

RATTOON

H o l d i n g s L i m i t e d

Market update – proposed capital return

The Board is pleased to advise that an Implementation Deed has been executed by the Company, and by Guinness Peat Group plc and Thorney Investment Group Australia Pty Ltd.

Under the Implementation Deed, the Company is required to convene a meeting of shareholders to consider, and if thought fit to approve a \$0.06 (6c per share) capital return in favour of the minority shareholders. Attached with this announcement is a copy of the Implementation Deed.

The Board has commissioned an independent expert to prepare a report for shareholders and this will be provided to shareholders with the relevant notice of meeting. The notice of meeting, and accompanying materials, are being finalised and are expected to be dispatched to shareholders in January 2011, with the relevant general meeting of shareholders expected to be convened in February 2011.

The Chairman, Mr Graeme Cureton stated, "After much effort and time, the Board is pleased to have finalised the Implementation Deed and to be finalising materials for shareholders to be in a position to consider the proposed capital return".

Martin Casey

Company Secretary

Rattoon Holdings Ltd - ACN 076 611 268

24 December 2010

Rattoon Holdings Limited
ABN 16 076 611 268

and

Guinness Peat Group plc
Company Number 00103548

and

Thorney Investment Group Australia Pty Ltd
ABN 37 117 488 892

Implementation deed

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COMMERCIAL LAWYERS

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RATTOON

H o l d i n g s L i m i t e d

A.B.N. 16 076 611 268

This deed is made on **24** December 2010

between: **Rattoon Holdings Limited** ABN 16 076 611 268 (**Rattoon**)

and: **Guinness Peat Group plc** Company Number 00103548 (**GPG**)

and: **Thorney Investment Group Australia Pty Ltd** ABN 37 117 488 892 (**Thorney**)

(GPG and Thorney are together the **Majority Shareholders**)

Recitals

- A. Rattoon has agreed to put a proposal to the shareholders of Rattoon whereby:
- (a) Rattoon will cancel and extinguish all of the Minority Shares; and
 - (b) the Minority Shareholders will receive \$0.06 for each of their Minority Shares cancelled and extinguished by Rattoon;
- pursuant to a selective capital reduction (the **Capital Reduction**) between Rattoon and its shareholders under part 2J.1 of the Corporations Act.
- B. Rattoon and the Majority Shareholders have agreed to implement the Capital Reduction on and subject to the terms of this deed.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed, unless the context otherwise requires:

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this deed;

Business Day means a day which is not a Saturday, Sunday, bank holiday or public holiday:

- (a) for the purpose of sending or receiving a notice, in the city where the notice is received; and
- (b) for all other purposes, in Melbourne, Australia;

Capital Reduction Booklet means a booklet containing:

- (a) the Notices of Meetings
- (b) a proxy form;
- (c) the explanatory statement in relation to the Capital Reduction required by section 256C(4) of the Corporations Act; and
- (d) the Independent Expert's Report in relation to the Capital Reduction.

Consideration means, in respect of each Minority Share, \$0.06 cash;

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

Effective Date means the date on which the Capital Reduction is implemented, which will be the date 14 days after the date a copy of the Resolutions is lodged with ASIC under section 256C(3) of the Corporations Act or such other later date as Rattoon and the Majority Shareholders may agree;

Encumbrance means an encumbrance or security interest including but not limited to a mortgage, fixed charge, floating charge, pledge, lien, conditional sale agreement, hire or hire purchase agreement, option, restriction as to transfer, use or possession, easement or a subordination to a right of a person or an adverse or competing interest of another person;

Excluded Shareholder means:

- (a) the Majority Shareholders;
- (b) a Related Body Corporate of a Majority Shareholder;
- (c) any Associate of a Majority Shareholder; and
- (d) any nominee or custodian that holds any Majority Shares and is acting on behalf of a party referred to in paragraphs (a) to (c) above;

GPG Information means the information relating to GPG provided by or on behalf of GPG to Rattoon for inclusion in the Capital Reduction Booklet;

Independent Expert means Ernst & Young Transaction Advisory Services Limited, the independent expert engaged by Rattoon to opine on whether the Capital Reduction is fair and reasonable to Rattoon Shareholders as a whole;

Independent Expert's Report means the report prepared by the Independent Expert and stating whether the Capital Reduction is fair and reasonable to Rattoon Shareholders as a whole;

Majority Shares means those Rattoon Shares on issue as at the date of this deed which any Excluded Shareholder has a relevant interest being:

- (a) in the case of GPG, 22,424,048 Rattoon Shares; and

- (b) in the case of Thorney, 22,193,704 Rattoon Shares;

Material Adverse Event means, with respect to a party:

- (a) 1 or more events or circumstances (excluding any event or circumstance disclosed by the party in writing to the other parties, or which the party had caused to be generally disclosed to a financial market on which that party's securities are listed, in each case before the date of this deed, or any event or circumstance that may arise as a consequence of the announcement or implementation of the Capital Reduction) individually or in the aggregate that:
 - (1) have, or are reasonably likely to have, a material adverse effect on the assets, liabilities or financial position of the party and its subsidiaries and controlled entities, taken as a whole; or
 - (2) have or might be reasonably likely to have, a material adverse effect on the ability of the party to perform its obligations under this deed;
- (b) a representation or warranty given by the party in this deed is or becomes materially untrue or misleading, or the party commits a material breach of this deed and, in the case of a breach that can be remedied, the party fails to remedy the breach within 5 Business Days from receipt of a written notice of default from another party;
- (c) in the case of Rattoon only, it converts all or any of its shares into a larger or smaller number of shares or issues or agrees to issue any securities;
- (d) in the case of Rattoon only, it resolves to buy-back or reduce its share capital in any way other than the Capital Reduction contemplated in this deed;
- (e) in the case of Rattoon only, it or a subsidiary or controlled entity disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (f) the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon, charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (g) the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon, resolves that it be wound up;
- (h) a liquidator or provisional liquidator of the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon, is appointed;
- (i) a court makes an order for the winding up of the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon;
- (j) an administrator of the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (k) the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon, executes a deed of company arrangement; or

- (l) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the party or, in the case of Rattoon, a subsidiary or controlled entity of Rattoon;

Minority Share means a Rattoon Share on issue as at the Record Date, other than any Majority Shares then held by an Excluded Shareholder;

Minority Shareholder means a person who holds one or more Minority Shares;

Notices of Meetings means the notices of meetings to call a special meeting of the Minority Shareholders and a subsequent general meeting of the Rattoon Shareholders to consider, and if thought fit approve, the Resolutions and the resolution to approve the voluntary withdrawal of Rattoon from listing on NSX;

NSX means NSX Limited;

NSX Listing Rules means the listing rules (as defined in Chapter 7 of the Corporations Act) of the financial market operated by NSX;

Quit Date means 28 February 2011 or such other date as the parties may agree;

Rattoon Share means an issued fully paid ordinary share in the capital of Rattoon;

Rattoon Shareholder means a person who is registered in the Register as a holder of Rattoon Shares;

Record Date means 7pm (Melbourne time) on the date determined by the Board being at least 2 Business Days after the date of the general meetings convened via the Notices of Meetings to approve the Resolutions and at least 2 Business Days prior to the Effective Date;

Register means the register of members of Rattoon maintained under and in accordance with section 169 of the Corporations Act;

Related Body Corporate has the meaning given in section 50 of the Corporations Act;

Resolutions means the resolutions set out in the Notices of Meetings to approve the Capital Reduction;

Thorney Information means the information relating to Thorney provided by or on behalf of Thorney to Rattoon for inclusion in the Capital Reduction Booklet.

1.2 Interpretation

In this deed headings and bold typing are included for convenience only and do not affect interpretation and, unless the context otherwise requires:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;

- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture, a sovereign state, a government or a government department or agency;
- (e) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (f) a reference to a recital, clause, paragraph, schedule, annexure or other part is a reference to an item of that type in this deed;
- (g) a reference to a party is a reference to a party to this deed and includes a reference to that party's successors and permitted assigns;
- (h) a reference to a statute or regulation or a provision of a statute or regulation is a reference to that statute, regulation or provision as amended or a statute, regulation or provision replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (i) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (j) no provision of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or that provision;
- (k) a reference to a time is a reference to Melbourne, Australia time;
- (l) a monetary reference is a reference to Australian currency;
- (m) a reference to an entity, other than a party to this deed, which ceases to exist or whose powers or functions are transferred to another entity, is a reference to the entity which replaces it or which substantially succeeds to its powers or functions;
- (n) unless otherwise defined in this deed, a word or term defined in the Corporations Act has the same meaning in this deed;
- (o) a word or term defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the same meaning in this deed where used in connection with the GST imposed under that Act; and
- (p) the words "including" or "includes" mean "including but not limited to" and "includes, without limitation" respectively.

2. Agreement to proceed with Capital Reduction

Rattoon agrees to propose the Capital Reduction and, conditional on if the Resolutions being approved by Rattoon Shareholders, the parties agree to use their commercially reasonable endeavours to implement the Capital Reduction, on and subject to the terms

of this deed. However, this does not oblige GPG or Thorney to fund the Consideration or procure that Rattoon pays the Consideration.

3. Conditions to completion of Capital Reduction

3.1 Conditions

The parties agree that the Capital Reduction being implemented is subject to the satisfaction of the following conditions:

- (a) For the period from the date of this deed to the Record Date (inclusive) none of the Excluded Shareholders either dispose of or cease to hold a relevant interest in any of their Majority Shares.
- (b) Prior to 8.00am on the Effective Date, all other consents, approvals and waivers which are necessary or desirable to implement the Capital Reduction or any other transaction contemplated by this deed or which are otherwise required to ensure that if the Capital Reduction is implemented there will be no material adverse effect on a party as a result of a breach of any law, regulation, order of any governmental agency, statutory instrument, constitution, agreement, deed, undertaking or other commitment binding on or otherwise affecting the party, are obtained.
- (c) Between the date of this deed and 8.00am on the Effective Date, no Material Adverse Event occurs in relation to a party.
- (d) Between the date of this deed and 8.00am on the Effective Date, there is no breach of clause 4.5.
- (e) On or before the date 14 days before the Quit Date, the Rattoon Shareholders approve the Resolutions under section 256C(2) of the Corporations Act.

3.2 Commercially reasonable endeavours

Each party must use its commercially reasonable endeavours to ensure the conditions set out in clause 3.1 are satisfied as soon as reasonably practicable or to ensure there is no occurrence that would prevent the conditions being satisfied (as the context requires) and to keep the other parties informed of any circumstance which has, or is reasonably likely to, result in a condition not being satisfied.

3.3 Material Adverse Events

- (a) Each party must use its commercially reasonable endeavours to ensure that between the date of this deed and 8.00am on the Effective Date no Material Adverse Event occurs in relation to it.
- (b) If between the date of this deed and 8.00am on the Effective Date:
 - (1) a Material Adverse Event occurs in relation to a party; or

- (2) an event occurs which, with the passage of time, would, or would be reasonably likely to, result in a Material Adverse Event occurring in relation to a party,

that party must immediately give written notice to the other parties of that event after it becomes aware of it.

- (c) Each other party must then give written notice to the notifying party as soon as possible but in any case within 7 Business Days from the date it is given written notice of that event as to whether or not it waives any non-satisfaction of a condition in clause 3.1 resulting from the occurrence of that event.

3.4 Waiver of conditions

The non-satisfaction of a condition set out in clause 3.1 may be waived solely by the party or parties set out next to the condition below:

Condition in	Condition for the benefit of	May be waived by
Clause 3.1(a)	Rattoon	Can not be waived
Clause 3.1(b)	Rattoon	Rattoon
Clause 3.1(c)	The Majority Shareholders	Rattoon and the Majority Shareholders jointly
Clause 3.1(d) where the Material Adverse Event occurs in relation to a Majority Shareholder	Rattoon and the Majority Shareholder in relation to whom the Material Adverse Event has not occurred	Rattoon and the Majority Shareholder in relation to whom the Material Adverse Event has not occurred jointly
Clause 3.1(d) where the Material Adverse Event occurs in relation to Rattoon	The Majority Shareholders	The Majority Shareholders jointly
Clause 3.1(e)	The Majority Shareholders	The Majority Shareholders jointly

3.5 Termination only following consultation

- (a) If a condition in clause 3.1 is not satisfied or waived or if an event occurs that will prevent the satisfaction of a condition by the date specified for its satisfaction in clause 3.1, the parties must consult in good faith as to whether:
- (1) the relevant condition may be waived;

- (2) the date for satisfaction of the relevant condition may be extended; or
 - (3) the Capital Reduction may proceed in an alternative manner.
- (b) If the parties are unable to reach agreement under clause 3.5(a) within 5 Business Days, any party who has the benefit of the condition which is not satisfied or waived, as specified in the table in clause 3.4, may terminate this deed by giving the other parties written notice of termination.
- (c) Termination of this deed under this clause 3.5 will not prejudice or otherwise affect any rights and obligations of the parties expressed in this deed to survive termination of this deed, nor will it prejudice or otherwise affect any right or remedy one party has against another party in respect of any breach of this deed before termination, but will terminate all other rights and obligations of the parties under this deed.
- (d) This clause 3.5 and clauses 6, 9 and 10 survive termination of this deed.

4. Capital Reduction

4.1 Capital Reduction terms

The parties agree that the Capital Reduction will be on the terms set out in the Notices of Meetings and any other term agreed between the parties.

4.2 Capital Reduction Booklet

- (a) Subject to this clause 4.2, Rattoon must, as soon as reasonably practicable, prepare the final form of the Capital Reduction Booklet in accordance with the NSX Listing Rules, the Corporations Act and all other applicable laws, regulations and ASIC Regulatory Guides. Without limiting the foregoing, the Capital Reduction Booklet must:
- (1) disclose all facts and information necessary to enable Rattoon shareholders to make an informed decision on how to vote on the Resolutions, including fully and fairly portraying the terms of the Capital Reduction (save where it would be unreasonable for Rattoon to do so because Rattoon has previously disclosed the information to Rattoon's shareholders);
 - (2) include the Independent Expert's Report; and
 - (3) include a positive recommendation from all directors of Rattoon (other than any Majority Shareholder's nominee directors, who may abstain from providing a recommendation) that Rattoon Shareholders vote in favour of the Capital Reduction, subject only to:
 - (A) there being no superior proposal; and
 - (B) if the Independent Expert's Report has not yet been received, the recommendation of the Independent Expert being that the Capital Reduction is fair and reasonable to Rattoon Shareholders as a whole.

- (b) Each of the Majority Shareholders must provide Rattoon with such information relating to it as Rattoon may reasonably require to prepare the Capital Reduction Booklet.
- (c) As soon as practicable after Rattoon has completed the preparation of the final form of the Capital Reduction Booklet:
 - (1) Rattoon must provide a copy to the Majority Shareholders; and
 - (2) Rattoon must convene a meeting of its independent committee of its board of directors for the purpose of, considering, and if thought fit approving, the Capital Reduction Booklet.
- (d) Before filing the Capital Reduction Booklet with ASIC, Rattoon must provide its final draft of the Capital Reduction Booklet to the Majority Shareholders, give the Majority Shareholders a reasonable opportunity to comment on the draft, and not unreasonably fail to incorporate or make the Majority Shareholders' comments or suggested changes (if any).
- (e) The Capital Reduction Booklet may not be filed with ASIC without the consent of the Majority Shareholders (including, without limitation, as to its form and content), which consent must not be unreasonably withheld or delayed.

4.3 Implementation steps by Rattoon

- (a) Rattoon must use its commercially reasonable endeavours to do everything reasonably necessary for the Capital Reduction to be implemented and effective as soon as reasonably practicable but in any case before the Quit Date.
- (b) Without limiting clause 4.3(a), Rattoon must:
 - (1) use its commercially reasonable endeavours to prepare the explanatory statement required by section 256C(4) of the Corporations Act as soon as reasonably practicable;
 - (2) convene and hold the meetings of Rattoon Shareholders in order to consider and if thought fit pass the Resolutions in accordance with section 256C(2) of the Corporations Act;
 - (3) if the Resolutions are approved:
 - (A) apply to NSX for, and use its commercially reasonable endeavours to obtain from NSX, the cessation of trading in Rattoon Shares at least 5 Business Days before the Effective Date; and
 - (B) promptly lodge with ASIC a copy of the Resolutions approving the Capital Reduction; and
 - (4) on the Effective Date pay to the Minority Shareholders the Consideration in respect of each Minority Share.

4.4 Implementation steps by the Majority Shareholders

- (a) Subject to clause 4.4(b), the Majority Shareholders must use their respective commercially reasonable endeavours to do everything reasonably necessary for the Capital Reduction to be implemented and effective as soon as reasonably practicable but in any case before the Quit Date including providing the Independent Expert with all information that the Independent Expert reasonably requires to complete the Independent Expert's Report.
- (b) Notwithstanding clause 4.4(a), nothing in this deed obliges either of the Majority Shareholders or any of their Related Bodies Corporate or Associates to vote any Rattoon Shares which they hold in any particular manner.

4.5 Rattoon's conduct pending Effective Date

Rattoon must use its commercially reasonable endeavours to ensure that until the Effective Date Rattoon and each of its subsidiaries and controlled entities:

- (a) carries on its business in a normal, proper and efficient manner and manages and conducts its business in the ordinary and usual course, consistent with past practice and in compliance in all material respects with all applicable laws and agreements to which it is a party;
- (b) uses all reasonable endeavours to preserve its goodwill (including, by preserving intact its current business operations, keeping available the services of its current business organisations, keeping available the services of its current officers and employees and preserving its relationships with customers, suppliers, licensors, licensees and others having business dealings with it);
- (c) does not:
 - (1) increase, reduce or otherwise alter its issued share or loan capital or securities or other rights convertible into share or loan capital or grant any options for the issue of shares or other securities;
 - (2) declare, pay or make a dividend or other distribution;
 - (3) enter into any abnormal or unusual transaction which relates to or adversely affects Rattoon or a subsidiary or controlled entity; or
 - (4) make any alteration to the constitution or other constitutional documents of Rattoon or a subsidiary or controlled entity;or agree to do so;
- (d) does not:
 - (1) borrow or lend any money;
 - (2) give any guarantee or indemnity in relation to the obligations or liabilities of any person; or

(3) give or create any Encumbrance over, or declare itself trustee of, any asset;
which is not in the ordinary course of business;

- (e) does not enter into any commitment after the date of this deed which would involve expenditure in excess of \$100,000 in total;
- (f) does not enter into any onerous or long term contract or commitment otherwise than in the ordinary course of business;

except for any transaction expressly required or permitted by this deed or as otherwise agreed by the Majority Shareholders.

5. Public announcement

5.1 Public announcement of the Capital Reduction

Following the signing of this deed, Rattoon and the Majority Shareholders will issue a public announcement about the Capital Reduction in the form agreed between the parties.

5.2 No other public announcements

Other than the announcement permitted under clause 5.1 or required by law, regulation, order of any government agency or the rules of any financial market on which the relevant party's securities are listed, including the NSX Listing Rules, no party may make any press release or public announcement about the Capital Reduction, this deed or any transaction under it unless approved by the other parties.

6. Confidentiality

6.1 Confidentiality undertaking

Each party must not disclose, and must use its commercially reasonable endeavours to ensure its officers, employees and advisers do not disclose, to any person, any information about this deed, the Capital Reduction or any transaction under this deed, or any information provided by or on behalf of any other party in connection with this deed or the implementation of the Capital Reduction and relating to it or any of its subsidiaries and controlled entities, except for the purpose of implementing, or genuinely attempting to implement, the Capital Reduction in accordance with this deed. The obligations under this clause 6.1 do not apply to any information which was already known by a party at the time of disclosure to it by another party and cease to apply to any information which becomes generally available to the public otherwise than due to disclosure in breach of this clause 6.1.

6.2 Exceptions

Despite anything else contained in this deed or to the contrary, a party may make any disclosure (including any press release or public announcement) as is necessary to enforce its rights under this deed or to comply with any applicable law, regulation, order of any government agency or the rules of any financial market on which that party's securities are listed, including the NSX Listing Rules, provided that all

reasonable steps have been taken to limit, as far as reasonably possible, the extent of the disclosure.

7. Co-operation and reasonable endeavours

Each party must:

- (a) co-operate with the other parties and use its commercially reasonable endeavours to ensure that the objectives of this deed are met; and
- (b) provide all information and assistance reasonably requested by either:
 - (1) the Independent Expert to enable it to prepare the Independent Expert's Report; or
 - (2) Rattoon to enable it to prepare the Capital Reduction Booklet.

8. Representations and warranties

8.1 By GPG

GPG represents and warrants to each of the other parties as at the date of this deed and on each subsequent day until 8.00am on the Effective Date (except where any statement is expressed to be made only at a particular date, in which event the representation and warranty is given only at that date) that:

- (a) the GPG Information will be provided in good faith and on the understanding that Rattoon and its directors will rely on the GPG Information for the purposes of preparing the Capital Reduction Booklet and proposing and implementing the Capital Reduction in accordance with the requirements of the Corporations Act;
- (b) at the date the Capital Reduction Booklet is dispatched to the Rattoon Shareholders, none of the GPG Information contained in the Capital Reduction Booklet, in the form and context in which it appears in that version of the Capital Reduction Booklet, will be misleading or deceptive in any material particular, whether by inclusion of false information or omission of information or both;
- (c) GPG will, as a continuing obligation, provide to Rattoon all such further or new information which may arise after the Capital Reduction Booklet has been dispatched to Rattoon Shareholders until the time for holding the meetings of Rattoon Shareholders to approve the Resolutions which is necessary to ensure that the GPG Information, in the form and context in which the GPG Information appears in the form of the Capital Reduction Booklet dispatched to Rattoon Shareholders, is not misleading or deceptive in any material particular, whether by inclusion of false information or omission of information or both; and
- (d) so far as GPG is aware, GPG entering into this deed and performing any other transaction or obligation required to be performed by it under this deed will not materially breach any law, regulation, order of any government agency, statutory instrument, constitution, agreement, deed, undertaking or other commitment binding on or otherwise affecting GPG, and does not require the approval,

consent or waiver of any person, except for the approvals listed in clause 3.1 and any consents, approvals or waivers obtained on or prior to the date of this deed.

8.2 By Thorney

Thorney represents and warrants to each of the other parties as at the date of this deed and on each subsequent day until 8.00am on the Effective Date (except where any statement is expressed to be made only at a particular date, in which event the representation and warranty is given only at that date) that:

- (a) the Thorney Information will be provided in good faith and on the understanding that Rattoon and its directors will rely on the Thorney Information for the purposes of preparing the Capital Reduction Booklet and proposing and implementing the Capital Reduction in accordance with the requirements of the Corporations Act;
- (b) at the date the Capital Reduction Booklet is dispatched to the Rattoon Shareholders, none of the Thorney Information contained in the Capital Reduction Booklet, in the form and context in which it appears in that version of the Capital Reduction Booklet, will be misleading or deceptive in any material particular, whether by inclusion of false information or omission of information or both;
- (c) Thorney will, as a continuing obligation, provide to Rattoon all such further or new information which may arise after the Capital Reduction Booklet has been dispatched to the Rattoon Shareholders until the time for holding the meetings of Rattoon Shareholders to approve the Resolutions which is necessary to ensure that the Thorney Information, in the form and context in which the Thorney Information appears in the form of the Capital Reduction Booklet dispatched to Rattoon Shareholders, is not misleading or deceptive in any material particular, whether by inclusion of false information or omission of information or both; and
- (d) so far as Thorney is aware, Thorney entering into this deed and performing any other transaction or obligation required to be performed by it under this deed will not materially breach any law, regulation, order of any government agency, statutory instrument, constitution, agreement, deed, undertaking or other commitment binding on or otherwise affecting Thorney, and does not require the approval, consent or waiver of any person, except for the regulatory approvals listed in clause 3.1 and any consents, approvals or waivers obtained on or prior to the date of this deed.

8.3 By Rattoon

Rattoon represents and warrants to each of the other parties as at the date of this deed and on each subsequent day until 8.00am on the Effective Date (except where any statement is expressed to be made only at a particular date, in which event the representation and warranty is given only at that date) that:

- (a) the information contained in the Capital Reduction Booklet (except for the GPG Information and the Thorney Information) will be provided to the Majority Shareholders in good faith and on the understanding that the Majority

Shareholders and their directors will rely on that information for the purposes of considering the Capital Reduction Booklet and approving the GPG Information and the Thorney Information, as applicable, in the form and context in which it appears in the Capital Reduction Booklet before it is dispatched to Rattoon Shareholders:

- (b) at the date the Capital Reduction Booklet is dispatched to the shareholders of Rattoon, the information contained in the Capital Reduction Booklet (except the GPG Information and the Thorney Information) will be accurate and none of that information will be misleading or deceptive in any material particular, whether by inclusion of false information or omission of information or both;
- (c) Rattoon will, as a continuing obligation, dispatch to Rattoon Shareholders all such further or new information which may arise after the Capital Reduction Booklet has been dispatched to Rattoon Shareholders until the time for holding the meetings of Rattoon Shareholders to consider, and if thought fit approve, the Resolutions which is necessary to ensure that the Capital Reduction Booklet dispatched to Rattoon Shareholders is not misleading or deceptive in any material particular, whether by inclusion of false information or omission of information or both and Rattoon Shareholders have been provided with all facts and information which is necessary to enable them to decide how to vote on the Resolutions;
- (d) so far as Rattoon is aware, entering into this deed, implementing the Capital Reduction and performing each other transaction or obligation under this deed required to be performed by Rattoon will not materially breach any law, regulation, order of any government agency, statutory instrument, constitution, agreement, deed, undertaking or other commitment binding on or otherwise affecting Rattoon, and does not require the approval, consent or waiver of any person, except for those listed in clause 3.1 and any consents, approvals or waivers obtained on or prior to the date of this deed; and
- (e) except as otherwise disclosed in writing prior to the date of this deed the only issued shares, options to subscribe for shares, securities or other rights convertible into equity or loan capital or other equity securities of Rattoon are 50,545,380 Rattoon Shares and 6,200 options each to subscribe for one Rattoon Share, and there is no agreement or commitment in existence under which Rattoon agrees to issue or grant any shares, options or other securities of Rattoon or to redeem or cancel any issued securities of Rattoon or otherwise increase, reduce or alter its issued equity or loan capital or to create any Encumbrance over the unissued share capital of Rattoon save for the Capital Reduction set out in this deed.

8.4 Separate

Each of the representations and warranties is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not to be restricted by reference to or inference from any other statement.

8.5 Time limitation

No party may make a claim for breach of a representation or warranty under this deed by another party unless notice in writing containing reasonable particulars of the claim or proceeding is given by the aggrieved party to the defaulting party (and copied to the other party to the deed) after the end of 3 months from the Quit Date and a proceeding is filed with a court of competent jurisdiction in respect of the claim within 3 months from receipt by the defaulting party of the aggrieved party's written notice of the claim.

9. Costs

9.1 Joint advice

- (a) In view of the common objectives of the parties in relation to the Capital Reduction, the parties may decide to engage an adviser in connection with implementation of the Capital Reduction to give them advice, or otherwise act for them, jointly, and in that case the parties will be responsible for the costs of the adviser so acting, in equal shares.
- (b) Nothing in this clause shall prevent a party or its respective officers or directors from obtaining or requiring independent advice, opinion or report in relation to any aspect of any matter the subject of this deed at their own cost and without prior notice to the other parties or their directors, and the parties acknowledge that any or all of them may deem it appropriate to obtain any such advice, opinion or report at any time.

9.2 Other costs

Subject to clause 9.1, each party must bear its own costs in relation to the negotiation, preparation and execution of this deed and all other aspects of the Capital Reduction and its implementation.

10. General

10.1 Governing law and jurisdiction

This deed is governed by the laws of Victoria, Australia. The parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

10.2 Amendment

The parties may only amend this deed if each party signs the written amendment.

10.3 Waiver

A provision of this deed or a right created under it may not be waived except in writing signed by the party granting the waiver.

10.4 Exercise of a right

A party may exercise a right at its discretion and separately or together with another right. If a party exercises a single right or only partially exercises a right, then that

party may still exercise that right or any other right later. If a party fails to exercise a right or delays in exercising a right, then that party may still exercise that right later.

10.5 Remedies cumulative

The rights and remedies provided in this deed are cumulative with and not exclusive of the rights and remedies provided by law independently of this deed.

10.6 No provisions merge

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

10.7 Assignment

- (a) This deed is for the benefit of the parties and their successors and assigns. The parties and their successors and assigns are bound by this deed.
- (b) A party may only assign its rights under this deed after it obtains the written consent of each other party.

10.8 Severance

If any provision of this deed is void, voidable, unenforceable, illegal, prohibited or otherwise invalid in a jurisdiction, in that jurisdiction the provision must be read down to the extent it can be to save it but if it cannot be saved by reading it down, words must be severed from the provision to the extent they can be to save it but if that also fails to save it the whole provision must be severed. That will not invalidate the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction where it is not invalid.

10.9 Counterparts

The parties may execute this deed in two or more counterparts and all counterparts together constitute one instrument.

10.10 Consent or approval

Subject to an express provision in this deed, a party may in its absolute discretion give its consent or approval conditionally or unconditionally, or withhold its consent or approval.

10.11 Entire agreement

This deed constitutes the entire agreement of the parties in respect of the subject matter of this deed and supersedes all prior discussions, undertakings and agreements.

10.12 Further assurances

Each party must, at its own expense, do everything reasonably necessary to give effect to this deed and the transactions contemplated by it, including without limitation the execution of documents by itself or a Related Body Corporate.

10.13 Relationship

Nothing in this deed constitutes the parties as partners or agents of the other and no party has any authority to bind the other legally or equitably except as expressly stated in this deed.

10.14 Notices

- (a) A party may send a notice in connection with this deed by hand delivery, pre-paid post or facsimile transmission to another party at the address details set out below or in such other way as the recipient party may have last notified each other party in writing:

(1) Rattoon

Address: C/- Norton Gledhill, Level 23, 459 Collins Street, Melbourne VIC 3000

Facsimile: +61 3 9629 1415

Attention: Mr James Macdonald, Principal

(2) GPG

Address: Level 41/ 1 Macquarie Place
Sydney, NSW 2000
England

Facsimile: +61 2 9251 9960

Attention: Mr Phil Tunstall

(3) Thorney

Address: Level 39
55 Collins Street
Melbourne VIC 3000
Australia

Facsimile: + 61 3 9921 7100

Attention: Mr Peter Landos

- (b) A notice is deemed to be received:

- (1) if sent by pre-paid domestic post, on the second Business Day after the date of posting;
- (2) if sent by pre-paid international post, on the fifth Business Day after the date of posting; or

- (3) If sent by facsimile transmission, on the next Business Day after the date the facsimile was sent in its entirety as shown by the transmission report produced by the sending machine.

10.15 Warranties of authority

Each party warrants and represents to each other party that as of the date of this deed:

- (a) it is a validly existing company registered under laws of its place of incorporation;
- (b) the execution and delivery of this deed has been properly authorised by all necessary corporate action;
- (c) it has the power to enter into and perform this deed and its obligations under this deed;
- (d) this deed is valid and binding on it and enforceable against it in accordance with its terms subject to any necessary stamping, the availability of any equitable remedies and to laws affecting creditors' rights generally;
- (e) it benefits by executing this deed; and
- (f) it is able to pay its debts as and when they fall due, and no action has been taken towards winding it up or placing it in bankruptcy.

Executed as a deed

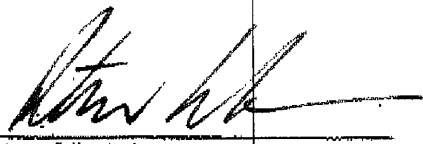
Executed by Rattoon Holdings Limited by:



Signature of director

HUGH ROBERTSON

Name of director

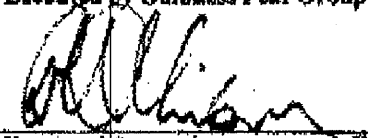


Signature of director/company secretary

PETER LANDOS

Name of director/company secretary

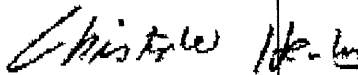
Executed by Guinness Peat Group plc by:



Signature of director

BLAKE NIXON

Name of director

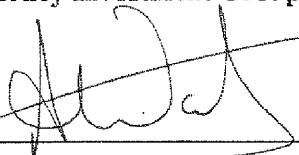


Signature of director/company secretary

CHRISTOPHER HEALY

Name of director/company secretary

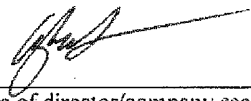
Executed by Thorney Investment Group Australia Pty Ltd by:



Signature of director

ALEX WAISLITZ

Name of director



Signature of director/company secretary

CRAIG SMITH

Name of director/company secretary