

KME BOARD UNANIMOUSLY RECOMMENDS SHAREHOLDERS ACCEPT CRIMSON'S INCREASED A\$0.75 OFFER WITHOUT DELAY

12 October 2026

Kip McGrath Education Centres Limited (ASX: KME) (**KME**) announces that it has entered into the attached bid process deed with Crimson Consulting Australia Pty Ltd (**Crimson**) in relation to Crimson's off-market takeover offer for KME, as increased and varied as described below (**Revised Offer**).

Key terms of the Revised Offer

- Crimson has increased the consideration from A\$0.73 to **A\$0.75 cash per KME Share**, less the cash amount of any applicable dividend.
- The Revised Offer is **unconditional**.
- Subject to Crimson obtaining ASIC relief allowing it to do so, Crimson will pay the increased consideration within **10 Business Days** after the variation takes effect or, for shareholders who accept after that time, within **10 Business Days** after acceptance.

All KME shareholders who accept or have already accepted the Offer will receive the increased consideration. Shareholders who have already accepted do not need to take any further action.

The KME Directors have withdrawn their previous recommendation that shareholders reject the Offer and take no action. The KME Directors now unanimously recommend that shareholders **ACCEPT THE REVISED OFFER WITHOUT DELAY**, in the absence of a Superior Proposal.

In changing their recommendation, the KME Directors have had regard to the increased consideration, the unconditional nature of the Revised Offer, the prospect of accelerated payment and the increased likelihood that Crimson will obtain control of KME. Shareholders who do not accept risk remaining minority shareholders in a Crimson-controlled company, with reduced influence over KME's future direction and reduced liquidity for their KME Shares.

The Revised Offer also preserves for KME shareholders the benefit of the dividend overwhelmingly approved at KME's annual general meeting, payable on 16 October 2026, together with the potential benefit of the associated franking credits for eligible shareholders, while Crimson pays the balance of the A\$0.75 consideration.

Despite KME's significant efforts to explore potential alternative transactions, no Superior Proposal has emerged or is likely to emerge before Crimson is likely to obtain control of KME.

Each KME Director has stated that they intend to accept the Revised Offer in respect of all KME Shares they own or control within one day of this announcement.

The Revised Offer is currently scheduled to close at 7.00 pm (Sydney time) on Monday, 19 October 2026.

KME shareholders who have not accepted should refer to the acceptance instructions in Crimson's bidder's statement and **ACCEPT THE REVISED OFFER WITHOUT DELAY**.

KME shareholders should read the Supplementary Target's Statement attached to this announcement in full.

This announcement has been authorised for release by the KME Board.

Attachment 1 — Supplementary Target's Statement No. 1

SUPPLEMENTARY TARGET'S STATEMENT NO. 1

1 Important Notices

This document is a supplementary target's statement under section 644 of the *Corporations Act* 2001 (Cth) (**Corporations Act**) and is dated 12 October 2026.

It is the first supplementary target's statement (**Supplementary Target's Statement**) issued by Kip McGrath Education Centres Limited (ACN 003 415 889) (**KME**) in relation to the off-market takeover offer by Crimson Consulting Australia Pty Ltd (ACN 600 634 991) (**Crimson**) to acquire all of the ordinary shares in KME that it does not already own or control (**Offer**).

This Supplementary Target's Statement supplements, and should be read together with, KME's target's statement dated 1 September 2026 (**Original Target's Statement**). This Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement.

A copy of this Supplementary Target's Statement was lodged with ASIC and given to ASX on 12 October 2026. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Supplementary Target's Statement.

Unless the context requires otherwise, capitalised terms used in this Supplementary Target's Statement have the meanings given in the Original Target's Statement.

You should read this Supplementary Target's Statement and the Original Target's Statement in their entirety. If you are in doubt about how to deal with this document or the Offer, you should consult your legal, financial or other professional adviser.

2 Revised Offer

Crimson has varied the Offer to increase the Offer consideration from A\$0.73 to **A\$0.75 cash per KME Share**, less the cash amount of any dividend in respect of which Crimson is entitled to reduce the Offer consideration (**Revised Offer**). The Revised Offer consideration is payable to all Shareholders who accept the Offer, including those who accepted before the variation. Shareholders who have already accepted the Offer do not need to take any further action to receive the increased Offer consideration.

Crimson has freed the Offer from all outstanding defeating conditions.

Subject to Crimson obtaining the necessary ASIC relief, Shareholders are expected to receive the Revised Offer consideration within 10 Business Days after the later of their acceptance and the date on which Crimson varies the Offer.

Crimson must promptly apply to ASIC under section 655A of the Corporations Act for the relief required to vary the Offer so that the Revised Offer consideration is paid within 10 Business Days after the later of acceptance and the date on which Crimson varies the Offer and must use reasonable endeavours to obtain that relief.

3 Directors' Recommendation — ACCEPT THE REVISED OFFER WITHOUT DELAY

The KME Directors withdraw their previous recommendation that Shareholders reject the Offer and take no action. The KME Directors now unanimously recommend that Shareholders **ACCEPT THE REVISED OFFER WITHOUT DELAY**, in the absence of a Superior Proposal.

Each KME Director has stated that they intend to accept the Revised Offer in respect of all KME Shares they own or control by 13 October 2026. Details of the KME Shares owned or controlled by the KME Directors are set out in section 11.1 of the Original Target's Statement.

4 Reasons for the Changed Recommendation

In deciding to change their recommendation, the Directors have had regard to:

- the increase in the Offer consideration to A\$0.75 cash per KME Share, less the cash amount of any applicable dividend;
- Crimson having freed the Offer from all outstanding defeating conditions;
- the prospect of Shareholders receiving the Revised Offer consideration within 10 Business Days after the later of acceptance and the date on which Crimson varies the Offer, subject to Crimson obtaining the necessary ASIC relief;
- the increased likelihood that Crimson will obtain control of KME and that Shareholders who do not accept the Revised Offer may remain minority shareholders in a company controlled by Crimson, with reduced influence over KME's future direction and reduced liquidity for their KME Shares;
- the Revised Offer preserving for Shareholders the benefit of the dividend overwhelmingly approved at KME's annual general meeting, payable on 16 October 2026, together with the potential benefit of the associated franking credits for eligible Shareholders, while Crimson pays the balance of the A\$0.75 Offer consideration; and
- the fact that, despite KME's significant efforts to explore potential alternative transactions, no Superior Proposal has emerged or is likely to emerge before Crimson is likely to obtain control of KME.

5 Bid Process Deed

KME and Crimson have entered into a bid process deed governing the arrangements relating to the Revised Offer (**Bid Process Deed**). A copy of the Bid Process Deed has been released to ASX at the same time as this Supplementary Target's Statement.

6 Consents

Each KME Director has given, and has not withdrawn before the lodgement of this Supplementary Target's Statement with ASIC, their consent to the inclusion in this Supplementary Target's Statement of the statements made by them, or stated to be based on statements made by them, in the form and context in which those statements appear.

7 Approval of Supplementary Target's Statement

This Supplementary Target's Statement has been approved by a resolution passed by the Directors of KME.

Signed for and on behalf of Kip McGrath Education Centres Limited:



Damian Banks
Non-Executive Chair



Attachment 2 - Bid Process Deed

Bid process deed

Kip McGrath Education Centres Limited

- and -

Crimson Consulting Australia Pty Ltd



Bid process deed

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Details

Parties	
Name	Kip McGrath Education Centres Limited
ACN	003 415 889
Address	Suite 2.02, Level 2, 31 Market Street, Sydney NSW 2000
(Target)	
Name	Crimson Consulting Australia Pty Ltd
ACN	600 634 991
Address	Level 6, 8 Hill Street, Surry Hills NSW 2010
(Bidder)	
Date of deed	12 October 2026



Bid process deed

BACKGROUND

- A. The Bidder has made a Takeover Offer for all the Target Shares under a Bidder's Statement dated 30 July 2026, as varied by the Supplementary Bidder's Statement dated 7 August 2026, and the Second Supplementary Bidder's Statement dated 11 September 2026 and has agreed to vary the Takeover Offer on the terms set out in this deed.
- B. The Target Directors propose to recommend the Takeover Offer, as amended, on the terms set out in this deed, in the absence of a Superior Proposal.
- C. The Target and the Bidder have agreed to certain matters in relation to the conduct of the Takeover Offer on and subject to the terms of this deed.

AGREED TERMS

The parties agree:

1. DEFINITIONS AND INTERPRETATION

In this deed these terms have the following meanings.

1.1 Definitions

ASIC: the Australian Securities and Investments Commission.

Associate: the definition given to that term in *section 12* of the Corporations Act.

ASX: ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

Bidder Counterproposal: the definition given to that term in clause 8.6(a)(iii).

Bidder Group: the Bidder and each of its Subsidiaries (excluding, at any time, the Target and its Subsidiaries to the extent that the Target and its Subsidiaries are Subsidiaries of the Bidder at that time). A reference to a member of the Bidder Group or a Bidder Group Member is a reference to the Bidder or any such Subsidiary.

Bidder's Statement: the bidder's statement that has been prepared by the Bidder in relation to the Takeover Offer in accordance with Chapter 6 of the Corporations Act varied by the Supplementary Bidder's Statement dated 7 August 2026, and the Second Supplementary Bidder's Statement dated 11 September 2026.

Business: the business of the Target as at the date of this deed being in the education sector.

Business Day: a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday in that city.

Competing Proposal: any proposal, offer, agreement or transaction, which if entered into or completed, would result in a Third Party (alone or with an Associate):



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- (a) acquiring a Relevant Interest, voting power, economic interest or derivative transaction in 20% or more of the Target Shares or of the securities of any of member of the Target Group;
- (b) directly or indirectly acquiring or obtaining an interest (including an economic interest) in all or a substantial part or material part of the Business or assets or property of, the Target or any member of the Target Group (where a material part means assets or property representing 20% or more of the value of the Target Group's total assets);
- (c) acquiring Control of the Target or any member of the Target Group; or
- (d) acquiring, or merging with, the Target or any member of the Target Group (including by way of takeover bid, scheme of arrangement, capital reduction, buy-back, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership),

or any proposal by the Target to implement any reorganisation of capital or any proposal, offer or transaction that is similar in structure to, or that would be reasonably regarded as being an alternative proposal to, the Proposed Transaction, or any proposal that would otherwise result in the Proposed Transaction not being able to be implemented on the basis set out in this deed.

Control: the definition given to that term in *section 50AA* of the Corporations Act.

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

Exclusivity Period: the period commencing on the date of this deed and ending on the expiry of the period for which the Takeover Offer remains open for acceptance.

Government Agency: any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

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

Performance Rights: means:

- (a) all performance rights granted by the Target, being 381,819 performance rights; and
- (b) the 585,500 new rights approved at the Annual General Meeting of the Target held on 29 September 2026 but not issued as at the date of this deed.

Proposed Transaction:

- (a) the Takeover Offer; and
- (b) all associated transactions and steps contemplated by this deed.

Recommendation: the definition given to that term in [clause 3.1\(b\)](#).



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Register: the register of shareholders of the Target maintained by or on behalf of the Target in accordance with the Corporations Act.

Related Body Corporate: in relation to a person, a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

Relevant Interest: the definition given to that term in sections 608 and 609 of the Corporations Act.

Representatives: in respect of a party, an employee, agent, officer, director, adviser or financier of or to that party (or of a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable).

Revised Offer: the Takeover Offer as varied in accordance with clause 2.1.

Subsidiary: the definition given to that term in section 46 of the Corporations Act.

Supplementary Target's Statement: the supplementary target's statement to be lodged by the Target with ASIC in connection with the Revised Offer.

Superior Proposal: a bona fide Competing Proposal that the Target Directors acting in good faith and in order to satisfy what the Target Directors reasonably consider to be their fiduciary or statutory duties after taking written advice from its legal and financial advisers determine:

- (a) is reasonably capable of being completed substantially in accordance with its terms; and
- (b) would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Target Shareholders than the Proposed Transaction (as modified by any Bidder Counterproposal), having regard to all relevant matters including consideration, conditionality, funding, certainty and timing.

Takeover Offer: the off-market takeover bid under Chapter 6 of the Corporations Act made by the Bidder for all the issued Target Shares.

Target Board: the board of directors of the Target as constituted from time to time (or any committee of the board of directors of the Target constituted from time to time to consider the Proposed Transaction on behalf of the Target).

Target Director: a director of the Target.

Target Group: the Target and each of its Subsidiaries, and a reference to a **member of the Target Group** or a **Target Group Member** is a reference to the Target or any such Subsidiary.

Target Prescribed Occurrence: the occurrence of any matter set out in section 9.7(c) of the Bidder's Statement dated 30 July 2026.

Target Share: an issued fully paid ordinary share in the capital of the Target.



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Target Shareholder: each person who is registered in the Register as a holder of one or more Target Shares.

Third Party: any person or entity other than a member of the Bidder Group or a member of the Target Group.

Third Supplementary Bidder's Statement: the supplementary bidder's statement to be lodged by the Bidder with ASIC in connection with the Revised Offer.

Variation Date: the date on which the Bidder lodges with ASIC the notice of variation giving effect to the Revised Offer.

1.2 Interpretation

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

- (a) Headings and subheadings are for convenience only and do not affect the interpretation of this deed.
- (b) References to parties are references to the parties to this deed.
- (c) Words denoting the singular include the plural and words denoting the plural include the singular.
- (d) Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The word "person" includes any individual, corporation or other body corporate, partnership, joint venture, trust, association and any Government Agency.
- (f) References to clauses are references to clauses of this deed.
- (g) A reference to a law includes:
 - (i) legislation, regulations and other instruments made under legislation and any consolidations, amendments, re-enactments or replacements of them;
 - (ii) any constitutional provision, treaty or decree;
 - (iii) any judgment;
 - (iv) any rule or principle of common law or equity;
 - (v) a Listing Rule,
 and is a reference to that law as amended, consolidated, re-enacted, replaced or applied to new or different facts.
- (h) Specifying anything in this deed after the terms "include", "including", "includes", "for example", "such as" or any similar expression does not limit the sense of the words, description, definition, phrase or term preceding those terms unless there is express wording to the contrary.



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- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) If a period of time begins on a given day or the day of an act or event, it is to be calculated exclusive of that day.
- (k) A reference to time is a reference to Melbourne time unless otherwise specified.
- (l) A reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (m) If any act is required to be performed under this deed by a party on or by a specified day and the act is performed after 5.00 pm on that day, the act is deemed to be performed on the next day.
- (n) If any act is required to be performed under this deed on or by a specified day and that day is not a Business Day, the act must be performed on or by the next Business Day.
- (o) A reference to "writing" or "written" includes email.
- (p) No provision of this deed will be construed adversely to a party because that party was responsible in any way for the preparation of any part of that provision or this deed.

1.3 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.4 Reasonable or best endeavours

Any provision of this deed that requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur, does not include any obligation:

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency; or
- (b) to commence any legal action or proceeding against any person, except where that provision expressly specifies otherwise.

2. BIDDER'S OBLIGATIONS

2.1 Varying the Takeover Offer

The Bidder agrees to:



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- (a) by no later than 5pm on 12 October 2026, vary the Takeover Offer so that the consideration is \$0.75 cash per Target Share, less the amount of any dividend, distribution or other entitlement declared, paid or made by the Target in respect of that Target Share after 30 July 2026 (**Revised Offer**), with the Revised Offer available to all Target Shareholders who accept or have accepted the Takeover Offer; and
- (b) at the same time as the notice under clause 2.1(a), give notice under section 650F of the Corporations Act declaring the Takeover Offer and each takeover contract free from all defeating conditions.

2.2 Accelerated payment

The Bidder must apply to ASIC under section 655A of the Corporations Act for the relief required to vary the Takeover Offer so that the consideration is paid within 10 Business Days after the later of acceptance and the Variation Date and use reasonable endeavours to obtain such relief. The Bidder has no liability if that relief is not obtained or is granted on conditions unacceptable to the Bidder (acting reasonably). The Target must promptly provide all assistance and support the Bidder reasonably requests in connection with any such application.

3. TARGET DIRECTORS' RECOMMENDATION AND ACCEPTANCE

- 3.1 The Target represents that each Target Director has confirmed to it that he or she:
 - (a) supports the Revised Offer;
 - (b) recommends that the Target Shareholders accept the Revised Offer in respect of their Target Shares (in the absence of a Superior Proposal) (**Recommendation**); and
 - (c) intends to accept the Revised Offer in respect of any Target Shares the Target Director owns or controls within one day of the Bidder lodging the Third Supplementary Bidder's Statement with ASIC.
- 3.2 The Target agrees:
 - (a) as soon as practicable after the Bidder complies with clause 2.1, to lodge with ASIC a Supplementary Target's Statement stating that each Target Director:
 - (i) provides his or her full support for the Revised Offer;
 - (ii) gives the Recommendation; and
 - (iii) intends to accept the Revised Offer in respect of any Target Shares the Target Director owns or controls within one day of the Bidder lodging the Third Supplementary Bidder's Statement with ASIC; and
 - (b) to include the Recommendation in all public statements and announcements relating to the Revised Offer; and



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- (c) not to make any public statement or take any other public action that would indicate that the Revised Offer is not recommended by the Target Board, or that is inconsistent with the Recommendation.
- 3.3 The Target is released from its obligations under this clause if the Target receives a Competing Proposal and the Target Board determines, after all of the Bidder's rights under clause 8.6 have been exhausted, that the Competing Proposal constitutes a Superior Proposal.

4. THIRD SUPPLEMENTARY BIDDER'S STATEMENT AND SUPPLEMENTARY TARGET'S STATEMENT

4.1 Third Supplementary Bidder's Statement

The Bidder must before the Bidder lodges the Third Supplementary Bidder's Statement with ASIC to the extent practicable, give the Target a reasonable opportunity to review an advanced draft of the Third Supplementary Bidder's Statement and will consider in good faith any comments from the Target and its advisers.

4.2 Supplementary Target's Statement

The Target must, before the Target lodges the Supplementary Target's Statement with ASIC to the extent practicable, give the Bidder a reasonable opportunity to review an advanced draft of the Supplementary Target's Statement and will consider in good faith any comments from the Bidder and its advisers.

5. CONDUCT OF BUSINESS

5.1 Conduct of Target Business

Subject to the Bidder complying with clause 2.1, during the Exclusivity Period:

- (a) the Target must, and must procure that each Target Group Member carries on and operates the Business as a going concern, in the ordinary and normal course and in substantially the same manner as it was conducted in the 12 months before the date of this deed.
- (b) the Target must not, and must procure that each Target Group Member does not take any action that constitutes a Target Prescribed Occurrence or that could reasonably be expected to result in a Target Prescribed Occurrence;
- (c) the Target will procure that no Performance Rights will vest, become exercisable or be exercised, and that Target directors will not exercise any discretion to accelerate vesting.
- (d) the Target must use reasonable endeavours to enter into agreements with the holders of Performance Rights and the persons to whom any Performance Rights referred to in paragraph (b) of the definition of Performance Rights were proposed to be issued, under which those Performance Rights or proposed Performance Rights are cancelled or surrendered in consideration for cash payments calculated by reference to pro rata



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vesting up to 12 October 2026, the relevant performance hurdles being treated as satisfied and a value of A\$0.69 per Performance Right. The total of all payments that may be made in accordance with this clause 5.1(d) shall not exceed \$170,000 without the Target having first obtained the Bidder's written agreement to any additional amount.

5.2 Target permitted activities

The obligations of the Target under clause 5.1 do not apply in respect of any matter that:

- (a) is required by any applicable law or Government Agency;
- (b) is required or permitted by this deed, or the Proposed Transaction; or
- (c) is a cancellation agreement, payment or other action contemplated by clause 5.1(d); or
- (d) is consented to in writing by the Bidder.

6. REPRESENTATIONS AND WARRANTIES

6.1 Target representations and warranties

The Target represents and warrants to the Bidder at the date of this deed that:

- (a) it is validly existing under the laws of its place of incorporation or registration;
- (b) it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;
- (c) it has taken all necessary action to authorise its entry into and performance of this deed and to carry out the transactions contemplated by this deed;
- (d) the Target's obligations under this deed are valid and binding and enforceable against it in accordance with their terms;

6.2 Representations and warranties by the Bidder

The Bidder represents and warrants to the Target at the date of this deed that:

- (a) it is validly existing under the laws of its place of incorporation or registration;
- (b) it has the power to enter into and perform its obligations under this deed and to carry out the transactions contemplated by this deed;
- (c) it has taken all necessary action to authorise its entry into and performance of this deed and to carry out the transactions contemplated by this deed;
- (d) its obligations under this deed are valid and binding and enforceable against it in accordance with their terms.

7. ANNOUNCEMENTS

7.1 Announcement of arrangements



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Any public announcements by the Target or Bidder in relation to, or in connection with, the Revised Offer may only be made in a form that each party has had a reasonable opportunity to consider before the announcement is released, subject to where a party is required by law or the Listing Rules to make any announcement or to make any disclosure in relation to, or in connection with, the Revised Offer.

7.2 Required announcement

Where a party is required by applicable law, the Listing Rules or any other applicable financial market regulation, to make any announcement or to make any disclosure in connection with the Revised Offer, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practical.

8. EXCLUSIVITY

8.1 No existing discussions

- (a) Other than in relation to the discussions with the Bidder in connection with the Proposed Transaction and this deed, the Target represents and warrants to the Bidder that, as at the date of this deed neither itself nor any of its Representatives is a party to any agreement with a Third Party entered into for the purpose of facilitating a Competing Proposal, other than regarding confidentiality, non-solicitation/non-interference and standstill.
- (b) Immediately after execution of this deed, it will notify any Third Parties with which it or any of its Representatives is participating in discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal or to the Target not proceeding with the Proposed Transaction that it terminates such discussions or negotiations.

8.2 No-shop

During the Exclusivity Period, the Target must not, and must ensure that its Representatives do not, directly or indirectly solicit, invite, initiate or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations with any Third Party in relation to (or that could reasonably be expected to lead to) a Competing Proposal or to the Target not proceeding with the Proposed Transaction, or communicate any intention to do any of these things.

8.3 No-talk

Subject to clause 8.7, during the Exclusivity Period, the Target must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) negotiate or enter into or participate in negotiations or discussions with any person;
or
- (b) communicate any intention to do any of these things,

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in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by the Target or any of its Representatives, or that person has publicly announced the Competing Proposal.

8.4 No due diligence

During the Exclusivity Period, except with the prior written consent of the Bidder, the Target must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) subject to clause 8.7, solicit, invite, initiate, encourage, facilitate or permit, any person (other than the Bidder) to undertake due diligence investigations in respect of the Target, its related bodies corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
- (b) subject to clause 8.7, make available to any person (other than the Bidder) or permit any such person to receive any non-public information relating to the Target, its related bodies corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

8.5 Notification of approaches

During the Exclusivity Period, the Target must promptly (and in any event within two Business Days) notify the Bidder in writing if the Target or any of its Representatives receives any approach, inquiry or proposal made by any person to initiate any discussions or negotiations that could reasonably be expected to lead to a Competing Proposal.

8.6 Target's response to Rival Acquirer and the Bidder's right to respond

- (a) The Target must procure that no Target Director publicly changes, withdraws or adversely modifies their Recommendation to publicly recommend a Competing Proposal, and must not enter into any agreement to implement a Competing Proposal, unless:
 - (i) the Target Directors have determined, acting in good faith and after consultation with the Target's financial adviser, that the Competing Proposal is, or is reasonably likely to be, a Superior Proposal;
 - (ii) the Target has provided written notice to the Bidder of the material terms of the Competing Proposal (including the identity of the person making the Competing Proposal); and
 - (iii) within five Business Days of receiving notice from the Target under clause 8.6(a)(ii), the Bidder does not make an offer in writing to the Target in respect of a variation of the Takeover Offer, or proposing any other form of transaction (**Bidder Counterproposal**) that the Target Directors determine, acting in good faith and after consultation with the Target's financial adviser,

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would result in an outcome for the Target Shareholders that is at least as favourable as under the Competing Proposal.

- (b) The Target agrees that each material modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under this clause 8.6 and the Target must comply with this clause 8.6 in respect of any new Competing Proposal.

8.7 Fiduciary exception

The restrictions in clause 8.3, clause 8.4, and the obligations in clause 8.5 and clause 8.6(a)(i) do not apply to the extent they restrict the Target or any Target Director from taking or not taking any action with respect to a Competing Proposal (in relation to which there has been no contravention of clause 8.1 or clause 8.2) if:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the Target Directors reasonably consider is of sufficient commercial standing to implement the Competing Proposal; and
- (b) the Target Directors have determined in good faith:
 - (i) after consultation with the Target's financial advisers that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal; and
 - (ii) after receiving advice from the Target's external legal adviser practising in the area of corporate law, that taking the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of the Target Directors.

9. NOTICES

9.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English;
- (b) signed by the sender or a person authorised to sign on behalf of the sender;
- (c) addressed to that party in accordance with the details shown in the table below (or any alternative details given in writing to the sending party):

Party	Address	Attention	Email
Kip McGrath Education Centres Limited ACN 003 415 889 (Target)	Suite 2.02, Level 2, 31 Market Street, Sydney NSW 2000	Damian Banks	Damian.Banks@kipmcgrath.com.au



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Crimson Consulting Australia Pty Ltd ACN 600 634 991 (Bidder)	c/- KHQ Lawyers, Level 4, 600 Bourke Street, Melbourne VIC 3000	Toby Norgate	tnorgate@khq.com.au
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9.2 How Notice given and received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below. However, if this means the Notice would be regarded as given and received outside the period between 9.00 am and 5.00 pm (addressee's time) on a Business Day **(Business Hours Period)**, then the Notice will instead be regarded as given and received at the start of the following Business Hours Period.

10. GENERAL

10.1 Further action

Each party must at its own expense do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it and use its reasonable endeavours to procure that any third parties do the same.

10.2 Expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the proposed, attempted or actual implementation of this deed and the Takeover Offer.

10.3 No waiver

No party may rely on the words or conduct of any other party as being a waiver of any right, power or remedy arising under or in connection with this deed unless the other party or parties expressly grant a waiver of the right, power or remedy. Any waiver must be in writing, signed by the party granting the waiver and is only effective to the extent set out in that waiver.

10.4 Variation

An amendment or variation of any term of this deed must be in writing and signed by each party.

10.5 Counterparts

- (a) This deed may be executed and delivered in any number of counterparts. Each counterpart is an original, and is evidence of the intention of each party who has executed and delivered that counterpart to be bound by its terms. All counterparts taken together constitute one instrument.
- (b) Where this deed is executed in counterparts:

**Bid process deed**

- (i) despite anything else in this clause 10.5, no counterpart will be effective and binding until each other party to this deed has executed and delivered at least one counterpart; and
- (ii) the date on which the last counterpart is executed and delivered is the effective date of this deed.

10.6 Electronic execution

The parties acknowledge that this deed may be exchanged and executed entirely or partially by electronic means, and that an electronic representation of a signature (including a scanned copy of a signature first made on paper) will be conclusive evidence of a party's execution of this deed and intention to be bound by its terms.

10.7 Entire deed

This deed states all the express terms agreed by the parties about its subject matter. It supersedes all prior deeds, understandings, negotiations and discussions in respect of its subject matter.

10.8 No merger

On completion or termination of this deed, the rights and obligations of the parties set out in this deed will not merge and any provision that has not been fulfilled remains in force.

10.9 Governing law

- (a) This deed is governed by the law in force in the State of Victoria in the Commonwealth of Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in the State of Victoria in the Commonwealth of Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed.



Bid process deed

Signing Page

Executed as a deed.

Target

EXECUTED by **Kip McGrath Education Centres Limited (ACN 003 415 889)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of Director

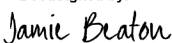
Signature of Director or Secretary

Name of Director (please print)

Name of Director or Secretary (please print)

Bidder

EXECUTED by **Crimson Consulting Australia Pty Ltd (ACN 600 634 991)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

DocuSigned by:

F6BEADB874E41B5...

Signature of Director

DocuSigned by:

36270F8B64E6492...

Signature of Director or Secretary

Jamie Beaton

Name of Director (please print)

Harry Rillstone

Name of Director or Secretary (please print)

Signing Page

Executed as a deed.

Target

EXECUTED by **Kip McGrath Education Centres Limited (ACN 003 415 889)** in accordance with section 127 of the *Corporations Act 2001* (Cth):



Signature of Director



Signature of Director or Secretary

Damian Banks

Name of Director (please print)

Lynne Elizabeth Anne Lewis

Name of Director or Secretary (please print)

Bidder

EXECUTED by **Crimson Consulting Australia Pty Ltd (ACN 600 634 991)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of Director

Signature of Director or Secretary

Name of Director (please print)

Name of Director or Secretary (please print)