

10 February 2014

**REAL ESTATE CORP ANNOUNCES RECOMMENDED CASH TAKEOVER  
OFFER OF \$0.37 PER SHARE BY LITTLE GROUP**

Real Estate Corp Limited (**RNC**) is pleased to announce that it has entered into a bid implementation agreement with Little Group (**LG**), whereby LG will offer to acquire 100% of the fully paid ordinary shares in RNC by way of an off-market takeover (the **Offer**).

The RNC Board has carefully assessed the proposed Offer and has unanimously decided to recommend that, in the absence of a superior proposal, RNC shareholders accept the Offer as they believe it represents the best current available value. The Offer will benefit shareholders with an opportunity to realise \$0.37 in cash for each RNC share held.

**The Offer**

The Offer will be made by Namarong Investments Pty Ltd as trustee for the Hansen Investment Trust, which is part of the Little Group.

The offer price is \$0.37 cash per RNC share (**Offer Price**) which values RNC at an enterprise value of A\$60.7 million.

This represents a premium of approximately 14% over both the closing price of RNC shares immediately prior to release of this announcement and over the volume weighted average price of RNC's shares in the three month period to this announcement. The offer price represents a premium of approximately 18% over the volume weighted average price of RNC's shares in the six month period to this announcement.

The Offer will be subject to various conditions as set out in full in schedule 2 of the attached Bid Implementation Agreement between LG (via Namarong Investments Pty Ltd) and RNC (**Implementation Agreement**), including the requirement that LG acquires a relevant interest in at least 90% of RNC's ordinary share capital on issue, during or at the end of, the Offer period. The Implementation Agreement prohibits RNC from declaring or paying a dividend during the Offer Period.

The Implementation Agreement contains 'no shop' and 'no talk' restrictions as well the right for LG to match any competing proposal which RNC's Board considers superior in accordance with the terms of the Implementation Agreement and also provides for a break fee of \$600,000 (excluding GST) payable to LG in certain circumstances. The rights of each party to terminate the Implementation Agreement are set out in the document.

**Recommendation**

The Directors of RNC, with the assistance of the Company's advisers, have carefully considered the proposed Offer and unanimously recommend that Shareholders accept the Offer, in the absence of a superior proposal. Further, the Directors together with the CEO and the Company Secretary advise that they will accept the Offer in respect of any shares in RNC they own or control within 2 weeks of the Offer opening, subject to there

being no superior proposal. The Directors, CEO and CFO of RNC collectively have a relevant interest in approximately 57% of RNC's ordinary share capital.

The Directors together with the CEO and Company Secretary have entered into pre-bid acceptance agreements with LG under which they have agreed to accept the Offer, once it is made, in respect of 19.9% of RNC shares in aggregate.

### **Timetable**

RNC understands that the Bidder's Statement will be lodged with ASIC on or about 24 February 2014, with the RNC Target's Statement to follow shortly thereafter. These documents will outline the full details of the Offer and the Offer process, as well as instructions on how to accept the Offer. RNC shareholders should read these documents carefully.

The offer is expected to be open for acceptance by RNC shareholders until 25 March 2014 subject to LG's right to extend the offer period in accordance with the Corporations Act.

### **About Real Estate Corp Limited**

*Real Estate Corp Limited is a diversified real estate group that owns RUN Property, Agentplus and Maintenance Matcher.*

#### *Enquiries:*

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### **About Little Group**

*Little Group is a multi-faceted business which has a focus in property. Little Property Group's aim is to provide integrated property services, encompassing purchasing off the plan with Little Projects, through to property management and resale with Little Residential. With successes in commercial, land subdivision and apartment developments, Little Group has more than \$1 billion worth of housing and apartments projects underway or planned.*

*Little Group also has other major investments across Australia in logistics, aviation and consulting. Little Group is owned and controlled by Mr Paul Little and his wife, Ms Jane Hansen.*

#### *Enquiries:*

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# Takeover bid implementation agreement

Namarong Investments Pty Ltd as trustee for the Hansen Investment Trust  
Real Estate Corp Limited

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## Parties

- 1 **Namarong Investments Pty Ltd as trustee for the Hansen Investment Trust** (ACN 005 999 584) of 237 Toorak Road, South Yarra, Melbourne, Victoria, 3141 (**LG**)
- 2 **Real Estate Corp Limited** (ABN 15 111 764 437) of Unit 5, 107-111 High Street, Prahran, Melbourne, Victoria, 3181 (**RNC**)

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## Background

- A LG proposes to make the Bid and the RNC Directors propose to recommend that RNC Shareholders accept the Offer in respect of their RNC Shares in the absence of a Superior Proposal.
- B LG and RNC have agreed to certain matters in relation to the conduct of the Bid as set out in this agreement.

### The parties agree

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## 1 Defined terms and interpretation

### 1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law in clauses concerning GST.

### 1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this agreement.

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## 2 The Takeover Bid

### 2.1 Agreement to make the Bid

- (a) LG agrees to make the Bid on the Agreed Bid Terms.
- (b) LG must make the Offers.

- (c) LG and RNC each agree to use reasonable endeavours to implement the Transaction in accordance with the Timetable.

## **2.2 Recommendation and acceptance of Offer by the Directors and Officers**

RNC represents and warrants to LG that:

- (a) each Director and Officer recommends that RNC Shareholders accept the Offer in respect of their RNC Shares in the absence of a Superior Proposal; and
- (b) each Director and Officer will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in paragraph 2.2(a) unless a Superior Proposal emerges and:
  - (i) that Superior Proposal was not procured or obtained by RNC through a breach of clause 6 of this agreement;
  - (ii) the matching right procedure in clause 6.7 has been fully complied with by RNC; and
  - (iii) the Director determines, acting in good faith, that he or she is required to withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in paragraph 2.2(a) in order to avoid a breach of his or her fiduciary and statutory duties (after having taken advice from RNC's legal advisors);
- (c) each Director and Officer has confirmed to RNC that he or she will accept the Offer in respect of all RNC Shares held or controlled by them no later than ten Business Days after the dispatch of the Bidder's Statement, in the absence of a Superior Proposal; and
- (d) each Director and Officer has confirmed to RNC each of the matters set out in paragraphs (a) to (c) (inclusive).

## **2.3 Public announcement**

Immediately after the execution of this agreement, LG and RNC must jointly issue the Agreed Public Announcement.

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# **3 Facilitating the Offer**

## **3.1 Access to information**

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



- (b) RNC agrees to provide to LG on the Business Day after the date of this agreement and otherwise as requested, such information about RNC Shareholders as reasonably requested by LG to make the Offers and solicit acceptances, including the Register and any updates to it.

### **3.2 Dispatch of Bidder's Statement**

- (a) LG must prepare the Bidder's Statement in compliance with the Corporations Act.
- (b) RNC represents and warrants to LG that each of the Directors has confirmed his or her agreement to the Offers and accompanying documents being sent by LG under item 6 of section 633(1) of the Corporations Act on a date nominated by LG that is earlier than the earliest date prescribed by item 6 of section 633(1) of the Corporations Act.

### **3.3 Target's Statement**

- (a) RNC must prepare the Target's Statement in compliance with the Corporations Act.
- (b) RNC must ensure that the Target's Statement:
  - (i) prominently displays the recommendation of the Directors referred to in clause 2.2(a) (including, without limitation, on the cover of the Target's Statement); and
  - (ii) includes a statement that each Director will accept the Offer in respect of all RNC Shares held or controlled by them no later than ten Business Days after the dispatch of the Bidder's Statement, in the absence of a Superior Proposal.

### **3.4 Conditions**

- (a) Each party must, to the extent within its power, use its best endeavours to ensure that:
  - (i) the Conditions are satisfied as soon as practicable after the date of this agreement; and
  - (ii) none of the Conditions are breached or not satisfied.
- (b) RNC and LG agree not to do, or omit to do, anything which will, or is likely to, result in any of the Conditions being breached or not being satisfied.
- (c) If any event occurs or becomes apparent which would cause any of the Conditions to be breached or become (either immediately or at some future point in time) incapable of satisfaction, or which would cause satisfaction of a Condition to be unreasonably delayed, RNC and LG must, to the extent that they are aware of such information, immediately notify the other party of that event.

### 3.5 Variation and waiver

- (a) Subject to clause 2.1, LG may vary the terms of the Offers in any manner which is permitted by the Corporations Act, provided that the varied terms are not less favourable to RNC Shareholders than the Agreed Bid Terms.
- (b) Subject to the Corporations Act, LG may declare the Offers to be free from any Condition or extend the Offer Period at any time.

### 3.6 Promotion and facilitation of Offer

- (a) Unless each of the Directors withdraw their recommendation of the Offer in accordance with clause 2.2(b), RNC must ensure that each Director and Officer generally promotes the Offer and does any acts reasonably requested by LG to promote the merits of the Offer, including:
  - (i) supporting and promoting the merits of the Bid;
  - (ii) encouraging RNC Shareholders to accept the Offer;
  - (iii) supporting and promoting the merits of the Bid to all RNC employees, clients and suppliers;
  - (iv) where reasonably requested by LG meet, together with LG, with key RNC Shareholders, analysts, media and other stakeholders of RNC; and
  - (v) providing LG with assistance and information that may be reasonably required to facilitate acceptances under the Bid.
- (b) RNC agrees:
  - (i) to include in all public statements relating to the Bid (following the initial announcement of the Bid), a statement to the effect that:
    - (A) the Directors unanimously recommend that RNC Shareholders accept the Offers made to them; and
    - (B) each Director will accept the Offer in respect of all RNC Shares held or controlled by them,in each case in the absence of a Superior Proposal;
  - (ii) not to make any public statement or take any other public action which would suggest that the Bid is not unanimously recommended by the Directors unless a Superior Proposal emerges; and
  - (iii) to consult in good faith with LG before making any internal or external communication about the Bid to RNC staff, clients or suppliers.

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## 4 Conduct of business

### 4.1 Conduct of business

During the Restriction Period, RNC and the Directors must ensure that RNC Group conducts its business and operations and maintains its assets only in, and not take any action except in, the ordinary course and consistent with the manner in which the business and operations have been conducted and in which those assets have been maintained in the last 12 months and must:

- (a) on each Wednesday following the date of this agreement, and otherwise when reasonably requested by LG to do so, consult with LG in relation to the conduct of the RNC Group's business and operations (including promptly responding to any reasonable questions asked by LG in relation to such matters);
- (b) operate the RNC Group's businesses in accordance with current business plans
- (c) preserve the value of the RNC Group's businesses and assets;
- (d) preserve the RNC Group's relationships with customers, suppliers, licensors and others with whom the RNC Group has business dealings;
- (e) not terminate the employment of any key employees or key contractor of the RNC Group, other than for fraud, gross misconduct or material breach of any employment or contractor agreement;
- (f) in all material respects, comply with all Material Contracts and all laws, regulations, rules, requirements, authorisations, licenses, permits, consents and approvals applicable to the RNC Group;
- (g) not modify any existing Material Contract in any material respect and not enter into any new Material Contract;
- (h) not offer or agree to terminate or novate any Material Contract or to amend any such contract in a material respect;
- (i) not do or cause to be done, or fail to do or cause not to be done, anything that would or may result in the Transaction not being implemented or being implemented otherwise than in accordance with the Timetable and the terms of this agreement;
- (j) not do or cause to be done, or fail to do or cause not to be done, anything that would or may result in RNC Group not maintaining or losing any authorisation, permit, or licence required for the conduct of the RNC Group's business; and
- (k) not take or fail to take any action that constitutes, or that could reasonably be expected to result in or otherwise give rise to, a Prescribed Occurrence;
- (l) not enter into or implement any aspect of the Branchise Plan for any member of RNC Group and otherwise not dispose, or agree to dispose of any securities, business, asset, interest in a joint venture, entity or

undertaking, which either individually (or in aggregate of all such disposals) has a value which exceeds \$150,000;

- (m) not acquire, or agree to acquire any securities, business, asset, interest in a joint venture, entity or undertaking, which either individually (or in aggregate of all such acquisitions) has a the price of which exceeds \$150,000;
- (n) either:
  - (i) not enter into a new employment contract with a potential employee of RNC Group (other than to replace an employee who has ceased to be an employee of RNC Group); or
  - (ii) enter into a new employment contract or amend (in any material respect) an employment contract with an existing employee of RNC Group;
- (o) promptly notify LG of any legal proceedings or material claims or investigations which have been be threatened, asserted or commenced against any member of the RNC Group;
- (p) settle any legal proceedings or material claims, investigations, arbitrations or other like proceedings;
- (q) maintain all insurance policies for RNC Group;
- (r) not enter into a joint venture or strategic partnership with any person with respect to any member of the RNC Group;
- (s) not enter into any arrangement with any person where the expenditure by any member of the RNC Group exceeds \$100,000;
- (t) not authorise, commit or agree to do any of the matters set out above,

except to the extent that:

- (u) it is required to do, permitted to do or is permitted not to do, that thing under or in accordance with this agreement; or
- (v) LG consents otherwise.

#### **4.2 Access**

- (a) When reasonably requested by LG to do so, RNC will consult with LG in relation to the conduct of the RNC Group's business and operations (including promptly responding to any reasonable questions asked by LG in relation to such matters).
- (b) RNC will, and will cause the members and senior management of the RNC Group to, provide LG and its Representatives with reasonable access to such officers, employees, third party service providers (including by providing consent to discussions with that third party service provider), documents, records, premises, sites, locations and other information which LG reasonably requires for the purposes of:

- (i) implementing the Transaction; or
- (ii) preparing for controlling the conduct of the business of the RNC Group following implementation of the Transaction,

provided that such access does not place an unreasonable burden on the ability of RNC or any member of the RNC Group to operate their business or would be a breach of law (including the ASX Listing Rules).

#### **4.3 Integration planning**

- (a) The parties must work together in good faith to commence planning for the merger and integration of RNC and LG following the close of the Offer.
- (b) The parties must work together in good faith to promote the merits of the Bid to RNC staff, clients and suppliers. Further, RNC agrees to consult with LG in good faith before making any internal or external communication about the Bid to RNC staff, clients or suppliers.
- (c) As soon as practicable after the date of this agreement, the parties will constitute an operational committee which will consist of members of the management team of each of LG and RNC and such other persons as LG and RNC may agree from time to time. The role of the operational committee is to act as a forum for the consideration and planning of the integration of the merged LG and RNC businesses.
- (d) As soon as practicable after the date of this agreement, RNC and LG must seek to identify any change of control or similar provisions in Material Contracts to which RNC or a RNC Group Member is a party which may be triggered by the implementation of the Transaction. In respect of those contracts, RNC and LG will agree a proposed course of action and then jointly initiate contact with the relevant counter-parties and request that they provide any consents required. The parties must cooperate with each other to obtain such consents as expeditiously as possible.

#### **4.4 Appointment of Directors to RNC Board**

- (a) RNC represents and warrants to LG that each Director has confirmed to it that he or she will, and RNC must procure that the RNC Board will:
  - (i) take all actions necessary to ensure the nominees of LG are lawfully appointed as directors of RNC and any Directors of RNC who are not LG nominees resign as soon as practicable after LG acquires a Relevant Interest in 50% or more of the RNC Shares and the Offer has become or is declared unconditional; and
  - (ii) as soon as practicable after LG acquires a Relevant Interest in 90% or more of the RNC Shares and the Offer becomes or is declared unconditional, ensure that all non-LG nominees on the RNC Board resign,

provided that a proper board is constituted at all times and that LG procures that its appointees to the RNC Board do not participate in decisions of RNC in relation to the Offer until after the End Date.

- (b) RNC represents and warrants to LG that each Director has confirmed to it that, and RNC must procure that, he or she will on resignation from the Board, resign as a director and an employee of all members of the RNC Group and in doing so confirm in writing that they have no claims against the RNC Group (and waive any entitlement to a notice period).

#### 4.5 Personal Guarantees

Immediately upon the Offer becoming unconditional, or being declared, unconditional, LG must:

- (a) use its best endeavours to release each of the Officers and any of their Related Bodies Corporate from any guarantees that they have provided in respect of the facility agreement with Macquarie Bank Limited in support of obligations that relate to any member of the RNC Group (**Parental Guarantees**); and
- (b) make a bona fide offer to the beneficiary of any Parental Guarantee to replace the Parental Guarantee with a guarantee on no less favourable terms to the beneficiary.

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## 5 Public announcements

- (a) Subject to clause 5(b), before making any public announcement in relation to the Transaction or LG (whether to ASX or otherwise), RNC must provide LG with a draft copy of such public announcement as soon as reasonably practicable before it is proposed that such public announcement is made, and RNC must give LG a reasonable opportunity to comment on the form and content of the draft announcement and must take into account all reasonable comments from LG and its Representatives on the draft.
- (b) RNC will only be required to comply with clause 5(a) if and to the extent that compliance would not be likely to result in RNC breaching its continuous disclosure obligations.

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## 6 Exclusivity

### 6.1 No existing discussion

RNC represents and warrants to LG that as at the date of this agreement it is not involved in any discussions or negotiations with any person about a Competing Transaction and has ceased any such discussions or negotiations to the extent that they were on foot prior to the date of this agreement.

### 6.2 No shop

During the Restriction Period, RNC must not, and must ensure that each of its Representatives does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any enquiries, negotiations or discussions in relation to a Competing Transaction or which could reasonably be expected to lead to a Competing Transaction being made, enquired about, negotiated or discussed; or

- (b) communicate any intention to do any of the things referred to in clause 6.2(a).

### 6.3 No talk

Subject to clause 6.6, during the Restriction Period, RNC must not, and must ensure that each of its Representatives does not:

- (a) directly or indirectly enter into, continue or participate in negotiations or discussions with any other person regarding, or that could reasonably be expected to lead to, a Competing Transaction being made, enquired about, negotiated or discussed, even if:
  - (i) those negotiations or discussions were not directly or indirectly encouraged, solicited, invited or initiated by RNC or any of its Representatives; or
  - (ii) that person has publicly announced their Competing Transaction;
- (b) enter into any agreement, arrangement or understanding of any kind (whether written or verbal, binding or non binding, express or implied or enforceable or unenforceable) in relation to or otherwise in connection with a Competing Transaction (**Competing Agreement**) (whether or not a Competing Transaction has actually been made); or
- (c) communicate to any person any intention to do any of the things referred to in clause 6.3(a) or 6.3(b).

### 6.4 No due diligence

- (a) Subject to clause 6.6, during the Restriction Period, RNC must not, and must ensure that each of its Representatives does not, make available to any other person or permit any other person to receive any non-public information relating to the RNC Group or any of its businesses, assets or operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Transaction (**Diligence Information**).
- (b) Before RNC provides a third party with Diligence Information, it must first enter into a binding confidentiality agreement with that party including a standstill agreement and otherwise on customary terms and, in any event and taken as a whole, is no less favourable to RNC than the confidentiality agreement with LG.
- (c) If RNC provides a third party with Diligence Information, it must provide a copy of the Diligence Information not already made available to LG at the same time as it is provided to the third party.

### 6.5 Notification of approaches

- (a) During the Restriction Period, RNC must immediately (and, in any event, within one day) notify LG in writing if:
  - (i) it is asked to do, proposes to take, or is approached by any person to take, any action of a kind that is set out in clause 6.2, 6.3 or 6.4; or

- (ii) it or any of its Representatives directly or indirectly receives any approach, inquiry or proposal (whether written or verbal) from any person regarding, or that could reasonably be expected to lead to, a Competing Transaction.
- (b) A notice given under this clause 6.5 must be accompanied by all material details of the relevant event, which details will, for the avoidance of doubt, include the following (to the extent applicable):
- (i) all material terms of the relevant Competing Transaction (including the consideration proposed to be offered under that transaction and any conditions to which that transaction would be subject); and
  - (ii) the identity of all persons involved in the relevant event, including the person(s) who made the Competing Transaction (or on whose behalf the Competing Transaction was made, as the case may be) and the person(s) who would be involved in the relevant Competing Transaction.

## 6.6 Exceptions to no talk and no due diligence

The restrictions in clauses 6.3 and 6.4 do not apply to the extent that they restrict RNC or a Director from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not encouraged, solicited, invited or initiated in contravention of clause 6.2, 6.3 or 6.4) provided that in the opinion of each Director, formed in good faith and after receipt of written advice from RNC's legal advisers that taking or failing to take the action with respect to the Competing Transaction would, or would be likely to, involve a breach of the fiduciary or statutory obligations of any of the Directors.

## 6.7 Matching Right

- (a) Without limiting RNC's obligations under clauses 6.4(b) and 6.5, if any Director proposes to (whether or not subject to conditions) change his or her recommendation of the Offer so that he or she can recommend a Competing Transaction (**Rival Transaction**), RNC must give LG written notice (**relevant notice**) of such proposed change of recommendation.
- (b) A relevant notice must include:
- (i) all the material terms and conditions (including price) of the Rival Transaction;
  - (ii) a copy of any material confidential information concerning the RNC Group provided to any person associated with the Rival Transaction which has not previously been provided to LG; and
  - (iii) details of the basis upon which the Director intends to change his or her recommendation.
- (c) LG will have the right, but not the obligation, at any time during the period of five Business Days following receipt of a relevant notice (**Matching Right Period**), to amend the terms of the Offer (including, but not limited to, increasing the amount of consideration offered under the Bid or proposing any other form of transaction (each a **Counter Proposal**)), and if it does so then the Directors must review the Counter Proposal in good



faith. If a majority of the Directors determine that the Counter Proposal would be as favourable to RNC Shareholders as the Rival Transaction:

- (i) RNC and LG must use their best endeavours to, as soon as practicable, enter into the necessary documentation to give effect to the Counter Proposal; and
- (ii) RNC must:
  - (A) ensure that, in the absence of a Superior Proposal, each of the Directors recommends the Counter Proposal to RNC Shareholders and does not recommend the Rival Transaction;
  - (B) not enter into a Competing Agreement in respect of the Rival Transaction; and
  - (C) continue to comply with its obligations under this agreement.
- (d) Without limitation to any other part of this agreement, during the Matching Right Period:
  - (i) no Director is permitted to change his or her recommendation of the Offer or to make any public statement to the effect that he or she may do so at some future point in time; and
  - (ii) RNC must not enter into any agreement, arrangement or understanding in respect of the Rival Transaction.
- (e) For the purposes of this clause 6.7, each successive material modification to a Rival Transaction will constitute a new Rival Transaction in respect of which RNC must comply with its obligations under this clause 6.7.

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## 7 Break Fee

### 7.1 Acknowledgment

- (a) RNC acknowledges that, if LG enters into this agreement and the Bid does not succeed, LG will have incurred significant costs and losses, including significant opportunity costs.
- (b) RNC acknowledges and agrees that the costs and losses that have been and will be incurred by LG under this clause 7.1 will be of such nature that they cannot accurately be ascertained, but that the Break Fee is a genuine and reasonable estimate of those costs and losses and has been calculated to reimburse LG for those costs and losses.
- (c) RNC represents and warrants to LG that:
  - (i) it has received legal advice on this agreement and the operation of this clause 7; and
  - (ii) it considers this clause 7 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 7 in order to secure

the significant benefits to it (and RNC Shareholders) if the Bid is successful.

## 7.2 Break Fee

RNC must pay LG the Break Fee (plus any GST, only once and without set-off or withholding), within 2 Business Days after receiving a written demand from LG, if any of the following occur:

- (a) any Director fails to make, or makes and then withdraws, revises, withdraws, revokes or qualifies, a recommendation to RNC Shareholders to accept the Offer (whether or not that failure, withdrawal, revocation, qualification or revision is otherwise in breach of this agreement);
- (b) any Director publicly endorses or otherwise publicly supports a Competing Transaction or any other third party proposal to acquire:
  - (i) RNC Shares; or
  - (ii) the whole, a substantial part, or a material part of the RNC Group's assets, business or property;
- (c) a director or an Officer facilitates or assists any person other than LG or a Related Body Corporate of LG to acquire Voting Power, a legal, beneficial or economic interest in, or control of, 10% or more of RNC Shares (or if a director or an Officer facilitates a person other than LG or one of its Related Bodies Corporate that has Voting Power of 10% or more in RNC at the date of this agreement to increase their Voting Power by more than 1%); or
- (d) any person other than LG or a Related Body Corporate of LG acquires:
  - (i) the whole, a substantial part, or a material part of the RNC Group's assets, business or property; or
  - (ii) acquires, Voting Power a legal, beneficial or economic interest in, or control of, 50% or more of RNC Shares more than 50% of Voting Power in RNC;
- (e) at any time before the End Date, RNC enters into an agreement with a Third Party under which RNC agrees to implement a Competing Transaction (or assist with the implementation of a Competing Transaction);
- (f) LG validly terminates this agreement under clause 9.1(a)(i) (except where termination arises due to a breach of the agreement which has resulted or will result in a Condition being breached or not satisfied or becoming incapable of satisfaction in which case clause 7.2(g) will govern whether a Break Fee is payable); and
- (g) RNC or any of its Directors or Officers does (or omits to do) anything that results in any of the following Conditions being breached or becoming incapable of being satisfied (and LG does not waive that Condition):
  - (i) Condition 3(b) (**No other outstanding securities**);

- (ii) Condition 3(e) (**Acquisitions, disposals and expenditure**);
  - (iii) Condition 3(g) (**No dividends or distributions**);
  - (iv) Condition 3(c) (**No prescribed occurrences**);
  - (v) Condition 3(f) (**No material adverse change**); and
  - (vi) Condition 3(j) (**No public disclosures found to be inaccurate**).
- 

## 8 Representations and warranties

### 8.1 RNC Warranties

- (a) RNC represents and warrants to LG that, subject to clause 8.5 each of the warranties set out in clause 8.1(b) is true and correct:
  - (i) as at the date of this agreement; and
  - (ii) in the case of all RNC Warranties except for those in clause 8.1(b)(vii) at all times on each subsequent day of the Restriction Period (including the last day of that period).
- (b) RNC represents and warrants that:
  - (i) it and each member of the RNC Group is a corporation validly existing under the laws of its place of incorporation;
  - (ii) it has the corporate power to enter into and perform its obligations under this agreement and to carry out the transactions contemplated by this agreement;
  - (iii) it has taken all necessary corporate action to authorise the entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement and to carry out the transactions contemplated by this agreement;
  - (iv) this agreement is valid and binding upon it and the execution and performance of this agreement will not result in a breach or default under, and is not restricted by, its constitution (or the constitution of any of its Related Bodies Corporate) or any agreement, deed, writ, order, injunction, rule, regulation or regulatory action to which it or any of its Related Bodies Corporate is a party or subject or by which any of them is bound;
  - (v) each member of the RNC Group is solvent and no resolutions have been passed and no other steps have been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets;
  - (vi) each member of the RNC Group has complied with the law in all material respects;

- (vii) no regulatory action of any nature has been taken as at the date of this agreement which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement;
- (viii) RNC is not in breach of its continuous disclosure obligations under the Corporations Act and the Listing Rules and, following the release of the Agreed Public Announcement and its results for the six month period ended 31 December 2013, is not relying on Listing Rule 3.1A to withhold any information from disclosure;
- (ix) as at the date of this agreement, it has 131,096,373 shares on issue and has no other issued securities and no person has any contractual or other right to be issued securities;
- (x) it has not issued, granted or agreed to issue or grant any other RNC Shares or securities convertible into RNC Shares, other than the securities referred to clause 8.1(b)(ix) nor has it agreed or offered to issue any other securities;
- (xi) as at the date of this agreement, neither RNC nor any of its Related Bodies Corporate are engaged in any litigation, mediation or arbitration and, as at the date of this agreement, the Directors and Officers are not aware of any facts likely to give rise to any such litigation, mediation or arbitration in each case which may materially affect the value of RNC or of the assets of the RNC Group;
- (xii) no person has any right (whether subject to conditions or not) to, as a result or otherwise in connection with LG acquiring RNC Shares:
  - (A) acquire, or require a member of the RNC Group to dispose of or offer to dispose of, any material asset of the RNC Group;
  - (B) terminate or vary any Material Contract with a member of the RNC Group (other than the financing agreement with Macquarie Bank Limited on and after a change of control of RNC); or
  - (C) accelerate or adversely modify the performance of any obligations of a member of the RNC Group in a material respect under any Material Contract;
- (xiii) all information contained in the Disclosure Materials (other than forecasts, budgets, estimates, projections and statements of opinion or intention) is true and accurate in all material respects and is not misleading or deceptive (whether by omission or otherwise) in any material way;
- (xiv) the forecasts, budgets, estimates, projections and statements of opinion or intention contained in the Disclosure Materials have been prepared in good faith;
- (xv) RNC has not denied LG access to any information with the intention of misleading LG;

- (xvi) together with any information which is publicly available via the ASX or ASIC, RNC has fairly disclosed to LG any information in relation to the RNC Group, its businesses or its assets which is material to the value of RNC of the assets of the RNC Group.

## 8.2 LG Warranties

- (a) LG represents and warrants to RNC that each of the warranties set out in clause 8.2(b) is true and correct:
  - (i) as at the date of this agreement; and
  - (ii) in the case of all warranties except for the warranty in clause 8.2(b)(vi) on each day during the Offer Period.
- (b) LG represents and warrants to RNC that:
  - (i) it is a corporation validly existing under the laws of its place of incorporation;
  - (ii) it has the corporate power to enter into and perform its obligations under this agreement and to carry out the transactions contemplated by this agreement;
  - (iii) it has taken all necessary corporate action to authorise the entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement and to carry out the transactions contemplated by this agreement;
  - (iv) this agreement is valid and binding upon it and the execution and performance of this agreement will not result in a breach or default under LG's constitution or any agreement or deed or any writ, order or injunction, rule or regulation to which LG is a party or to which any of them are bound;
  - (v) LG is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets; and
  - (vi) no regulatory action of any nature has been taken as at the date of this agreement which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement.

## 8.3 Survival of representations

Each representation and warranty in clauses 8.1(b) and 8.2(b):

- (a) is severable;
- (b) will survive the termination of this agreement; and

- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

#### **8.4 Notification**

Each party must promptly advise 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 and warranties given by it under this agreement.

#### **8.5 Disclosure**

Each of the RNC Warranties is given subject to any matter fairly disclosed in the Disclosure Materials.

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## **9 Termination rights**

### **9.1 Termination events**

- (a) LG may terminate this agreement at any time by notice in writing to RNC:
  - (i) if:
    - (A) RNC is in breach of any clause of this agreement or any RNC Warranty, which breach is material, or if a Prescribed Occurrence occurs. The parties agree that any breach of the agreement which has resulted or will result in a Condition being breached or not satisfied or becoming incapable of satisfaction will be taken to be a material breach;
    - (B) LG has given notice to RNC setting out the relevant circumstances and stating an intention to terminate this agreement; and
    - (C) the relevant circumstances have not been rectified (if capable of being rectified), and/or the activity that caused them has not ceased to the reasonable satisfaction of LG, within five Business Days from the time such notice is given;
  - (ii) if a Competing Transaction is publicly proposed by a person other than LG (or one of its Related Bodies Corporate) and is recommended by any Director;
  - (iii) if a Director or an Officer facilitates or assists any person other than LG or a Related Body Corporate of LG to acquire Voting Power, a legal, beneficial or economic interest in, or control of, 10% or more of RNC Shares (or if a director or an Officer facilitates a person other than LG or one of its Related Bodies Corporate that has Voting Power of 10% or more in RNC at the date of this agreement to increase their Voting Power by more than 1%);
  - (iv) any person other than LG or a Related Body Corporate of LG acquires:

- (A) the whole, a substantial part, or a material part of the RNC Group's assets, business or property;
  - (B) a legal, beneficial or economic interest in, or control of, 50% or more of RNC Shares or more than 50% of Voting Power in RNC;
  - (v) if any Director fails to make or withdraws, changes, revises, revokes or qualifies, or makes a public statement inconsistent with, the recommendation referred to in clause 2.2(a) or makes a public statement indicating that they no longer recommend or intend to accept the Offer; or
  - (vi) if any Director recommends, endorses or otherwise supports a Competing Transaction.
- (b) RNC may terminate this agreement at any time by notice in writing to LG:
- (i) if:
    - (A) LG is in breach of any clause of this agreement (including any LG Warranty), which breach is material in the context of the Bid;
    - (B) RNC has given notice to LG setting out the material breach and stating an intention to terminate this agreement; and
    - (C) the material breach has not been rectified (if capable of being rectified) and/or the activity that caused the material breach has not ceased to the reasonable satisfaction of RNC, within five Business Days from the time such notice is given; or
  - (ii) if each Director withdraws their recommendation of the Offer in accordance with clause 2.2(b).
- (c) Either LG or RNC may terminate this agreement at any time by notice in writing to the other parties, if LG withdraws the Offer for any reason including non-satisfaction of a Condition.
- (d) This agreement automatically terminates on the End Date.

## 9.2 Effect of termination

In the event of termination of this agreement by either LG or RNC pursuant to clause 9.1, the agreement will have no further effect, other than in respect of any liability for any breach of this agreement committed prior to termination and provided that this clause 9 and clauses 1, 7, 10, 12 and 13 and Schedule 1 survive termination.

## 9.3 Restriction Period

The parties acknowledge and agree that any obligations imposed on, or warranties given by, RNC, any member of the RNC Group or any of the Officers under the following clauses shall immediately cease and shall be of no legal effect at the expiry of the Restriction Period:

- (a) Clause 4 (**Conduct of Business**); and
- (b) Clause 6 (**Exclusivity**).
- (c) Clause 8 (**Representations and Warranties**).

For the avoidance of doubt, this clause does not affect the rights and liabilities arising from any breach of such provisions prior to the end of the Restriction Period.

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## 10 Confidentiality

LG and RNC acknowledge and agree that they continue to be bound by the Confidentiality Agreement after the date of this agreement and that their obligations under the Confidentiality Agreement survive termination of this agreement.

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## 11 GST

- (a) Any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with paragraph (e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing the Consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 11(b) is payable at the same time and in the same manner as the Consideration for the Supply, subject to the provision of a valid Tax Invoice at or before that time. If a valid Tax Invoice is not provided at or before that time then the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) the amount of GST payable on a Supply made under or in connection with this agreement (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under paragraph (b):
  - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If



there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.

- (e) Despite any other provision in this agreement, if an amount payable under or in connection with this agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (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 the GST Group of which that party is a Member is entitled.

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## 12 Notices

- (a) A notice, consent, request or any other communication under this agreement must be in writing and must be left at the address of the addressee or sent by email to the address specified below or any other address or email address the addressee requests.

### RNC

Attention: Rob Farmer  
Address: Unit 5  
107-111 High Street  
Pahran, Melbourne,  
Victoria, 3181  
Email: rob.farmer@run.com.au

### LG

Attention: Ian Hanley  
Address: 237 Toorak Road  
South Yarra VIC 3141  
Email: ian.hanley@little.com.au

Copy of communications to LG (for information purposes only):

Attention: Neil Pathak  
Address: Level 22  
101 Collins Street  
Melbourne, Victoria, 3000  
Email: npathak@gtlaw.com.au

Copy of communications to RNC (for information purposes only):

Attention: Steven Casper  
Address: Level 21  
140 William Street  
Melbourne, Victoria, 3000  
Email: steven.casper@dlapiper.com

- (b) A notice, consent, request or any other communication is taken to be received:
- (i) if by delivery, when it is delivered;
  - (ii) if sent by email:
    - (A) when the Sender receives an automated message confirming delivery; or
    - (B) four hours after the time sent (as recorded on the device from which the Sender sent the email), provided that the Sender does not receive an automated message that the email has not been delivered,
- whichever happens first.
- (c) If a notice, consent, request or any other communication is received or taken to be received under clause 12(b) after 5.00pm or on a day other than a Business Day, it will be taken to be received at 9.00am on the next Business Day.

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## 13 General

### 13.1 Cumulative rights

The rights, powers and remedies of a party under this agreement are cumulative with the rights, powers or remedies provided by law independently of this agreement.

### 13.2 Waiver and variation

A provision or a right under this agreement may not be waived except in writing signed by the party granting the waiver, or varied except in writing signed by the parties.

### 13.3 Approvals and consents

A party may give or withhold its approval or consent conditionally or unconditionally in its discretion unless this agreement states otherwise. Any approval or consent or agreement required pursuant to this agreement must be in writing.

### 13.4 Specific performance

The parties acknowledge that monetary damages alone would not be adequate compensation for a breach by any party of an obligation under this agreement and that specific performance of that obligation is an appropriate remedy.

### **13.5 Effect of agreement**

This agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes any previous understandings or agreements between the parties concerning the subject matter of this agreement.

### **13.6 Severability**

If the whole or any part of a provision of this agreement is void, unenforceable or illegal in a jurisdiction, it is severed for the purposes of that jurisdiction. In that event, the remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

### **13.7 Mutual further assurances**

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

### **13.8 Counterparts**

This agreement may be executed in any number of counterparts and all those counterparts taken together will constitute one instrument.

### **13.9 Governing law and jurisdiction**

This agreement is governed by the laws of Victoria. Each party submits to the non-exclusive jurisdictions of the courts of Victoria.

### **13.10 Assignment**

The rights and obligations of each party under this agreement are personal. They cannot be assigned, charged or otherwise dealt with, and no party shall attempt or purport to do so, without the prior written consent of the other party.

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## Schedule 1 — Dictionary

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### 1 Dictionary

In this agreement, the following definitions apply.

**Additional Amount** has the meaning given in clause 11(b).

**Agreed Bid Terms** means the terms and conditions set out in Schedule 2.

**Agreed Public Announcement** means the announcement to be made by LG and RNC to ASX in the form annexed at Attachment A.

**Amount Incurred** has the meaning given in clause 11(e).

**Announcement Date** means 9 February 2014.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691).

**ASX Listing Rules** means the official listing rules of ASX.

**Attachment** means an attachment to this agreement.

**Bid** means an off-market takeover bid by LG for all RNC Shares under Chapter 6 of the Corporations Act.

**Bidder's Statement** means the bidder's statement to be prepared by LG in connection with the Bid in accordance with Chapter 6 of the Corporations Act.

**Branchise Plan** means any proposal under which employees of RNC would acquire minority interests in branch offices or assets of RNC.

**Break Fee** means \$600,000.

**Business Day** means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Competing Agreement** has the meaning given in clause 6.3(b).

**Competing Transaction** means any expression of interest, proposal, offer or transaction (or a series of transactions), which if entered into or completed, would result in a person (other than LG or one of its Related Bodies Corporate):

- (a) acquiring Voting Power in RNC of more than 10%;
- (b) directly or indirectly, acquiring an interest in, a relevant interest in, having the right to acquire, becoming the holder of, or entering into a cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to:
  - (i) more than 10% of the RNC Shares or more than 10% of the securities in any RNC Group Member; or

- (ii) the whole or a material part of the business or property of the RNC Group;
- (c) acquiring control of RNC, within the meaning of section 50AA of the Corporations Act;
- (d) otherwise acquiring or merging (including by a scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership, reverse takeover bid or dual listed company structure) with RNC; or
- (e) resulting in the Bid not being able to be implemented on the basis set out in this agreement.

**Conditions** means the conditions set out in clause 3 of Schedule 2.

**Confidentiality Agreement** means the confidentiality agreement entered into between the parties on 21 November 2013.

**Consideration** has the meaning given in clause 11(a).

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

**Counter Proposal** has the meaning given in clause 6.7(c).

**Dictionary** has the meaning given in clause 1.1(a).

**Diligence Information** has the meaning given in clause 6.4(a).

**Director** means a member of the RNC Board.

**Disclosure Materials** means all material provided by RNC or its Representatives to LG prior to the date of this agreement (including all material included in any data room to which LG was granted access) and which includes a list agreed between LG and RNC immediately prior to execution of this agreement.

**End Date** means the earliest to occur of:

- (a) the date on which the Offer Period ends;
- (a) the date that LG withdraws the Bid after the Offer is made;
- (b) the agreement is terminated; and
- (c) the date that is 90 days from the date that the Offer is first made.

**Government Agency** means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local in Australia, including (without limitation) any self-regulatory organisation established under a statute or otherwise discharging substantially public or regulatory functions, and in particular, ASX, ASIC and any federal or state based gaming authority.

**GST** means a goods and services tax or similar value added tax levied or imposed under the GST Law.

**GST Law** has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**LG Warranties** means the representations and warranties set out in clause 8.2(b).

**Matching Right Period** has the meaning given in clause 6.7(c).

**Material Contract** means any agreement or other instrument to which RNC or any member of RNC Group is a party, or by to which RNC or any member of RNC Group or any of its assets may be bound or subject, and which is material to RNC (being any agreement or instrument with annual expenditure or revenue of at least \$150,000 in aggregate or that is otherwise material to the RNC business), but excludes any contract, arrangement or understanding with LG, Little Real Estate Pty Ltd or any of their Related Bodies Corporate.

**Offer** means each offer by LG for all RNC Shares under the Bid and **Offers** means all such offers.

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

**Offer Price** means the consideration specified in clause 1 of Schedule 2.

**Officer** means Nathan Cher, Samuel Herszberg, Jane Tongs, Rob Farmer and Jeff Stein.

**Prescribed Occurrence** means the occurrence of any of the following where that occurrence was not consented to by LG in writing and is not the result of RNC taking or procuring any action required to be taken or procured by it under this agreement:

- (a) Any RNC Group Member converting all or any of its securities into a larger or smaller number of securities;
- (b) Any RNC Group Member resolving to reduce its capital in any way or reclassifying, combining, splitting, redeeming or cancelling directly or indirectly any of its securities;
- (c) Any RNC Group Member entering into a buy-back agreement or resolving to approve the terms of such an agreement;
- (d) Any RNC Group Member making an issue of its securities or granting an option over its securities or agreeing to make such an issue or grant such an option;
- (e) Any RNC Group Member issuing, or agreeing to issue, convertible notes;
- (f) Any RNC Group Member disposes, or agrees to dispose, of the whole or a substantial part of its business or property;
- (g) Any RNC Group Member charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) Any RNC Group Member resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of any RNC Group Member;

- (j) the making of an order by a court for the winding up of any RNC Group Member;
- (k) an administrator of any RNC Group Member being appointed;
- (l) any RNC Group Member executing a deed of company arrangement;
- (m) the appointment of a receiver or a receiver and manager in relation to the whole, or a substantial part, of the property of any RNC Group Member;
- (n) any RNC Group Member enters into or implements any aspect of the Branchise Plan;
- (o) any RNC Group Member creates, or agrees to create, any encumbrance over its business or any part of its property other than in the ordinary course of its business;
- (p) any RNC Group Member incurs any financial indebtedness or issues any debt securities (including that no RNC Group Member may make any further drawdowns under the Macquarie Bank finance facility in existence as at the date of this agreement (or redraw any previous repayments));
- (q) any RNC Group Member makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in RNC or any wholly-owned Subsidiary of RNC in the ordinary course of business), other than in the ordinary course of business;
- (r) any RNC Group Member entering into any arrangement, commitment or agreement with a related party (as that term is defined in section 228 of the Corporations Act);
- (s) any RNC Group Member makes or amends any tax election, changes any method of tax accounting, settles or compromises any tax liability (other than payroll tax in respect of directors' fees), files any material amended tax return, enters into a closing agreement, surrenders any right to claim a material tax refund or consents to the extension or waiver of the limitation period applicable to any material tax claim or assessment, other than in the ordinary course of business;
- (t) any RNC Group Member pays, discharges, settles, satisfies, compromises, waives, assigns or releases any claims, liabilities or obligations exceeding \$100,000;
- (u) RNC or any of its Subsidiaries authorises, recommends or proposes any release or relinquishment of any material contractual right, except in the ordinary course of business;
- (v) any member of the RNC Group:
  - (i) increases the remuneration of, pays any bonus (other than in accordance with existing contractual entitlements as at the date of this agreement) to or otherwise varies the employment arrangements of any RNC director or any employee of the RNC Group;
  - (ii) issues any securities, options or performance rights to any of the employees of the RNC Group, or accelerates the rights of any such

employee to compensation or benefits of any kind (including, without limitation, under any executive or employee share or option plan and including, without limitation, by vesting any outstanding performance rights);

- (iii) pays any employee termination or retention payments (otherwise than in accordance with contractual entitlements existing at the date of this agreement which were disclosed to LG prior to the date of this agreement);
- (iv) enters into new employment arrangements (or amends the terms of any existing employment arrangements) with any individual (other than to replace an employee who has ceased to be an employee of RNC Group);
- (v) enters into, offers to enter into or agrees to enter into any joint venture, asset or profit share or partnership;
- (vi) terminates any Material Contract; or
- (vii) resolves, agrees, commits or announces an intention to do any of the things referred to in sub-paragraphs (a) to (v) (inclusive) of this definition.

**Recipient** has the meaning given in clause 11(b).

**Register** means the register of RNC Shares kept by RNC.

**Related Body Corporate** has the meaning it has in the Corporations Act.

**Relevant Interest** has the meaning it has in the Corporations Act.

**Relevant Notice** has the meaning given in clause 6.7(a).

**Representative** of a person means an employee, agent, officer, director, adviser or financier of the person and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable).

**Restriction Period** means the period commencing on the date of this agreement and ending on the End Date.

**Rival Transaction** has the meaning given in clause 6.7(a).

**Schedule** means a schedule to this agreement.

**Subsidiary** has the meaning it has in the Corporations Act.

**Superior Proposal** means a bona fide transaction or proposed transaction which, if completed substantially in accordance with its terms, would mean a person (other than LG or one of its Related Bodies Corporate) would become the holder of:

- (a) more than 50% of the RNC Shares; or
- (b) the whole, substantially the whole or a material portion of the business, assets and undertakings of the RNC Group,



provided that the Directors determine, acting in good faith and in order to satisfy what the Directors consider to be their fiduciary and statutory duties (after having taken advice from RNC's financial and legal advisors), that the transaction or proposed transaction is capable of being valued and completed, taking into account all aspects of the transaction or proposed transaction (including its consideration (and form of consideration), conditions precedent and the person or persons making it) and is superior overall for RNC Shareholders as compared to the Offer.

**RNC Board** means the board of directors of RNC from time to time.

**RNC Group** means RNC and each of its Related Bodies Corporate.

**RNC Shareholders** means each person who is registered in the register of members of RNC as the holder of RNC Shares from time to time.

**RNC Shares** means fully paid ordinary shares issued in the capital of RNC.

**RNC Warranties** means the representations and warranties set out in clause 8.1(b).

**Target Statement** means the target statement to be issued by RNC under section 638 of the Corporations Act in response to the Bid.

**Third Party** has the meaning given in clause 3(c) of Schedule 2.

**Timetable** means the indicative timetable for implementation of the Transaction set out in Schedule 3.

**Transaction** means the acquisition by LG of all RNC Shares under the Bid.

**Voting Power** has the meaning it has in the Corporations Act.

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## 2 Interpretation

In this agreement the following rules of interpretation apply unless the contrary intention appears or context requires otherwise:

- (a) headings are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
  - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body

- corporate or entity (as that term is defined in section 64A of the Corporations Act);
- (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
  - (iii) a party includes its successors and permitted assigns;
  - (iv) a document includes all amendments or supplements to that document;
  - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this agreement;
  - (vi) this agreement includes all schedules and attachments to it;
  - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or ASX Listing Rules and is a reference to that law as amended, consolidated or replaced;
  - (viii) an agreement other than this agreement includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
  - (ix) a monetary amount is in Australian dollars;
- (g) a reference to a director or an Officer facilitating or assisting another person to do something, does not include: (i) a director or an Officer facilitating or assisting the registration of a transfer of securities in RNC in the RNC register; or (ii) a director or an Officer facilitating or assisting negotiations or the implementation of a Superior Proposal as permitted under this agreement;
  - (h) an agreement on the part of two or more persons binds them jointly and severally;
  - (i) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
  - (j) in determining the time of day, where relevant to this agreement, the relevant time of day is:
    - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
    - (ii) for any other purpose under this agreement, the time of day in the place where the party required to perform an obligation is located; and
  - (k) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement or any part of it.

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## Schedule 2 — Agreed Bid Terms

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### 1 Consideration

- (a) The consideration offered under the Bid will be \$0.37 cash for each RNC Share, subject to any improvement permitted by the Corporations Act.
- (b) The terms of the Offer will provide for payment of consideration on or before 14 days of the later of receipt of acceptance or the Offer becoming or being declared unconditional.

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### 2 Offer Period

The Offer will remain open for at least 1 month from the date of the Offer:

- (a) subject to LG's right to extend the period under the Corporations Act; and
- (b) provided that the LG may close the Offers prior to such time if a condition has been breached.

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### 3 Conditions

The Offer, and any contract resulting from its acceptance, is subject to the conditions set out below.

**(a) Minimum acceptance condition**

During or at the end of the Offer Period, LG has a Relevant Interest in at least 90% (by number) of all of the RNC Shares.

**(b) No other outstanding securities**

At the end of the Offer Period, there are no securities on issue in RNC other than 131,096,373 Shares and there are no outstanding offers, agreements or rights to be issued with Shares or other securities.

**(c) No prescribed occurrences**

No Prescribed Occurrence happens in the period between the Announcement Date and the End Date (both inclusive).

**(d) No regulatory action**

During the Offer Period:

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

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act), which:

- (iv) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
  - (A) the making of the Offers or the completion of any transaction contemplated by the Offer; or
  - (B) the rights of LG in respect of RNC or the RNC Shares; or
- (v) requires the divestiture by LG of any RNC Shares or the divestiture of any assets of the RNC Group.

**(e) Acquisitions, disposals and expenditure**

Between the Announcement Date and the end of the Offer Period (each inclusive), unless LG provides prior approval in writing, no member of the RNC Group:

- (i) acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving expenditure by the RNC Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds \$150,000 in aggregate;
- (ii) disposes of, or agrees to dispose of, or creates or agrees to create an equity interest in respect of any assets (including, without limitation, under any off-take or similar agreement), properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds \$150,000 in aggregate; or
- (iii) enters into any corporate transaction, which would or would likely to involve a material change in:
  - (A) the manner in which any member of RNC Group conducts its business;
  - (B) the nature, extent or value of the assets of any member of RNC Group; or
  - (C) the nature, extent or value of the liabilities of any member of RNC Group.

**(f) No material adverse change**

Between the Announcement Date and the End Date:

- (i) no event, change, condition, matter or thing occurs, and RNC does not disclose information concerning any event, matter or thing, which has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance,

profitability or prospects of the RNC Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things), but only where such material adverse effect has:

- (A) the effect of reducing the value of the consolidated net assets of the RNC Group, taken as a whole, by at least \$300,000; or
- (B) the effect of reducing the earnings before interest, tax, depreciation and amortisation of the RNC Group, taken as a whole, in any financial year after the one ended 30 June 2013 by at least \$275,000,

other than those events, changes, conditions, matters or things :

- (C) that arise as a direct result or consequence of the announcement and/or implementation of the transactions contemplated by this agreement; or
  - (D) that are or arise from changes in economic, political or business conditions or other factors or matters that are not specific to the RNC Group or that affect companies or business generally; or
  - (E) that have been fairly disclosed in the Disclosure Material.
- (ii) no event, matter or thing, as described in sub-paragraph (i), which occurred before the Announcement Date but was not apparent from publicly available information before then, becomes public.

**(g) No dividends or distributions**

Between the date of this agreement and the end of the Offer Period (each inclusive), RNC does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or agree to do any of the foregoing.

**(h) No persons entitled to exercise or exercising rights under Material Contracts**

Between the Announcement Date and the end of the Offer Period (each inclusive), no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any Material Contract which has or will or is likely to result in:

- (A) any monies borrowed by RNC or any member of RNC Group being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or instrument (other than Macquarie Bank Limited);
- (B) any material asset of RNC or any member of RNC Group being or becoming the subject of a call option, transfer obligation or otherwise being the subject of a disposal right in favour of a third party;

- (C) any such agreement or other instrument being terminated or claim arising thereunder; or
- (D) the business of RNC or any member of RNC Group with any other person being adversely affected in a manner which is materially adverse to RNC,

as a result (directly or indirectly) of the Transaction.

**(i) No litigation**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against RNC which may reasonably result in a judgment of \$150,000 or more is commenced, is threatened to be commenced, is announced, or is made known to LG (whether or not becoming public) or RNC other than that which is in the public domain as at the Announcement Date.

**(j) No public disclosures found to be inaccurate**

Between the Announcement Date and the end of the Offer Period (each inclusive), LG does not become aware that any document filed by or announcement made by or on behalf of RNC, or by or on behalf of any person in relation to RNC, with ASX or ASIC, contains a statement which is incorrect or misleading in any material way or from which there is a material omission.

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### Schedule 3 — Timetable

Day	Event
9 February 2014	Execution of this agreement Release of Agreed Public Announcements
No later than 24 February 2014	Issue of RNC's results announcement
No later than 24 February 2014	Bidder's Statement lodged with ASIC and sent to RNC and ASX and sent to shareholders shortly thereafter
26 February 2014	Target Statement lodged with ASIC and sent to LG and ASX and sent to shareholders
25 March 2014	Offer Period ends

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## Execution page

Executed as an agreement.

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Signed for **Namarong Investments Pty Ltd**  
**as trustee for the Hansen Investment**  
**Trust** by:

Signature of director

PAUL ALEXANDER LITTLE

Name of director (print)

Signature of director/secretary

Ian Geoffrey Hanley  
DIRECTOR

Name of director/secretary (print)

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Signed for **Real Estate Corp Limited** by:

Signature of director

Name of director (print)

Signature of director/secretary

Name of director/secretary (print)



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## Execution page

Executed as an agreement.

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Signed for **Namarong Investments Pty Ltd**  
**as trustee for the Hansen Investment**  
**Trust** by:

---

Signature of director

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Signature of director/secretary

---

Name of director (print)

---

Name of director/secretary (print)

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Signed for **Real Estate Corp Limited** by:



---

Signature of director



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Signature of director/secretary

SAM HERBESSY

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Name of director (print)

NATHAN CHER

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Name of director/secretary (print)

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## Attachment A — Agreed Public Announcement

### REAL ESTATE CORP ANNOUNCES RECOMMENDED CASH TAKEOVER OFFER OF \$0.37 PER SHARE BY LITTLE GROUP

10 February 2014

Real Estate Corp Limited (**RNC**) is pleased to announce that it has entered into a bid implementation agreement with Little Group (**LG**), whereby LG will offer to acquire 100% of the fully paid ordinary shares in RNC by way of an off-market takeover (the **Offer**).

The RNC Board has carefully assessed the proposed Offer and has unanimously decided to recommend that, in the absence of a superior proposal, RNC shareholders accept the Offer as they believe it represents the best current available value. The Offer will benefit shareholders with an opportunity to realise \$0.37 in cash for each RNC share held.

#### **The Offer**

The Offer will be made by Namarong Investments Pty Ltd as trustee for the Hansen Investment Trust, which is part of the Little Group.

The offer price is \$0.37 cash per RNC share (**Offer Price**) which values RNC at an enterprise value of A\$60.7 million.

This represents a premium of approximately 14% over both the closing price of RNC shares immediately prior to release of this announcement and over the volume weighted average price of RNC's shares in the three month period to this announcement. The offer price represents a premium of approximately 18% over the volume weighted average price of RNC's shares in the six month period to this announcement.

The Offer will be subject to various conditions as set out in full in schedule 2 of the attached Bid Implementation Agreement between LG (via Namarong Investments Pty Ltd) and RNC (**Implementation Agreement**), including the requirement that LG acquires a relevant interest in at least 90% of RNC's ordinary share capital on issue, during or at the end of, the Offer period. The Implementation Agreement prohibits RNC from declaring or paying a dividend during the Offer Period.

The Implementation Agreement contains 'no shop' and 'no talk' restrictions as well the right for LG to match any competing proposal which RNC's Board considers superior in accordance with the terms of the Implementation Agreement and also provides for a break fee of \$600,000 (excluding GST) payable to LG in certain circumstances. The rights of each party to terminate the Implementation Agreement are set out in the document.

#### **Recommendation**

The Directors of RNC, with the assistance of the Company's advisers, have carefully considered the proposed Offer and unanimously recommend that Shareholders accept the Offer, in the absence of a superior proposal. Further, the Directors together with the CEO and the Company Secretary advise that they will accept the Offer in respect of any shares in RNC they own or control within 2 weeks of the Offer opening, subject to there being no superior proposal. The Directors, CEO and CFO of RNC collectively have a relevant interest in approximately 57% of RNC's ordinary share capital.

The Directors together with the CEO and Company Secretary have entered into pre-bid acceptance agreements with LG under which they have agreed to accept the Offer, once it is made, in respect of 19.9% of RNC shares in aggregate.

### **Timetable**

RNC understands that the Bidder's Statement will be lodged with ASIC on or about 24 February 2014, with the RNC Target's Statement to follow shortly thereafter. These documents will outline the full details of the Offer and the Offer process, as well as instructions on how to accept the Offer. RNC shareholders should read these documents carefully.

The offer is expected to be open for acceptance by RNC shareholders until 25 March 2014 subject to LG's right to extend the offer period in accordance with the Corporations Act.

### **About Real Estate Corp Limited**

*Real Estate Corp Limited is a diversified real estate group that owns RUN Property, Agentplus and Maintenance Matcher.*

*Enquiries:*

*Rob Farmer  
03 9514 8881  
rob.farmer@run.com.au*

### **About Little Group**

*Little Group is a multi-faceted business which has a focus in property. Little Property Group's aim is to provide integrated property services, encompassing purchasing off the plan with Little Projects, through to property management and resale with Little Residential. With successes in commercial, land subdivision and apartment developments, Little Group has more than \$1 billion worth of housing and apartments projects underway or planned.*

*Little Group also has other major investments across Australia in logistics, aviation and consulting. Little Group is owned and controlled by Mr Paul Little and his wife, Ms Jane Hansen.*

*Enquiries:*

*Phil Meggs  
03 9810 2003  
Phil.meggs@little.com.au*