



ABN 53 000 364 465

4 September 2020

Euroz lodges Bidder's Statement

Euroz Limited (**Euroz**) (ASX: EZL) is pleased to announce it has today lodged with ASIC and sent to Hartleys Limited (**Hartleys**) a Bidder's Statement in relation to its off-market takeover offers for all of the issued shares in Hartleys (**Offers**). A copy of the Bidder's Statement is attached.

Hartleys has today also lodged with ASIC and sent to Euroz a Target's Statement in response to the Bidder's Statement, a copy of which is attached. The Directors of Hartleys have unanimously recommended Hartleys shareholders accept the Offers subject to there being no superior proposal.

Today represents an important step in the implementation of the merger of Euroz Securities and Hartleys, which will create a leading Western Australian based diversified financial services company with a strong balance sheet, critical scale, solid and sustainable revenue with significant cost savings and operational synergies.

The Offers will open on Wednesday, 9 September 2020 and are scheduled to close on Friday, 9 October 2020, unless extended in accordance with the Corporations Act. The Offers are subject to a number of conditions as set out in the Bidder's Statement. These include a 90% minimum acceptance condition which can't be waived by Euroz, so as to ensure the merger will only proceed if Euroz becomes entitled to acquire all of Hartleys' issued shares.

Following completion of the Offers, Hartleys will be renamed "Euroz Hartleys Limited" with the existing Euroz Securities business to subsequently merge with this rebranded entity in the months following completion.

Hartleys employees who are shareholders have all signed new employment agreements which incorporate their new employment restraints.

A broad restructure of the Euroz board will coincide with the completion of the transaction, with four of the existing board members of Euroz to resign and two existing Hartleys directors, Richard Simpson and Ian Parker, to join the Euroz board.

On behalf of shareholders and staff, the Euroz board would like to sincerely thank these four board members, Anthony Brittain, Greg Chessell, Russell Kane and Simon Yeo for their significant contributions to the prior and ongoing success of Euroz. These important executives will all continue in their executive roles within Euroz Hartleys Limited.

For further information please contact:

Andrew McKenzie
Executive Chairman
M: 0438 755 727
E: amckenzie@euroz.com

This announcement is authorised for release by the Board of Euroz.

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT
YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

EUROZ LIMITED

(ACN 000 364 465)

BIDDER'S STATEMENT

**in relation to offers by Euroz Limited to acquire ALL your A Class
Shares and E Class Shares in**

HARTLEYS LIMITED

(ACN 104 195 057)

For every 1 Hartleys A Class Share you own, you will receive 3.3033304 new Euroz Shares

For every 1 Hartleys E Class Share you own, you will receive 3.3033304 new Euroz Shares

The Offers are dated 9 September 2020 and will close at 5.00pm (WST) on 9 October 2020, unless extended or withdrawn.

The Hartleys Board unanimously recommend that Hartleys Shareholders accept the Offers subject to there being no Superior Proposal. The directors of Hartleys have indicated that they will accept the Offers in respect of all Hartleys Shares they own or control, subject to there being no Superior Proposal.

Legal Advisers to Euroz

STEINPREIS PAGANIN
Lawyers & Consultants 

IMPORTANT INFORMATION

Bidder's Statement

This Bidder's Statement dated 4 September 2020, is issued by Euroz Limited (ACN 000 364 465) under Part 6.5 of the Corporations Act in relation to an off-market offer by Euroz to acquire all of the Hartleys A Class Shares and Hartleys E Class Shares (including all Rights attaching to them) and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 4 September 2020. ASIC takes no responsibility for the contents of this Bidder's Statement.

Investment Risks

There are a number of risks that may have a material impact on the value of the Offers, the future performance of Euroz and the value of Euroz Shares. Some of these risks are described in Section 8 of this Bidder's Statement.

Foreign Jurisdictions

The distribution of this document and the making of the Offers may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should seek advice and observe these restrictions.

The Offers are not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

No action has been taken to register or qualify Euroz or to otherwise permit the offering of Euroz Shares outside Australia and its external territories.

The Offers are not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC).

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These disclosure requirements may differ from those of other countries.

Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Euroz's current expectations and predictions about future events including Euroz's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Euroz, Hartleys and the Merged Group to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements.

These factors include, among other things, those risks identified in Section 8.

You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward-looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

Value of Bidder Shares

Given that you are being offered Euroz Shares as consideration for your Hartleys A Class Shares and Hartleys E Class Shares, the implied value of the Offers will vary with the market price of Euroz's Shares.

Further information on the implied value of the Offers are contained in Section 5.3. Before accepting the Offers, Hartleys Shareholders should obtain current quotes for Euroz Shares from their stockbroker or other financial adviser.

In addition, all references to the implied value of the Offers are subject to the effects of rounding.

Investment Advice

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Hartleys Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offers.

Privacy

Euroz has collected your information from the registers of Hartleys for the purposes of making the Offers and administering your acceptance over your Hartleys Shares. The type of information Euroz has collected about you includes your name, contact details and information on your shareholding in Hartleys. Without this information, Euroz would be hindered in its ability to issue this Bidder's Statement. Euroz and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC and ASX. By submitting an Acceptance Form, you authorise Euroz to disclose any personal information contained in your Acceptance Form or collected from the register of Hartleys to Euroz, Hartleys, its share registry and their related bodies corporate and external service providers where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offer and complying with applicable law, the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Government Authority.

Any disclosure of your personal information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If you would like details of, or would like to update, information about you held by Euroz, please contact Euroz at the address set out in the Corporate Directory.

Defined Terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 11.

Websites

Euroz and Hartleys each maintain websites, (www.euroz.com) and (www.hartleys.com.au) respectively. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement are for information purposes only.

Estimates and Assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Euroz's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Effect of Rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Euroz or Hartleys in respect of which different exchange rates may have been, or may be, used.

Diagrams

Any diagrams appearing in this Bidder's Statement are illustrative only. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the date of this Bidder's Statement.

Queries

You should contact your legal, financial or professional adviser if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Offers, please contact Euroz's Company Secretary on +61 (8) 9488 1400.

CORPORATE DIRECTORY

Directors

Andrew McKenzie
Executive Chairman

Jay Hughes
Executive Director

Greg Chessell
Executive Director

Russell Kane
Executive Director

Simon Yeo
Executive Director

Anthony Brittain
Executive Director

Robert Black
Executive Director

Company Secretary

Anthony Hewett

Legal Advisers

Steinepreis Paganin
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Registered Office

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PERTH WA 6000

Telephone: +61 8 9488 1400
Facsimile: +61 8 9488 1477
Email: info@euroz.com

Auditors

PKF Perth
Level 4
35 Havelock Street
WEST PERTH WA 6005

Share Registry*

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

ASX Code

EZL

* This entity is included for information purposes only. It has not been involved in the preparation of this Bidder's Statement and has not consented to being named in this Bidder's Statement.

LETTER FROM THE EUROZ CHAIRMAN

Dear Hartleys Shareholders,

As you will be aware, on 17 July 2020 Euroz Limited announced that it had entered into a Bid Implementation Agreement with Hartleys Limited under which Euroz has agreed to make an off-market takeover offer for Hartleys.

On behalf of the Directors of Euroz, I am pleased to enclose our offers for all of your shares in Hartleys.

By accepting the Offers you will, subject to the terms and conditions set out in this Bidder's Statement, receive:

- (a) 3.3033304 new Euroz Shares for every 1 of your Hartleys A Class Shares; and
- (b) 3.3033304 new Euroz Shares for every 1 of your Hartleys E Class Shares.

This values each Hartleys Share at \$3.77 per share based on the closing price of Euroz Shares on ASX on the trading day prior to the date of this Bidder's Statement.

Should Euroz acquire 100% of the Hartleys A Class Shares and Hartleys E Class Shares, Hartleys Shareholders will together hold approximately 17% of Euroz upon Completion. This will enable you to continue to have exposure to the future upside associated with Euroz's established and diversified financial services business, as well as provide you with Euroz Shares which are listed and tradeable on ASX.

Euroz believes that a combination with Hartleys will generate value for shareholders of both companies. The key benefits of the transactions contemplated by this Bidder's Statement include (subject to the Offers becoming unconditional):

- Hartleys' and Euroz's businesses are highly complementary and their combination will create a leading Western Australian based financial services company with a strong balance sheet, critical scale, solid and recurring revenue, with significant cost savings and operational synergies.
- You will receive 3.3033304 Euroz Shares for every 1 Hartleys Share you hold representing a premium of 45% to the 30 June 2020 NAV of Hartleys Shares (based on the 5 day VWAP of Euroz Shares up to and including 30 June 2020).
- Hartleys will be able to distribute its surplus assets such that Hartleys Shareholders should receive a significant cash distribution via the Hartleys cash dividend and capital return (subject to Hartleys shareholder approval being obtained) in addition to the consideration received under the Offers.
- Hartleys Shareholders will own approximately 17% of Euroz upon Completion providing material exposure to the performance of the Merged Group.
- Hartleys Shareholders will have two representative Directors on the Board of Euroz and four existing Directors of Euroz will resign. The Merged Group will have an experienced and motivated Board and senior executive team with a demonstrated track record.
- Hartleys Shareholders will benefit from any appreciation in the value of Euroz Shares, which are listed on ASX and therefore more liquid than shares in Hartleys.

- You may be eligible for capital gains tax rollover relief. Euroz has undertaken in favour of Hartleys to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Hartleys Shareholders who accept the Offers made to them.

The Hartleys Board has unanimously recommended that Hartleys Shareholders accept the Offers made to them and have agreed to accept the Offers in respect of their own holdings, in the absence of a Superior Proposal.

As at the date of this Bidder's Statement, Euroz is not aware of any Superior Proposal having been received by Hartleys and Hartleys has not made Euroz aware of any party having an intention to make such a proposal.

I encourage you to read this important document carefully. The Offers are open for your acceptance until 5:00 pm (Perth Time) on **Friday, 9 October 2020**, unless extended.

To accept the Offers, please follow the instructions on the accompanying Acceptance Form.

If you have any questions about the Offers, please contact Euroz' Company Secretary on +61 (8) 9488 1400, or your professional financial adviser.

Euroz's Directors look forward to having Hartleys Shareholders join Euroz following the successful completion of this transaction.

Yours sincerely



Andrew McKenzie
Executive Chairman
Euroz Limited

KEY DATES

Event	Date
Execution of Bid Implementation Agreement and announcement of the Offers	17 July 2020
Bidder's Statement and Target's Statement lodged with ASIC	4 September 2020
Offers Open (date of Offers)	9 September 2020
Notice of status of Conditions	2 October 2020
Offers close (unless otherwise extended or withdrawn)*	9 October 2020

* The closing dates of the Offers may change as permitted by the Corporations Act.

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1. INVESTMENT OVERVIEW

This Section is intended to provide an overview of Euroz, the Offers that Euroz is making for your Hartleys Shares and the key risks that you should consider.

This Investment Overview is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement and the NAV in full before deciding whether to accept the offers for your Hartleys A Class Shares and Hartleys E Class Shares. The detailed terms of the Offers (including the Conditions) are set out in Annexure A.

The information in this Section is set out by way of response to a series of questions. Euroz believes this is the most informative way to provide the information. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other sections of this Bidder's Statement, including the Annexure, which contain additional relevant information.

Part A of this Investment Overview deals with the Offers. **Part B** deals with Euroz, its business and assets and Euroz securities. **Part C** deals with risks relating to Euroz, Hartleys, the Offers and the Merged Group. **Part D** deals with other relevant questions.

If you have any questions about the Offers, please contact the Company Secretary of Euroz on +61 8 9488 1400, or your professional financial adviser.

Part A – Overview of the Offers

Question	Answer	Further information
What is Euroz offering to buy?	Euroz is offering to buy all the issued Hartleys A Class Shares and Hartleys E Class Shares, on the terms set out in this Bidder's Statement. Euroz does not currently own any Hartleys A Class Shares or Hartleys E Class Shares.	Annexure A sets out the full terms of the Offers and the Conditions
Why should I accept the Offers?	Euroz considers there are a number of reasons why Hartleys Shareholders should accept the Offers, which are detailed in Section 2. In summary, the key reasons why you should accept the Offers are: <ul style="list-style-type: none">• Hartleys' and Euroz's businesses are highly complementary and their combination will create a leading Western Australian based financial services company with a strong balance sheet, critical scale, solid and recurring revenue with significant cost savings and operational synergies.• You will receive 3.3033304 Euroz Shares for every 1 Hartleys Share you hold representing a premium of 45% to the 30 June 2020 NAV of Hartleys Shares (based on the 5 day VWAP of Euroz Shares up to and including 30 June 2020).	Section 2

Question	Answer	Further information
	<ul style="list-style-type: none"> • Hartleys will be able to distribute its surplus assets such that Hartleys Shareholders should receive a significant cash distribution via the Hartleys cash dividend and capital return (subject to Hartleys shareholder approval being obtained) in addition to the consideration received under the Offers. • Hartleys Shareholders will own approximately 17% of Euroz upon Completion providing material exposure to the performance of the Merged Group. • Hartleys Shareholders will have two (2) representative Directors appointed to the Board of Euroz, being Richard Simpson and Ian Parker. Four (4) existing Directors of Euroz will resign. The Merged Group will have an experienced and motivated Board and senior executive team with a demonstrated track record. • Hartleys Shareholders will benefit from any appreciation in the value of Euroz Shares, which are listed on ASX and therefore more liquid than shares in Hartleys. • You may be eligible for capital gains tax rollover relief. In this regard, Euroz has undertaken in favour of Hartleys to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Hartleys Shareholders who accept the Offers made to them. <p>As at the date of this Bidder's Statement, no Superior Proposal has emerged.</p>	
<p>What will you receive if you accept the Offers?</p>	<p>Subject to the Conditions, if you accept the Offers, you will receive:</p> <p>(a) 3.3033304 new Euroz Shares for every 1 Hartleys A Class Share that you hold; and</p> <p>(b) 3.3033304 new Euroz Shares for every 1 Hartleys E Class Share that you hold.</p>	<p>Annexure A sets out the full terms of the Offers and the Conditions</p>

Question	Answer	Further information
What is the value of the Offers?	<p>The implied value of the Offers as at the date of this Bidder's Statement is \$3.77 per Hartleys A Share and \$3.77 per Hartleys E Class Share, based on the closing price of Euroz Shares on ASX of \$1.14 (being the last practicable date before finalising this Bidder's Statement).</p> <p>In the 12 months prior to the date of this Bidder's Statement, Euroz's Shares have traded in the range of \$0.615 to \$1.23, and using those parameters, the implied value under the Offers (based on the Offer ratio) ranges from between:</p> <ul style="list-style-type: none"> (a) \$2.03 and \$3.73 per Hartleys A Class Share; and (b) \$2.03 and \$3.73 per Hartleys E Class Share. <p>The value of the Offers may change as a consequence of changes in the market price of Euroz Shares.</p>	Section 5.3
How long will the Offers remain open?	The Offers open on 9 September 2020. Unless withdrawn or extended in accordance with the Corporations Act, the Offers are scheduled to close at 5:00 pm (WST) on 9 October 2020.	Section 2 of Annexure A
Can the Offer Period be extended?	The Offer Period can be extended in accordance with the Corporations Act, for up to a maximum period of 12 months after the opening date of the Offer Period. However, Euroz has undertaken in the Bid Implementation Agreement not to extend the Offer Period by more than 2 months unless the prior written consent of Hartleys has been obtained). Hartleys Shareholders will be provided with written notice of any extension.	The Key Dates Section provides an indicative timetable for the Offers
What choices do I have as a Hartleys Shareholder?	<p>As a Hartleys Shareholder, you have the following choices in respect of your Hartleys A Class Shares and Hartleys E Class Shares:</p> <ul style="list-style-type: none"> (a) accept the Offers with respect to all of your Hartleys A Class Shares and Hartleys E Class Shares; (b) sell all or some of your Hartleys A Class Shares and/or Hartleys E Class Shares outside of the Offers in accordance with the terms of Hartleys' constitution, however given that Hartleys Shares are not listed on any public securities exchange, this may be difficult for you to do; or (c) do nothing. 	
How do I accept the Offers?	To accept the Offers, you should follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form.	See your Acceptance Form enclosed with this Bidder's Statement and Section 4 of Annexure A

Question	Answer	Further information
Can I accept the Offers for part of my holding?	<p>No, you must accept the Offers for all of your Hartleys Shares in the relevant class to which the Offer relates.</p> <p>The Hartleys A Class Shares and the Hartleys E Class Shares are separate classes of shares in Hartleys. Euroz is required to make separate offers for the Hartleys A Class Shares and Hartleys E Class Shares.</p> <p>If you accept the offer for your Hartleys A Class Shares, you should accept the offer for your Hartleys E Class Shares as this will improve the prospects of Completion occurring.</p>	Section 4(a) of Annexure A
What if I hold only Hartleys A Class Shares?	<p>If you are one of the few Hartleys Shareholders who hold only Hartleys A Class Shares, then you will only be able to accept the A Class Share Offer (as the E Class Share Offer won't apply to you).</p>	
If I accept the Offers can I withdraw my acceptance?	<p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offers, Euroz varies the Offers in a way that postpones for more than 1 month the time that Euroz has to meet its obligations under the Offers (for example, if Euroz extends the Offer Period for more than 1 month while the Offers remain subject to any of the Conditions).</p>	Section 6(a) of Annexure A
What happens if I do not accept the Offers?	<p>The Offers are subject to a 90% minimum acceptance condition. If you do not accept the Offers and Euroz acquires a Relevant Interest in at least 90% of Hartleys Shares and the other conditions of the Offers are satisfied or waived, Euroz will proceed to compulsorily acquire the outstanding Hartleys Shares in relation to which Offers have not been accepted.</p> <p>Assuming all Conditions are satisfied or waived, if you accept the Offers prior to compulsory acquisition, you will receive your Consideration sooner than if you wait to have your Hartleys Shares compulsorily acquired.</p> <p>If Euroz does not become entitled to compulsorily acquire your Hartleys Shares under the Corporations Act, the Offers will lapse and you will remain a shareholder in Hartleys (unless you otherwise sell your Hartleys Shares).</p>	Section 6
What happens if Euroz improves the Consideration?	<p>If Euroz improves the Consideration, all the Hartleys Shareholders who accept the Offers (whether or not they have accepted the Offers before or after such improvement) will be entitled to the benefit of the improved Consideration, should the Offers become or be declared unconditional.</p>	This is a requirement of the Corporations Act

Question	Answer	Further information
What happens if a party terminates the Bid Implementation Agreement?	If a party terminates the Bid Implementation Agreement due to a material default by the other party under the Bid Implementation Agreement, the defaulting party must pay an amount of \$150,000 as reimbursement for costs incurred in connection with the Bid Implementation Agreement and Offers.	Section 9.2
Are there conditions to the Offers?	<p>The Offers are subject to the Conditions set out in Section 8 of Annexure A and include:</p> <ul style="list-style-type: none"> (a) Euroz acquiring a Relevant Interest in at least 90% of the aggregate of all the Hartleys Shares on issue (thereby becoming entitled to compulsorily acquire all of the outstanding Hartleys Shares under Part 6A.1 of the Corporations Act) (being the Minimum Acceptance Condition); and (b) the approval by Hartleys Shareholders in a general meeting duly convened by Hartleys of an amendment to the Hartleys constitution to permit a transfer of Hartleys Shares to Euroz under the Offers (being the Amendment to Constitution Condition). <p>Euroz may waive the satisfaction of any Condition in its sole discretion, other than:</p> <ul style="list-style-type: none"> (a) the Minimum Acceptance Condition; and (b) the Amendment to Constitution Condition. <p>If the Minimum Acceptance Condition and the Amendment to Constitution Condition are satisfied, then subject to no other Conditions being breached or otherwise becoming incapable of being satisfied, Euroz has agreed with Hartleys that it will immediately waive all other outstanding Conditions and exercise its rights of compulsory acquisition in accordance with the Corporations Act.</p> <p>As at the date of this Bidder's Statement, Euroz is not aware of any act, omission, event of fact that would result in any of the Conditions to the Offers not being satisfied.</p>	Section 8 of Annexure A sets out the Conditions in full
What if the Conditions are not satisfied or waived?	<p>If the Offers close and the Conditions are not satisfied or otherwise waived, the Offers will lapse, and your acceptance will be void. In other words, you will continue to hold your Hartleys Shares (unless you otherwise sell them).</p> <p>Euroz will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>	Section 9 of Annexure A

Question	Answer	Further information
Will my new Euroz Shares be listed on ASX?	Euroz will apply to ASX for Official Quotation of the new Euroz Shares to be issued as Consideration. Quotation of the new Euroz Shares depends on ASX exercising its discretion to admit the Euroz Shares to quotation on ASX.	Section 9.6
Will my Euroz Shares be restricted from trading?	<p>Pursuant to the Employment Condition, each of the Hartleys employees who are Hartleys Shareholders (excluding any agreed redundancies or retirements) have executed or will execute voluntary restriction deeds prohibiting the transfer of a portion of the Euroz Shares issued as consideration under the Offers on terms consistent in all material respects with the Principles Letter.</p> <p>Accordingly, a portion of your Euroz Shares may be subject to trading restrictions as set out in the Restriction Deeds you will have received.</p>	Section 9.15
What fees are payable to advisers of Euroz in relation to the Offers?	Euroz estimates it will incur fees for services provided in connection with the Offers and associated transactions and documentation, including for legal, taxation, financial advisers, share register and ASX and other professional fees, in the amount of approximately \$270,000.	Section 9.7

Part B – Overview of Euroz

Question	Answer	Further information									
Who is Euroz?	<p>Euroz is an Australian public company listed on the ASX (ASX:EZL) which provides diversified financial services.</p> <p>Euroz derives its revenue from providing stockbroking, investment, financial advisory, corporate finance, wealth management and funds management services to private, institutional and corporate clients. Euroz has operations based solely in Western Australia.</p>	Section 3.1									
What rights and liabilities will attach to my new Euroz Shares?	The new Euroz Shares issued under the Offers will be fully paid ordinary shares and will, from the time of issue, rank equally with existing Euroz Shares.	Section 3.10									
Who are the Euroz Directors and what experience do they have?	<p>As at the date of this Bidder's Statement, the Directors of Euroz are:</p> <ul style="list-style-type: none"> (a) Andrew McKenzie – Executive Chairman (b) Jay Hughes – Executive Director (c) Greg Chessell – Executive Director (d) Russell Kane – Executive Director (e) Simon Yeo – Executive Director (f) Anthony Brittain – Executive Director (g) Robert Black – Executive Director <p>Details of the relevant experience of each Director of Euroz is set out in Section 3.3.</p> <p>Upon Completion of the Offers, Anthony Brittain, Greg Chessell, Russell Kane and Simon Yeo will resign as Directors and two nominees of Hartleys (Richard Simpson and Ian Parker) will be appointed to the Euroz Board.</p>	Section 3.3									
Do the Euroz Directors or Proposed Directors have any securities in, or potential conflicts of interest in relation to, Hartleys?	<p>None of the Euroz Directors have an interest in any Hartleys securities.</p> <p>The Proposed Directors of the Merged Group have the following interests in Hartleys Securities:</p> <table border="1" data-bbox="608 1709 1099 1973"> <thead> <tr> <th data-bbox="608 1709 778 1821">Director</th> <th data-bbox="778 1709 943 1821">Hartleys A Class Shares</th> <th data-bbox="943 1709 1099 1821">Hartleys E Class Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="608 1821 778 1899">Richard Simpson</td> <td data-bbox="778 1821 943 1899">633,828</td> <td data-bbox="943 1821 1099 1899">38,692</td> </tr> <tr> <td data-bbox="608 1899 778 1973">Ian Parker</td> <td data-bbox="778 1899 943 1973">476,893</td> <td data-bbox="943 1899 1099 1973">70,995</td> </tr> </tbody> </table>	Director	Hartleys A Class Shares	Hartleys E Class Shares	Richard Simpson	633,828	38,692	Ian Parker	476,893	70,995	Section 9.13
Director	Hartleys A Class Shares	Hartleys E Class Shares									
Richard Simpson	633,828	38,692									
Ian Parker	476,893	70,995									

Do the Euroz Directors or Proposed Directors have any interest in Euroz securities?	The Euroz Directors have the following interests in Euroz securities:	Section 9.13																
	<table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> </tr> </thead> <tbody> <tr> <td>Anthony Brittain</td> <td>643,633</td> </tr> <tr> <td>Andrew McKenzie</td> <td>13,036,008</td> </tr> <tr> <td>Greg Chessell</td> <td>5,067,695</td> </tr> <tr> <td>Jay Hughes</td> <td>13,145,676</td> </tr> <tr> <td>Robert Black</td> <td>4,675,000</td> </tr> <tr> <td>Russell Kane</td> <td>3,506,647</td> </tr> <tr> <td>Simon Yeo</td> <td>4,965,000</td> </tr> </tbody> </table>		Director	Shares	Anthony Brittain	643,633	Andrew McKenzie	13,036,008	Greg Chessell	5,067,695	Jay Hughes	13,145,676	Robert Black	4,675,000	Russell Kane	3,506,647	Simon Yeo	4,965,000
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	Robert Black	4,675,000																
	Russell Kane	3,506,647																
Simon Yeo	4,965,000																	
None of the Proposed Directors have an interest in any Euroz securities.																		

Part C – Overview of Risks

Question	Answer	Further information
Are there risks if I accept the Offers?	<p>If you accept the Offers and the Offers become unconditional or the Conditions are satisfied or waived (as applicable), you will be issued with new Euroz Shares. There are risks in holding Euroz Shares.</p> <p>Section 8 provides a summary of these risks. Specifically, it deals with:</p> <ul style="list-style-type: none"> (a) Risks relating to the Offers; (b) Risks that relate to the Merged Group; and (c) General and industry risks (to which you are already exposed). 	Section 8
Are there any risks in respect of the Offers not proceeding?	In the event that the Offers do not proceed, Hartleys Shareholders will not achieve the benefits of the Offers as described in Section 2. In addition, Hartleys will need to continue financing its activities as an unlisted company.	Section 8.2

Part D – Other relevant questions

Question	Answer	Further information
<p>When will you receive your Consideration?</p>	<p>Subject to all the Conditions being either satisfied or waived, if you accept the Offers, Euroz intends to issue your new Euroz Shares on or before the earlier of:</p> <ul style="list-style-type: none"> (a) 7 days after the Offers become or are declared unconditional; and (b) 7 days after the end of the Offer Period, <p>provided that you have returned all of the documents required for acceptance of the Offers with your acceptance.</p>	<p>Section 7 of Annexure A</p>
<p>Will I need to pay any transaction costs if I accept the Offers?</p>	<p>You will not incur any brokerage fees or be obliged to pay stamp duty or GST in connection with your acceptance of the Offers.</p>	<p>Section 7 of Annexure A</p>
<p>What are the tax implications of accepting the Offers?</p>	<p>A general summary of the Australian tax consequences for Hartleys Shareholders who accept the Offers is set out in Section 7. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Hartleys Shareholders should seek their own taxation advice in relation to the Offers.</p> <p>Euroz has undertaken in favour of Hartleys to do all things reasonably necessary or desirable to ensure that capital gains tax rollover relief under Subdivision 124-M of the Income Tax Assessment Act 1997 is available to Hartleys Shareholders who accept the Offers made to them (including acquiring the required percentage of Hartleys Shares and not making any election under section 124-795(4) for the rollover not to apply).</p>	<p>Section 7</p>

2. WHY YOU SHOULD ACCEPT THE OFFERS

2.1 Reasons for accepting the Offers

Euroz believes you should **ACCEPT** the Offers for the following reasons:

- Hartleys' and Euroz's businesses are highly complementary and their combination will create a leading Western Australian based financial services company with a strong balance sheet, critical scale, solid and recurring revenue with significant cost savings and operational synergies.
- You will receive 3.3033304 Euroz Shares for every 1 Hartleys Share you hold representing a premium of 45% to the 30 June 2020 NAV of Hartleys Shares (based on the 5 day VWAP of Euroz Shares up to and including 30 June 2020).
- Hartleys will be able to distribute its surplus assets such that Hartleys Shareholders should receive a significant cash distribution via the Hartleys cash dividend and capital return (subject to Hartleys Shareholder approval being obtained) in addition to the consideration received under the Offers.
- Hartleys Shareholders will own approximately 17% of Euroz upon Completion providing material exposure to the performance of the Merged Group.
- Hartleys Shareholders will have two (2) representative Directors on the Euroz Board and four (4) existing Directors of Euroz will resign. The Merged Group will have an experienced and motivated Board and senior executive team with a demonstrated track record.
- Hartleys Shareholders will benefit from any appreciation in the value of Euroz Shares, with Euroz Shares being a much more liquid security than Hartleys Shares.
- You may be eligible for capital gains tax rollover relief. In this regard, Euroz has undertaken in favour of Hartleys to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Hartleys Shareholders who accept the Offers made to them.

The above is only a headline summary of some of the reasons why you should accept the Offers. Each of these reasons is explained in more detail below.

If you wish to accept the A Class Share Offer and the E Class Share Offer¹, you must return the signed Acceptance Form (together with original share certificates in respect of your Hartleys Shares) by 5.00pm (WST) on 9 October 2020.

- (a) **Hartleys' and Euroz's businesses are highly complementary and their combination will create a leading Western Australian based financial services company with a strong balance sheet, critical scale, solid and recurring revenue with significant cost savings and operational synergies**

Both Hartleys and Euroz provide similar services with respect to stockbroking, corporate finance, investment and wealth management services.

¹ Any Hartleys Shareholder who holds only Hartleys A Class Shares need only accept the A Class Share Offer.

By combining the two businesses, the Merged Group is expected to be able to execute larger transactions, reduce costs by removing overlapping operations, provide a larger distribution channel for existing and new clients, implement strategic initiatives and create synergies by improving operational efficiencies, than if Euroz and Hartleys remained as separate stand-alone businesses.

- (b) **You will receive 3.3033304 Euroz Shares for every 1 Hartleys Share you hold representing a premium of 45% to the 30 June 2020 NAV of Hartleys Shares (based on the 5 day VWAP of Euroz Shares up to and including 30 June 2020)**

The implied value of the Offers as at the date of this Bidder's Statement is \$3.77 per Hartleys A Share and \$3.77 per Hartleys E Class Share, based on the closing price of Euroz Shares on ASX of \$1.14 (being the last practicable date before finalising this Bidder's Statement).

In the 12 months prior to the date of this Bidder's Statement, Euroz's Shares have traded in the range of \$0.615 to \$1.23, and using those parameters, the implied value under the Offers (based on the Offer ratio) ranges from between:

- (i) \$2.03 and \$3.73 per Hartleys A Class Share; and
- (ii) \$2.03 and \$3.73 per Hartleys E Class Share.

The value of the Offers may change as a consequence of changes in the market price of Euroz Shares.

Hartleys Shareholders should note that the Offer consideration is in addition to any amounts that a Hartleys Shareholder receives from Hartleys by way of the Hartleys cash dividend and capital return as described below (subject to Hartleys Shareholder approval being obtained).

- (c) **Hartleys will be able to distribute its surplus assets such that Hartleys Shareholders should receive a significant cash distribution via the Hartleys cash dividend and capital return in addition to any consideration received under the Offers**

Hartleys proposes to seek the approval of Hartleys Shareholders to distribute surplus assets to Hartleys Shareholders prior to the transfer of Hartleys Shares to Euroz pursuant to the Offers (being the Permitted Distribution) by way of a fully franked dividend (where there are sufficient franking credits and retained earnings available to do so), with any residual amount being distributed by way of a return of capital.

The Hartleys Board will assess the status of the Offers before proceeding with any distribution with the aim of proceeding to pay all of the distribution before there is a transfer of Hartleys Shares to Euroz occurs under the Offers. If for any reason the Offers do not proceed, the Hartleys Board will re-assess whether a distribution can be made having regard to Hartleys' likely ongoing working capital requirements, and in such circumstances, there is a risk that a distribution may not be made.

Further information in relation to this distribution is set out in the Target's Statement and Notice of Meeting which you will receive soon after this Bidder's Statement.

(d) **Hartleys Shareholders will own 17% of Euroz upon Completion**

Hartleys Shareholders will be issued a total of 33,000,076 Euroz Shares on Completion which represents approximately 17% of Euroz's issued share capital. This represents a significant ownership interest in Euroz and provides Hartleys Shareholders with a significant interest in the upside potential of the Merged Group.

(e) **Experienced and motivated Board and senior executive team of the Merged Group with a demonstrated track record**

As soon as practicable after Euroz has a Relevant Interest in more than 90% of the Hartleys Shares and the Offers become unconditional or are declared by Euroz to be free of all Conditions, two (2) directors from Hartleys will be invited to join the Euroz Board and four (4) existing Directors of Euroz will resign.

It is proposed that Anthony Brittain, Greg Chessell, Russell Kane and Simon Yeo will step down from the Euroz Board and that Ian Parker and Richard Simpson will be appointed as executive directors of Euroz.

Accordingly, by accepting the Offers, Hartleys Shareholders will benefit from combined senior management and Board professionals with years of industry experience and a demonstrated track record.

(f) **Hartleys Shareholders will benefit from any appreciation in the value of Euroz Shares, with Euroz Shares being a much more liquid security than Hartleys Shares**

If the Offers are successful, Hartleys Shareholders will become shareholders in a larger company, with Euroz Shares being a more liquid security than Hartleys Shares as a result of Euroz Shares being tradeable on ASX.

Hartleys Shareholders who are also Hartleys employees will however need to comply with Euroz's share trading policies and with any trading restrictions which they agree to in connection with satisfying the Employment Condition.

Refer to Section 9.15 of this Bidder's Statement for further information regarding the trading restrictions which may be applicable in connection with the satisfaction of the Employment Condition.

(g) **You may be eligible for capital gains tax rollover relief**

Hartleys Shareholders may have access to scrip for scrip rollover relief, in which case you will not incur capital gains tax as a result of accepting the Offers.

Should the Offers be successful and result in Euroz becoming the holder of 90% or more of the voting shares in Hartleys as at the close of the Offer Period, Hartleys Shareholders who would otherwise make a capital gain from the disposal of their Hartleys Shares pursuant to the Offers may be able to choose to obtain full scrip for scrip rollover relief.

In this regard, Euroz has undertaken in favour of Hartleys to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Hartleys Shareholders who accept the Offers made to them.

If scrip for scrip rollover relief is available and is chosen by Hartleys Shareholders who would otherwise have made a capital gain on the disposal of their Hartleys Shares under the Offers, all of the capital gain from the disposal may be disregarded.

However, Hartleys Shareholders may be subject to capital gains tax as a result of a later taxable event (such as a disposal) happening to the Euroz Shares received as consideration under the Offers.

Refer to Section 7 of this Bidder's Statement for further information.

2.2 Recommendation of Hartleys Directors

The Hartleys' Board of Directors, representing approximately 35.0% of Hartleys Shares, have unanimously recommended that Hartleys Shareholders accept the Offers, in the absence of a Superior Proposal. Each Hartleys' Director who holds Hartleys Shares intends to accept, or procure the acceptance of, the Offers in respect of any Hartleys Shares that they own or control, in the absence of a Superior Proposal.

As at the date of this Bidder's Statement, Euroz is not aware of any Superior Proposal having been received by Hartleys and Hartleys has not made Euroz aware of any party having an intention to make such a proposal.

3. PROFILE OF EUROZ LIMITED

3.1 Overview of Euroz

Euroz is an Australian public company offering diversified financial services, which is listed on the ASX (ASX:EZL). Euroz was incorporated on 16 June 1961 and commenced quotation on ASX on 2 August 1971. It commenced operating a stockbroking business under the name "Euroz" in early 2000.

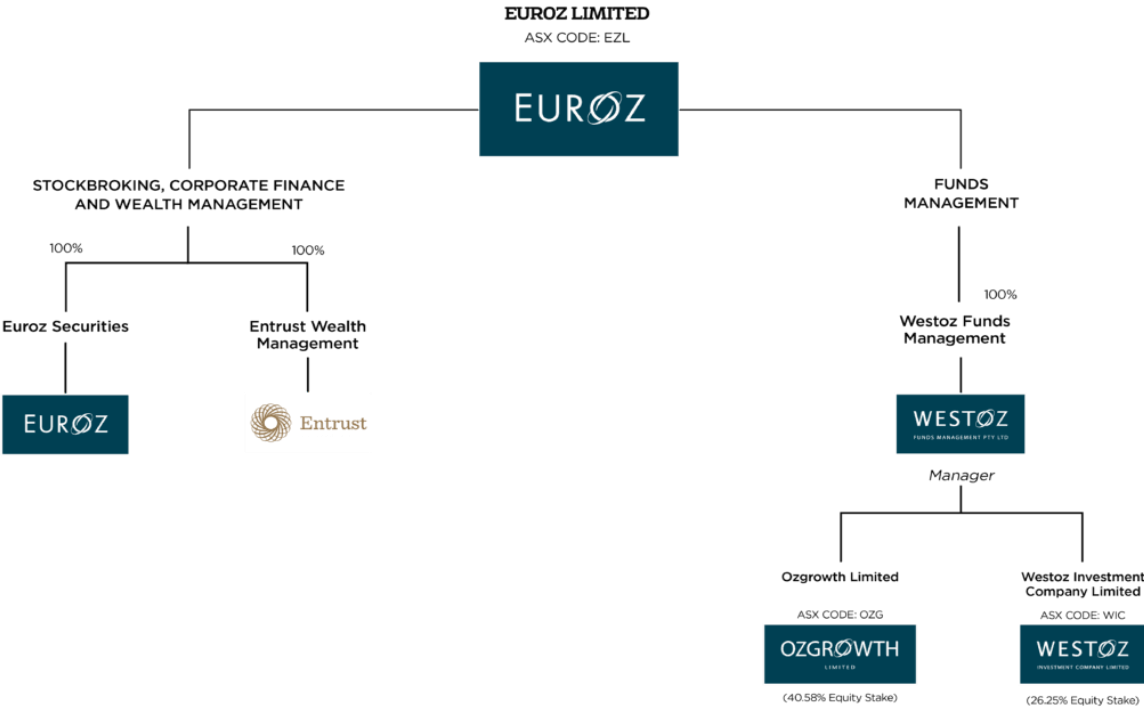
Euroz derives its revenue from the provision of funds management, stockbroking investment and wealth management services. Euroz's operations are based solely in Western Australia.

Euroz runs its business activities through multiple subsidiaries, as displayed in the corporate structure in Section 3.2 below. The Euroz business is divided into three main arms:

- (a) **Euroz Securities Limited** – Euroz Securities is one arm of Euroz's Stockbroking, Corporate Finance and Wealth Management side of the business. It provides specialised stockbroking services focused on major institutions, large-scale corporate and high net worth individuals, with investments centred around Western Australia-linked organisations. Services include research, institutional and retail dealing and corporate finance. If Euroz successfully completes the Offers, Euroz Securities will be renamed Euroz Hartleys.
- (b) **Entrust Wealth Management** – Entrust forms the second arm of Euroz's Stockbroking, Corporate Finance and Wealth Management side of the business. Entrust was founded in 2002 in Western Australia, based in Perth providing portfolio management, portfolio administration and financial planning services. Entrust was acquired by Euroz Limited in July 2015, for the purposes of providing additional scale and financial backing allowing Entrust to leverage off a larger parent whilst maintaining a boutique client experience.
- (c) **Westoz Funds Management** – Westoz was established in 2005 as a wholesale funds manager, for the purposes of controlling the investments of the ASX listed Westoz Investment Company Limited (ASX:WIC) and Ozgrowth Limited (ASX:OZG). WIC listed on the ASX in 2009 and OZG was listed on the ASX in 2008. Westoz typically targets investments which have a connection Western Australia, whether it be through their assets, operation and/or management. Ozgrowth's objective is to generate a positive return over the medium to long-term, from an actively managed portfolio of small cap ASX listed and unlisted investments, typically for stocks having a connection to Western Australia and provide shareholders with a consistent stream of dividends.

3.2 Corporate Information

The corporate structure of Euroz is shown in the diagram below:



3.3 Directors and key personnel of Euroz

Details of the responsibilities and experience of the Euroz Directors (as at the date of this Bidder's Statement) are set out in Euroz's 2019 Annual Financial Report, a copy of which is available on request or from Euroz's website (www.euroz.com).

A brief summary of the Euroz Board and key personnel, as at the date of this Bidder's Statement, is set out below.

Andrew McKenzie – Executive Chairman

Andrew is Executive Chairman of Euroz Limited and Euroz Securities Limited. Andrew is a board member of the PLC Foundation and a PLC Council member. Andrew holds a Bachelor of Economics from the University of Western Australia (UWA) and is an individual member (MSAFAA) of Stockbrokers and Financial Advisers Association of Australia (SAFAA).

Jay Hughes – Executive Director

Jay has worked in stockbroking since 1986, starting his career on the trading floor. He is Non-Executive Chairman of Westoz Investment Company Limited and Ozgrowth Limited and an Executive Director of Euroz Limited, Westoz Funds Management and Euroz Securities Limited. He is an Institutional Adviser specialising in promoting Australian stocks to international clients. Jay holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA).

He was recognised as an affiliate of the ASX in December 2000 and is an individual member (MSAFAA) of SAFAA.

Simon Yeo – Executive Director

Simon has worked in the stockbroking industry since 1993. In November 2000 he established the Private Client Division of Euroz Securities Limited before moving to a specialised role within our Institutional Sales division in 2013. Simon is an Executive Director of Euroz Limited and Euroz Securities Limited. Simon holds a Bachelor of Commerce from UWA and was previously a chartered accountant. He is also on the board of The Australian Chamber Orchestra (ACO). Simon is the Chairman of the Audit and Risk Committee.

Anthony Brittain – Executive Director/Chief Operating and Financial Officer

Anthony is the Chief Operating and Financial Officer and an Executive Director of Euroz Limited, Euroz Securities Limited and Entrust Wealth Management. Prior to joining Euroz, Anthony spent 7 years with Hartleys and JDV Limited. Anthony started his career with KPMG (and antecedent firm Touche Ross) and then worked in London and Singapore for 7 years with a UK fund manager. Anthony holds a Bachelor of Commerce from UWA, is a member of Chartered Accountants Australia and New Zealand (CA), holds a Graduate Diploma in Applied Finance and Investment from FINSIA, is a Graduate of AICD and is an individual member (MSAFAA) of SAFAA. Anthony is a member of the Audit and Risk Committee. Anthony is a member of the professional conduct tribunal of the SAFAA and is a panel member of the Markets Disciplinary Panel (MDP) of the ASIC.

Greg Chessell – Executive Director

Greg is a Director in the Corporate Finance Team of Euroz Securities. Greg was previously an Analyst and Head of Research at Euroz, a position he held since Euroz Securities commenced operations. Greg worked as geologist in WA for 10 years prior to entering the stockbroking industry in 1995. Greg is an Executive Director of Euroz Limited and Euroz Securities Limited. Greg holds a Bachelor of Applied Science in Geology from the University of Technology, Sydney (UTS) and a Graduate Diploma in Business from Curtin University. Greg is a member of the Audit and Risk Committee.

Russell Kane – Executive Director

Russell has worked in the stockbroking industry since 1994 when he joined Hartleys and subsequently joined Euroz Securities Limited in 2001. Russell is an Executive Director of Euroz Limited and Euroz Securities Limited. He holds a Bachelor of Business from Edith Cowan University and is responsible for servicing both domestic institutions and high net worth clients, with a particular emphasis on WA based resources and industrials stocks.

Rob Black – Executive Director

Rob has been working in the stockbroking industry since 1995 when he joined Hartleys and has spent time based in Sydney, Melbourne and London. Rob is the Managing Director of Euroz Securities and a member of our Institutional Sales division and is responsible for servicing domestic and international institutions. Rob is a Director of Entrust Wealth Management. Rob holds a Bachelor of Business in Finance and Accounting from Edith Cowan University and is a Graduate of the Australian Institute of Company Directors (AICD).

3.4 Capital Structure

As at the date of this Bidder's Statement, Euroz's capital structure is as follows:

Securities	Currently on issue
Shares	162,518,242

3.5 Financial Performance

(a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to Euroz on a stand-alone basis and accordingly does not reflect any impact of the Offers. It is a summary only and the full financial accounts of Euroz for the financial period described below, which includes the notes to the financial accounts, are available in Euroz's financial reports for the years ended 30 June 2020, 30 June 2019 and 30 June 2018. Copies of these financial reports are available at (www.euroz.com) or from the ASX website.

(b) Historical Financial Information of Euroz

(i) Consolidated Statement of Comprehensive Income

The historical consolidated statement of comprehensive income of Euroz are set out below and have been extracted from the audited consolidated statement of comprehensive income for the financial years ended 30 June 2020, 30 June 2019 and 30 June 2018.

(ii) Consolidated Statement of Financial Position

The historical consolidated statement of financial position of Euroz are set out below and have been extracted from the audited consolidated statements of financial position for the financial years ended 30 June 2020, 30 June 2019 and 30 June 2018.

(c) Material changes in Euroz's financial net position since last published accounts

There have been no material changes to Euroz's financial net position since its last published accounts.

Consolidated Statement of Comprehensive Income

	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
REVENUE FROM CONTINUING OPERATIONS	67,545,324	59,952,695	78,435,780
Gain / (Loss) on fair value movement on investments	1,587,010	(13,976,485)	13,652,164
Employee benefits expense	(27,444,866)	(23,126,714)	(28,049,408)
Depreciation and amortisation expenses	(1,331,240)	(340,598)	(309,412)
Regulatory expenses	(423,714)	(484,050)	(210,824)
Legal, professional and consultancy expenses	(859,283)	(443,995)	(667,116)
Conference and seminar expenses	(670,544)	(839,162)	(968,088)
Stockbroking expenses	(3,911,055)	(3,193,983)	(4,384,561)
Communication expenses	(266,796)	(223,449)	(340,348)
Carrying amount of principal trading securities sold	(21,036,260)	(13,107,836)	(9,435,629)
Impairment expenses	(3,130,000)	-	-
Loss on deconsolidation	-	-	(29,572)
Other expenses	(4,066,366)	(4,701,295)	(4,782,546)
PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS	5,992,210	(484,872)	42,910,440
Income tax benefit / (expense)	1,979,426	95,922	(13,577,115)
PROFIT / (LOSS) AFTER INCOME TAX EXPENSE FOR THE YEAR FROM CONTINUING OPERATIONS	7,971,636	(388,950)	29,333,325
Loss after income tax expense for the year from discontinued operations	(3,621,186)	(1,620,650)	-
PROFIT / (LOSS) AFTER INCOME TAX EXPENSE FOR THE YEAR	4,350,450	(2,009,600)	29,333,325
OTHER COMPREHENSIVE INCOME			
Other comprehensive income net of tax	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	4,350,450	(2,009,600)	29,333,325
PROFIT / (LOSS) FOR THE YEAR IS ATTRIBUTABLE TO:			
Non-controlling interest	5,705,176	(1,901,915)	(1,930,487)
Owners of Euroz Limited	(1,354,726)	(107,685)	31,263,812
	4,350,450	(2,009,600)	29,333,325

	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR IS ATTRIBUTABLE TO:			
Continuing operations	(220,563)	(20,898)	(1,930,487)
Discontinued operations	5,925,739	(1,881,017)	-
Non-controlling interest	5,705,176	(1,901,915)	(1,930,487)
Continuing operations	8,192,199	(368,052)	31,263,812
Discontinued operations	(9,546,925)	260,367	-
Owners of Euroz Limited	(1,354,726)	(107,685)	31,263,812
	4,350,450	(2,009,600)	29,333,325
EARNINGS / (LOSS) PER SHARE FOR PROFIT / (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE OWNERS OF EUROZ LIMITED			
Basic (loss) / earnings per share (cents)	5.26	(0.24)	19.91
Diluted (loss) / earnings per share (cents)	5.09	(0.23)	19.42
EARNINGS / (LOSS) PER SHARE FOR PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO THE OWNERS OF EUROZ LIMITED			
Basic (loss) / earnings per share (cents)	(6.13)	0.17	-
Diluted (loss) / earnings per share (cents)	(5.93)	0.16	-
EARNINGS / (LOSS) PER SHARE FOR PROFIT / (LOSS) ATTRIBUTABLE TO THE OWNERS OF EUROZ LIMITED			
Basic (loss) / earnings per share (cents)	(0.87)	(0.07)	19.91
Diluted (loss) / earnings per share (cents)	(0.84)	(0.07)	19.42

Consolidated Statement of Financial Position

	30 June 2020 \$	30 June 2019 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	41,106,390	27,383,046	39,390,169
Trade and other receivables	2,368,924	1,934,887	2,181,061
Inventories	7,164,665	7,430,215	12,855,087
Other current assets	1,418,940	1,379,065	4,103,235
Current tax receivable	-	217,140	-
TOTAL CURRENT ASSETS	52,058,919	38,344,353	58,529,552
NON-CURRENT ASSETS			
Long term receivable	5,216,699	5,000,000	5,000,000
Investments	599,790	13,136,978	14,519,955
Investment entities at fair value	56,998,090	58,016,264	67,586,696
Plant and equipment	472,987	715,152	736,579
Deferred tax assets	9,464,820	6,960,607	4,427,658
Intangible assets	9,798,785	10,178,785	10,178,785
Right of use asset	4,556,400	-	-
TOTAL NON-CURRENT ASSETS	87,107,571	94,007,786	102,449,673
TOTAL ASSETS	139,166,490	132,352,139	160,979,225
CURRENT LIABILITIES			
Trade and other payables	3,639,785	1,772,881	4,637,251
Current tax liabilities	2,548,489	-	5,075,257
Short term provisions	13,090,873	11,446,094	18,129,112
Lease Liability	879,398	-	-
TOTAL CURRENT LIABILITIES	20,158,545	13,218,975	27,841,620
NON-CURRENT LIABILITIES			
Deferred tax liabilities	946,875	1,313,068	2,657,601
Long term provisions	72,656	24,680	4,979
Lease Liability	3,653,897	-	-
TOTAL NON-CURRENT LIABILITIES	4,673,428	1,337,748	2,662,580
TOTAL LIABILITIES	24,831,973	14,556,723	30,504,200
NET ASSETS	114,334,517	117,795,416	130,475,025
EQUITY			
Issued capital	102,167,440	101,333,244	102,343,793

	30 June 2020 \$	30 June 2019 \$	30 June 2018 \$
Reserves	4,869,667	3,846,281	2,646,774
Retained earnings	7,267,597	18,503,754	29,470,406
Equity attributable to the owners of Euroz Limited	114,304,704	123,683,279	134,460,973
Non-controlling interest	29,813	(5,887,863)	(3,985,948)
TOTAL EQUITY	114,334,517	117,795,416	130,475,025

3.6 Forecast Information

Euroz's future financial performance is dependent on a range of factors, many of which are beyond Euroz's control. Accordingly, Euroz's Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on Euroz's financial performance from its financial reports. Copies of these reports are available from Euroz's website (www.euroz.com).

3.7 Corporate Governance

The Euroz Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations.

Details of Euroz's corporate governance procedures, policies and practices can be obtained from Euroz's website (www.euroz.com/investors/corporate-governance/).

3.8 Trading of Euroz Shares

Set out below is a table showing relevant trading prices of Euroz Shares on ASX:

Trading Period	Price of Euroz Shares
Highest closing price on ASX in the four months prior to 3 September 2020 (being the last practicable trading date prior to the date of this Bidder's Statement).	\$1.19 ²
Lowest closing price on ASX in the four months prior to 3 September 2020 (being the last practicable trading date prior to the date of this Bidder's Statement).	\$0.83 ³
Closing sale price on ASX on the last trading day before the date Euroz announced the Offers.	\$1.15

² Closing prices on 5 and 6 August 2020.

³ Closing prices on 4, 5 and 6 May 2020.

Closing sale price of Euroz shares on ASX on the last practicable trading date prior to the date of this Bidder's Statement.	\$1.14
30-day VWAP of Euroz Shares before announcing the Offers.	\$1.04

3.9 Substantial shareholders of Euroz

As at the date of this Bidder's Statement, the following persons and their Associates are each a substantial Shareholder of Euroz (being a Shareholder that holds more than a 5% interest in Euroz):

Euroz Shareholder	Number of Euroz Shares	% of Euroz issued Share Capital
Jay Hughes	13,145,676	8.09%
Andrew McKenzie	13,036,008	8.02%
Ice Cold Investments Pty Ltd	10,619,049	6.53%

3.10 Rights and liabilities of Euroz Shares

The Euroz Shares offered to Hartleys Shareholders under the Offers are fully paid ordinary shares in the capital of Euroz, and from the date of their issue will rank equally with all then existing Euroz Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to Euroz Shares are governed by the Constitution of Euroz, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Bidder's Statement. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Further details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at Euroz's registered office during normal business hours.

(a) **General meetings**

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of Euroz and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

The Directors may convene a general meeting whenever they think fit. The Constitution does not permit Shareholders to call a general meeting, although Shareholders may call a general meeting in accordance with the provisions of the Corporations Act.

A notice of general meeting must be given in accordance with the Corporations Act and must specify the place, date and time of the meeting, the general nature of the business to be transacted at the meeting, information regarding a Shareholder's right to appoint a proxy, and if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and the text of the special resolution.

The quorum for a meeting of the Shareholders is two Shareholders and the quorum must be present at all times during the meeting.

(b) **Voting**

Subject to any rights or restrictions for the time being attached to any class of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting every Shareholder present in person or by a representative has one vote on a show of hands and every Shareholder present in person or by a representative, proxy or attorney has one vote per Share on a poll. Where there are two or more joint Shareholders and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), Euroz will count only the vote cast by the Shareholder whose name appears before the other(s) in Euroz's register.

(c) **Alteration of Capital**

Subject to the Constitution, Corporations Act and the Listing Rules, Euroz in general meeting may increase, divide, consolidate or reduce its share capital if it complies with the Constitution, Corporations Act and the Listing Rules.

(d) **Variation of rights**

Subject to the Constitution, Corporations Act and Listing Rules, if at any time the share capital is divided into different classes of shares, the rights attached to the shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors or the ASX.

Euroz must not prevent, delay or in any way interfere with the registration of a proper ASX Settlement transfer. However, Euroz may decline to register a transfer of Shares in the circumstances described in the Constitution and where permitted to do so under the Listing Rules. If Euroz declines to register a transfer, Euroz must, within 5 Business Days' after the transfer is lodged with Euroz, give the lodging party written notice of the refusal and

the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, the Constitution, the Listing Rules or the ASX Settlement Operating Rules.

Hartleys Shareholders who are also Hartleys employees will however need to comply with Euroz's share trading policies and with any trading restrictions which they agree to in connection with satisfying the Employment Condition. Refer to Section 9.15 of this Bidder's Statement for further information regarding the trading restrictions which may be applicable in connection with the satisfaction of the Employment Condition.

(f) **Dividends**

The Directors, subject to the Constitution, the Corporations Act and the Listing Rules, may determine that a dividend is payable and fix the amount, the time for payment, and the method of payment. The Directors may, before declaring any dividend, set aside out of the profits of Euroz, such sums as they think proper as reserves, which may be used in the business of Euroz or be invested in such investments as the Directors think fit.

3.11 Dividend History

Euroz Limited has paid \$235 million in fully franked dividends to shareholders since commencing its stockbroking business approximately 20 years ago. A dividend has been paid in every half year period since 2001.

The last distribution to Euroz Shareholders occurred on 7 August 2020. It related to the period of 6 months between 1 January 2020 and 30 June 2020 and was a fully franked dividend of \$0.06 per Euroz Share (**2020 Dividend**).

Hartleys Shareholders should note that if they accept the Offers, they will not be entitled to the 2020 Dividend, unless they held Euroz Shares prior to 21 July 2020.

3.12 Further Information

Due to the fact that Euroz is offering Euroz Shares as consideration for the acquisition of Hartleys Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Euroz Shares under Sections 710 to 713 of the Corporations Act.

Euroz is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Euroz is subject to the ASX Listing Rules which require continuous disclosure of any information Euroz has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Euroz's file is available for inspection at ASX during normal business hours.

Euroz is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Euroz may be obtained from, or inspected at, an ASIC office.

On request to Euroz and free of charge, Hartleys Shareholders may obtain a copy of:

- (a) the annual financial report of Euroz for the year ended 30 June 2019 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- (b) any half-year financial report lodged with ASIC by Euroz after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by Euroz since the lodgement with ASIC of the 2019 annual report for Euroz referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements that Euroz has lodged with ASX since 30 June 2019 is set out below.

Date	Subject of Announcement
01/09/2020 18:59	Change in substantial holding
27/08/2020 14:47	Change of Director's Interest Notice x 4
20/08/2020 16:15	Appendix 4E and Full Year Statutory Accounts
18/08/2020 16:46	Form 604 x 2
10/08/2020 09:20	Change of Director's Interest Notice x 5
31/07/2020 08:15	Update – Dividend/Distribution - EZL
17/07/2020 19:26	Appendix 3B
17/07/2020 19:25	Euroz and Hartleys Sign Bid Implementation Agreement
15/07/2020 17:56	Dividend/Distribution – EZL
15/07/2020 17:38	Investor Presentation
15/07/2020 17:33	Unaudited Annual Results and Dividend
10/07/2020 11:56	Euroz – Hartleys Update
3/07/2020 17:15	Change of Directors Interest Notice x 7
25/06/2020 17:43	Change of Directors Interest Notice
24/06/2020 16:54	Change of Directors Interest Notice x 2
19/06/2020 17:34	Change of Directors Interest Notice x 3
19/06/2020 10:26	Reinstatement to Official Quotation
19/06/2020 10:25	Euroz and Hartleys Set to Join Forces / Trading Update
18/06/2020 09:08	Voluntary Suspension
16/06/2020 09:38	Trading Halt
20/04/2020 12:25	Change of Directors Interest Notice
9/04/2020 15:39	Investor Presentation
9/04/2020 15:36	Business Update
24/03/2020 18:21	Change of Directors Interest Notice x 2

18/03/2020 09:18	Prodigy Closure
13/03/2020 17:11	Trading Halt
21/02/2020 14:22	Change of Directors Interest Notice x 3
21/02/2020 14:03	Appendix 2A
17/02/2020 10:17	Update – Dividend/Distribution - EZL
14/02/2020 17:24	Half Yearly Report and Accounts
29/01/2020 14:54	Dividend/Distribution - EZL
29/01/2020 14:25	Trading Update and Interim Dividend
9/12/2019 14:50	On-Market Buy-Back
2/12/2019 16:46	Change of Directors Interest Notice
22/11/2019 18:49	Results of Meeting
22/11/2019 16:23	AGM Presentation
22/11/2019 16:15	Chairmans Address to Shareholders
23/10/2019 12:06	Notice of Annual General Meeting/Proxy Form
23/10/2019 11:51	Appendix 4G and Corporate Governance Statement
23/10/2019 11:40	Annual Report to shareholders
26/08/2019 16:34	Change of Directors Interest Notice
20/08/2019 15:15	Appendix 4G an Full Year Statutory Accounts
9/08/2019 16:14	Change in substantial share holding for WIC
7/08/2019 16:19	Change of Directors Interest Notice x 4
7/08/2019 09:36	Appendix 3B
31/07/2019 14:03	Update – Dividend/Distribution - EZL
16/07/2019 15:18	Dividend/Distribution - EZL
16/07/2019 15:01	Investor Presentation
16/07/2019 14:57	Unaudited Annual Results and Dividends
1/07/2019 10:01	Change of Director's Interest Notice x 7

Further information about Euroz can be found at (www.euroz.com).

4. PROFILE OF HARTLEYS

4.1 Disclaimer

This overview of Hartleys and all financial information concerning Hartleys contained in this Bidder's Statement has been prepared by Euroz using publicly available information and documents provided by Hartleys.

The information in this Bidder's Statement concerning Hartleys has not been independently verified by Euroz. Accordingly, Euroz does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Hartleys set out in this Bidder's Statement is not considered to be comprehensive.

4.2 Overview of Hartleys

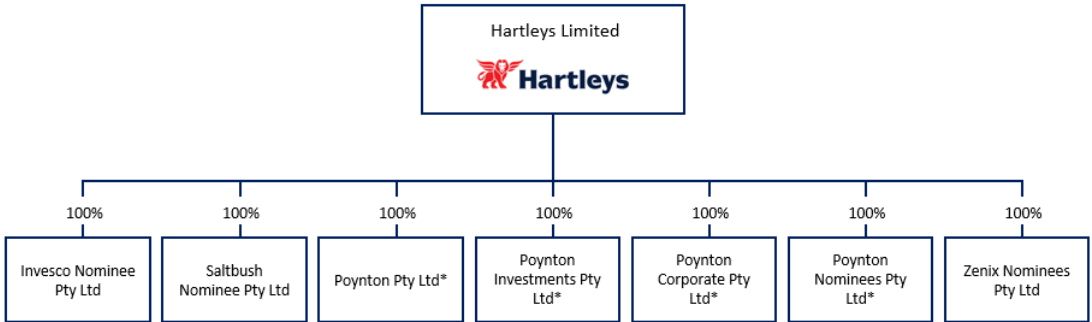
Hartleys is an unlisted Western Australian financial services company, established in 1955. In October 2003, the Hartleys staff completed a management buy-out of the Western Australian broking and corporate finance operations of Hartleys from the listed company, JDV Limited.

Hartleys currently provide a full spectrum of financial services, including:

- (a) Corporate Finance
- (b) Stockbroking;
- (c) Wealth management;
- (d) Institutional sales; and
- (e) Targeted research services.

4.3 Corporate Structure

According to documents provided by Hartleys, at the date of this Bidder's Statement, the corporate structure of Hartleys is set out below.



**Dormant*

4.4 Hartleys Board of Directors

According to documents provided by Hartleys and searches of statutory registers, at the date of this Bidder's Statement, the directors of Hartleys are:

- (a) Ian Parker –Chairman;
- (b) Charlie Ransom – Chief Executive Officer/Company Secretary;

- (c) Richard Simpson –Director;
- (d) Carrick Ryan –Director;
- (e) Dale Bryan –Director;
- (f) David Smyth –Director; and
- (g) John Featherby –Director.

4.5 Information about Hartleys Securities

According to documents provided by Hartleys, at the date of this Bidder's Statement, Hartleys' issued securities consist of the securities set out in the following table:

Securities	Number of Securities
Hartleys A Class Shares	7,941,607
Hartleys E Class Shares ¹	2,048,311

Notes:

1. The rights of Hartleys E Class Shares are set out in the Hartleys Constitution.

4.6 Substantial Shareholders of Hartleys

As at the date of this Bidder's Statement, so far as is known to Euroz, the following persons are substantial shareholders of Hartleys A Class Shares:

Hartleys Shareholder	Number of Hartleys Shares	% of Hartleys issued Share Capital
Richard Simpson	633,828	7.98%
John Featherby	613,586	7.73%
Ian Parker	476,893	6.00%
Carrick Ryan	432,254	5.44%

As at the date of this Bidder's Statement, so far as is known to Euroz, the following persons are substantial shareholders of Hartleys E Class Shares:

Hartleys Shareholder	Number of Hartleys Shares	% of Hartleys issued Share Capital
Dale Bryan	195,791	9.56%
Ben Crossing	155,765	7.60%
John Featherby	120,248	5.87%
Carrick Ryan	119,701	5.84%
David Smyth	115,853	5.66%
Justin Stewart	105,813	5.17%

4.7 Hartleys Historical Financial Information

The summary historical financial information for Hartleys is extracted from the full year annual financial report of Hartleys and its controlled entities for the year ended 30 June 2019 and the unaudited consolidated financial statements for the year ended 30 June 2020 and does not take into account the effect of the Offers.

Copies of Hartleys' annual reports from which the financial information was extracted can be obtained by contacting Hartleys' Company Secretary on +61 8 9268 2868.

Consolidated Statement of Financial Position of the Hartleys Group

	Consolidated			Company		
	2020	2019	2018	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Cash	28,669	23,746	29,447	28,869	23,746	29,447
Trade and other receivables	22,480	17,063	13,425	29,331	19,341	19,572
Receivables	6,851	2,278	6,147			
Prepayments	298	362	345	298	362	345
TOTAL CURRENT ASSETS	58,298	43,449	49,364	58,298	43,449	49,364
Property, plant and equipment	3,309	785	767	3,309	785	767
Intangible assets	371	425	444	371	425	444
Deferred tax asset	949	1,287	937	949	1,287	937
TOTAL NON-CURRENT ASSETS	4,630	2,497	2,148	4,630	2,497	2,148
TOTAL ASSETS	62,928	45,946	51,512	62,928	45,946	51,512
LIABILITIES						
Trade and other payables	25,358	18,423	15,201	25,358	18,423	15,201
Employee benefits	7,973	4,305	6,781	7,973	4,305	6,781
Interest bearing loans and borrowings	337	38	41	337	38	41
Income tax payable	927	-	867	927	-	867
TOTAL CURRENT LIABILITIES	34,595	22,766	22,890	34,595	22,766	22,890
Interest bearing loans and borrowings	2,537	81	-	2,537	81	-

	Consolidated			Company		
	2020	2019	2018	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefits	19	1	5	19	1	5
TOTAL NON-CURRENT LIABILITIES	2,556	82	5	2,556	82	5
TOTAL LIABILITIES						
	37,151	22,848	22,895	37,151	22,848	22,895
NET ASSETS						
	25,777	23,098	28,617	25,777	23,098	28,617
EQUITY						
Issued capital	12,445	12,445	12,445	12,445	12,445	12,445
Retained earnings	13,332	10,653	16,172	13,332	10,653	16,172
TOTAL EQUITY	25,777	23,098	28,617	25,777	23,098	28,617

4.8 Further information on Hartleys

Hartleys maintains a website, (www.hartleys.com.au), which contains further information about Hartleys and its operations.

Hartleys is an unlisted public company and, as such, is subject to regular financial reporting obligations under the Corporations Act. Hartleys is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Hartleys may be obtained by request from ASIC or by contacting Hartleys.

Further information about Hartleys is contained in its Target's Statement which accompanies this Bidder's Statement.

5. MERGED GROUP

5.1 Approach

This Section 5 provides an overview of Euroz and its subsidiaries following the acquisition by Euroz of all of the Hartleys Shares on issue and the effect of the Offers on Euroz and Hartleys.

5.2 Profile of the Merged Group

If the Offers become unconditional or are declared by Euroz to be free of all Conditions, Hartleys Shareholders who accepted the Offers will each receive:

- (a) 3.3033304 new Euroz Shares for every 1 Hartleys A Class Share; and
- (b) 3.3033304 new Euroz Shares for every 1 Hartleys E Class Share,

and thereupon, become economic owners of the Merged Group.

If Euroz becomes entitled to compulsorily acquire Hartleys Shares in accordance with Part 6A.1 of the Corporations Act, it will proceed with compulsory acquisition of those Hartleys Shares and all of Hartleys Shareholders will be shareholders in Merged Group, along with existing Euroz Shareholders.

5.3 Consideration

Under the Offers, Hartleys Shareholders will be issued 3.3033304 Euroz Shares for every 1 Hartleys A Class Share and 3.3033304 Euroz Shares for every 1 Hartleys E Class Share held implying a theoretical value of:

- (a) \$3.80 per Hartleys A Class Share, based upon a Euroz Share price of \$1.15, as it was at the close of trading on 17 July 2020, immediately prior to the execution of the Bid Implementation Agreement; and
- (b) \$3.80 per Hartleys E Class Share, based upon a Euroz Share price of \$1.15, as it was at the close of trading on 17 July 2020, immediately prior to the execution of the Bid Implementation Agreement.

Euroz Shares issued as consideration under the Offers will be issued on an ex-dividend basis in relation to the 2020 Dividend.

Based on the number of Hartleys Shares on issue on the day immediately prior to the date of this Bidder's Statement, up to 33,000,076 Euroz Shares could be issued as consideration under the Offers.

5.4 Effect of completion of the Offers

The Merged Group will have a stronger financial position with an unaudited pro forma cash position of approximately \$51.4 million and an \$64.8 million investment position immediately after Completion. The Merged Group will have nil debt.

Upon completion of the Offers, Euroz will remain an ASX-listed company, and Hartleys will become a subsidiary of Euroz. See Section 5.7 for the Merged Group corporate structure.

5.5 Effect of Offers on capital structure

The effect of the Offers on the capital of Euroz is set out below, assuming no other Euroz Shares are issued other than as contemplated by this Bidder's Statement.

	Shares
Current	162,518,242
Consideration Shares	33,000,076
TOTAL	195,518,318

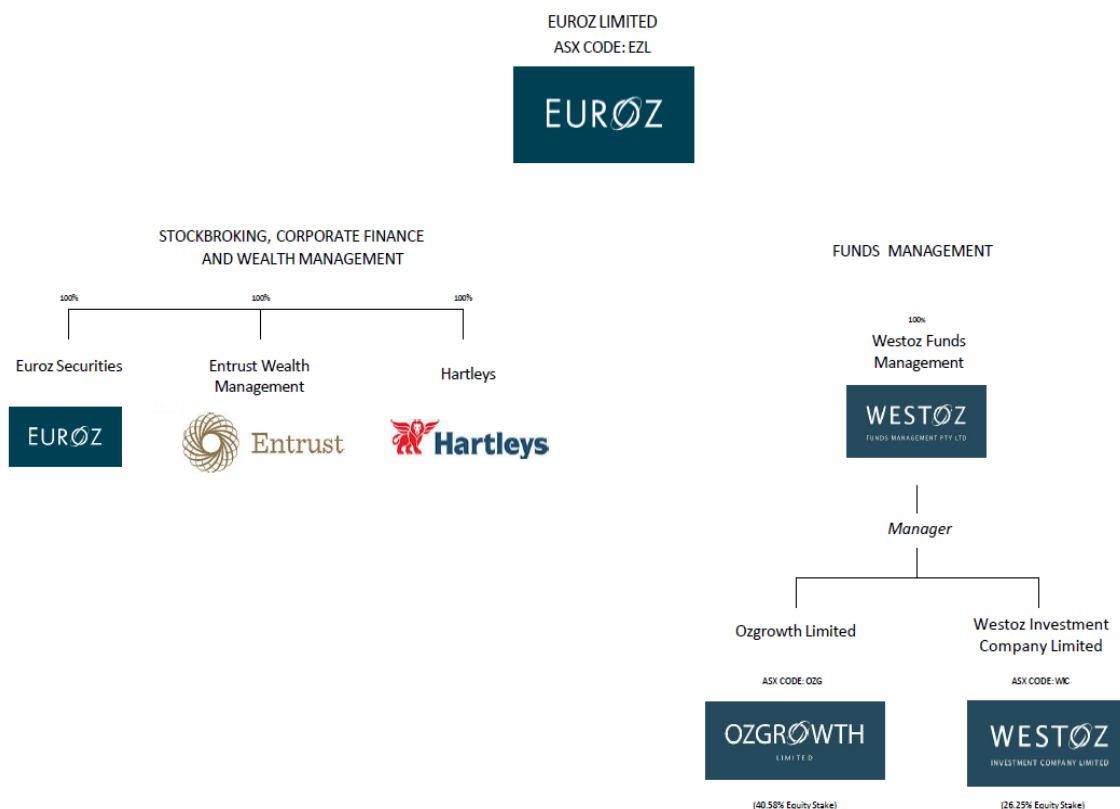
5.6 Substantial Shareholders

Following completion of the Offers, it is expected that the following persons and their Associates will be substantial shareholders of Euroz:

Holder	Shares	Percentage
Jay Hughes	13,145,676	6.72%
Andrew McKenzie	13,036,008	6.67%
Ice Cold Investments Pty Ltd	10,619,049	5.43%

5.7 Effect of Offers on corporate structure

At Completion, Euroz's corporate structure will be as follows:



5.8 Basis for preparation of the unaudited pro forma consolidated statement of financial position

The unaudited pro forma consolidated statement of financial position has been prepared in connection with the Offers. The unaudited pro forma consolidated statement of financial position has been prepared for illustrative purposes only and gives effect to the Offers pursuant to the assumptions described in Section 5.9. The unaudited pro forma consolidated statement of financial position as at 30 June 2020 gives effect to the Offers as if it had occurred as at that date.

The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position that would have been achieved if the transaction had been completed on the dates or for the periods presented, nor do they purport to project the results of operations or the financial position of the consolidated entities for any future period or as of any future date. The unaudited pro forma consolidated statement of financial position does not reflect any special items such as integration costs or operating synergies that may be incurred or achieved as a result of the acquisition.

The pro forma adjustments and allocations of the purchase price for the proposed acquisition of Hartleys is based on a preliminary determination that the fair value of net assets acquired will be allocated to Euroz. The final purchase price allocation will be completed after the transaction is complete.

The unaudited pro forma consolidated statement of financial position has been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS).

5.9 Effect of transaction on the unaudited pro forma statement of financial position

The pro forma consolidated statement of financial position in relation to Euroz's proposed acquisition of Hartleys incorporates the assumptions that the Euroz share price is \$1.16 (rounded to 2 decimal places) based on the closing price of Euroz shares on the ASX on 1 September 2020 and Hartleys have distributed its surplus assets via cash dividend and capital return.

	EUROZ AUDITED 30 JUNE 2020	HARTLEYS UNAUDITED 30 JUNE 2020	ADJUSTMENTS ON COMPLETION	PROFORMA
	\$	\$	\$	\$
CURRENT ASSETS				
Cash	41,106,390	10,278,342	-	51,384,732
Receivables	2,368,924	22,479,769	-	24,848,694
Investments - House	7,164,665	-	-	7,164,665
Other current assets	1,418,940	298,420	-	1,717,360
Current tax receivable	-	-	-	-
TOTAL CURRENT ASSETS	52,058,919	33,056,531	-	85,115,451
NON-CURRENT ASSETS				
Long term receivable	5,216,699	-	-	5,216,699
Investments	599,790	-	-	599,790

	EUROZ AUDITED 30 JUNE 2020	HARTLEYS UNAUDITED 30 JUNE 2020	ADJUSTMENTS ON COMPLETION	PROFORMA
	\$	\$	\$	\$
Investment in subsidiaries and associates	56,998,090	14	-	56,998,104
Right of Use Asset	4,556,399	-	-	4,556,399
Fixed Assets	472,987	3,309,080	-	3,782,067
Deferred Tax Asset	9,464,820	782,654	-	10,247,474
Intangible asset	9,798,785	371,964	34,805,662	44,976,411
TOTAL NON-CURRENT ASSETS	87,107,569	4,463,711	34,805,662	126,376,943
TOTAL ASSETS	139,166,489	37,520,243	34,805,662	211,492,394
CURRENT LIABILITIES				
Trade and other payables	3,639,785	28,111,177	-	31,750,962
Current tax liabilities	2,548,489	761,129	-	3,309,617
Short term provisions	13,090,873	2,280,634	-	15,371,506
Right of Use Liability	879,399	110,959	-	990,358
TOTAL CURRENT LIABILITIES	20,158,545	31,263,899	-	51,422,444
NON-CURRENT LIABILITIES				
Deferred tax liabilities	946,875	-	-	946,875
Long term provisions	72,656	19,396	-	92,052
Right of Use Liability	3,653,898	2,762,520	-	6,416,418
TOTAL NON-CURRENT LIABILITIES	4,673,429	2,781,916	-	7,455,346
TOTAL LIABILITIES	24,831,974	34,045,816	-	58,877,790
NET ASSETS	114,334,514	3,474,427	34,805,662	152,614,604
EQUITY				
Issued Capital	102,167,441	2,925,832	35,354,258	140,447,530
Reserves	4,869,666	-	-	4,869,666
Retained earnings	7,267,597	548,596	(548,596)	7,267,597
Non-Controlling Interest	29,811	-	-	29,811
TOTAL EQUITY	114,334,514	3,474,427	34,805,662	152,614,604

As described in Section 2.1 and detailed in the Target's Statement, Euroz has consented to Hartleys making the Permitted Distribution prior to the transfer of any Hartleys Shares under the Offers. The aggregate amount of the Permitted Distribution is yet to be determined but is expected to be in the order of \$2.00 per Hartleys Share. If it proceeds, this Permitted Distribution will reduce the cash and cash equivalent assets held by Hartleys by an amount equivalent to the amount distributed to Hartleys Shareholders. Hartleys Shareholders should refer to the Notice of Meeting for further details regarding the proposed Permitted Distribution.

5.10 Outlook for the Merged Group

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Euroz, Hartleys or the Merged Group.

Euroz has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Merged Group. However, the Euroz Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Merged Group.

6. INTENTIONS OF EUROZ

6.1 Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Euroz's current expectations and predictions about future events including Euroz's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Euroz, Hartleys and the Merged Group to differ materially from the expectations and predictions, express or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of Euroz, its officers, the persons named in this Bidder's Statement with their consent or the persons involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and opinions as at the date of this Bidder's Statement.

6.2 Euroz's Intentions Regarding Hartleys

(a) Overview

Subject to the below, it is the present intention of Euroz, on the basis of the information concerning Hartleys which is known to Euroz and the existing circumstances affecting the business of Hartleys, that:

- (i) the business of Hartleys will otherwise be continued in substantially the same manner as it is presently being conducted;
- (ii) no other major changes will be made to the business of Hartleys;
- (iii) there will not be any redeployment of the fixed assets of Hartleys; and
- (iv) the present employees of Hartleys (with the exception of 4 employees who will be made redundant or retire) will otherwise continue to be employed by Hartleys pending a review of the circumstances of the Euroz operations post Completion.

The current intentions of Euroz may change in light of material facts and circumstances at the relevant time.

(b) Intentions Upon Acquisition of 90% or More of Hartleys

Under the Bid Implementation Agreement, it was agreed the Minimum Acceptance Condition may not be waived by Euroz without Hartleys' prior written consent.

Accordingly, if the Minimum Acceptance Condition is not satisfied or waived with Hartleys' consent, the Offers will lapse and Euroz will not proceed to acquire Hartleys.

If the Minimum Acceptance Condition and the Amendment to Constitution Condition are satisfied (and given that the Employment Condition has been satisfied at the date of this Bidder's Statement), then subject to no other Conditions being breached or otherwise becoming incapable of being satisfied, Euroz must immediately waive all outstanding Conditions and must exercise its rights of compulsory acquisition in accordance with the Corporations Act.

If, as a result of the Offers, Euroz becomes entitled to compulsorily acquire outstanding Hartleys Shares in accordance with Part 6A.1 of the Corporations Act, it will proceed with the compulsory acquisition of those Hartleys Shares.

Euroz then intends to undertake the steps outlined in 6.2(a) above.

7. AUSTRALIAN TAX CONSIDERATIONS

7.1 Overview

The following is a general summary of the Australian income tax, GST and duty considerations for Hartleys Shareholders who accept the Offers.

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and duty implications that could apply to Hartleys Shareholders who accept the Offers. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

Only Hartleys Shareholders who are individuals, complying superannuation funds and corporate shareholders that hold their Hartleys Shares on capital account have been considered in this summary. In particular, this summary is not intended to cover Hartleys Shareholders who:

- (a) are exempt from Australian income tax;
- (b) hold their Hartleys Shares on revenue account or as trading stock;
- (c) are partnerships or persons that are partners of such partnerships;
- (d) acquired their Hartleys Shares under an employee share scheme or similar employee incentive plan; or
- (e) are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 in relation to gains and losses on their Hartleys Shares.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of accepting the Offers based upon Australian taxation law and administrative practice in effect as at the date of this Bidder's Statement. It does not consider any specific facts or circumstances that may apply to Hartleys Shareholders. As the tax consequences of accepting the Offer depend on each Hartleys Shareholder's individual circumstances, all Hartleys Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of accepting the Offer according to their own particular circumstances.

7.2 Australian Tax Resident Shareholders

This Section 7 applies to Hartleys Shareholders who accept the Offer and are residents of Australia for Australian income tax purposes that hold their Hartleys Shares on capital account.

(a) Capital Gains Tax Event

By accepting the Offer, Hartleys Shareholders will dispose of their Hartleys Shares to Euroz in exchange for the Consideration Shares, comprising Euroz Shares. The disposal of the Hartleys Shares to Euroz will give rise to a CGT event. The time of the CGT event should be the date the Hartleys Shares are disposed of, which will be the date that Hartleys Shareholders enter into a contract with Euroz.

If a Hartleys Shareholder does not accept the Offer and their Hartleys Shares are compulsorily acquired in accordance with Part 7A.1 of the Corporations Act, the date of disposal for CGT purposes will be the date when Euroz becomes the owner of the Hartleys Shares.

In the absence of CGT roll-over relief, the following tax consequences are expected to arise for Hartleys Shareholders:

- (i) a capital gain will be realised to the extent the capital proceeds received by Hartleys Shareholders from the disposal of their Hartleys Shares exceed the cost base of those Hartleys Shares; or
- (ii) a capital loss will be realised to the extent the capital proceeds received by Hartleys Shareholders from the disposal of their Hartleys Shares are less than the reduced cost base of those shares.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules apply to companies to limit their availability in future years in certain circumstances. Hartleys Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) **CGT Scrip for Scrip Roll-over Relief**

Euroz undertakes to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief under Subdivision 124-M of the Income Tax Assessment Act 1997 is available to Hartleys Shareholders who accept the Offers made to them (including acquiring the required percentage of Hartleys Shares and not making any election under section 124-795(4) for the rollover not to apply).

Hartleys Shareholders who make a capital gain from the disposal of their Hartleys Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). CGT scrip for scrip roll-over relief enables Hartleys Shareholders to disregard the capital gain they make from the disposal of their Hartleys Shares under the Offers.

Broadly, for roll-over relief to be available, Euroz must become the owner of 80% or more of the Hartleys Shares under the Offers and Hartleys Shareholders must make a capital gain on the disposal of their Hartleys Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

Hartleys Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(c) **Consequences of Choosing CGT Scrip for Scrip Roll-over Relief**

If a Hartleys Shareholder chooses to obtain CGT scrip for scrip roll-over relief, the capital gain arising on the disposal of their Hartleys Shares under the Offers should be disregarded.

Further, the first element of the cost base for the Euroz Shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the Hartleys Shares exchanged under the Offers. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the Euroz Shares is taken to be the date when the Hartleys Shareholder originally acquired their Hartleys Shares.

(d) **Consequences if CGT Scrip for Scrip Roll-over Relief is not available or is not chosen**

If a Hartleys Shareholder does not qualify for CGT scrip for scrip roll-over relief or does not choose to obtain CGT scrip for scrip roll-over relief, the general CGT treatment outlined above at Section 7.2(a) will apply.

If a Hartleys Shareholder makes a capital loss from the disposal of their Hartleys Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset against capital gains arising in earlier income years.

(e) **Capital Proceeds**

The capital proceeds on the disposal of the Hartleys Shares should be equal to the Consideration Shares received by Hartleys Shareholders.

The capital proceeds will be equal to the market value of the Euroz Shares received by Hartleys Shareholders at the time they are issued to the relevant Hartleys Shareholder.

(f) **Cost Base and Reduced Cost Base of a Hartleys Share**

The cost base of a Hartleys Share will generally be equal to the cost of acquiring the Hartleys Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Hartleys Share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base may exist depending on the Hartleys Shareholder's particular individual circumstances. The cost base and reduced cost base of each Hartleys Share will depend on the individual circumstances of each Hartleys Shareholder.

(g) **CGT Discount**

The CGT Discount may apply to Hartleys Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Hartleys Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Hartleys Shares.

The CGT Discount is:

- (i) one-half if the Hartleys Shareholder is an individual or trustee; meaning only 50% of the capital gain will be included in assessable income; and

- (ii) one-third if the Hartleys Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income.

The CGT Discount is not available to Hartleys Shareholders that are companies.

If a Hartleys Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the Hartleys Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

7.3 GST

No GST will be payable by Hartleys Shareholders on the acquisition of their Hartleys Shares by Euroz under the Offers, or on the receipt of Euroz Shares as consideration for acceptance of the Offers. Hartleys Shareholders who are registered for GST may not be entitled to input taxed credits (or only entitled to reduced input taxed credits) for any GST incurred on costs associated with the disposal of their Hartleys Shares.

7.4 Duty

No Australian duty should be payable by Hartleys Shareholders on the acquisition of their Hartleys Shares by Euroz under the Offers, or on the receipt of Euroz Shares as consideration for acceptance of the Offers.

8. RISK FACTORS

8.1 Overview

The business activities of Euroz and the Merged Group are subject to various risks that may impact on the future performance of Euroz and the Merged Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Euroz and the Merged Group and cannot be mitigated.

If the Offers become unconditional, Hartleys Shareholders who accept the Offers will become Euroz Shareholders. In those circumstances, Hartleys Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Hartleys as a result of their indirect interest in Hartleys through Euroz;
- (b) be exposed to the risks which are specific to an investment in Euroz; and
- (c) be exposed to additional risks relating to the Offer and the Merged Group.

The principal risk factors are explained below. These risks are not intended to be an exhaustive list of the risk factors to which Euroz and the Merged Group are exposed.

Hartleys Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offers. This Section 8 has been prepared without taking into account the individual financial objectives, financial situation and particular needs of Hartleys Shareholders.

An investment in the Merged Group carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative.

By accepting the Offers, Hartleys Shareholders will be investing in Euroz.

8.2 Risks Relating to the Offers

(a) Contractual and Completion risk

Pursuant to the Bid Implementation Agreement Euroz has agreed to acquire the Hartleys Shares subject to the fulfilment of certain Conditions. The ability of Euroz to achieve its stated objectives will depend on the performance by the parties of their obligations under the Bid Implementation Agreement. If any party defaults in the performance of their obligations, it may be necessary for Euroz to approach a court to seek a legal remedy, which can be costly, or mean that Euroz cannot complete or be able to complete the Offers.

(b) Transaction Completion risk

Euroz seeks to acquire 100% of the issued capital of Hartleys by way of the Offers. The Offers are subject to Conditions including a 90% minimum acceptance condition which may not be waived without the prior written consent of Hartleys. If any of the Conditions are not satisfied or waived, or any of the counterparties do not comply with their obligations, Completion may be deferred or not occur. Failure to complete the Offers may adversely impact Euroz's financial condition and level of operations.

(c) **Transaction Due Diligence Risk**

Euroz and its advisers have performed certain pre-acquisition due diligence on Hartleys. While Euroz has obtained certain warranties from Hartleys under the Bid Implementation Agreement with respect to information provided by Hartleys, there is a risk that the due diligence conducted has not identified issues that would have been material to the decision by Euroz to acquire Hartleys. A material adverse issue which was not identified prior to Euroz's acquisition of Hartleys could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on Euroz.

(d) **Issue of Euroz Shares as consideration**

Hartleys Shareholders are being offered specific quantities of Euroz Shares as consideration under the Offers. As a result, the value of the consideration will fluctuate depending upon the market value of Euroz Shares at any given time. Accordingly, the market value of the Euroz Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offers.

(e) **Rollover Relief**

A condition of the Offers is that the level of acceptance must result in Euroz obtaining a Relevant Interest in more than 90% of all Hartleys Shares, so as to entitle Euroz to proceed to compulsory acquisition of any minority holdings of Hartleys Shares.

If Euroz acquires a Relevant Interest in at least 90% of Hartleys Shares, then it is expected that Hartleys Shareholders will be eligible for capital gains tax rollover relief. In this regard, Euroz has undertaken in favour of Hartleys to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Hartleys Shareholders who accept the Offers made to them

If Euroz does not acquire a Relevant Interest in at least 90% of Hartleys Shares and this Minimum Acceptance Condition is not waived with Hartleys' prior written consent, then the Offers will not be successful and Hartleys Shareholders will not dispose of their Hartleys Shares under the Offers.

However, in circumstances if this Minimum Acceptance Condition is not satisfied and Euroz and Hartleys still want the Offers to proceed, then it is not certain whether scrip-for-scrip CGT rollover relief will be available to Hartleys Shareholders as it will depend upon the ultimate Relevant Interest that Euroz acquires in Hartleys.

Hartleys Shareholders should refer to Section 7 for further details regarding the availability of scrip-for-scrip CGT rollover relief.

(f) **Sale of Euroz Shares**

Under the Offers, Euroz will issue a significant number of new Euroz Shares. Some holders of Euroz Shares may not intend to continue to hold their Euroz Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Euroz Shares.

8.3 Specific Risks Relating to Euroz (and the Merged Group)

(a) **Concentrated Equity Exposure**

Euroz has a relatively concentrated investment portfolio, focussed on small- to mid-cap companies connected to Western Australia.

To the extent that Euroz has an interest in an individual entity, it will be exposed to the risk factors particular to that entity. In turn, it is necessary to consider the specific risk factors, including operational, financial and regulatory risks, that may cause an individual investment of Euroz to fall in value. This is particularly important for those entities in which Euroz has a significant ownership stake.

(b) **Licensing Requirements**

The ability of Euroz to continue to manage its portfolio is dependent upon the maintenance of an Australian financial services licence. The maintenance of this licence will depend upon compliance with the Corporations Act and licence conditions imposed by ASIC.

(c) **Gearing and Derivatives**

An investment may be geared through the use of derivatives or otherwise. It is important to consider the extent to which the portfolio is geared. A higher rate of gearing has the capacity to expose the portfolio to greater fluctuations in its returns. It is relevant to note that the portfolio manager may incorporate derivatives into the portfolio.

(d) **Reliance on Key Personnel**

The loss of key personnel within Euroz may have an adverse impact on Euroz. It is important to note that Euroz has sought to put in place systems to mitigate the risk of losing key personnel.

(e) **Absolute Performance versus Relative Performance**

It is the objective of Euroz to show positive returns on its investment regardless of the underlying movement in value of the Australian share market. With such an objective, the portfolio value may not change in line with the overall movements in the market and its performance may differ significantly from funds that seek to measure performance against the broader share market.

The past performance of funds managed by Euroz is not necessarily a guide to the future performance of Euroz.

(f) **Financial Market Regulation**

Changes in market regulations may limit Euroz's capacity to trade and adjust its portfolio. Additionally, increased disclosure and compliance costs may decrease returns.

(g) **Economic Risks**

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on Euroz's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of Euroz's securities regardless of Euroz's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(h) **AFCA Complaints**

On 24 July 2020, Euroz received correspondence from the Australian Financial Complaints Authority (**AFCA**). The AFCA correspondence stated that 3 complaints had been made against Euroz (**AFCA Complaints**) by a group of related parties. Euroz believes that the AFCA Complaints relate to a potential monetary value of approximately \$1.4 million. Euroz has engaged independent legal advice on the matter, and is defending the AFCA Complaints.

Whilst Euroz does not believe that the AFCA Complaints have merit and will not result in judgement against them by AFCA, there is no guarantee that the complaint will result in a favourable judgement for Euroz.

Euroz may be involved in disputes with these or other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Euroz's operations, financial performance and financial position.

(i) **Disputes**

The activities of Euroz may result in disputes with third parties, including, without limitation, Euroz's investors, counterparties, competitors, regulators, partners, distributors, directors, officers and employees, suppliers, licensors and service providers. Euroz may incur substantial costs in connection with such disputes.

(j) **Information Technology (IT) risks, privacy and cyber-crime**

Euroz relies on significant IT infrastructure and systems and the efficient and uninterrupted operation of that infrastructure. Euroz's core systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication providers' failure or human error. These events may cause one or more of Euroz's IT infrastructure to become unavailable.

Any interruptions to these operations would impact the ability to operate and could result in business interruption, the loss of revenue, damaged reputation and weakening of competitive position and could therefore adversely affect operating and financial performance.

Through the ordinary course of its business, Euroz may be exposed to cyber-attacks. Cyber-attacks may lead to a compromise or even breach of the technology platforms used to protect confidential information and to operate its core functions. It is possible that the measures taken (including firewalls, encryption of client data, a privacy policy and policies to restrict access to data to authorised employees) will not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information, whether malicious or inadvertent.

There is a risk that, if a cyber-attack is successful, any data security breaches or an inadvertent failure to protect confidential information could result in a loss of information integrity, breaches of obligations under applicable laws or client agreements, system outages and the hacking of digital assets and/or systems. Each of these may potentially have a material adverse impact on functionality, reputation and financial performance.

Failure to appropriately address security risks around external threats to the digital network, IT systems and data (including personal information) could result in the interruption of core activities, the potential loss of intellectual property or a personal information data breach.

In the period leading up to lodgement of this Bidder's Statement, Hartleys notified Euroz of a cyber-attack in relation to its IT and data storage systems, which included a demand for a ransom payment. Hartleys has successfully restored its systems (including all business-critical data) from a backup, other than data contained within its SharePoint system, and some data from July and August 2020 which was not backed up or encrypted. The SharePoint system contained Hartleys client information (including possible personal data). While the inaccessible data may not affect Hartleys current functionality, such data may be required to ensure that Hartleys is compliant with its legal and regulatory obligations.

Hartleys has notified ASIC and the ASX in relation to this matter. There is a risk of potential action by ASIC or another Government Authority against Hartleys for potential breaches of legislation including the *Privacy Act 1988 (Cth)*. Hartleys has contacted its insurers and is seeking independent legal advice as appropriate. There remains a risk that insurance may be denied against claims arising from regulatory breaches or ransom payments depending on the outcome of a forensic analysis of the cyber-attack. Euroz confirms that the occurrence of this cyber-attack has not resulted in a breach of any of the Conditions (as at the date of this Bidder's Statement).

8.4 General Risks Relating to the Merged Group

(a) Risk of High Volume of Sale of Securities in Euroz

If the Offers are successfully completed, Euroz will have issued a significant number of new Euroz Shares to various parties. Some of the Hartleys Shareholders as a result of the Offers may not intend to continue to hold those Euroz Shares and may wish to sell them on ASX (subject to any applicable trading restrictions and Euroz's share trading policies). There is a risk that an increase in the amount of people wanting to sell Euroz Shares may adversely impact on the market price of Euroz's securities.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Hartleys Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price at the date of this Bidder's Statement.

(b) **Trading Price of Euroz Shares**

The Merged Group's credit quality, operating results, economic and financial prospects and other factors may affect the trading price of the Euroz Shares. In addition, the price of Euroz Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including commodity price fluctuations, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Euroz Shares. No assurances can be made that Euroz's market performance will not be adversely affected by any such market fluctuations or factors.

(c) **Additional Requirements for Capital**

The capital requirements of the Merged Group depend on numerous factors. Future equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

9. ADDITIONAL INFORMATION

9.1 Hartleys Board Recommendation

The Hartleys Board have unanimously recommended that Hartleys Shareholders accept the Offers subject to there being no Superior Proposal. The directors of Hartleys have indicated that they will accept the Offers in respect of all Hartleys Shares they own or control, subject to there being no Superior Proposal.

9.2 Bid Implementation Agreement

On 17 July 2020, Euroz and Hartleys entered into the Bid Implementation Agreement pursuant to which Euroz made a conditional off-market offer for all the Hartleys Shares on issue. The conditions of the Offers are set out in Section 8 of Annexure A.

A full copy of the Bid Implementation Agreement was lodged with the ASX on 17 July 2020 and can be obtained from Euroz's website (www.euroz.com) or on Euroz's profile on the ASX's website at (www.asx.com.au).

9.3 Exclusivity

Under the Bid Implementation Agreement, Euroz and Hartleys have agreed to an exclusivity period commencing 17 July 2020 until the earlier of Completion, termination of the Bid Implementation Agreement or the date that is 5 months after the date of the Bid Implementation Agreement (unless otherwise agreed in writing), during which neither party may solicit other proposals without the other party's consent and must notify each other if a competing proposal is received. In the event that a competing proposal is received by Hartleys which is superior to the Offers, Euroz will have an opportunity to vary the terms of the Offers to match or better such a Superior Proposal.

9.4 Reconstitution of the Euroz Board

Under the Bid Implementation Agreement, Euroz and Hartleys agreed that two (2) Hartleys nominees would be appointed to the Euroz Board, and four (4) existing Euroz Directors would resign, upon successful completion of the Offers. Consequently, it is proposed that Anthony Brittain, Greg Chessell, Russell Kane and Simon Yeo will step down from the Euroz Board and the following Proposed Directors will join the Euroz Board upon successful completion of the Offers:

- (a) Richard Simpson – Executive Director; and
- (b) Ian Parker – Executive Director.

9.5 Status of Conditions

The conditions of the Offers are set out in Section 8 of Annexure A (**Conditions**). Euroz will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Euroz is not aware of any events which have occurred which would result in a breach or inability to satisfy the Conditions.

Euroz will give a notice of the status of the Conditions in accordance with the Corporations Act on 2 October 2020 (subject to extension if the Offer Period is extended).

9.6 Official Quotation

Euroz will lodge an application for admission to Official Quotation of all Euroz Shares issued as the Consideration.

As Euroz is listed on ASX, Euroz's actions and activities are subject to the ASX Listing Rules.

9.7 Expenses of the Offers

Euroz estimates it will incur fees for services provided in connection with the Offers and associated transactions and documentation, including for legal, taxation, financial advisers, share register and ASX and other professional fees, in the amount of approximately \$269,264 (excluding GST).

Estimated expenses of the Offers	(\$)
ASIC lodgement fee	5,264
Legal expenses	210,000
Printing, mailing and other expenses	16,000
ASX listing fees ¹	38,000
TOTAL	\$269,264

Notes:

1. This figure assumes 33,000,076 new Euroz Shares are to be quoted.

9.8 Interests and Benefits Relating to the Offers

(a) Interests

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (i) Director or Proposed Director of Euroz;
- (ii) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (iii) promoter of Euroz; or
- (iv) broker or underwriter in relation to the issue of Euroz Shares pursuant to the Offers or financial services licensee named in this Bidder's Statement as being involved in the issue of Euroz Shares,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (v) the formation or promotion of Euroz;
- (vi) any property acquired or proposed to be acquired by Euroz in connection with its formation or promotion or in connection with the offer of Euroz Shares under the Offers; or
- (vii) the offer of Euroz Shares under the Offers.

(b) **Disclosure of Fees and Benefits Received by Certain Persons**

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a Director or Proposed Director of Euroz to induce them to become, or to qualify as, a Director of Euroz; or
- (ii) for services provided by a Director or Proposed Director of Euroz in connection with the formation or promotion of Euroz or the offer of Euroz Shares under the Offers.

9.9 Euroz's Interest in Hartleys Shares

As at the date of this Bidder's Statement:

- (a) Euroz has no voting power in Hartleys; and
- (b) Euroz has no Relevant Interest in Hartleys Shares.

Immediately before the first Offers are sent:

- (a) Euroz will have no voting power in Hartleys; and
- (b) Euroz will have no Relevant Interest in Hartleys Shares.

9.10 Acquisitions of Hartleys Shares by Euroz and its Associates

(a) **Previous 4 months**

Neither Euroz nor any Associate of Euroz has provided, or agreed to provide, consideration for Hartleys Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement.

(b) **Period before Offers**

Neither Euroz nor any Associate of Euroz will provide, or agree to provide, consideration for Hartleys Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offers.

9.11 No Escalation Agreements

Neither Euroz nor any Associate of Euroz has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

9.12 Collateral Benefits

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Euroz nor any Associate of Euroz gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offers; or
- (b) dispose of their Hartleys Shares,

and which is not offered to all holders of Hartleys Shares under the Offers.

9.13 Disclosure of Interests of Directors and Proposed Directors

The Relevant Interests of each of the Directors in Euroz securities as at the date of this Bidder's Statement are set out below:

Director	Euroz Shares	% of Euroz Issued Capital
Anthony Brittain ¹	643,633	0.40
Andrew McKenzie ²	13,036,008	8.02
Greg Chessell ³	5,067,695	3.12
Jay Hughes ⁴	13,134,676	8.08
Robert Black ⁵	4,675,000	2.88
Russell Kane ⁶	3,506,647	2.16
Simon Yeo ⁷	4,965,000	3.06
TOTAL	45,039,659	27.72%

Notes:

1. Comprising 385,803 Shares held by Anthony Brittain and 257,839 Shares subject to vesting conditions under the Euroz Performance Rights Plan.
2. Comprising 1,626,240 Shares held by Attrition Holdings Pty Ltd, 5,950,000 Shares held by Mrs Catherine McKenzie, 4,693,554 Shares held by Mr A McKenzie & Mrs C McKenzie <A W McKenzie Super Fund>, 120,538 Shares held by Newpak Investments Pty Ltd and 645,676 Shares subject to vesting conditions under the Euroz Performance Rights Plan.
3. Comprising 2,142,393 Shares held by Mr Gregory & Mrs Melanie Chessell <Greg Chessell Super Fund A/C>, 2,070,272 Shares held by Melanie Chessell, 511,318 Shares held by Gregory Chessell <F/Fund A/C> and 343,712 Shares subject to vesting conditions under the Euroz Performance Rights Plan.
4. Comprising 1,660,000 Shares held by Inkese Pty Ltd, 3,240,000 Shares held by Mr Jay Hughes & Mrs Linda Hughes <Inkese Super Fund>, 7,600,000 Shares held by Mr Jay Hughes <Inkese Family Account> and 645,676 Shares subject to vesting conditions under the Euroz Performance Rights Plan.
5. Comprising 1,224,112 Euroz Shares held by Black Magic Enterprises Pty Ltd <RH Black Super Fund A/C>, 2,896,354 Shares held by Mr Robert Black and 554,534 Shares held subject to Vesting Conditions under the Euroz Performance Rights Plan.
6. Comprising 750,000 Shares held by Russell Kane, 2,264,866 Shares held by Mrs Catherine Elizabeth Kane, 5,000 Shares held by Mr Russell Kane <Arianne Elizabeth Kane>, 5,000 Euroz Shares held by Mr Russell Kane <Sarl Alexandra Kane>, 10,000 Euroz Shares held by Starglobal Corporation Pty Ltd <CAS A/C> and 408,006 Shares subject to vesting conditions under the Euroz Performance Rights Plan.
7. Comprising 2,442,028 Shares held by Simon Yeo & Jennifer Yeo <The Cape Super Fund A/C>, 2,150,000 Shares held by Simon & Jennifer Yeo <The Cape Investment A/C> and 372,972 Shares subject to vesting conditions under the Euroz Performance Rights Plan.

The Proposed Directors' Relevant Interests in Hartleys securities, as at the date of this Bidder's Statement, are set out below.

Name	Hartleys A Class Shares	Hartleys E Class Shares
Richard Simpson	633,828	38,692
Ian Parker	476,893	70,995

The Hartleys Board have approved that Mr Ian Parker (Chairman) and Mr Richard Simpson (Director) will receive an aggregate payment of \$500,000 in connection with the successful completion of the Offers as a result of services provided by each of them in relation to the Offers.

The Directors of Euroz do not have any interests in Hartleys securities as at the date of this Bidder's Statement.

9.14 Fees and Benefits of Directors and Proposed Directors

No Director fees are paid to Executive Directors. The Constitution of Euroz provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by Euroz in general meeting, to be divided among the non-executive Directors and in default of agreement then in equal shares. The current sum payable to non-executive Directors is \$150,000 per annum.

The annual remuneration (inclusive of superannuation) of the Euroz Directors for the two financial years ended 30 June 2018 and 30 June 2019 are as follows!:

Director	FY	Salary, fees, leave & other benefits (\$)	Profit Share/bonus	Super-annuation (\$)	Performance Rights	TOTAL (\$)
Andrew McKenzie	2018	276,894	487,500	25,000	104,375	893,769
	2019	265,071	281,250	25,000	120,313	691,634
Jay Hughes	2018	243,227	487,500	24,087	104,375	859,189
	2019	275,461	281,250	25,000	120,313	702,024
Greg Chessell	2018	267,529	217,500	20,049	51,250	556,328
	2019	272,430	127,500	20,531	57,500	477,961
Russell Kane	2018	272,672	446,250	20,049	82,500	821,471
	2019	268,022	180,000	25,000	91,250	564,272
Simon Yeo	2018	275,193	228,750	20,049	60,000	583,992
	2019	274,636	142,500	20,531	65,625	503,292

Director	FY	Salary, fees, leave & other benefits (\$)	Profit Share/bonus	Super-annuation (\$)	Performance Rights	TOTAL (\$)
Robert Black	2018	271,271	375,000	20,049	83,438	749,758
	2019	271,554	270,000	20,531	99,063	661,148
Anthony Brittain	2018	268,425	168,750	25,000	40,000	502,175
	2019	268,755	93,750	25,000	43,438	430,943

Notes:

1. The Directors did not receive any Director fees.

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of Euroz and other miscellaneous expenses.

The remuneration of Directors is reviewed annually by Euroz.

9.15 Restricted Securities

The Offers are subject to the Employment Condition, which requires each of the Hartleys employees (who are also Hartleys Shareholders but excluding any agreed redundancies and retirements) to enter into Restriction Deeds with Euroz, with the effect that:

- (a) 12% of the Euroz Shares to be received by the relevant Hartleys Shareholder under the Offers will be subject to a voluntary escrow period of 42 months from the date the Offers are declared unconditional; and
- (b) a further 12% of the Euroz Shares to be received by the relevant Hartleys Shareholder under the Offers will be subject to a voluntary escrow period of 46 months from the date the Offers are declared unconditional.

The remainder of the Euroz Shares to be received by the relevant Hartleys Shareholder under the Offers will not be subject to any voluntary escrow restrictions.

The Euroz Shares that are subject to these voluntary escrow arrangements may (whilst they remain subject to these voluntary escrow restrictions) be forfeited in certain circumstances relating to the resignation or termination of the relevant Hartleys' employee's employment with Euroz for cause. The escrow restrictions will however immediately be lifted in the event that the relevant Hartleys employee is made redundant or has their employment terminated by Euroz for reasons other than for cause.

The Employment Condition has been satisfied as at the date of this Bidder's Statement.

9.16 Material Litigation

Euroz is not aware of any instituted or threatened litigation, or other legal proceedings in relation to Euroz.

9.17 Expiry Date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

9.18 Date for Determining Holders

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

9.19 Other Material Information

There is no other information material to the making of a decision by a holder of Hartleys Shares whether or not to accept the Offers being information that is known to Euroz and which has not previously been disclosed to Hartleys Shareholders other than as is contained elsewhere in this Bidder's Statement.

9.20 Consents

Each of the parties referred to in this Section 9.20:

- (a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.20; and
- (b) has not caused or authorised the issue of this Bidder's Statement.

Each of the following has consented to being named in this Bidder's Statement in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Bidder's Statement with ASIC:

- Steinepreis Paganin as legal advisers to Euroz.
- PKF Perth as auditors to Euroz.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on Euroz's ASX announcement platform. Under ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact Euroz's Company Secretary on +61 (8) 9488 1400.

10. DIRECTORS AUTHORISATION

The Bidder's Statement is issued by Euroz and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Bidder's Statement with ASIC and has not withdrawn that consent.

This Bidder's Statement is signed for and on behalf of Euroz by:

A handwritten signature in black ink that reads "Andrew McKenzie". The signature is written in a cursive, flowing style.

**Andrew McKenzie
Executive Chairman**

Dated: 4 September 2020

11. GLOSSARY OF TERMS

11.1 Definitions

In this Bidder's Statement (including Annexure A), unless the context otherwise requires:

\$ or **Dollar** means Australian dollars.

A Class Share Offer means the offer of 3.3033304 new Euroz Shares for every 1 Hartleys A Class Share held.

Acceptance Form means the forms of acceptance for the Offers accompanying this Bidder's Statement or alternatively any acceptance form sent to a Hartleys Shareholder by Euroz's share registry in relation to the Offers, as the context requires.

Amendment to Constitution Condition means the condition of the Offers set out in Section 8(a)(vi) of Annexure A.

Annexure A means Annexure A to this Bidder's Statement.

Announcement Date means 17 July 2020, being the date the Offers were announced on ASX.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Chapter 6 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

ASX Listing Rules means the official listing rules of ASX, as amended from time to time.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

Bid Implementation Agreement means the agreement between Euroz and Hartleys pursuant to which Euroz agreed to make the Offers, a copy of which was announced by Euroz on 17 July 2020.

Bidder's Statement means this document (including Annexure A).

Board or **Euroz Board** means the board of directors of Euroz.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

CGT means capital gains tax as defined in the Income Tax Assessment Act 1997 (Cth).

CGT Discount has the meaning given in Section 7.2(g).

CHESS means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

Competing Transaction means any expression of interest, proposal, offer or transaction notified to the Hartleys Board which, if completed substantially in accordance with its terms, would mean a person (other than Euroz or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
 - (i) 20% or more of all Hartleys Shares;
 - (ii) voting power of more than 20% in Hartleys; or
 - (iii) all or a substantial part of the business conducted by the Hartleys Group;
- (b) acquire control of Hartleys, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with Hartleys or acquire an economic interest in the whole or a substantial part of Hartleys or its businesses or assets (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Completion means the close of the Offers in circumstances where the Conditions have been satisfied or waived.

Conditions means the conditions to the Offers set out in Section 8 of Annexure A.

Consideration means Euroz Shares offered to Hartleys Shareholders in consideration for the acquisition of the Hartleys A Class Shares and Hartleys E Class Shares under the Offers.

Consideration Shares means Euroz Shares offered to Hartleys Shareholders as Consideration.

Constitution means the constitution of Euroz.

Control, in respect of an entity, has the meaning given in section 50AA of the Corporations Act.

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

Director or **Euroz Director** means a director of Euroz as at the date of this Bidder's Statement.

E Class Share Offer means the offer by Euroz of 3.3033304 new Euroz Shares for every 1 Hartleys E Class Share held.

Employment Condition means the condition of the Offers set out in Section 8(a)(vii) of Annexure A.

Encumbrance means any mortgage, fixed or floating charge, pledge, lien, option, right to acquire a security or to restrain someone from acquiring a security (including under a right of pre-emption or right of first refusal), assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (including a "security interest" as

defined under the *Personal Property Securities Act 2009* (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist.

Euroz or **Bidder** or **EZL** means Euroz Limited (ACN 000 364 465) or the Merged Group as the context requires.

Euroz Group or **EZL Group** means Euroz and its Subsidiaries.

Euroz Share or **Share** means a fully paid ordinary share in the capital of Euroz.

Euroz Shareholder or **Shareholder** means a holder of a Euroz Share.

Government Authority means:

- (a) any government or governmental, semi-governmental or local authority within the Commonwealth of Australia or any of its states and territories and any department, office, minister, commission, board, delegate or agency of any such government or authority;
- (b) any judicial or administrative entity or authority within the Commonwealth of Australia or any of its states and territories; or
- (c) any other authority, commission, board, agency or other entity established or having power under statute within the Commonwealth of Australia or any of its states and territories or the ASX Listing Rules, including ASIC, ASX and the Takeovers Panel.

Hartleys means Hartleys Limited (ACN 104 195 057).

Hartleys A Class Share means an A Class Share (ordinary share) issued by Hartleys on such terms as described in Hartleys constitution and otherwise as varied.

Hartleys Board or means the board of directors of Hartleys as at the date of this Bidder's Statement.

Hartleys E Class Share means an E Class Share issued by Hartleys on such terms as described in Hartleys constitution.

Hartleys Group means Hartleys and its Subsidiaries.

Hartleys Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Hartleys Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of this agreement but was not reasonably apparent from public filings of Hartleys before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Hartleys Group exceeds \$500,000, but does not include:

- (c) anything which has arisen solely as a result of actions taken by any member of the Hartleys Group in the ordinary course of its business;
- (d) those events or circumstances required to be done or procured by Hartleys pursuant to the Bid Implementation Agreement; or
- (e) an event, circumstance, matter or information that is known to Euroz or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Hartleys on or prior to the date of this agreement (unless such event, circumstance, matter or information was not reasonably apparent from such filings).

Hartleys Shares means:

- (a) the Hartleys A Class Shares; and
- (b) the Hartleys E Class Shares.

Hartleys Shareholders means all persons who hold Hartleys Shares.

Merged Group means Euroz and its subsidiaries, including Hartleys, after successful completion of the Offers.

Minimum Acceptance Condition means the condition of the Offers set out in Section 8(a)(i) of Annexure A.

NAV means net asset value (as reflected in the relevant financial accounts).

Notice of Meeting means the notice of meeting in relation to an extraordinary general meeting of Hartleys Shareholders to be held on or about 16 September 2020.

Offers or **Offer** means the off-market offers by Euroz to acquire all Hartleys Shares (comprising the Hartleys A Class Shares and the Hartleys E Class Shares) on the terms and conditions set out in this Bidder's Statement.

Offer Period means the period during which the Offers are open for acceptance.

Official Quotation means official quotation on ASX.

Permitted Distribution means the distribution to Hartleys Shareholders of an aggregate amount equal to:

- (a) the cash and cash equivalent assets held by Hartleys as at 30 June 2020, less an amount equal to the aggregate of the provisions in Hartleys' 30 June 2020 financial statements for long service leave, annual leave and tax liabilities and less an amount equal to the cash costs of proceeding with the Agreed Redundancies; plus
- (b) if any Hartleys employee who is employed by Hartleys as at 30 June 2020 resigns, is made redundant or otherwise ceases to be employed by Hartleys at any time after 30 June 2020 but prior to the close of the Offers the subject of the Takeover Bid, the amount by which the provision for long service leave liabilities in the Hartleys 30 June 2020 financial statements would have been reduced if the relevant employee(s) had resigned, been made redundant or otherwise ceased to be employed by Hartleys as at 30 June 2020; plus

- (c) the cash proceeds of sale of the securities held by Zenix Nominees Pty Ltd as at 30 June 2020 (after allowing for the costs of sale and any related commissions or expenses) less the amount of tax payable in connection with the liquidation of those securities,

by way of a fully franked dividend (where there are sufficient franking credits and retained earnings available to do so, and where the dividend may be paid in one or more instalments and at different times, such as the payment of an interim dividend before any final dividend distribution is paid), with any residual amount being distributed by way of a return of capital (subject to all necessary approvals, including the approval of Hartleys Shareholders, being obtained).

Permitted Interim Bonuses means the payment of bonuses to Hartleys' employees in:

- (a) the corporate finance division of Hartleys in relation to the corporate finance revenue between 1 July 2020 and the close of the Offers, in accordance with existing Hartleys corporate finance remuneration arrangements; and
- (b) the management and research divisions of Hartleys, as well as any other Hartleys employees who are considered for 6 monthly bonuses in the ordinary course, up to an aggregate amount of \$300,000, in relation to their performance between 1 July 2020 and the close of the Offers, in accordance with existing Hartleys remuneration arrangements.

Prescribed Occurrence is defined as an event where:

- (a) Hartleys converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Hartleys or a Subsidiary resolves to reduce its share capital in any way;
- (c) Hartleys or a Subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- (d) Hartleys or a Subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Hartleys or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) Hartleys or a Subsidiary disposes, or agrees to dispose, of the whole or a substantial part of its business or property;
- (g) Hartleys or a Subsidiary grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) Hartleys or a Subsidiary resolves to be wound up;
- (i) A liquidator or provisional liquidator of Hartleys or a Subsidiary is appointed;
- (j) A court makes an order for the winding up of Hartleys or a Subsidiary;
- (k) An administrator of Hartleys or a Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act;

- (l) Hartleys or a Subsidiary executes a deed of company arrangement; or
- (m) A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Hartleys or a Subsidiary.

Principles Letter has the meaning given to that term in the Employment Condition.

Proposed Directors means the nominees of Hartleys to be appointed to the Euroz Board pursuant to the terms of the Bid Implementation Agreement.

Record Date means the date set by Euroz under section 633(2) of the Corporations Act, being 4 September 2020.

Relevant Interest has the meaning given in Sections 608 and 609 of the Corporations Act.

Restriction Deed means the deed to be entered into to satisfy the Employment Condition, a summary of which is set out in Section 9.15.

Rights means all accreditations, benefits and rights attaching to or arising from the Hartleys Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Hartleys).

Section means a section of this Bidder's Statement (including Annexure A, as applicable).

Subsidiary means a subsidiary within the meaning given to that term in Section 9 of the Corporations Act.

Superior Proposal means a Competing Transaction which is, in the determination of the Hartleys Board acting in good faith and in order to satisfy what the Hartleys Board consider to be their fiduciary and statutory duties:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to Hartleys Shareholders than the Takeover Bid, taking into account all terms and conditions of the Competing Transaction.

Takeovers Panel means the body called the Takeovers Panel continuing in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) and given various powers under Part 6.10 of the Corporations Act.

Target's Statement means the target's statement prepared by Hartleys in respect of the Offers.

VWAP means volume weighted average price.

WST means Australian western standard time.

11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a Section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offers are made; and

the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

ANNEXURE A - TERMS OF THE OFFERS

1. General Terms

- (a) Euroz offers to acquire 100% of each of the Hartleys A Class Shares and Hartleys E Class Shares (including all Rights attached to them) on the following terms and conditions.
- (b) The Consideration being offered by Euroz the acquisition of all of your Shares is:
 - (i) 3.3033304 Euroz Shares for every one (1) Hartleys A Class Share; and
 - (ii) 3.3033304 for every one (1) Hartleys E Class Share you own,subject to the terms and conditions set out in this Annexure A.
- (c) If you would otherwise be entitled to a fraction of a Euroz Share as a result of your acceptance of the Offers in respect of your Hartleys Shares, then that fractional entitlement will be rounded up to the nearest whole number.
- (d) The Euroz Shares to be issued pursuant to these Offers will be fully paid and, from their date of issue, rank equally in all respects with existing Euroz Shares currently on issue.
- (e) The rights and obligations of the Euroz Shares to be issued under the Offers are summarised in Section 3.10 of the Bidder's Statement.

2. Offer Period

- (a) Unless withdrawn, the Offers will remain open for acceptance during the period commencing on the date of the Offers (being 9 September 2020) and ending on 9 October 2020 at 5:00 pm (WST).
- (b) The Offer Period can be extended at Euroz's election by not more than 2 months (unless the prior written consent of Hartleys has been obtained) or automatically, in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (i) the Offers are varied to improve the consideration offered; or
 - (ii) Euroz's voting power in Hartleys increases to more than 50%,then the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with section 624(2) of the Corporations Act.

3. Who May Accept?

- (a) An Offer on the terms and conditions set out in this Annexure A and bearing the same date is being made to each person registered as a holder of Hartleys Shares on Hartleys' register of members at 5:00pm (WST) on the Record Date.

- (b) The Offer applies in respect of all Hartleys Shares on issue as at the Record Date.
- (c) A person who:
- (i) is able, during the Offer Period, to give good title to a parcel of Hartleys Shares; and
 - (ii) has not already accepted the Offers in relation to those Hartleys Shares,
- may accept as if an Offer from Euroz on terms identical with the Offers had been made to that person in relation to those Hartleys Shares.
- (d) If, at the time the Offers are made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of your Shares, then a corresponding offer on the same terms and conditions as these Offers will be deemed to have been made to that other person in respect of those Hartleys Shares.
- (e) If, at any time during the Offer Period you are registered as the holder of one or more parcels of Hartleys Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as the Offers have been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offers for each distinct parcel, you must comply with the procedure in section 653B(3) of the Corporations Act and provide Euroz with a notice stating the following:
- (i) either that the parcel is held in your own right or, if the parcel is held for a beneficiary, the name and address of each beneficiary;
 - (ii) if the parcel is held in your own right, the date of the transaction through which you acquired a legal interest in the parcel; and
 - (iii) if the parcel is held for one or more beneficiaries, the date on which each beneficiary acquired a beneficial interest in that parcel (or, if unknown, the date that the beneficiary is reasonably believed to have acquired a beneficial interest in that parcel).
- If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Euroz's Company Secretary (on +61 8 9488 1400) to request those additional copies.
- (f) These Offers are not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC).
- (g) If your Hartleys Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offers.

4. How to Accept the Offers

- (a) You may only accept these Offers in respect of all (and not a lesser number) of your Hartleys Shares. For example, if you have 10,000 Hartleys A Class Shares and you wish to accept the Offers, you may only accept the A Class Share Offer in respect of 10,000 Hartleys A Class Shares.
- (b) If you accept the offer for your Hartleys A Class Shares, you should accept the offer for your Hartleys E Class Shares (provided that if you only hold Hartleys A Class Shares, you need only accept the A Class Share Offer).
- (c) You may accept these Offers at any time during the Offer Period.
- (d) To accept these Offers for Hartleys Shares held in your name, you must:
 - (i) complete and sign the Acceptance Form in accordance with the terms of these Offers and the instructions on the Acceptance Form; and
 - (ii) ensure that the Acceptance Form (including any documents required by the terms of these Offers and the instructions on the Acceptance Form which includes original share certificates you hold in respect of your Hartleys Shares) is received before the end of the Offer Period, at the address shown on the Acceptance Form.
- (e) Acceptance Form and Other Documents
 - (i) The Acceptance Form forms part of the Offers. The requirements on the Acceptance Form must be observed in accepting the Offer/s.
 - (ii) For your acceptance of the Offers to be valid, you must ensure that your Acceptance Form (including any documents required by the terms of these Offers and the instructions on the Acceptance Form) are posted or delivered by email in sufficient time for it to be received by Euroz at the address shown on the Acceptance Form before the end of the Offer Period.
 - (iii) The postage and transmission of the Acceptance Form and other documents is at your own risk.
 - (iv) When accepting the Offers, you must also forward for inspection:
 - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
 - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Hartleys Shareholder, the relevant grant of probate or letters of administration.

5. Validity of Acceptances

- (a) Subject to the remainder of this Section 5 of this Annexure A, your acceptance of the Offers will not be valid unless it is made in accordance with the procedures set out in Section 4 of this Annexure A. Further, any purported acceptance of the Offers will not be valid if, at any time prior to the Offers becoming or being declared unconditional, you are required to transfer the relevant Shares the subject of that acceptance in accordance with rules 134 or 135 of Hartleys' Constitution.
- (b) Euroz may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of your Hartleys Shares even if a requirement for acceptance has not been complied with.
- (c) Euroz may at any time in its sole discretion:
 - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with and without further communication to you; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Hartleys Shares, treat the acceptance as a valid acceptance in respect of all of your Hartleys Shares.
- (d) In respect of any part of an acceptance treated by it as valid, Euroz will provide you with the relevant consideration in accordance with Sections 7 and 1 of this Annexure A, and the exercise of Euroz's rights under this Section 5 of this Annexure A will be conclusive and only evidenced by its so doing. Subject to the requirements of the Corporations Act, the payment of consideration in accordance with the Offers may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Euroz.

6. The Effect of Acceptance

- (a) Once you have accepted the Offer/s, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offers or otherwise dispose of your Hartleys Shares, except as follows:
 - (i) if by the end of the Offer Period (or 3 Business Days' after the end of the Offer Period in respect of the No Prescribed Occurrence condition), the conditions in Section 8(a) of this Annexure A have not all been fulfilled or waived (in which case the Offers will lapse and any contract resulting from an acceptance of the Offer will be void); or

- (ii) if the Offers are varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Euroz has to meet its obligations under the Offer, and, at the time, the Offers are subject to one or more of the conditions in Section 8(a) of this Annexure A, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.
- (b) By following the procedures described in Section 4 of this Annexure A, you will be deemed to have:
 - (i) accepted these Offers (and any variation to it) in respect of all of your Hartleys Shares, regardless of the number of Hartleys Shares specified in the Acceptance Form;
 - (ii) agreed to the terms of the Offers and, subject to the conditions contained in Section 8(a) of this Annexure A being fulfilled or waived, agreed to transfer to Euroz all of your Hartleys Shares (including all of the Rights attached to those Hartleys Shares);
 - (iii) in the event that the ASX requires that Hartleys Shareholders who receive Euroz Shares as Consideration enter into restriction agreements on the terms set out in the ASX Listing Rules, irrevocably appointed Euroz and its Directors as your attorney for the purpose of executing such a restriction agreement;
 - (iv) authorised Euroz to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
 - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
 - (B) to enable registration of the transfer to Euroz of your Hartleys Shares;
 - (v) represented and warranted to Euroz that:
 - (A) Euroz will acquire good title to and beneficial ownership of all of your Hartleys Shares free from all Encumbrances (whether legal or equitable) and other third-party interests of any kind;
 - (B) you have paid Hartleys all amounts which are due in respect of your Hartleys Shares;
 - (C) all of your Hartleys Shares are fully paid; and
 - (D) you have full power and capacity to accept the Offers and to sell and transfer the legal and beneficial ownership of your Hartleys Shares (including all Rights attached to them) to Euroz;

(vi) with effect from the later of acceptance of the Offers and the date that any contract resulting from that acceptance becomes or is declared unconditional, appointed (and agreed not to revoke that appointment) Euroz and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Hartleys Shares or in exercise of any right or power derived from the holding of your Hartleys Shares including, without limitation:

- (A) attend and vote in respect of your Hartleys Shares at any and all meetings of the members of Hartleys;
- (B) requisition or join with other holders of Hartleys Shares in requisitioning and/or convening a meeting of the members of Hartleys;
- (C) demand a poll for any vote to be taken at any meeting of the members of Hartleys;
- (D) propose or second any resolutions to be considered at any, and all meetings of Hartleys Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Euroz as a proxy in respect of all or any of your Hartleys Shares and a transfer form for your Hartleys Shares), proxies, consents, agreements and resolutions relating to your Hartleys Shares;
- (F) request Hartleys to register in the name of Euroz all of your Hartleys Shares; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Euroz as the beneficial owner and intended registered holder of your Hartleys Shares and to have further agreed to do all such acts, matters and things that Euroz may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Hartleys) if requested by Euroz. This appointment is irrevocable and terminates upon the earlier of registration of a transfer to Euroz of your Hartleys Shares, withdrawal of your acceptance of the Offer in accordance with section 650E of the Corporations Act and withdrawal of these Offers by Euroz in accordance with section 652A of the Corporations Act;

(vii) with effect from the later of acceptance of the Offers and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Hartleys or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Euroz and the directors, secretaries and other officers of Euroz by Section 6(b)(vi) of this Annexure A;

- (viii) irrevocably authorised Euroz to notify Hartleys on your behalf that your place of address for the purposes of serving notices in respect of your Hartleys Shares is the address specified by Euroz in the notification;
 - (ix) represented and warranted to Euroz that, unless you have notified Euroz in accordance with Section 3(e) of this Annexure A, your Hartleys Shares do not consist of one or more separate parcels of Hartleys Shares; and
 - (x) agreed, subject to the conditions of this Takeover Offer in Section 8(a) of this Annexure A being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Euroz may consider necessary or desirable to transfer and convey your Hartleys Shares (including all Rights attaching to them) to Euroz.
- (c) The representations, warranties, undertakings and authorities referred to in this Section 6 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Hartleys Shares and after Euroz becomes the register as the holder of your Hartleys Shares.
 - (d) Notwithstanding your acceptance of the Offers or anything else in this Annexure A, you will be entitled to receive and retain the proceeds of any Permitted Distribution (as that term is defined in the Bid Implementation Agreement).

7. Payment of Consideration

- (a) Subject to the terms of these Offers and the Corporations Act, Euroz will provide the consideration for your Hartleys Shares on or before the earlier of:
 - (i) 7 days after the Offers become or are declared unconditional; and
 - (ii) 7 days after the end of the Offer Period,
 provided that you have provided all of the documents required for acceptance of the A Class Share Offer and/or the E Class Share Offer with your acceptance.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled under the Offers, regardless of any delay in providing the consideration or any extension of the Offers.
- (c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with or at the same time as your acceptance, Euroz will provide the consideration in accordance with Section 8(a) of this Annexure A;
 - (ii) if that document is given after acceptance and before the end of the Offer Period while these Offers are subject to a defeating

condition, Euroz will provide the consideration by the end of whichever of the following periods ends earlier:

- (A) 7 days after the Offers become or are declared unconditional; and
 - (B) 7 days after the end of the Offer Period;
- (iii) if that document is given after acceptance and before the end of the Offer Period while these Offers are not subject to a defeating condition, Euroz will provide the consideration due to you on or before the earlier of:
- (A) 7 days after that document is given to Euroz; and
 - (B) 7 days after the end of the Offer Period; and
- (iv) if that document is given after acceptance and after the end of the Offer Period, and the Offers are not subject to a defeating condition, Euroz will provide the consideration within 7 days after that document is given to Euroz. However, if at the time the document is given, the Offers are still subject to a defeating condition that relates only to the happening of an event of circumstances referred to in section 652C(1) or (2) of the Corporations Act, Euroz will provide the consideration for you within 7 days after the Offers become unconditional.
- (d) The obligation of Euroz to issue any Euroz Shares to which you are entitled as a result of your acceptance of these Offers will be satisfied by:
- (i) entering your name on the register of members of Euroz; and
 - (ii) dispatching or procuring the dispatch to you by pre-paid post to your last recorded address on Hartleys' register of members (or as stated in your Acceptance Form, if different), or by email in the case of holders that have designated a preference for electronic communication, a confirmation of the issue of Euroz Shares in your name. If Your Shares are held in a joint name, an uncertificated holding statement will be issued in the name of the first person that appears on Hartleys' register of members, and forwarded to your last recorded address on Hartleys' register of members (or as stated in your Acceptance Form, if different).
- (e) If, at the time you accept the Offer, any of the following:
- (i) the Autonomous Sanctions Regulations 2011 (Cth);
 - (ii) Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008 (Cth);
 - (iii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
 - (iv) any other law of Australia,

require that an authority, clearance or approval of the Australian Department of Foreign Affairs and Trade or the Australian Taxation Office be obtained before you receive any consideration for your Hartleys

Shares, or would make it unlawful for Euroz to provide any consideration to you for your Hartleys Shares, you will not be entitled to receive any consideration for your Hartleys Shares until all requisite authorities, clearances or approvals have been received by Euroz.

8. Conditions of this Offer

(a) Subject to Sections 9(a), 11.2(a) and (b) of this Annexure A, the Offers and any contract that results from acceptance of the Offers are subject to the fulfilment of the following conditions:

(i) **Minimum Acceptance Condition**

At or before the end of the Offer Period, Euroz has a Relevant Interest in:

- (A) the number of Hartleys A Class Shares that represents at least 90% of the aggregate of all the Hartleys A Class Shares on issue (on a fully-diluted basis); and
- (B) the number of Hartleys E Class Shares that represents at least 90% of the aggregate of all the Hartleys E Class Shares on issue.

(ii) **No regulatory intervention**

During the period from the Announcement Date to the end of the Offer Period (inclusive):

- (A) there is not in effect any preliminary or final decision, order or ruling issued by a Government Authority;
- (B) no application is made to any Government Authority (other than by Euroz or any associate of Euroz); or
- (C) no action or investigation is announced, threatened or commenced by a Government Authority,

in consequence of or in connection with the Offers (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibit or impedes, or threatens to restrain, prohibit or impede, or materially impact on, the making of the Offers and the completion of any transaction completed by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of Euroz's intentions expressed in the Bidder's Statement) or which requires the divestiture by Euroz of any Hartleys Shares or any material assets of the Hartleys Group.

(iii) **No Prescribed Occurrence**

Between the Announcement Date and the date 3 Business Days' after the end of the Offer Period (each inclusive) no Prescribed Occurrence occurs other than a Prescribed Occurrence in connection with:

- (A) the satisfaction of Condition (vi) (Amendment to Constitution); and/or
- (B) the completion of the Permitted Distribution (including any amendment to the Hartleys' constitution which is necessary or desirable in the context of implementing the Permitted Distribution).

(iv) **No exercise of rights under certain agreements or arrangements**

If between the Announcement Date and the end of the Offer Period (each inclusive) any person:

- (A) is entitled to exercise, or will as a result of the Offers or the acquisition of Hartleys Shares by Euroz become entitled to exercise; or
- (B) purports to exercise, states an intention to exercise (whether or not that intention is stated to be final decision), or asserts the ability to exercise as a result of the Offers or the acquisition of Hartleys Shares by Euroz,

any right under any provision of any agreement or other arrangement to which any member of the Hartleys Group is a party or to which any member of the Hartleys Group or any of its assets or businesses may be subject, which results in, or could result in:

- (C) any moneys borrowed by any member of the Hartleys Group being or becoming repayable or being declared repayable immediately or earlier than the repayment date provided for in such agreement or arrangement;
- (D) any such agreement or arrangement that imposes or may impose obligations or liabilities on any party of more than \$100,000 per annum or more than \$200,000 in total or that is otherwise material to the business of the Hartleys Group being terminated or modified or not renewed or the performance of any obligations under any such agreement or arrangement being accelerated; or
- (E) any assets of any member of the Hartleys Group, including any interest of any member of the Hartleys Group in any body corporate, trust, joint venture or other entity, being sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, or any contractual arrangements relating to any such asset or interest, being terminated or modified, except in relation to the Permitted Distribution,

that person gives the relevant member of the Hartleys Group and Euroz in writing a binding, irrevocable and unconditional release or waiver of that right.

(v) **Conduct of Business**

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Hartleys Group:

- (A) announces, declares, determines to pay, makes or pays any dividend or other distribution (whether in cash or in specie);
- (B) incurs capital expenditure exceeding \$50,000 or, except in the ordinary course of trading, transfers or otherwise disposes of or creates any Encumbrance in respect of, assets having a value exceeding \$50,000;
- (C) acquires or disposes of any shares or other securities in any body corporate or any units in any trust, or substantially all of the assets of any business other than in the ordinary course of business, except where the aggregate consideration paid or received by all members of the Hartleys Group for all such acquisitions or disposals does not exceed \$50,000 or enters into, or terminates any participation in, any partnership, joint venture or similar commitment;
- (D) borrows an amount which when combined with all other amounts borrowed since the Announcement Date exceeds \$50,000 or enters into any swap, option, futures contract, forward commitment or other derivative transaction;
- (E) enters into, waives any material rights under, varies or terminates any contract, commitment or arrangement which may require annual expenditure by the relevant member of Hartleys Group in excess of \$50,000 or is otherwise of material importance to the business of the Hartleys Group;
- (F) enters into any unusual or abnormal contract or commitment which is outside the ordinary course of business and which could reasonably be expected to:
 - (I) change the nature of the business conducted by the Hartleys Group; or
 - (II) have a material adverse impact on the business conducted by the Hartleys Group;
- (G) enters into, amends, or agrees to enter into or amend any contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act), or an associate of that related party, of Hartleys;

- (H) other than in the ordinary course of business and consistent with past practice, Hartleys or any of its subsidiaries disposes of, acquires or agrees to dispose of or acquire, or creates or agrees to create an equity interest in respect of any assets (including, without limitation, under any joint venture or similar deed), properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the Hartleys Group, whether in one or more transactions, where the amounts or value involved in such transaction or transactions, commitments or series of commitments exceeds \$50,000 in aggregate;
- (I) pays or agrees to pay the costs and expenses of all third party advisers to Hartleys Group in connection with the Offers where such costs and expenses exceed \$250,000;
- (J) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including, without limitation, the vesting of any performance rights);
- (K) increases the remuneration of, makes any bonus payment, retention payment or termination payment (being a payment which is in addition to their existing contractual entitlements) to, or otherwise changes the terms and conditions of employment of:
 - (I) any directors of Hartleys; or
 - (II) any employee of any member of the Hartleys Group whose total employment cost exceeds \$50,000;
- (L) issues any securities convertible into Hartleys Shares;
- (M) changes its constitution (including adopting a new constitution or modifying or repealing its constitution or a provision of it) or passes any resolution of shareholders or any class of shareholders, other than in connection with Condition vi (Amendment to Constitution);
- (N) commences, compromises or settles any litigation or similar proceedings for an amount exceeding \$50,000;
- (O) becomes Insolvent; or
- (P) agrees, conditionally or otherwise, to do any of the things referred to in paragraphs (a) to (o) above, or announces or represents to any person that any of those things will be done,

unless the doing of that thing:

- (Q) relates to, or is in connection with implementing, the Permitted Distribution;

- (R) relates to, or is in connection with the payment of, the Permitted Interim Bonuses;
- (S) is authorised or otherwise permitted by the terms of this agreement (including under this Section 8); or
- (T) was otherwise fairly disclosed to Euroz by Hartleys before the Announcement Date

(vi) **Amendment to Constitution**

The approval by Hartleys Shareholders in a general meeting duly convened by Hartleys of an amendment to the Hartleys constitution to permit a transfer of Hartleys Shares to Euroz under the Offers.

(vii) **Employment Condition**

- (A) Each of the Hartleys employees who are Hartleys Shareholders (excluding any agreed redundancies) entering into an employment agreement (**Employment Agreement**) with Euroz Securities (which will be renamed Euroz Hartleys upon successful completion of the Offers) on terms consistent with the Employment Transition Principles Letter entered into between Euroz and Hartleys on 17 July 2020 (**Principles Letter**) and the following conditions precedent to the employment of those persons pursuant to those Employment Agreements being satisfied:
 - (I) the Offers becoming unconditional or being declared by Euroz to be free of all Conditions other than this Employment Condition;
 - (II) the execution of a voluntary restriction deed prohibiting the transfer of a portion of the Euroz Shares issued as consideration under the Offers on terms consistent in all material respects with the Principles Letter; and
 - (III) the execution of a restraint deed in favour of Euroz, Euroz Securities Limited and Hartleys containing the restraints described in the Principles Letter.
- (B) Euroz will use its best endeavours (on its part) to negotiate and agree the terms of the Employment Agreements contemplated by this condition.

(viii) **No inaccurate public information**

Euroz does not become aware, during the period between the Announcement Date and the end of the Offer Period (each inclusive) that:

- (A) any document lodged by or on behalf of Hartleys with ASIC; or

(B) any other public statement made by or on behalf of Hartleys,

is inaccurate or misleading in any material way, including by omission.

(ix) **No Hartleys Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Hartleys Material Adverse Change occurs.

(x) **No Breach of Representation or Warranty**

Between the Announcement Date and the end of the Offer Period (each inclusive), the warranties in clause 8.2 of the Bid Implementation Agreement are true and correct in all material respects.

9. Freeing the Offers of Conditions

- (a) Subject to paragraph (b) below, Euroz may free the Offers, and any contract resulting from its acceptance, from all or any of the conditions in Section 8(a) of this Annexure A by giving notice to Hartleys declaring the Offers to be free from the relevant Conditions specified in accordance with section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.
- (b) Euroz may only waive the Minimum Acceptance Condition and the Amendment to the Constitution condition with the prior written consent of Hartleys.
- (c) If the Minimum Acceptance Condition and the Amendment to Constitution Condition are satisfied, then subject to no other Conditions being breached or otherwise becoming incapable of being satisfied, Euroz must immediately waive all outstanding Conditions and must exercise its rights of compulsory acquisition in accordance with the Corporations Act.
- (d) If, at the end of the Offer Period (or 3 Business Days' after the end of the Offer Period in respect of the No Prescribed Occurrence condition), any of the Conditions in Section 8(a) of this Annexure A have not been fulfilled and Euroz has not declared the Offers (or it has not become) free from the relevant condition, all contracts resulting from the acceptance of the Offers will be automatically void.

10. Notice of Status of Conditions

The date for giving the notice required by section 630(1) of the Corporations Act is 2 October 2020, subject to extension in accordance with 630(2) if the Offer Period is extended.

11. Quotation

- (a) An application will be made to ASX for the granting of quotation of the Euroz Shares to be issued in accordance with the Offer. However, quotation is not granted automatically on application.

- (b) Pursuant to the Corporations Act, these Offers and any contract that results from your acceptance of it is subject to conditions that:
- (i) application for permission to quotation of the Euroz Shares is made by Euroz; and
 - (ii) permission for quotation by ASX (as the circumstances require) of the Euroz Shares to be issued pursuant to the Offers being granted no later than 7 days after the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

12. Withdrawal of Offer

- (a) Euroz may withdraw the Offers at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Euroz will give notice of the withdrawal to ASX and to Hartleys and comply with any other conditions imposed by ASIC.
- (b) Subject to any conditions imposed by ASIC in its consent, if Euroz withdraws the Offer, the Offer, to the extent not previously accepted, automatically becomes incapable of acceptance and any contract resulting from acceptance of the Offer before the withdrawal will be automatically void.

13. Variation

Euroz may vary the Offers in accordance the Corporations Act.

14. Duty or Other Costs

- (a) All costs and expenses of the preparation, dispatch and circulation of these Offers and any duty payable in respect of the transfers will be paid by Euroz.
- (b) As long as your Hartleys Shares are registered in your name and you deliver them directly to Euroz, you will not incur any brokerage in connection with your acceptance of this Offers.

15. Governing Law

These Offers and any contract that results from your acceptance of these Offers are governed by the laws in force in Western Australia.

16. Date of Offer

These Offers are dated 9 September 2020.