter 5 of the Corporations Act or otherwise; and
- (h) all information provided by or on behalf of Target to the Independent Expert to enable the Independent Expert to prepare its report has been prepared and provided in good faith and on the understanding that the Independent Expert has relied on the information in preparing its report.

11.3 Indemnity by Target

Subject to clause 11.4, Target indemnifies each Bidder Indemnified Party against all loss suffered or incurred by reason of any breach of any of the representations and warranties in clause 11.2.

11.4 Qualification

Target is not liable in respect of any claim for breach of a representation or warranty given under clause 11.2 if the fact, matter or circumstance giving rise to the claim was fairly disclosed in writing by Target to Bidder or its advisors before the execution of this agreement.

11.5 Bidder warranties

Bidder represents and warrants to Target that:

- (a) at the date the Scheme Booklet is despatched to Target Shareholders, the Bidder Information in the Scheme Booklet will not be misleading or deceptive in any material respect (whether by omission or otherwise) having regard to all relevant requirements of the Corporations Act, the NSX Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC and the Takeovers Panel;
- (b) other than as set out in this agreement, it is not under any actual or contingent obligation to issue and has not offered to issue any Bidder Shares or securities convertible into Bidder Shares to any person, including any option, convertible security or other right;
- (c) the Bidder is not Insolvent;
- (d) no regulatory action has been taken that would prevent, inhibit or otherwise have any adverse and material effect on Bidder's ability to fulfil its obligations under this agreement;
- (e) as far as Bidder is aware, no action has been taken to wind up Bidder or otherwise; and
- (f) all information provided by or on behalf of Bidder to the Independent Expert to enable the Independent Expert to prepare its report has been prepared and provided in good faith and on the understanding that the Independent Expert has relied on the information in preparing its report.

11.6 Indemnity by Bidder

Subject to clause 11.7, Bidder indemnifies each Target Indemnified Party against all loss suffered or incurred by reason of any breach of any of the representations and warranties in clause 11.5.

11.7 Qualification

Bidder is not liable in respect of any claim for breach of a representation or warranty given under clause 11.5 if the fact, matter or circumstance giving rise to the claim was fairly disclosed in writing by Bidder to Target or its advisors before the execution of this agreement.

11.8 Notifications

Each party will promptly notify the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 11.

11.9 Status of representations and warranties

Each representation and warranty in this clause 11 is severable, will survive the termination of this agreement and is given with the intent that liability for breach of the representation or warranty will not be confined to breaches that are discovered before the date of termination of this agreement.

11.10 Status and enforcement of indemnities

- (a) Each indemnity in this clause 11:
 - (i) is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiry of this agreement; and
 - (ii) is given to the party to which it is express to be given, and as trustee for each other indemnified party of that party, and a reference to a loss in an indemnity given to a party includes a loss suffered or incurred by the other indemnified party.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this clause 11.

12. Termination

12.1 Termination rights

- (a) This agreement may be terminated at any time before the Meeting:
 - (i) by either party if Target receives a Superior Proposal after the date of this agreement and the Target Independent Director publicly recommend, promote or otherwise endorses the Superior Proposal;
 - (ii) by either party if the other party is in material breach of this agreement (including a breach of warranty) and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within five Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
 - (iii) by either party if a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Scheme, and the action is final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of a successful appeal or review;
 - (iv) by Bidder if a Target Prescribed Occurrence occurs;
 - (v) by Bidder if a Target Material Adverse Change occurs;
 - (vi) by Target if a Bidder Prescribed Occurrence occurs;
 - (vii) by Target if a Bidder Material Adverse Change occurs; or

(viii) by either party in accordance with clause 2.8.

- (b) If the Scheme has not become Effective on or before the End Date this agreement automatically terminates on the End Date.

12.2 Manner of termination

Where a party has a right to terminate this agreement, that right will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates the agreement and the basis on which it terminates this agreement.

12.3 Effect of termination

If this agreement is terminated under this clause 12:

- (a) each party will be released from its obligations under this agreement except its obligations under this clause 12 and clauses 1, 13, 14 and 15, which will survive termination;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including any further obligations in respect of the Scheme.

13. GST

13.1 Interpretation

In this clause 13, a word or expression defined in the GST Act has the meaning given to it in that act.

13.2 GST gross up

- (a) Subject to clause 13.2(b), if a party makes a supply under or in connection with this agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 13.2 (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 13.2(a) does not apply to any consideration that is expressed in this agreement to be inclusive of GST.

13.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 13.2.

13.4 Tax invoice

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

14. Notices

14.1 Method of giving notices

A notice required or permitted to be given by one party to another under this agreement must be in writing and is treated as being duly given if it is:

- (a) left at that other party's address;
- (b) sent by pre-paid mail to that other party's address; or
- (c) emailed to the party's current email address.

14.2 Time of receipt

A notice given to a party in accordance with clause 14.1 is treated as having been duly given and received:

- (a) when delivered (in the case of it being left at that party's address);
- (b) when posted, on the third business day after posting (in the case of it being sent by pre-paid mail); and
- (c) when sent via email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

14.3 Address of parties

- (a) The addresses are initially as set out below.

Party	Address	Attention	Email
Bidder	The iQ Group Global Inc 733 3 rd Ave, Floor 16, New York, NY 10017	John Stratilas	john.stratilas@theiqgroup.com.au
Target	Level 9 85 Castlereagh	Director, Legal & Commercial	<u>legal@theiqgroup.com.au</u>

Street Affairs
SYDNEY NSW
2000

- (b) A party may from time to time change its addresses for service by notice to the other party.

15. General

15.1 Stamp duty

Bidder must pay all stamp duties and related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement and must indemnify Target against any liability arising from any failure to do so.

15.2 Amendment

No variation or waiver of, or any consent to any departure by a party from, a provision of this agreement is of any force or effect unless it is confirmed in writing signed by the parties and then that variation, waiver or consent is effective only to the extent for which it is made or given.

15.3 Waiver

The failure, delay, relaxation or indulgence on the part of any party in exercising any power or right conferred upon that party by this agreement does not operate as a waiver of that power or right, nor does any single exercise of any power or right preclude any other or further exercise of or the exercise of any other power or right under this agreement.

15.4 Entire Agreement

This agreement and the Confidentiality Deed constitutes the sole and entire agreement between the parties and a warranty, representation, guarantee or other term or condition of any nature not contained or recorded in this agreement is of no force or effect. If there is any consistency between the provisions of this agreement and the provisions of the Confidentiality Deed, the provisions of this agreement will prevail to the extent to the inconsistency and the provisions of the Confidentiality Deed will be construed accordingly.

15.5 Severance

If any provision of this agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement with regard to the invalid provision are and continue to be valid and enforceable in accordance with their terms.

15.6 Further assurance

Each party must do, sign, execute and deliver and must procure that each of its employees and agents does, sign, executes and delivers, all deeds, documents, instruments and acts

reasonably required of it or them by notice from another party to effectively carry out and give full effect to this agreement and the rights and obligations of the parties under it.

15.7 Assignment

Except where expressly stated otherwise, neither party may assign or otherwise transfer any of its rights arising under this agreement without the prior written consent of the other party.

15.8 Counterparts

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

15.9 Governing law and jurisdiction

This agreement is governed by, and is to be construed in accordance with, the law of the state of New South Wales and the parties submit to the non-exclusive jurisdiction of the Courts of the state of New South Wales and any court hearing appeals from those Courts.

15.10 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this agreement or any power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this agreement which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Where a clause is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this agreement.

Schedule 1 Conditions Precedent

1. Prior to 8.00 am on the Effective Date:
 - (a) the Regulatory Approvals and Modifications have been granted and such Regulatory Approvals and Modifications have not been withdrawn or modified; and
 - (b) any other approvals or consents that are required by law, or by any Government Agency, to implement the Scheme are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects.
2. Target Shareholders approve the Scheme Resolution at the Meeting by the requisite majorities under the Corporations Act on the Meeting Date.
3. The Independent Expert issues its report, which concludes that the Scheme is in the best interests of non-associated Target Shareholders before the date on which the Explanatory Memorandum is lodged with ASIC and the Independent Expert does not change its conclusion or withdraw its report prior to 8.00 am on the Second Court Date.
4. The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
5. Prior to 8:00 am on the Effective Date, the Bidder Shares being authorized for listing on NASDAQ, subject to official notice of issuance following the implementation of the Scheme.
6. No Bidder Prescribed Occurrence occurs between the date of this agreement and 8.00 am on the Effective Date.
7. No Target Prescribed Occurrence occurs between the date of this agreement and 8.00 am on the Effective Date.
8. No Bidder Material Adverse Change occurs or becomes apparent between the date of this agreement and 8.00 am on the Effective Date.
9. No Target Material Adverse Change occurs or becomes apparent between the date of this agreement and 8.00 am on the Effective Date.
10. As at 8.00 am on the Effective Date, there is no unremedied breach of a representation or warranty given by Target under this agreement and they remain true and correct in all material respects.
11. As at 8.00 am on the Effective Date there is no unremedied breach of a representation or warranty given by Bidder under this agreement and they remain true and correct in all material respects.
12. As at 8.00 am on the Effective Date, no temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition restraining or prohibiting the Scheme, which have been enacted, enforced or issued by a Government Agency, is in effect.
13. The Target Independent Director unanimously recommends that Target Shareholders approve the Scheme Resolution and do not change or withdraw that recommendation, or support a Superior Proposal, at or before the Meeting.

14. Prior to 8.00 am on the Effective Date, Target has not breached any material provision of this agreement that remains unremedied.
15. Prior to 8.00 am on the Effective Date, Bidder has not breached any material provision of this agreement that remains unremedied.

Schedule 2 Target Prescribed Occurrence

1. All or any of the Target Shares are converted into a larger or smaller number of shares, or a resolution is passed to do so.
2. Target buys back or agrees to buy back any Target Shares.
3. Any distribution (whether of capital or otherwise) is paid, announced or agreed to be paid.
4. Other than as otherwise agreed, Target commits to or makes any capital expenditure between the date of this agreement and the Effective Date in excess of \$10 million, payable within 24 months of the date of this agreement.
5. Other than pursuant to an employee share scheme, Target issues or agrees to issue Target Shares or options over Target Shares or other securities or instruments convertible into Target Shares.
6. Other than as fairly disclosed to Bidder before the date of this agreement, Target:
 - (a) acquires or disposes of, or agrees to acquire or dispose of;
 - (b) enters, or agrees to enter into a development commitment in relation to; or
 - (c) offers, proposes or announces a bid or proposal or tender for (in each case which is capable of unilateral acceptance by the party to whom the offer, proposal or bid was made to create binding obligations on Target), in each case whether or not conditionally,

any one or more business, asset, entity or undertaking the value of which exceeds \$10 million (in aggregate) and is payable within 24 months of the date of this agreement.
7. Other than as otherwise agreed, Target:
 - (a) enters into or agrees to enter into a Material Contract;
 - (b) changes or seeks to change the terms of any Material Contract;
 - (c) pays, discharges or satisfies any liability under a Material Contract other than in accordance with its terms and consistently with past practice; or
 - (d) waives any material Claim or rights under, or waives the benefit of, any provisions of any Material Contract.
8. Target creates, or agrees to create, any security interest over the whole or a substantial part of its business or assets.
9. Target becomes Insolvent.
10. A Claim is brought against Target (other than a frivolous or vexatious Claim), which will or is likely to have an adverse effect on Target in excess of \$1 million in relation to an individual item or \$5 million in aggregate; or if Target becomes the subject of regulatory investigation or prosecution which in the written opinion of Senior Counsel (appointed by Target's solicitors) will or is likely to have an adverse effect on Target in excess of \$1 million in relation to an individual item or \$5 million in aggregate.

11. Target making or agreeing to make, any loan or advance, or entering into any financing arrangement, agreement or instrument with a person other than a Related Body Corporate, or amending the terms of any existing financing arrangement, agreement or instrument with a person other than a Related Body Corporate.
12. Target or a Target Independent Director otherwise taking any action that would be reasonably expected to be prejudicial to the successful outcome of the Scheme or have the effect of preventing any of the Conditions Precedent from being fulfilled or any of the implementation steps being completed in accordance with the Timetable.

Schedule 3 Bidder Prescribed Occurrence

1. All or any of the Bidder Shares are converted into a larger or smaller number of shares, or a resolution is passed to do so.
2. Bidder buys back or agrees to buy back any Bidder Shares.
3. Any distribution (whether of capital or otherwise) is paid, announced or agreed to be paid.
4. Other than as otherwise agreed, Bidder commits to or makes any capital expenditure between the date of this agreement and the Effective Date in excess of \$5 million.
5. Bidder issues or agrees to issue Bidder Shares or options over Bidder Shares or other securities or instruments convertible into Bidder Shares.
6. Other than as fairly disclosed to Target before the date of this agreement, Bidder:
 - (a) acquires or disposes of, or agrees to acquire or dispose of;
 - (b) enters, or agrees to enter into a development commitment in relation to; or
 - (c) offers, proposes or announces a bid or proposal or tender for (in each case which is capable of unilateral acceptance by the party to whom the offer, proposal or bid was made to create binding obligations on Bidder), in each case whether or not conditionally,

any one or more business, asset, entity or undertaking the value of which exceeds \$5 million (in aggregate).
7. Other than as otherwise agreed, Bidder:
 - (a) enters into or agrees to enter into a Material Contract;
 - (b) changes or seeks to change the terms of any Material Contract;
 - (c) pays, discharges or satisfies any liability under a Material Contract other than in accordance with its terms and consistently with past practice; or
 - (d) waives any material Claim or rights under, or waives the benefit of, any provisions of any Material Contract.
8. Bidder creates, or agrees to create, any security interest over the whole or a substantial part of its business or assets.
9. Bidder becomes Insolvent.
10. A Claim is brought against Bidder (other than a frivolous or vexatious Claim), which will or is likely to have an adverse effect on Bidder in excess of \$100,000 in relation to an individual item or \$500,000 in aggregate; or if Bidder becomes the subject of regulatory investigation or prosecution which in the written opinion of Senior Counsel (appointed by Bidder's solicitors) will or is likely to have an adverse effect on Bidder in excess of \$100,000 in relation to an individual item or \$500,000 in aggregate.

11. Bidder making or agreeing to make, any loan or advance, or entering into any financing arrangement, agreement or instrument with a person other than a Related Body Corporate, or amending the terms of any existing financing arrangement, agreement or instrument with a person other than a Related Body Corporate.
12. Bidder or a director of Bidder otherwise taking any action that would be reasonably expected to be prejudicial to the successful outcome of the Scheme or have the effect of preventing any of the Conditions Precedent from being fulfilled or any of the implementation steps being completed in accordance with the Timetable.

Schedule 4 Indicative timetable

Event	Indicative Date
Drafting of the Scheme Booklet and incidental documents commences and independent expert is engaged	From 1 August 2018
Lodge draft Scheme Booklet and Explanatory Statement with ASIC for review	In the week commencing 17 September 2018
Application in respect of the First Court Date filed with the Court, with associated evidence for its review ahead of the First Court Date	In the week commencing 8 October 2018
First Court Date for approval of Scheme	In the week commencing 15 October 2018
Scheme Booklet and Independent Expert's Report is printed, lodged with ASIC for registration and filed with NSX	In the week commencing 15 October 2018
Scheme Booklet dispatched to Target Shareholders	In the week commencing 22 October 2018]
Meeting of IQN Shareholders	21 November 2018
Second Court Date	In the week commencing 26 November 2018
Lodge Court orders with ASIC and announcement made to NSX	In the week commencing 26 November 2018
Effective Date	In the week commencing 26 November 2018
Target Shares suspended from trading on NSX	In the week commencing 26 November 2018
Record Date	In the week commencing 10 December 2018
Implementation Date	In the week commencing 10 December 2018

The parties agree that the Timetable above is indicative only.

Schedule 5 Target's obligations

1. As soon as practicable after the date of this agreement, apply to NSX for the Regulatory Approval and Modification referred to in paragraph (d) of the definition of Regulatory Approvals and Modifications.
2. As soon as practicable after the date of this agreement, 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 Explanatory Memorandum.
3. On receipt, provide Bidder with a copy of any draft or final report received from the Independent Expert.
4. Prepare and verify the Scheme Booklet in accordance with this agreement.
5. Provide Bidder with a copy of the Scheme Booklet and, as soon as practicable after delivery, review drafts of Bidder Information and provide comments on those drafts acting reasonably and in good faith.
6. Obtain written approval from Bidder for the form and content in which the Bidder Information appears in the Scheme Booklet.
7. As soon as practicable after the preparation of the Scheme Booklet (which will include the Explanatory Memorandum) provide a draft copy to ASIC for its review and approval and keep Bidder reasonably informed of any material matters raised by ASIC (and the resolution of those matters) and use reasonable endeavours to resolve those matters in cooperation with Bidder.
8. As soon as reasonably practicable after the conclusion of the ASIC review, procure that a meeting of the Target Independent Director is convened to consider approving the Scheme Booklet for despatch to the Target Shareholders.
9. Print and send the Scheme Booklet (including the Explanatory Memorandum and a proxy form) to Target Shareholders in accordance with the Target Constitution and the NSX Listing Rules.
10. Apply to ASIC for the production of:
 - (a) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (b) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
11. Apply to the Court for orders pursuant to subsection 411(1) of the Corporations Act directing Target to convene the Meeting.
12. Convene the Meeting to seek the Target Shareholders' agreement to the Scheme in accordance with the orders made by the Court pursuant to subsection 411(1) of the Corporations Act.
13. Subject to all Conditions Precedent in Schedule 1 being satisfied or waived in accordance with this agreement) apply to the Court for orders approving the Scheme as agreed to by the Target Shareholders at the Meeting.

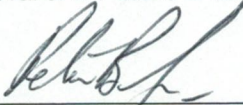
14. If the Court makes an order under section 411(4) of the Corporations Act approving the Scheme, lodge with ASIC an office copy of such order.
15. Provide all necessary information, or have the Registry provide all necessary information, in each case in a form reasonably requested by Bidder, about the Scheme and Target Shareholders to Bidder which Bidder reasonably requires in order to:
 - (a) apply to the SEC and NASDAQ for the Regulatory Approvals and Modifications referred to in paragraphs (a), (b) and (c); and
 - (b) facilitate the provision by Bidder of the Scheme Consideration.
16. If the Scheme becomes Effective:
 - (a) procure that the Registry closes the Register as at the Record Date and determines entitlements to the Scheme Consideration in accordance with the Scheme; and
 - (b) procure that the Registry registers all transfers of Target Shares to Bidder on the Implementation Date.
17. Provide to Bidder for inclusion in the SEC Form 10, the No-Action Relief and the NASDAQ Application all information relating to Target that Bidder reasonably requires to prepare and submit the SEC Form 10, the No-Action Relief and the NASDAQ Application.
18. As soon as practicable after delivery, review drafts of the SEC Form 10, the No-Action Relief and the NASDAQ Application prepared by Bidder and provide comments on those drafts in good faith.
19. Prior to the filing of each filing of the SEC Form 10, the No-Action Relief and the NASDAQ Application, procure that a meeting of the board of the Target is convened or delegated authority is provided to approve those sections of the SEC Form 10, the No-Action Relief and/or the NASDAQ Application that relate to Target as being in a form appropriate for submission to the SEC and NASDAQ.
20. Do all other things contemplated by or necessary to lawfully give effect to the Scheme.

Schedule 6 Bidder's obligations

1. Provide to Target for inclusion in the Scheme Booklet the Bidder Information that Target reasonably requires to prepare and issue the Scheme Booklet (including any information required under the Corporations Act, Corporations Regulations or ASIC Regulatory Guide 60).
2. As soon as practicable after delivery, review drafts of the Scheme Booklet (including the Explanatory Memorandum) prepared by Target and provide comments on those drafts in good faith.
3. 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 Explanatory Memorandum.
4. Provide reasonable assistance to Target to assist Target to resolve any matter raised by ASIC regarding the Scheme Booklet and Explanatory Memorandum during its review of the Explanatory Memorandum.
5. As soon as practicable after the conclusion of the review by ASIC of the Explanatory Memorandum, procure that a meeting of the board of directors of Bidder is convened to approve those sections of the Scheme Booklet that relate to Bidder as being appropriate for dispatch to Target Shareholders, and to provide written approval to Target for the form and content in which the Bidder Information appears in the Scheme Booklet.
6. Prior to the dispatch of the Scheme Booklet, execute the Deed Poll in favour of the Scheme Shareholders.
7. Provide Target with copies of the SEC Form 10, No-Action Relief and NASDAQ Application and, as soon as practicable after delivery, take into account all comments provided by Target in good faith when producing any revised draft of these documents.
8. Apply to the SEC and NASDAQ for the Regulatory Approvals and Modifications referred to in paragraphs (a), (b) and (c) of the definition of Regulatory Approvals and Modifications.
9. If the Scheme becomes Effective, provide the Scheme Consideration in accordance with this agreement.
10. Do all other things contemplated by or necessary to lawfully give effect to the Scheme.

Executed as an agreement

Executed for and on behalf of iQNovate
Ltd ACN 149 731 644 by Peter Simpson by
approval of the board of directors:



Signature of Peter Simpson

01/08/2018

Executed by The iQ Group Global Inc
by its president in the presence of:



Signature of President

John Stratilas

Full name (print)



Signature of Witness

Spiro Sakris

Full name (print)