ASX Announcement

NORFOLK
INTEGRATED ENGINEERING

7 June 2013

Release of Scheme Booklet

Norfolk Group Limited (ASX: NFK) (**Norfolk**) today announced that the Australian Securities and Investments Commission (**ASIC**) has registered the explanatory booklet to be sent to Norfolk shareholders (the **Scheme Booklet**) in relation to the previously announced scheme of arrangement (**Scheme**) under which RCR Tomlinson Ltd (ASX: RCR) (through its wholly-owned subsidiary, RCR Infrastructure Pty Ltd) will acquire all of the issued shares in Norfolk.

Printed copies of the Scheme Booklet, including the Independent Expert's Report, will be mailed to Norfolk shareholders over the next week.

A copy of the Scheme Booklet, including the Independent Expert's Report, is attached to this announcement.

--- ENDS ---

For further information
John Gardner or Catherine Suen
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Norfolk Group Limited
Norfolk is a leading provider of integrated engineering services in the electrical, HVAC (heating, ventilation and airconditioning) and facilities management markets.

Norfolk employs more than 2,700 people, including highly skilled engineers, electricians, air conditioning technicians and apprentices, across more than 120 locations throughout Australia, New Zealand and Asia. Norfolk has more than 10,000 customers across a range of sectors including infrastructure, industrial, commercial, resources, retail, government and communications.

For further information on Norfolk, please visit www.norfolkgl.com.

NORFOLK
INTEGRATED ENGINEERING

SCHEME BOOKLET

Norfolk Group Limited (ACN 125 709 971)

For a recommended scheme of arrangement in relation to the proposed acquisition of all of your Norfolk Group Limited shares by RCR Infrastructure Pty Ltd (ACN 060 002 959), a wholly-owned subsidiary of RCR Tomlinson Ltd (ACN 008 898 486).

VOTE IN FAVOUR

Norfolk's Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal.

This Booklet is important and requires immediate attention. You should read this Booklet in its entirety before deciding whether or not to vote in favour of the resolution to approve the Scheme. If you are in any doubt as to what you should do, you should seek independent financial, taxation or other professional advice before voting on the resolution to approve the Scheme. If you have recently sold your Norfolk Shares, please ignore this Booklet.

If you have any questions in relation to this Booklet or the Scheme you should call the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 1300 881 079 (international) on Business Days between 8.30am and 5.30pm (Sydney time).

Financial Adviser

KPMG
Corporate Finance

Legal Adviser

Allens > < Linklaters

IMPORTANT NOTICES AND DISCLAIMERS

Purpose of this Booklet

This Booklet is important. Norfolk Shareholders should carefully read this Booklet in its entirety before deciding whether or not to vote in favour of the resolution to approve the Scheme.

This Booklet provides Norfolk Shareholders with information about the proposed acquisition of Norfolk by RCR Infrastructure, a wholly-owned subsidiary of RCR, certain information required by law and all other information known to the Directors which is material to the decision of Norfolk Shareholders to vote in favour of, or against, the resolution to approve the Scheme and includes the explanatory statement required by Part 5.1 of the Corporations Act in relation to the Scheme.

Responsibility for information

Except as set out in paragraphs (a) and (b) below, this Booklet has been prepared by, and is the responsibility of, Norfolk and no member of the RCR Group assumes any responsibility for the accuracy or completeness of this Booklet.

(a) The information contained in Section 5 has been prepared by, and is the responsibility of, RCR and RCR Infrastructure. Norfolk does not assume any responsibility for the accuracy or completeness of the information contained in Section 5.

(b) The Independent Expert's Report contained in Appendix 1 to this Booklet has been prepared by, and is the responsibility of, Lonergan Edwards & Associates. Neither Norfolk nor any member of the RCR Group assumes any responsibility for the accuracy or completeness of the Independent Expert's Report.

Role of ASIC and ASX

A copy of this Booklet has been registered by ASIC pursuant to section 412(6) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the statement, the statement will be produced to the Court at the time of the Second Court Hearing. Neither ASIC nor any of its officers take any responsibility for the contents of this Booklet.

A copy of this Booklet will be lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this Booklet.

Important notice associated with Court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the notices of the meeting does not mean that the Court:

(a) has formed any view as to the merits of the Scheme or as to how Norfolk Shareholders should vote on the Scheme Resolution (on this matter Norfolk Shareholders must reach their own decision); or

(b) has prepared, or is responsible for, the content of the explanatory statement.

Investment decisions

This Booklet does not take into account the individual investment objectives, financial situation or needs of Norfolk Shareholders. The information in this Booklet should not be relied upon as the sole basis for any investment decision. Norfolk Shareholders should seek independent financial, taxation or other professional advice before making any decision regarding the Scheme.

Forward looking statements

Certain statements in this Booklet are about the future. Norfolk Shareholders should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Norfolk to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements or that could cause the future conduct to be materially different from historical conduct. Such risks, uncertainties, assumptions and other important factors include, among other things, the reasons why Norfolk Shareholders may not want to vote in favour of the Scheme set out in Section 3. Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

None of Norfolk, RCR or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Booklet will actually occur. Norfolk Shareholders are cautioned about relying on any such forward looking statements.

The forward looking statements in this Booklet reflect views held only as at the date of this Booklet. Additionally, statements of the intentions of RCR reflect their present intentions as at the date of this Booklet and may be subject to change. Subject to the Corporations Act and any other applicable laws or regulations, Norfolk and RCR disclaim any duty to update any forward looking statements other than with respect to information that they become aware of prior to the Scheme Meeting which is material to the making of a decision regarding whether or not to vote in favour of the Scheme.

Notice to Norfolk Shareholders in jurisdictions outside Australia

This Booklet complies with the disclosure requirements applicable in Australia, which may be different to those in other countries.

Privacy and personal information

Norfolk, RCR and their respective share registries may need to collect personal information to effect the Scheme. The personal information may include the names, contact details and details of holdings of Norfolk Shareholders, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Norfolk Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. Norfolk Shareholders may contact the Share Registry if they wish to exercise these rights.

The information may be disclosed to Norfolk, RCR and their respective related bodies corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to effect the Scheme.

If the information outlined above is not collected, Norfolk may be hindered in, or prevented from, conducting the Scheme Meeting or effecting the Scheme.

Norfolk Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Interpretation

Capitalised terms used in this Booklet are defined in the glossary in Section 8.

Figures, amounts, percentages, estimates, calculations of value and fractions in this Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Booklet.

All references to times in this Booklet are references to the time in Sydney, Australia, unless otherwise stated. All dates following the date of the Scheme Meeting are indicative only and are subject to Court approval, Norfolk Shareholder approval, ASX approval and the satisfaction or, where applicable, waiver of the other Conditions Precedent to the implementation of the Scheme.

Unless otherwise specified, all references to "$", "A$", "Australian dollar" and "cent" are references to Australian currency. Unless otherwise specified, all references to "NZ$" and "New Zealand dollar" are references to New Zealand currency.

No internet site is part of this Booklet

Norfolk and RCR maintain internet websites. Any references in this Booklet to any website is a textual reference for information only and no information contained in any website forms part of this Booklet.

Date of this Booklet

This Booklet is dated 7 June 2013.

Supplementary information

Refer to Section 7.12 for information about the steps that Norfolk will take if information about the Scheme needs to be updated.

Norfolk Shareholders who have any questions or require further information should contact the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 1300 881 079 (international) on Business Days between 8.30am and 5.30pm (Sydney time). Norfolk Shareholders should seek independent financial, taxation or other professional advice before making any decision regarding the Scheme.

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KEY DATES

Event	**Indicative date**
Scheme Meeting proxies – latest time and date by which the Scheme Meeting Proxy Form must be received by the Share Registry	**10.00am on Monday, 15 July 2013**
Scheme Meeting eligibility to vote – latest time and date for determining eligibility to vote at the Scheme Meeting	**7.00pm on Monday, 15 July 2013**
Scheme Meeting – the Scheme Meeting will be held at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney	**10.00am on Wednesday, 17 July 2013**
Second Court Date – Court hearing for approval of the Scheme	**Friday, 19 July 2013**
Effective Date – last date Norfolk Shares will trade on ASX	**Friday, 19 July 2013**
Record Date – time for determining entitlement to receive Scheme Consideration	**Friday, 26 July 2013**
Implementation Date – transfer of Norfolk Shares to RCR Infrastructure	**Wednesday, 31 July 2013**
Payment of Scheme Consideration to Scheme Shareholders – payment will be made by either cheque or electronic funds transfer into the nominated bank accounts used for dividend payments	**Monday, 5 August 2013**

All dates and times are references to the time in Sydney, Australia, unless otherwise stated. All dates following the Scheme Meeting are indicative only. The actual timetable will depend on many factors outside the control of Norfolk, including approvals from the Court and other Regulatory Authorities. Any changes to the above timetable will be announced to ASX and published on Norfolk's website, www.norfolkgl.com.

CHAIRMAN'S LETTER

7 June 2013

Dear Norfolk Shareholders,

On 12 April 2013, Norfolk Group Limited (**Norfolk**) announced that it had entered into a Scheme Implementation Deed (**SID**) with RCR Tomlinson Ltd (**RCR**) under which it is proposed that RCR Infrastructure Pty Ltd (**RCR Infrastructure**), a wholly-owned subsidiary of RCR, will acquire all of the issued shares in Norfolk for consideration of $0.48 cash per Norfolk Share[1] (the **Scheme**). The Scheme implies an equity value for Norfolk of approximately $77.8 million on a fully diluted basis.

Unanimous Recommendation of Directors

The Directors believe that the Scheme provides an opportunity for Norfolk Shareholders to realise a certain cash amount for their Norfolk Shares. This opportunity may not be available if the Scheme does not proceed, unless a Superior Proposal emerges.

For this and the other reasons set out below, the Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal. Subject to that same qualification, your Directors intend to vote (or procure the voting of) all Norfolk Shares directly or indirectly held, controlled or represented by them in favour of the Scheme, and procure that any Norfolk Shareholder associated with, or represented by, them will vote in favour of the Scheme. No Superior Proposal has been received by Norfolk as at the date of this Booklet.

The key reasons for the Directors' recommendation of the Scheme are set out in Section 1.1 of this Booklet.

In particular, if the Scheme becomes Effective, it will provide Scheme Shareholders with the certainty of receiving $0.48 per Norfolk Share held by them.[2] By contrast, in the absence of the Scheme, Norfolk Shareholders will continue to be exposed to the financial difficulties faced by, and significant risks associated with, Norfolk's business – including the risks associated with any refinancing requirements that may be required by its lenders and the materially adverse impact that any such refinancing is likely to have on the value of Norfolk Shares.

Reasons to vote in favour of the Scheme are set out in Section 1.1, and possible reasons why you may not want to vote in favour of the Scheme are set out in Section 1.2.

Major Shareholder Support

Maui Capital holds a relevant interest in more than 20 per cent of Norfolk Shares. Maui Capital has advised the Norfolk Board that, in the absence of a Superior Proposal, it intends to vote all Norfolk Shares held, controlled or represented by it in favour of the Scheme.

Independent Expert's Conclusion on the Scheme

The Independent Expert, Lonergan Edwards & Associates, has concluded that the acquisition of the Norfolk Shares by RCR Infrastructure under the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal.

The Independent Expert has valued Norfolk Shares at between $0.39 and $0.49 per Norfolk Share. Accordingly, the Scheme Consideration of $0.48 cash per Norfolk Share is within the assessed valuation range of the Norfolk Shares set out in the Independent Expert's Report. The Independent Expert's Report is included in Appendix 1 of this Booklet and I strongly encourage you to read it.

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1 Should Norfolk declare any dividend, or pay any return of capital, on or before the Implementation Date, the cash consideration of $0.48 per Norfolk Share under the Scheme will be reduced by the amount of that dividend or distribution per Norfolk Share (as applicable). The Norfolk Board does not intend to declare any dividend, or pay any return of capital, on or before the Implementation Date.

2 Norfolk Shareholders who are recorded in the Norfolk Share Register as having an address in New Zealand will receive the New Zealand dollar equivalent of $0.48 per Norfolk Share held by them. For further information see Section 3.7.5.

If the Scheme is not implemented

If the Scheme is not implemented, Norfolk will continue as an independent entity listed on ASX, and Norfolk Shareholders will not receive the Scheme Consideration. If the Scheme does not proceed and no alternative proposal emerges, the Directors consider that the market price of Norfolk Shares is likely to fall substantially below $0.48 per Norfolk Share.

In particular, if the Scheme is not implemented, it is likely that Norfolk will need to refinance at least approximately $10.25 million owed to a subsidiary of RCR, and may be required to potentially repay some or all of the amounts it owes to its lenders under its external debt facilities. Any such refinancing may need to be undertaken within a short period to ensure that Norfolk can comply with any such repayment obligations, while also having sufficient funding to continue to effectively and efficiently operate its business.

If Norfolk is required to repay such amounts, Norfolk would seek to raise the necessary funding through a combination of one or more of new debt financing arrangements, an equity capital raising, asset disposals or the settlement of outstanding claims with customers – each of which involves varying degrees of risk and uncertainty, and the Norfolk Board believes that each funding alternative is likely to have a materially adverse impact on the value of Norfolk Shares.

In addition, despite the funding alternatives described above it is possible that Norfolk may be unable to access a sufficient level of funding to meet any repayment obligations in the time required and, at the same time, enable it to effectively and efficiently operate its business. In those circumstances, there is a material possibility that Norfolk may be unable to continue as a going concern and may be placed into voluntary administration or receivership. If that was to occur, Norfolk Shareholders are unlikely to receive any value for their Norfolk Shares.

Further information on these financing issues is set out in Section 4.5.3 of this Booklet.

Your Vote is Important for the Scheme to Proceed

The Scheme requires both Court approval and the approval of Norfolk Shareholders at the Scheme Meeting. In order for the Scheme to proceed, it will need to be approved by requisite majorities of Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) at the Scheme Meeting. The Scheme Meeting is scheduled to be held at 10.00am on Wednesday, 17 July 2013 at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney. Section 3.6.1(iii) of this Booklet sets out the voting approval thresholds for the approval of the Scheme. The Directors recommend you to vote at the Scheme Meeting if you are entitled to vote.

Conditions Precedent

The Scheme is subject to a number of Conditions Precedent which are summarised in Section 3.6.2 of this Booklet.

Further Information

Please read this Booklet in its entirety before making your decision and voting at the Scheme Meeting. I also encourage you to seek independent legal, financial or other professional advice before making any investment decision in relation to your Norfolk Shares.

If you have any questions in relation to the Scheme or this Booklet, please contact the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 1300 881 079 (outside Australia) Monday to Friday between 8.30am and 5.30pm (Sydney time), or visit www.norfolkgl.com.

Yours sincerely,

Rod Keller
Chairman

What is the Scheme?

On 12 April 2013, Norfolk and RCR entered into a Scheme Implementation Deed which establishes the framework for implementation of the Scheme. The Scheme involves RCR through its wholly-owned subsidiary, RCR Infrastructure, acquiring all Norfolk Shares for $0.48 cash per Norfolk Share[3] by way of a scheme of arrangement.

If the Scheme becomes Effective and you are a Scheme Shareholder, you will receive the Scheme Consideration.

In order for the Scheme to become Effective, the Scheme Resolution must be passed by Norfolk Shareholders by the requisite majorities at the Scheme Meeting. The Scheme is also subject to the satisfaction or waiver (as applicable) of the Conditions Precedent summarised in Section 3.6.2, including the Scheme being approved by the Court.

What should I do?

You should read this Booklet carefully in its entirety, including the reasons to vote in favour or against the Scheme set out in Section 1, before making any decision on how to vote on the Scheme Resolution.

Answers to various frequently asked questions about the Scheme are set out in Section 2 of this Booklet. If you have any additional questions in relation to this Booklet or the Scheme you should call the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 1300 881 079 (international) on Business Days between 8.30am and 5.30pm (Sydney time).

How do I vote on the Scheme?

You can vote on the Scheme Resolution as follows

Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) who are registered on the Norfolk Share Register at 7.00pm (Sydney time) on Monday, 15 July 2013 are entitled to vote on the Scheme Resolution. You can vote:

- in person, by attending the Scheme Meeting at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney, commencing at 10.00am on Wednesday, 17 July 2013;
- by lodging a proxy online via www.linkmarketservices.com.au;
- by mailing the enclosed Scheme Meeting Proxy Form to the Share Registry at Locked Bag A14, Sydney South, NSW 1235 (using the reply paid envelope provided) or the registered office of Norfolk;
- by faxing the enclosed Scheme Meeting Proxy Form to (02) 9287 0309 (within Australia) or +61 2 9287 0309 (international); or
- by hand delivering the enclosed Scheme Meeting Proxy Form to the Share Registry at:

Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW	or	Link Market Services Limited Level 12, 680 George Street Sydney NSW

To be valid, a proxy must be received by the Share Registry by 10.00am (Sydney time) on Monday, 15 July 2013.

What is the Directors' recommendation?

The Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal.

In the absence of a Superior Proposal, the Directors intend to vote (or procure the voting of) all of the Norfolk Shares directly or indirectly held, controlled or represented by them in favour of the Scheme, and procure that any Norfolk Shareholder associated with, or represented by, them will vote in favour of the Scheme.

The Directors believe that the reasons for Norfolk Shareholders to vote in favour of the Scheme Resolution outweigh the reasons to vote against them, in the absence of a Superior Proposal. These reasons and other relevant considerations are set out in Section 1.

Maui Capital, which holds a relevant interest in more than 20 per cent of Norfolk Shares, has also advised the Norfolk Board that, in the absence of a Superior Proposal, it intends to vote all Norfolk Shares held, controlled or represented by it in favour of the Scheme.

Additionally, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal. You should also read the Independent Expert's Report which is set out in Appendix 1 to this Booklet.

3 Less any Distribution Amount. For further information see Section 2 of this Booklet under the heading "What will I receive?".

1. MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

Reasons to vote in favour of the Scheme

- ✓ A comprehensive strategic review and sale process has been undertaken by Norfolk and the Scheme is considered by the Norfolk Board to be the best outcome for Norfolk Shareholders
- ✓ The Scheme will deliver immediate and certain value in the form of cash consideration to Norfolk Shareholders
- ✓ If the Scheme does not proceed, Norfolk Shareholders will continue to be exposed to the financial difficulties faced by, and significant risks associated with, Norfolk's business
- ✓ The Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal
- ✓ As at the date of this Booklet, no Superior Proposal has emerged
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal
- ✓ The Norfolk Share price is likely to fall if the Scheme does not become Effective and no Competing Proposal or Superior Proposal is received
- ✓ There are no brokerage costs payable by Norfolk Shareholders on disposal of their Norfolk Shares

Reasons to vote in favour of the Scheme are set out in more detail in Section 1.1.

Reasons why you may not want to vote in favour of the Scheme

- ✗ Norfolk Shareholders may disagree with the recommendation of the Directors and conclusion of the Independent Expert
- ✗ Norfolk Shareholders may prefer to participate in the future financial performance of the Norfolk business
- ✗ The taxation consequences of the Scheme may not suit a Norfolk Shareholder's financial position
- ✗ Norfolk Shareholders may consider that there is a possibility that a Superior Proposal will emerge
- ✗ Norfolk Shareholders may consider that the conditions to which the Scheme is subject are unacceptable

Reasons why you may not want to vote in favour of the Scheme are discussed in more detail in Section 1.2.

1. MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

1.1 Reasons to vote in favour of the Scheme

1.1.1 A comprehensive strategic review and sale process has been undertaken by Norfolk and the Scheme is considered by the Norfolk Board to be the best outcome for Norfolk Shareholders

In unanimously recommending the Scheme, the Directors have had regard to the extensive strategic review process undertaken by Norfolk and its advisers.

This process was first initiated by the Norfolk Board at the time of the Annual General Meeting in July 2012, at which time the Norfolk Board indicated that it was actively seeking to address Norfolk's share price performance.

During the strategic review there was a build up of WIP relating to claims and variations under several contracts. A significant proportion of the WIP related to a contract with GE Transport, which has now been terminated for convenience by GE Transport (as announced to ASX on 26 March 2013).

Given the continued build up of WIP and the associated increasing level of Norfolk's indebtedness, in early 2013 the Norfolk Board decided to expedite a formal sale process for Norfolk.

The sale process involved discussions with numerous parties, many of whom executed non-disclosure agreements and were granted access to non-public information about Norfolk to assist those parties with their due diligence investigations.

As a result of the sale process, several indicative proposals were received by Norfolk. The Norfolk Board considered the indicative proposals in a holistic manner, taking into account the value each proposal would provide to Norfolk Shareholders, the ability of each proponent to repay Norfolk's Senior Facilities and the level of transaction certainty (from a funding, execution and timing perspective) provided by each proposal. The indicative proposal from RCR, announced by Norfolk on 22 March 2013, was considered to be financially superior, more advanced and certain (from a funding, execution and timing perspective) than the other indicative proposals received.

The final proposal received from RCR – which is reflected in the terms of the Scheme – was received after RCR was provided with additional information to enable it to undertake the necessary due diligence and formulate a proposal capable of recommendation by the Norfolk Board. That final proposal is the only proposal received by the Norfolk Board that has been capable of acceptance and recommendation by the Norfolk Board.

1.1.2 The Scheme will deliver immediate and certain value in the form of cash consideration to Norfolk Shareholders

The Scheme Consideration offered to Norfolk Shareholders under the Scheme provides certainty of value and timing. Specifically, if all of the conditions and approvals for the Scheme are satisfied or waived, as applicable, Scheme Shareholders will receive $0.48 cash per Norfolk Share[4] within approximately three weeks after the date of the Scheme Meeting.

In contrast, if the Scheme does not proceed, the amount which Norfolk Shareholders will be able to realise for their Norfolk Shares on a sale or from any future dividends is uncertain.

The certainty of the all cash consideration under the Scheme should be compared against the risks and uncertainties of remaining a Norfolk Shareholder, which include the risks specified in Sections 4.5 and 4.6.

If the Scheme is not implemented, and no Competing Proposal or Superior Proposal is received, the Norfolk Board may or may not continue with its existing business plan and may consider a number of strategic alternatives to the Scheme. In particular, if the Scheme is not implemented, Norfolk may face significant refinancing obligations which are likely to have a materially adverse impact on the value of Norfolk Shares (as described in Section 4.5.3).

As with all investments in securities, there can be no guarantee as to Norfolk's future performance, share price or the level of dividends that Norfolk may pay in the future.

1.1.3 If the Scheme does not proceed, Norfolk Shareholders will continue to be exposed to the financial difficulties faced by, and significant risks associated with, Norfolk's business

In forming its unanimous recommendation, the Norfolk Board has taken into account the challenging financial position of Norfolk referred to in Section 4.4.3 and the general and specific risks applicable to Norfolk referred to in Sections 4.6.1 and 4.6.2.

4 Less any Distribution Amount. For further information see Section 2 of this Booklet under the heading "What will I receive?".

Norfolk is currently operating with limited scope for additional funding under its financing arrangements. As discussed above in Section 1.1.1, Norfolk has experienced a significant build up in WIP relating to claims and variations under several contracts which have now been completed or terminated. Given the disputed nature of the WIP relating to several contracts, Norfolk has not received full payment from customers for work that has been undertaken pursuant to those contracts, the cost of which has been borne by Norfolk. Norfolk cannot be certain as to the precise amount of disputed WIP it may recover, the time at which such recovery may be made, and the cost of pursuing such recovery. Further information regarding the impact of the build-up of WIP on Norfolk's financial performance is contained in Section 4.4.2.

As a result, Norfolk has experienced cash flow constraints which have increased its level of net indebtedness and in turn caused it to breach certain financial covenants provided by it under the terms of its Senior Facilities on several occasions. Those breaches currently entitle the Senior Lenders to demand immediate repayment of some or all of the amounts owing under the Senior Facilities should they choose to do so. Further information regarding Norfolk's senior debt facilities is contained in Section 4.5.1.

RCR Corporate (a wholly-owned subsidiary of RCR) has also provided Norfolk with the RCR Loan, an approximately $10.25 million cash advance facility to assist Norfolk with the payment of amounts owed by it on account of employee expenses. If the Scheme Resolution is not approved by Norfolk Shareholders or the Scheme otherwise fails to become Effective, Norfolk will be required to repay all amounts owing by it under the RCR Loan immediately. Further information regarding the RCR Loan is contained in Section 4.5.2.

If the Scheme is not approved or otherwise does not become Effective, it is likely that Norfolk will need to refinance at least approximately $10.25 million (to repay the RCR Loan) and potentially up to as much as approximately $131.5 million (if the Senior Lenders demand repayment of all amounts potentially owing under the Senior Facilities). In those circumstances, Norfolk would seek to raise the amount of its refinancing obligation through a combination of one or more of new debt financing arrangements, an equity capital raising, asset disposals or the settlement of outstanding claims with customers. While the Norfolk Board considers that each of these options (or a combination of one or more of them) is a potentially viable funding alternative in the event that Norfolk is required to refinance, each may have a materially adverse impact on the value of Norfolk Shares and each involves varying degrees of risk and uncertainty.

Despite the existence of the funding alternatives described above, it is possible that, if Norfolk is required to refinance some or all of its debt, it may be unable to access a sufficient level of funding to meet its debt repayment obligations in the time required. In those circumstances, there is a material possibility that Norfolk may be unable to continue as a going concern and may be placed into voluntary administration or receivership. If that was to occur, Norfolk Shareholders would be unlikely to receive any value for their Norfolk Shares.

Further information regarding the prospects of Norfolk obtaining alternative financing if the Scheme does not proceed is contained in Section 4.5.3.

In addition, if the Scheme does not become Effective, the amount which Norfolk Shareholders will be able to realise for their Norfolk Shares will continue to be subject to the risk factors set out in Section 4.6, as well as the vagaries of the share market.

1.1.4 The Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal

The Directors believe that the Scheme is in the best interests of Norfolk Shareholders and unanimously recommend that, in the absence of a Superior Proposal emerging, Norfolk Shareholders vote in favour of the Scheme at the Scheme Meeting.

In reaching their recommendation, the Directors have assessed the reasons set out in this Section 1.

In the absence of a Superior Proposal, each Director intends to vote (or procure the voting of) the Norfolk Shares directly or indirectly held, controlled or represented by them in favour of the Scheme, and procure that any Norfolk Shareholder associated with, or represented by, them will vote in favour of the Scheme. The interests of the Directors in Norfolk Shares are set out in Section 7.1.1.

The Directors have carefully considered a range of alternatives for Norfolk, as well as the advantages, disadvantages and risks associated with the Scheme. The Directors have carefully considered Norfolk's growth opportunities, challenges and risks, and the uncertainty of delivering value to Norfolk Shareholders that would be superior to the Scheme Consideration.

1. MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

1.1.5 As at the date of this Booklet, no Superior Proposal has emerged

As at the date of this Booklet, no Competing Proposal has emerged since Norfolk announced its entry into exclusivity arrangements with RCR on 22 March 2013. Further, no Superior Proposal has emerged since Norfolk announced that it had entered into the Scheme Implementation Deed with RCR on 12 April 2013.

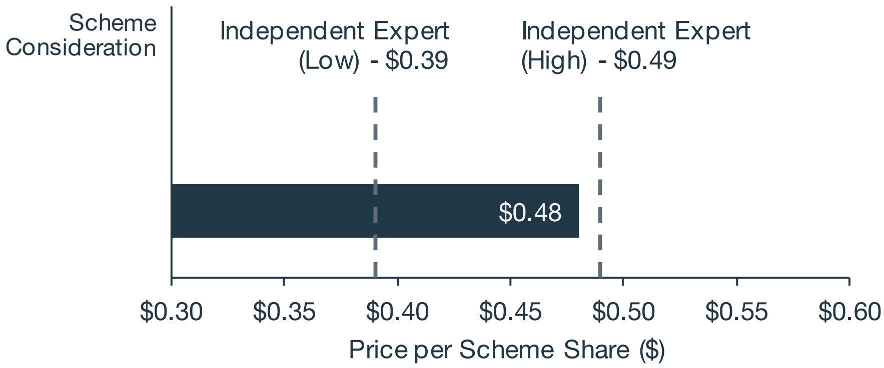
The Norfolk Board is not aware of any Superior Proposal that is likely to emerge. If a Superior Proposal were to be received by Norfolk, the Directors would have a fiduciary and statutory duty to explore it fully.

While the Scheme Implementation Deed restricts Norfolk from seeking third party proposals by way of "no shop" and "no talk" restrictions (see Section 3.9.1(vi) and 3.9.1(vii)), and receipt of a Competing Proposal may require Norfolk to pay the Break Fee in certain circumstances (see Section 3.9.1(ix)), the Scheme Implementation Deed does not prevent a third party (including those that have previously submitted indicative proposals to Norfolk) from making a Competing Proposal.

1.1.6 The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Norfolk shareholders, in the absence of a Superior Proposal

The Independent Expert has assessed the value of 100% of Norfolk, on a controlling interest basis, at between \$0.39 and \$0.49 per Norfolk Share, compared to the Scheme Consideration of \$0.48 cash per Norfolk Share.

As the Scheme Consideration for each Norfolk Share is within the Independent Expert's range for Norfolk Shares, the Independent Expert has concluded the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal.



The Independent Expert's Report is included in Appendix 1. The Independent Expert's Report should be read in its entirety as part of your assessment of the Scheme before casting your vote in relation to the Scheme.

1.1.7 The Norfolk Share price is likely to fall if the Scheme does not become Effective and no Competing Proposal or Superior Proposal is received

If the Scheme does not become Effective, and no Competing Proposal or Superior Proposal emerges, the Norfolk Board considers that the market price of Norfolk Shares is likely to fall substantially below the \$0.48 cash per Norfolk Share offered by RCR under the Scheme.

The Independent Expert agrees with this conclusion, stating that:

> *"if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Norfolk shares is likely to trade at a significant discount to our valuation and the Scheme Consideration (reflecting the portfolio nature of individual shareholdings, together with the potential immediate refinancing obligations which may arise and the adverse impact of Norfolk's various refinancing options on the value of Norfolk shares)."*

Since the announcement on 22 March 2013 that Norfolk had entered into exclusivity arrangements with RCR in respect of RCR's proposal to acquire all of the Norfolk Shares on issue, and up to the date of this Booklet, the Norfolk Board has not received or become aware of any Competing Proposals.

1.1.8 There are no brokerage costs payable by Norfolk Shareholders on disposal of their Norfolk Shares

Norfolk Shareholders will not be required to pay any transaction costs, such as brokerage, on the transfer of their Norfolk Shares to RCR under the Scheme.

However, if Norfolk Shareholders sell their Norfolk Shares on-market prior to close of trading on ASX on the Effective Date, they may incur such costs.

1.2 Reasons why you may not want to vote in favour of the Scheme

1.2.1 Norfolk Shareholders may disagree with the recommendation of the Directors and conclusion of the Independent Expert

Norfolk Shareholders may believe that an opportunity to receive a cash amount of $0.48 cash per Norfolk Share is inadequate or that the Scheme is not in the best interests of Norfolk Shareholders.

1.2.2 Norfolk Shareholders may prefer to participate in the future financial performance of the Norfolk business

If the Scheme becomes Effective, Scheme Shareholders will cease to hold Norfolk Shares and will no longer be able to participate in the future performance of Norfolk. This will mean that Scheme Shareholders will not participate in any potential upside that may result from remaining as Norfolk Shareholders, and will forego the right to receive any potential future dividends paid by Norfolk or the benefits, but also risks, of any potential future increase in the price of Norfolk Shares. In particular, Norfolk Shareholders will not participate in any value achieved through the recovery of disputed WIP discussed in Sections 1.1.1 and 1.1.3. If the Scheme becomes Effective, Scheme Shareholders will also lose their voting rights as Norfolk Shareholders and, therefore, their ability to influence the future direction of Norfolk. All future benefits, risks and costs associated with being a Norfolk Shareholder will accrue exclusively to RCR as the sole Norfolk Shareholder following implementation of the Scheme.

1.2.3 The taxation consequences of the Scheme may not suit a Norfolk Shareholder's financial position

If the Scheme becomes Effective, it may trigger taxation consequences (potentially including capital gains tax) that are not optimal for individual Norfolk Shareholders and which will not have otherwise arisen.

Section 6 summarises the Australian taxation consequences of the Scheme for certain Scheme Shareholders. Each Norfolk Shareholder should obtain personal professional advice in relation to the taxation consequences of the Scheme for their individual circumstances.

1.2.4 Norfolk Shareholders may consider that there is a possibility that a Superior Proposal might emerge

Norfolk Shareholders may believe that, if the Scheme does not become Effective, a Superior Proposal that offers greater value for Norfolk Shareholders than would be realised under the Scheme might emerge. The implementation of the Scheme would mean that Norfolk Shareholders would not obtain the benefit of any such Superior Proposal. However, for the reasons noted below, the Norfolk Board considers that the possibility of a Superior Proposal emerging is low:

- Since initiating a strategic review process in July 2012 and a formal sale process in early 2013, the Directors have evaluated a number of alternatives available to Norfolk and have determined that the Scheme is the best alternative available. No Competing Proposal has emerged since Norfolk announced its entry into exclusivity arrangements with RCR on 22 March 2013. Further, no Superior Proposal has emerged since Norfolk announced that it had entered into the Scheme Implementation Deed with RCR on 12 April 2013.
- The Scheme Implementation Deed prohibits Norfolk from soliciting Competing Proposals during the Exclusivity Period (which expires on 12 August 2013) subject to certain qualifications and exceptions.

Additionally, the Independent Expert has also stated that, in its opinion, there are limited prospects of a Superior Proposal being received prior to the Scheme Meeting.

If an unsolicited Superior Proposal is received prior to the Scheme Meeting, this would be considered by the Directors in accordance with their fiduciary and statutory duties and subject to the provisions contained in the Scheme Implementation Deed. The Norfolk Board will keep Norfolk Shareholders fully informed if any Superior Proposal emerges before the Scheme Meeting.

For further information on Norfolk's exclusivity arrangements with RCR, including the qualifications and exceptions to those arrangements, refer to Section 3.9.1(vi) to 3.9.1(viii).

1.3 Additional considerations

1.3.1 Norfolk Shareholders may sell their Norfolk Shares on ASX at any time prior to suspension of Norfolk Shares from trading

Norfolk Shareholders may sell their Norfolk Shares on ASX at any time prior to the close of trading on the Effective Date (expected to be Friday, 19 July 2013) if they do not wish to hold them and participate in the Scheme (normal brokerage expenses would be incurred on sale).

1. MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

1.3.2 The Scheme may be implemented even if you do not vote at the Scheme Meeting or vote against the Scheme Resolution

If the Scheme Resolution is approved by the requisite majority of Norfolk Shareholders, then, subject to the other Conditions Precedent being satisfied or waived (as applicable), the Scheme will be implemented and binding on all Scheme Shareholders, including those who did not vote or voted against the Scheme Resolution.

1.3.3 If the Scheme does not become Effective, Norfolk may incur the Break Fee

Depending on the reasons for the Scheme not becoming Effective, Norfolk may have to pay the Break Fee of $1 million to RCR out of the assets of Norfolk.

Further detail on the Break Fee is set out in Section 3.9.1(ix).

1.3.4 The Scheme is subject to a number of Conditions Precedent

The Scheme is subject to a number of Conditions Precedent which are described at Section 3.6.2.

If the Conditions Precedent to the Scheme are not satisfied or waived (as applicable), the Scheme will not proceed (even if the Scheme is approved by Norfolk Shareholders) and no Norfolk Shares will be acquired by RCR as contemplated by the Scheme.

The Norfolk Board has reviewed the Conditions Precedent and, having regard to Norfolk's circumstances and market practice generally, considers them to be acceptable for a transaction of this nature.

As at the date of this Booklet, the Directors are not aware of any matter that would result in the non-fulfilment of any of the Conditions Precedent.

2. FREQUENTLY ASKED QUESTIONS

This Section 2 answers some questions you may have about the Scheme. The information contained in this Section is a summary only. You should read the entire Booklet before deciding how to vote on the Scheme.

Questions	Answers	Section(s)
What will I receive?		
What will I receive under the Scheme?	If the Scheme is approved by Norfolk Shareholders and the Court and is implemented, and you are a Scheme Shareholder, you will receive for each of your Norfolk Shares held at the Record Date, consideration equal to $0.48 cash per Norfolk Share.[5]	3.2, 3.4 and 3.7
In what circumstances will the Scheme Consideration be reduced?	The $0.48 cash per Norfolk Share that is payable to Scheme Shareholders under the Scheme will be reduced if Norfolk declares any dividend or pays any return of capital between 12 April 2013 and the Implementation Date, by the amount per Norfolk Share of that dividend or return of capital (as applicable). As at the date of this Booklet, the Norfolk Board has no intention to declare any dividend or pay any return of capital on or before the Implementation Date, and therefore does not expect that the consideration payable under the Scheme will fall below $0.48 cash per Norfolk Share.	3.2
When will the Scheme Consideration be paid?	If you are a Scheme Shareholder, it is expected that you will be sent your Scheme Consideration on the third Business Day following the Implementation Date. Based on an expected Implementation Date of Wednesday, 31 July 2013, the Scheme Consideration is expected to be sent by Monday, 5 August 2013. All payments will be made by either cheque or electronic funds transfer into your nominated bank account used for dividend payments. If the Scheme is not approved by the requisite majorities at the Scheme Meeting and by the Court or if any of the other Conditions Precedent are not satisfied or waived, the Scheme will not be implemented and you will not receive any Scheme Consideration.	3.7.5
In what currency will I be paid the Scheme Consideration?	If you have a Registered Address in a country other than New Zealand at the Record Date, you will be paid your Scheme Consideration in Australian dollars. If you are a New Zealand Shareholder, your Scheme Consideration will be converted to, and subsequently paid to you in, New Zealand dollars. The rate of conversion will be determined by reference to the prevailing A$:NZ$ exchange rate at a time to be nominated by the Share Registry between 10.00am and 12.00pm (Sydney time) on the Implementation Date. The prevailing A$:NZ$ exchange rate will be provided by Western Union Holdings Australia Pty Ltd, the foreign exchange provider to be used by the Share Registry. You will not be charged any transaction fee for the currency conversion. New Zealand Shareholders will carry the exchange rate risk relating to any changes in the A$:NZ$ exchange rate between the Scheme Meeting and the conversion of their Scheme Consideration. When the Scheme Consideration is actually paid to New Zealand Shareholders in New Zealand dollars, those amounts may be worth less (or more) than the Australian dollar amount of the Scheme Consideration at the time the exchange rate for conversion was established, or at the time of the Scheme Meeting.	3.7.5

5 Less any Distribution Amount.

2. FREQUENTLY ASKED QUESTIONS

Questions	Answers	Section(s)
What happens if the Scheme does not become Effective?	If the Scheme does not become Effective: • you will not receive the Scheme Consideration; • Norfolk will remain listed on ASX; • you will retain your Norfolk Shares and continue to participate in the benefits of, and continue to be exposed to the risks associated with, investing in Norfolk. For further information regarding the benefits of, and the risks associated with, Norfolk's business, refer to Sections 4.6.1 and 4.6.2; • Norfolk may face significant refinancing obligations (including repayment of the RCR Loan), which would in turn require it to obtain access to alternative sources of funding. If available in the quantum and within the time period required, those alternatives would be likely to have a materially adverse impact on the value of Norfolk Shares. If those alternatives were not available to Norfolk, Norfolk may be unable to continue as a going concern and may be placed into voluntary administration or receivership (in which case Norfolk Shareholders are unlikely to receive any value for their Norfolk Shares); • the market price of Norfolk Shares may fall; and • Norfolk may have to pay RCR the Break Fee of $1 million.	3.9.1(ix), 4.5.3, 4.6.1 and 4.6.2
The Directors' recommendations and reasons to vote for or against the Scheme		
What is the recommendation of the Directors?	The Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal. In the absence of a Superior Proposal, each of the Directors intends to vote (or procure the voting of) the Norfolk Shares directly or indirectly held, controlled or represented by them in favour of the Scheme, and procure that any Norfolk Shareholder associated with, or represented by, them will vote in favour of the Scheme.	1.1.4
What is the Independent Expert's opinion?	The Independent Expert, Lonergan Edwards & Associates, was appointed by the Directors to undertake an independent assessment of the Scheme. The Independent Expert has assessed the value of 100% of Norfolk, on a controlling interest basis, at between $0.39 and $0.49 per Norfolk Share, compared to the Scheme Consideration of $0.48 cash per Norfolk Share. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal. The Independent Expert's Report is set out in Appendix 1 to this Booklet.	Appendix 1
What are the reasons to vote in favour of the Scheme?	Reasons to vote in favour of the Scheme are set out in Section 1.1.	1.1
What are the reasons why you may not want to vote in favour of the Scheme?	Reasons why you may not want to vote in favour of the Scheme are set out in Section 1.2.	1.2

Questions	Answers	Section(s)
Information on the Scheme		
What is the Scheme?	The Scheme involves RCR, through its wholly-owned subsidiary, RCR Infrastructure, acquiring all Norfolk Shares for $0.48 cash per Norfolk Share. The Scheme will be implemented by way of a scheme of arrangement.	3.1, 3.2, 3.3 and 3.4
What will be the effect of the Scheme?	If you are a Scheme Shareholder and the Scheme is approved by Norfolk Shareholders and the Court and all other Conditions Precedent are satisfied or waived: • all of your Norfolk Shares as at the Record Date will be transferred to RCR Infrastructure; and • you will receive in respect of each Norfolk Share that you hold at the Record Date, the Scheme Consideration of $0.48 cash per Norfolk Share.[6]	3.4
Do I have to sign anything to transfer my Norfolk Shares?	No. If the Scheme is approved, Norfolk will automatically have authority to sign a transfer on your behalf, and then the Scheme Consideration will be paid to you. However, you should be aware that under the Scheme, you are deemed to have warranted to Norfolk that (except as otherwise set out in the Scheme): • all of your Norfolk Shares are fully paid and not encumbered; and • you have full power and capacity to sell and transfer your Norfolk Shares. You should ensure that these warranties can be given by you before the Implementation Date.	3.7.4
What should I do?	You should read this Booklet carefully in its entirety and then vote by attending the Scheme Meeting, or by appointing a proxy to vote on your behalf. Full details of who is eligible to vote and how to vote are set out in Section 3.6.1 and in the notice of the Scheme Meeting set out in Appendix 4 to this Booklet.	3.6.1 and Appendix 4
What are the intentions of Norfolk's major shareholder?	Maui Capital, which holds a relevant interest in more than 20 per cent of Norfolk Shares, intends to vote the Norfolk Shares directly or indirectly owned, controlled or represented by it in favour of the Scheme, in the absence of a Superior Proposal.	N/A
What are the main Conditions Precedent to the Scheme proceeding?	In order for the Scheme to be implemented, the Conditions Precedent must be satisfied or waived (as applicable). The Conditions Precedent include: • Court approval of the Scheme; • Norfolk Shareholder approval of the Scheme Resolution; and • RCR executing final documentation in relation to a debt facility arranged to allow it to fund the Scheme Consideration and the satisfaction or waiver of all conditions precedent to the provision of funds under that facility. Sections 3.6 and 3.7 contain further details of the Scheme, including a description of the requisite shareholder approval thresholds and the other Conditions Precedent that must be satisfied or waived (as applicable) prior to the Second Court Hearing for the Scheme to proceed. If the Conditions Precedent are not satisfied or waived (as applicable), the Scheme will not proceed.	3.6.2 and 3.9.1(i)

6 Less any Distribution Amount. For further information see Section 2 of this Booklet under the heading "What will I receive?".

2. FREQUENTLY ASKED QUESTIONS

Questions	Answers	Section(s)
What will happen if a Competing Proposal emerges?	If a Competing Proposal emerges, the Directors will carefully consider it and advise you of their recommendation. If a Director withdraws or adversely modifies their recommendation concerning the Scheme: • Norfolk will be obliged to pay the Break Fee to RCR; and • the RCR Loan will become repayable. Since the Scheme was announced, no Competing Proposal has emerged. Given the time that has elapsed since the announcement of the Scheme dated 12 April 2013, the Directors consider that a Competing Proposal is unlikely to emerge prior to the Scheme Meeting.	1.1.5, 1.2.4 and 3.9.1(ix)
Is this a takeover offer?	If the Scheme is approved by Norfolk Shareholders and the Court and is implemented, the outcome will be similar to a successful 100% takeover bid in that: • all of the Norfolk Shares held by Scheme Shareholders as at the Record Date will be transferred to RCR; and • Scheme Shareholders will receive Scheme Consideration of $0.48 cash per Norfolk Share,[7] whether or not they were present at the Scheme Meeting, and whether they voted in favour of or against, or did not vote on, the Scheme Resolution at the Scheme Meeting.	3.4
Can I sell my Norfolk Shares before the Scheme is implemented?	You are able to sell your Norfolk Shares on market in the usual manner on or before the Effective Date (which is expected to be Friday, 19 July 2013). However, if you do so you are likely to have to pay brokerage fees. If you are in any doubt as to what to do, you should consult with your investment, financial, taxation or other professional advisor. For the purpose of determining entitlements under the Scheme, Norfolk will not accept for registration or recognise any transfer or transmission application in respect of Norfolk Shares received after the Record Date.	3.5
When will Norfolk Shares cease trading on ASX?	Provided the Scheme becomes Effective, Norfolk Shares are expected to be suspended from trading on ASX from the close of trading on the Effective Date (which is expected to be Friday, 19 July 2013).	3.7.3 and 3.7.6
Shareholder entitlements		
Will I be entitled to participate in the Scheme?	If you are a Scheme Shareholder (namely, a Norfolk Shareholder as at the Record Date, other than any Norfolk Shareholder that is an entity within the RCR Group), you will be entitled to participate in the Scheme.	3.5
How will Performance Rights be treated under the Scheme?	The Norfolk Board has exercised its discretion under the PRP and determined that, upon the Court ordering the convening of the Scheme Meeting: • all Performance Rights held by a person who, at the time of the Court order, was an employee of Norfolk and had not given notice of their resignation, vested; and • all Performance Rights held by a person who, at the time of the Court order, was a former employee of Norfolk or an employee of Norfolk who had given notice of their resignation, lapsed. Norfolk Shares will be issued to each holder of Performance Rights that vested in accordance with the exercise of the Norfolk Board's discretion prior to the Second Court Date, so that those Norfolk Shares will participate in the Scheme on the same basis as all other Norfolk Shares. For further information regarding the treatment of Performance Rights, refer to Section 7.2.1.	7.2.1

7 Less any Distribution Amount. For further information see Section 2 of this Booklet under the heading "What will I receive?". New Zealand Shareholders will receive the New Zealand dollar equivalent of their Scheme Consideration. For further information see Section 3.7.5.

Questions	Answers	Section(s)
Will I be entitled to participate in the Scheme if I acquired my Norfolk Shares under one of Norfolk's employee share plans?	Norfolk Shares acquired under relevant Norfolk employee share plans – the EDSP or the PRP – will participate in the Scheme on the same basis as all other Norfolk Shares. For further information regarding the rights of holders of Norfolk Shares acquired under the EDSP or the PRP to participate in the Scheme, refer to Section 7.2.	7.2
Voting on the Scheme		
How do I vote?	If you are eligible to vote, you can vote: • in person, by attending the Scheme Meeting at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney, commencing at 10.00am on Wednesday, 17 July 2013; • by lodging a proxy online via the Share Registry; • by mailing the enclosed Scheme Meeting Proxy Form to the Share Registry; • by faxing the enclosed Scheme Meeting Proxy Form to (02) 9287 0309 (within Australia) or +61 2 9287 0309 (international); or • by hand delivering the enclosed Scheme Meeting Proxy Form to the Share Registry at 1A Homebush Drive, Rhodes NSW or Level 12, 680 George Street, Sydney NSW. To be valid, a duly completed Scheme Meeting Proxy Form must be received by the Share Registry by 10.00am (Sydney time) on Monday, 15 July 2013.	Appendix 4
What is the voting threshold for the Scheme?	The Scheme Resolution must be passed by a majority in number (more than 50%) of Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) voting (in person, by proxy, by attorney or, in the case of corporate Norfolk Shareholders or proxies, by corporate representative) at the Scheme Meeting (unless the Court orders otherwise) who must together hold at least 75% of the votes cast on the Scheme Resolution.	3.6.1(iii)
Who can vote at the Scheme Meeting?	Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) who are registered on the Norfolk Share Register at 7.00pm (Sydney time) on Monday, 15 July 2013 may vote on the Scheme Resolution.	3.6.1(iv) and Appendix 4
When is the Scheme Meeting?	The Scheme Meeting will be held on Wednesday, 17 July 2013 at 10.00am.	3.6.1(i) and Appendix 4
What if I do not vote at the Scheme Meeting or if I vote against the Scheme Resolution?	If the Scheme Resolution is approved by the requisite majorities of Norfolk Shareholders, then, subject to the other Conditions Precedent being satisfied or waived (as applicable), the Scheme will be implemented and binding on all Scheme Shareholders, including those who did not vote or voted against the Scheme Resolution.	3.4 and 3.7
Information on Norfolk		
Where can I get information on Norfolk?	Summary information about Norfolk is contained in Section 4.1. Copies of Norfolk's announcements to ASX, including its annual and half-yearly financial statements, are available on ASX's website (www.asx.com.au) and on Norfolk's website (www.norfolkgl.com).	4

2. FREQUENTLY ASKED QUESTIONS

Questions	Answers	Section(s)
What will Norfolk do if the Scheme does not become Effective?	If the Scheme is not approved or otherwise does not become Effective, it is likely that Norfolk will need to refinance at least approximately $10.25 million (to repay the RCR Loan) and potentially up to as much as approximately $131.5 million (if the Senior Lenders demand repayment of all amounts potentially owing under the Senior Facilities). In those circumstances, Norfolk would seek to raise the amount of its refinancing obligation through a combination of one or more of new debt financing arrangements, an equity capital raising, asset disposals or the settlement of outstanding claims with customers. While the Norfolk Board considers that each of these options (or a combination of one or more of them) are potentially viable funding alternatives in the event that Norfolk is required to refinance, each may have a materially adverse impact on the value of Norfolk Shares and each involves varying degrees of risk and uncertainty. Despite the existence of the funding alternatives described above, it is possible that, in the event Norfolk is required to refinance some or all of its debt, it may be unable to access a sufficient level of funding to meet its debt repayment obligations in the time required. In those circumstances, there is a material possibility that Norfolk may be unable to continue as a going concern and may be placed into voluntary administration or receivership. If that was to occur, Norfolk Shareholders would be unlikely to receive any value for their Norfolk Shares.	4.5.3
Information on RCR		
Who is RCR?	RCR is an integrated engineering company providing solutions in the Mining, Resources, Energy and Power sectors. RCR's services include design and engineering, construction and electrical services, manufacture, fabrication and off-site repairs and maintenance services. RCR has operations across Australia, New Zealand and Malaysia with approximately 2,800 employees. RCR is listed on ASX (ASX code: RCR) with a market capitalisation as at 13 May 2013 of approximately $325 million.	5.1
Who is RCR Infrastructure?	RCR Infrastructure is a wholly-owned subsidiary of RCR which will act as the acquirer of Norfolk Shares under the Scheme.	5.3

Questions	Answers	Section(s)
What are RCR's intentions regarding Norfolk?	Section 5.7 outlines RCR's intentions regarding Norfolk if the Scheme is implemented (on the basis of the facts and information concerning Norfolk which are known to it and the existing circumstances affecting the business of Norfolk as at the date of the Booklet). Those intentions include the following: • **Strategic review:** RCR intends to conduct a review of Norfolk's operations, covering strategic and financial matters. The review will seek to identify areas which may be improved. Other than matters identified in Section 5.7, final decisions will only be reached after that review and in light of all material facts and circumstances. • **RCR's future business structure:** Following implementation of the Scheme, it is RCR's current intention to restructure its businesses into three businesses comprising, Resources, Energy and Infrastructure. RCR's Infrastructure business will comprise Norfolk's businesses of O'Donnell Griffin, Haden, Resolve FM and RCR's Power business. It is RCR's current intention that each of Norfolk's businesses will continue to trade under their current trading names. • **Norfolk employees and senior management:** RCR recognises that Norfolk's employees are an integral part of the business of Norfolk and, as such, RCR's current intention is to retain Norfolk's employees who may benefit from opportunities as part of a larger integrated enterprise. However, as a result of the strategic review noted above, RCR intends to explore potential efficiencies where it is commercially appropriate to do so. As a result of this review, it is possible that there may be some corporate, managerial and operational duplication in RCR's and Norfolk's businesses, as result of which certain roles may need to be made redundant. Until RCR has completed its review, RCR cannot reasonably determine the extent to which this may be applicable.	5.7
What is the RCR Loan?	RCR Corporate (a wholly-owned subsidiary of RCR) has advanced approximately $10.25 million in funding to entities in the Norfolk Group to assist with the payment of amounts owed on account of employee expenses. All amounts owing under the RCR Loan are repayable on the first to occur of: • 30 September 2013; • the date the Scheme Implementation Deed is terminated, or the Scheme is withdrawn or it becomes apparent to RCR Corporate that the Scheme will not proceed for any reason; or • two Business Days' notice from RCR Corporate. In addition, if the Senior Lenders demand repayment of some or all amounts owing to them under Norfolk's Senior Facilities, this will constitute an event of default under the RCR Loan and all amounts owing under the RCR Loan will become immediately repayable.	4.5.2

2. FREQUENTLY ASKED QUESTIONS

Questions	Answers	Section(s)
Taxation		
Will I have to pay brokerage or stamp duty on the transfer of my Norfolk Shares?	You will not be required to pay any brokerage or stamp duty in relation to your participation in the Scheme.	1.1.8
What are the taxation implications of the Scheme for Norfolk Shareholders?	A general outline of the main Australian taxation implications of the Scheme for certain Norfolk Shareholders is set out in Section 6. All Norfolk Shareholders, particularly those Norfolk Shareholders not covered by the general outline set out in Section 6, should consult with their own taxation advisers regarding the Australian and, if applicable, foreign taxation implications of participating in the Scheme given the particular circumstances which apply to them.	6
Further questions		
Who can I contact if I have further questions in relation to the Scheme?	Norfolk Shareholders who have any further questions, should seek independent financial, taxation or other professional advice. Norfolk Shareholders may also call the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 1300 881 079 (international) on Business Days between 8.30am and 5.30pm (Sydney time).	N/A

3. DETAILS OF THE SCHEME

3.1 Overview

On 12 April 2013, Norfolk entered into the Scheme Implementation Deed with RCR, under which it is proposed that RCR, through its wholly-owned subsidiary, RCR Infrastructure, will acquire all Norfolk Shares pursuant to a scheme of arrangement for $0.48 cash per Norfolk Share.

If the Scheme is implemented, Norfolk will become a wholly-owned subsidiary of RCR and will be delisted from ASX.

3.2 What you will receive if the Scheme is implemented

If the Scheme becomes Effective, Scheme Shareholders will receive the Scheme Consideration of $0.48 cash per Norfolk Share.[8]

New Zealand Shareholders will have the amount of their Scheme Consideration converted into New Zealand dollars before it is paid to them. The rate of conversion will be determined by reference to the prevailing A$:NZ$ exchange rate at a time to be nominated by the Share Registry between 10.00am and 12.00pm (Sydney time) on the Implementation Date. New Zealand Shareholders will not be charged any transaction fee for the currency conversion. For further information see Section 3.7.5.

It is expected that the Scheme Consideration will be sent to Scheme Shareholders within three Business Days after the Implementation Date. Based on an expected Implementation Date of Wednesday, 31 July 2013, the Scheme Consideration is expected to be sent by Monday, 5 August 2013.

3.3 Scheme elements

The Scheme is subject to the satisfaction or waiver (as applicable) of certain Conditions Precedent. The Conditions Precedent are described in Section 3.6.2.

Following approval of the Scheme by Norfolk Shareholders, and approval of the Scheme by the Court, there are three important dates in respect of the implementation of the Scheme – the Effective Date, the Record Date and the Implementation Date.

- The Effective Date is the date on which the Court order approving the Scheme is lodged with ASIC and the Scheme takes effect.
- The Record Date is 7.00pm (Sydney time) on the fifth Business Day after the Effective Date and is the time and date when the Norfolk Share Register is examined to determine who is entitled to participate in the Scheme (refer to Section 3.5).
- The Implementation Date is the third Business Day after the Record Date and is the date when the Scheme is implemented and Norfolk Shares held by Scheme Shareholders as at the Record Date are transferred to RCR Infrastructure.

3.4 Scheme

If the Scheme is approved by Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) and the Court:

- the Scheme will become Effective on the Effective Date;
- at the close of trading on the Effective Date, Norfolk Shares will cease trading on ASX;
- on the Implementation Date, all of the Norfolk Shares held by Scheme Shareholders as at the Record Date will be transferred to RCR Infrastructure, without any need for action by Scheme Shareholders; and
- Scheme Shareholders will receive the Scheme Consideration, expected to be within three Business Days after the Implementation Date. Based on an expected Implementation Date of Wednesday, 31 July 2013, the Scheme Consideration is expected to be sent by Monday, 5 August 2013.

As a result of the implementation of the Scheme, Scheme Shareholders will cease to hold Norfolk Shares and Norfolk will become a wholly-owned subsidiary of RCR and will be delisted from ASX.

3.5 Entitlement to participate in the Scheme

Scheme Shareholders will be entitled to participate in the Scheme. A "Scheme Shareholder" is a Norfolk Shareholder as at the Record Date (other than any Norfolk Shareholder that is an entity within the RCR Group).

For the purpose of determining which Norfolk Shareholders are eligible to participate in the Scheme, dealings in Norfolk Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Norfolk Share Register as the holder of the relevant Norfolk Shares as at the Record Date; and

8 Less any Distribution Amount. For further information see Section 2 of this Booklet under the heading "What will I receive?".

3. DETAILS OF THE SCHEME

- in all other cases, registrable transmission applications or transfers in respect of those dealings are received by the Share Registry on or before the Record Date (and the transferee remains registered as at the Record Date).

For the purpose of determining entitlements under the Scheme, Norfolk will not accept for registration or recognise any transfer or transmission applications in respect of Norfolk Shares received after the Record Date.

3.6 Scheme procedure

3.6.1 Scheme Meeting

(i) Date and time of Scheme Meeting

In accordance with an order of the Court dated Friday, 7 June 2013, Norfolk has convened the Scheme Meeting to be held on Wednesday, 17 July 2013 at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney, commencing at 10.00am. The notice convening the Scheme Meeting is set out in Appendix 4 to this Booklet and the terms of the Scheme are set out in Appendix 2 to this Booklet. The purpose of the Scheme Meeting is for Norfolk Shareholders to consider whether to approve the Scheme.

The fact that the Court has ordered the Scheme Meeting does not mean that the Court has formed any view as to the merits of the Scheme or as to how Norfolk Shareholders should vote on the Scheme Resolution. On these matters, Norfolk Shareholders must reach their own decision.

(ii) Resolution

At the Scheme Meeting, Norfolk Shareholders will be asked to consider and, if thought fit, to pass the Scheme Resolution to approve the Scheme.

(iii) Majorities required to pass resolution

For the Scheme to proceed, the Scheme Resolution must be passed by a majority in number (more than 50%) of Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) voting (in person, by proxy, by attorney or, in the case of corporate Norfolk Shareholders or proxies, by corporate representative) at the Scheme Meeting (unless the Court orders otherwise) who together must hold at least 75% of the votes cast on the Scheme Resolution.

(iv) Entitlement to vote

Each Norfolk Shareholder who is registered on the Norfolk Share Register at 7.00pm (Sydney time) on Monday, 15 July 2013 (other than any Norfolk Shareholder that is an entity within the RCR Group) is entitled to attend and vote at the Scheme Meeting.

3.6.2 Conditions Precedent to the implementation of the Scheme

The implementation of the Scheme is subject to the Conditions Precedent which must be satisfied or waived (as applicable) for the Scheme to proceed. A summary of the Conditions Precedent is included in this Section and the Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed, a copy of which was annexed to the ASX announcement made by Norfolk regarding its entry into the Scheme Implementation Deed dated 12 April 2013, which is available from www.asx.com.au. The implementation of the Scheme is conditional upon the following being satisfied:

(i) ASIC and ASX consents

Before 8.00am on the Second Court Date, ASIC and ASX issuing or providing such consents or approvals or doing such other acts which Norfolk and RCR agree are reasonably necessary or desirable to implement the Scheme.

(ii) Norfolk Shareholder approval

Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) approving the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.

(iii) Court approval

The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.

(iv) Third party consents

All approvals of a third party (other than ASIC or ASX) which Norfolk and RCR agree are necessary or desirable to implement the Scheme being obtained.

(v) Performance Rights

All outstanding Performance Rights being either converted into Norfolk Shares or cancelled on or before the Second Court Date.

(vi) No Material Adverse Change

Between 12 April 2013 and 8.00am on the Second Court Date, no event, occurrence or matter which had not been announced prior to 12 April 2013 (**Event**) occurring, being announced or becoming likely to occur, which Event (individually or when aggregated with all such Events) could be reasonably expected to result in a material adverse change which is reasonably likely to negatively impact on the value of the business, financial condition or results of operations or prospects of the Norfolk Group as a result of or resulting in forecast earnings before interest and tax of Norfolk as disclosed to ASX as at 12 April 2013 for FY14 being reduced by at least $3 million or net assets of Norfolk being reduced by at least $5 million, other than an Event which:

- relates to an impairment consented to by RCR;
- arises from a change occurring directly or indirectly as a result of any action required or permitted by the Scheme;
- was fully and fairly disclosed to RCR, notified to ASX or disclosed in a document lodged with ASIC, in each case before 12 April 2013;
- arises from any actual or proposed change in any tax, law or accounting standards or mandatory policies or codes;
- relates to or arises from general or sector-specific economic, regulatory or political conditions (except where the Event has a disproportionately larger impact on the Norfolk Group than on other entities operating within the Norfolk Group's industry); or
- relates to or arises from an act of terrorism, war, natural disaster or the like.

(vii) Prescribed Occurrence

No Prescribed Occurrence occurring between 12 April 2013 and 8.00am on the Second Court Date.

(viii) Index decline

The S&P ASX 200 Index not falling to a level that is below 4,500 points and remaining at or below that level for at least three Business Days or until the date immediately prior to the Second Court Date.

(ix) Disputes

Before the Second Court Date, no person:

- announcing, commencing or threatening a claim, action or proceedings against a member of the Norfolk Group, or making a demand of a member of the Norfolk Group, for an amount of more than $10 million (whether in aggregate or for any single matter); or
- increasing the amount sought under any claim, action or proceedings previously announced, commenced or threatened against a member of the Norfolk Group, or previously demanded of a member of the Norfolk Group, by more than $10 million.

(x) Finance condition

Before the Second Court Date:

- the execution of a facility agreement between RCR and its financiers on substantially the same terms as had been agreed between RCR and its financiers in a commitment letter prior to execution of the Scheme Implementation Deed; and
- each of the conditions to drawdown under such facility agreement between RCR and its financiers being, and remaining at the Second Court Date, satisfied or waived.

(xi) Representations and warranties

Each of the representations and warranties given by Norfolk and RCR in the Scheme Implementation Deed being true and correct in all material respects at 8.00am on the Second Court Date.

(xii) Key contracts

Consent to the change of control of Norfolk that will take place on implementation of the Scheme being received from the counterparties of certain contracts to which Norfolk is a party.

(xiii) Insolvency event

Between 12 April 2013 and 8.00am on the Second Court Date, RCR not becoming insolvent or taking, or being subject to, any action which would be likely to render it insolvent.

See Section 7.6 regarding the status of satisfaction of these Conditions Precedent.

3.6.3 Timetable

An indicative timetable for the Scheme is set out on page 1. All dates and times following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other Regulatory Authorities. Any changes to the timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and published on Norfolk's website, www.norfolkgl.com.

3.6.4 Expiry date

Under the Scheme Implementation Deed, if the Effective Date does not occur by the End Date of 12 August 2013 (or such other date as agreed to by Norfolk and RCR), then the Scheme Implementation Deed will lapse and the Scheme will not proceed.

3. DETAILS OF THE SCHEME

3.7 Implementation of the Scheme

If the Scheme Resolution is approved by Norfolk Shareholders and all other Conditions Precedent (other than Court approval of the Scheme) have been satisfied or waived (as applicable), the steps described below will be taken to implement the Scheme.

The description of these general steps is based on the obligations of Norfolk and RCR under the Scheme Implementation Deed. RCR and RCR Infrastructure have also executed the Deed Poll in which they acknowledge and confirm, for the benefit of Scheme Shareholders, their obligations in connection with the Scheme. The terms of the Scheme Implementation Deed are summarised in Section 3.9.1. The Deed Poll is set out in Appendix 3 to this Booklet.

3.7.1 Court approval of the Scheme

If the Scheme is approved by the requisite majorities of Norfolk Shareholders, and all other Conditions Precedent to the Scheme (other than approval by the Court) have been satisfied or waived (as applicable), Norfolk will apply to the Court for orders approving the Scheme at the Second Court Hearing.

The Court has a broad discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act.

The Second Court Hearing is expected to occur on or around Friday, 19 July 2013. Any change to this date will be announced through ASX and will be published on Norfolk's website, www.norfolkgl.com. Further details regarding the Second Court Hearing will be advertised in The Australian newspaper.

Any Norfolk Shareholder, or with the Court's permission, any other interested person may appear at the Second Court Hearing in person or through counsel to support or oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme.

3.7.2 Receipt of Court orders

If the Court makes orders approving the Scheme, Norfolk will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur on the date of issue of the Court orders approving the Scheme (expected to be Friday, 19 July 2013).

If the Scheme becomes Effective, Norfolk, RCR and RCR Infrastructure will become bound to implement the Scheme in accordance with the terms of the Scheme and the Deed Poll.

Only Norfolk Shareholders who qualify as Scheme Shareholders will be bound by and have the benefit of the Scheme. Section 3.5 describes the principles for determining the identity of Scheme Shareholders.

3.7.3 Suspension of trading of Norfolk Shares

If the Court approves the Scheme, Norfolk will notify ASX of that approval on the day it is received (expected to be Friday, 19 July 2013).

It is expected that suspension of trading in Norfolk Shares on ASX will occur from the close of trading on the Effective Date, being the date Norfolk lodges the Court order approving the Scheme with ASIC (expected to be Friday, 19 July 2013).

3.7.4 Transfer and registration of Norfolk Shares

On the Implementation Date:

- RCR or RCR Infrastructure will deposit into an account operated by Norfolk an amount equal to the total Scheme Consideration to be provided to Scheme Shareholders, the amount to be held on trust for the Scheme Shareholders and for the purpose of dispatching to each Scheme Shareholder a cheque or electronic funds transfer for the Scheme Consideration to which they are entitled; and
- subject to the deposit of the total Scheme Consideration being made, the Norfolk Shares held by Scheme Shareholders as at the Record Date, together with all rights and entitlements attaching to those Norfolk Shares as at the Implementation Date, will be transferred to RCR Infrastructure, without the need for any further act by any Scheme Shareholder, by Norfolk signing and effecting on behalf of Scheme Shareholders a valid transfer or transfers of those Norfolk Shares to RCR Infrastructure (this may be by a master share transfer) and entering RCR Infrastructure in the Norfolk Share Register.

Under the Scheme each Scheme Shareholder is deemed to have warranted to Norfolk and appointed and authorised Norfolk as their attorney and agent to warrant to RCR Infrastructure that:

- all of their Norfolk Shares which are transferred to RCR Infrastructure under the Scheme will, on the date on which they are transferred to RCR Infrastructure, be:
  - fully paid; and
  - free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind including any security interest within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth); and

- they have full power and capacity to sell and to transfer their Norfolk Shares to RCR Infrastructure.

Norfolk undertakes to each Scheme Shareholder that it will provide such warranty to RCR Infrastructure on behalf of the Scheme Shareholder.

3.7.5 Payment of Scheme Consideration

It is expected that within three Business Days after the Implementation Date, the Share Registry will send to each Scheme Shareholder their Scheme Consideration. Based on an expected Implementation Date of Wednesday, 31 July 2013, the Scheme Consideration is expected to be sent by Monday, 5 August 2013.

The Scheme Consideration will be paid to Scheme Shareholders as follows:

(i) For those Scheme Shareholders who have a Registered Address outside New Zealand, they will receive their Scheme Consideration in Australian dollars:

- where the Scheme Shareholder has nominated an Australian bank account that is currently used by Norfolk for the payment of dividends – by electronic funds transfer into that account; or
- otherwise – by a cheque to the Scheme Shareholder by pre-paid post to their Registered Address.

(ii) For those Scheme Shareholders with a Registered Address in New Zealand, they will receive their Scheme Consideration in New Zealand dollars at a rate of conversion to be determined by reference to the prevailing A$:NZ$ exchange rate at a time to be nominated by the Share Registry between 10.00am and 12.00pm (Sydney time) on the Scheme Implementation Date. The prevailing A$:NZ$ exchange rate will be provided by Western Union Holdings Australia Pty Ltd, the foreign exchange provider to be used by the Share Registry. The New Zealand dollar amount will then be paid to these Scheme Shareholders:

- where the Scheme Shareholder has nominated a New Zealand bank account that is currently used by Norfolk for the payment of dividends – by electronic funds transfer into that account; or
- otherwise – by a cheque to the Scheme Shareholder by pre-paid post to their Registered Address.

New Zealand Shareholders will carry the exchange rate risk relating to any changes in the A$:NZ$ exchange rate between the Scheme Meeting and the conversion of their Scheme Consideration. When the Scheme Consideration is actually paid to New Zealand Shareholders in New Zealand dollars, those amounts may be worth less (or more) than the Australian dollar amount of the Scheme Consideration at the time the exchange rate for conversion was established, or at the time of the Scheme Meeting.

3.7.6 Delisting of Norfolk

At a time determined by RCR, following the implementation of the Scheme, RCR will apply for the termination of the official quotation of Norfolk Shares on ASX and for Norfolk to be removed from the official list of ASX.

3.8 Effect of the Scheme

If the Scheme is implemented, Scheme Shareholders will no longer hold Norfolk Shares and the Norfolk Shares held by Scheme Shareholders as at the Record Date will be transferred to RCR Infrastructure, and Scheme Shareholders will receive the Scheme Consideration equal to $0.48 cash per Norfolk Share.[9]

3.9 Scheme agreements

3.9.1 Scheme Implementation Deed

The Scheme Implementation Deed sets out the steps required to be taken by Norfolk and RCR to give effect to the Scheme. The key terms of the Scheme Implementation Deed are summarised below. A copy of the Scheme Implementation Deed was annexed to the ASX announcement made by Norfolk regarding its entry into the Scheme Implementation Deed dated 12 April 2013, which is available from www.asx.com.au.

(i) Conditions Precedent

Implementation of the Scheme is subject to the Conditions Precedent set out in the Scheme Implementation Deed. These are summarised in Section 3.6.2. The Scheme Implementation Deed sets out which party can waive each of the Conditions Precedent.

(ii) Breach or non-satisfaction of Conditions Precedent

If:

(a) there is a breach or non-fulfilment of a Condition Precedent which is not waived in accordance with the Scheme Implementation Deed by the time or date specified for satisfaction of the Condition Precedent; or

(b) an event occurs which will prevent a Condition Precedent being fulfilled by the time or date specified for satisfaction

9 Less any Distribution Amount. For further information regarding the Directors' intention not to pay any Distribution Amount, see Section 2 of this Booklet under the heading "What will I receive?".

3. DETAILS OF THE SCHEME

of the Condition Precedent and the Condition Precedent has not been waived in accordance with the Scheme Implementation Deed,

then either Norfolk or RCR may serve notice on the other of the failure of the Condition Precedent, whereupon Norfolk and RCR must consult in good faith to agree whether:

(c) the Scheme may proceed by way of alternative means or methods and, if so, agree on the terms of such alternative means or methods;

(d) to extend the time for satisfaction of the Condition Precedent;

(e) to adjourn or change the date of the Scheme Meeting; and/or

(f) to extend the End Date.

If neither Norfolk nor RCR serves the notice referred to above, or the notice is served but Norfolk and RCR are unable to reach agreement to take one of the courses of action referred to above within five Business Days after delivery of the notice, then either Norfolk or RCR may terminate the Scheme Implementation Deed without any liability to the other because of that termination.

Neither Norfolk nor RCR (in this Section, the **Terminating Party**) will be entitled to terminate the Scheme Implementation Deed for failure to satisfy a Condition Precedent if the Condition Precedent has not been satisfied or Norfolk and RCR are unable to reach agreement to take one of the courses of action referred to above as a result of:

- a breach of the Scheme Implementation Deed by the Terminating Party; or
- a deliberate act or omission of the Terminating Party.

(iii) Board support

Unless the Independent Expert opines prior to the Scheme Meeting that the Scheme is not in the best interests of Norfolk Shareholders, or Norfolk receives a Superior Proposal, Norfolk must ensure that:

- the Norfolk Board unanimously recommends that Norfolk Shareholders vote in favour of the Scheme at the Scheme Meeting; and
- a Director does not change, withdraw or modify his or her recommendation, or make a recommendation or statement that is inconsistent with his or her recommendation to vote in favour of the Scheme.

(iv) Board changes

On the Implementation Date, provided that the Scheme Consideration has been paid in full to a trust account operated by Norfolk to be held on trust for the Scheme Shareholders, Norfolk must:

- take all actions necessary to appoint the persons nominated by RCR as new directors of Norfolk and other members of the Norfolk Group; and
- procure that any directors on the Norfolk Board not nominated by RCR as new directors resign from the Norfolk Board.

(v) Termination

(a) Mutual termination rights

Without limiting any other provisions of the Scheme Implementation Deed, either Norfolk or RCR may terminate the Scheme Implementation Deed by written notice to the other at any time before 8.00am on the Second Court Date:

- if the other is in material breach of the Scheme Implementation Deed, provided that either Norfolk or RCR, as the case may be, has given notice to the other in a timely manner setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed and the relevant circumstances continue to exist five Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the time such notice is given;
- if the Court refuses to make an order directing Norfolk to convene the Scheme Meeting and, after due consultation with the other party, a decision is made not to appeal the Court's ruling or, following an appeal, the Court issues a final and non-appealable order, decree or ruling refusing to direct Norfolk to convene the Scheme Meeting;
- if the Court or other Regulatory Authority issues a final and non-appealable order, decree or ruling or takes other action which permanently restrains or prohibits the Scheme from becoming Effective;
- if the Independent Expert opines that the Scheme is not in the best interests of Norfolk Shareholders;
- if the other party or any of their related bodies corporate becomes insolvent or takes any action that would be likely to render it insolvent;

- if the Scheme has not become Effective on or before the End Date (other than as a result of a breach of obligations owed by the party seeking to terminate under the Scheme Implementation Deed); or
- in the circumstances described at Section 3.9.1(ii).

(b) RCR's right to terminate

RCR may terminate the Scheme Implementation Deed by written notice to Norfolk at any time before 8.00am on the Second Court Date:

- if Norfolk breaches its obligation under the Scheme Implementation Deed to pay the Break Fee;
- if a third party acquires a relevant interest in more than 20% of the total number of Norfolk Shares on issue; or
- if a Director changes, withdraws or adversely modifies his or her recommendation that Norfolk Shareholders vote in favour of the Scheme at the Scheme Meeting or recommends or makes a statement supporting a Competing Proposal.

(c) Norfolk's right to terminate

Norfolk may terminate the Scheme Implementation Deed by written notice to Norfolk at any time before 8.00am on the Second Court Date if a Superior Proposal emerges and a majority of the Norfolk Board publicly recommend that the Superior Proposal is in the interests of Norfolk Shareholders, and, if required as a result of such withdrawal, Norfolk has paid RCR the Break Fee.

(d) Effect of termination

If a party terminates the Scheme Implementation Deed, or if the Scheme Implementation Deed otherwise terminates in accordance with its terms, the Scheme Implementation Deed will become void and have no effect, other than the termination clause and the provisions relating to the definitions and interpretation, survival of representations and warranties, announcements and confidentiality, Break Fee, GST and miscellaneous provisions, all of which survive termination. Any liability for a pre-termination breach of the Scheme Implementation Deed will also survive termination.

(vi) No shop restriction

During the Exclusivity Period, Norfolk has agreed that (unless RCR has given its prior, written consent) it will not, and must ensure that none of its Representatives or other persons authorised to act on its behalf, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that may reasonably be expected to lead to, a Competing Proposal or communicate any intention to do any of those things.

(vii) No talk restriction

During the Exclusivity Period, Norfolk has agreed that it will not, and must ensure that none of its Representatives or other persons authorised to act on its behalf do not, enter into, continue or participate in negotiations or discussions with, or enter into any agreement or understanding with, any third party in relation to, or that may be reasonably expected to lead to, a Competing Proposal.

This restriction does not apply to the extent that the Norfolk Board has determined that the Competing Proposal is from a person of reasonable financial standing and is a Superior Proposal and, after having obtained written advice from its external legal advisers, that failing to respond to a bona fide Competing Proposal may constitute a breach of the Norfolk Board's fiduciary or statutory obligations or would otherwise be unlawful.

(viii) Notification and matching rights

During the Exclusivity Period, Norfolk has agreed to promptly notify RCR if it receives an unsolicited approach with respect to a Competing Proposal or any request for information which it has reasonable grounds to suspect may relate to a Competing Proposal. Such notice must include full details of any such approach (including the identity of the third party making the Competing Proposal, the material terms of the Competing Proposal and all information provided by Norfolk to the third party making the Competing Proposal).

At any time from when any event described above which requires notification by Norfolk to RCR occurs, until the day that is three Business Days after Norfolk gives notice to RCR, Norfolk has agreed not to, and to procure that its Representatives do not:

- enter into, or agree to enter into, any binding documentation to effect or implement the Competing Proposal; or
- withdraw their recommendation in favour of the Scheme or publicly recommend the Competing Proposal.

3. DETAILS OF THE SCHEME

If RCR proposes an amendment to the Scheme or proposes a new scheme of arrangement that matches or exceeds a Competing Proposal within three Business Days after details of the Competing Proposal are notified by Norfolk to RCR, and the Norfolk Board determines that the amended Scheme or new scheme of arrangement is no less favourable to Norfolk Shareholders than the Competing Proposal, Norfolk has agreed to:

- use its best endeavours to agree and enter into such documentation as is necessary to give effect to and implement the amended Scheme or new scheme of arrangement as soon as possible; and
- use its best endeavours to procure that the Norfolk Board unanimously recommends the amended Scheme or new scheme of arrangement and does not recommend the applicable Competing Proposal.

(xi) Break Fee

Norfolk must pay RCR the Break Fee if:

- before the End Date, any Director makes a public statement withdrawing or adversely modifying his or her recommendation that Norfolk Shareholders vote in favour of the Scheme at the Scheme Meeting, or stating that they will not vote (or procure the voting of) all Norfolk Shares held, controlled or represented by him or her in favour of the Scheme at the Scheme Meeting (other than in circumstances where the Independent Expert concludes that the Scheme is not in the best interests of Norfolk Shareholders, provided that such conclusion is not reached as a result of a Competing Proposal which the Independent Expert may reasonably regard to be on more favourable terms than the Scheme being announced or made public);
- before the Scheme Meeting, a Competing Proposal, in respect of which the Norfolk Board determines, in good faith and after taking advice from its legal and financial advisers, would result in a transaction which is more favourable to Norfolk Shareholders than the Scheme, is announced by a third party;
- Maui Capital withdraws its support for the Scheme or fails to vote in favour of the Scheme in respect of the Norfolk Shares it indirectly or directly holds, owns, controls or represents (including by the sale of any such Norfolk Shares to a third party);
- RCR validly terminates the Scheme Implementation Deed for material breach by Norfolk; or
- RCR validly terminates the Scheme Implementation Deed due to the occurrence of a Prescribed Occurrence or Material Adverse Change where the relevant occurrence was in the control of Norfolk.

The Break Fee will not be payable by Norfolk to RCR if:

- the Scheme becomes Effective;
- the Scheme Implementation Deed is validly terminated by Norfolk for material breach by RCR prior to the occurrence of an event that would otherwise require Norfolk to pay the Break Fee;
- it is finally determined following the exhaustion of all reasonable avenues of appeal to the Australian Takeovers Panel or a Court that all or any part of the Break Fee constitutes unacceptable circumstances, involves a breach of fiduciary or statutory duties of the Norfolk Board or is otherwise unlawful or held to be unenforceable by a Court; or
- Norfolk has previously paid the Break Fee.

3.9.2 Deed Poll

RCR and RCR Infrastructure have entered into the Deed Poll in favour of Scheme Shareholders under which RCR and RCR Infrastructure have undertaken to pay or procure payment of the Scheme Consideration in accordance with the Scheme. The Deed Poll may be relied upon by any Scheme Shareholder, despite the fact that they are not a party to it.

The Deed Poll is governed by the laws of New South Wales and is set out in Appendix 3 to this Booklet.

4. INFORMATION ON NORFOLK

4.1 Norfolk Group

The Norfolk Group is a leading provider of integrated engineering services in the electrical, HVAC (heating, ventilation and air-conditioning) and facilities management markets employing more than 2,700 people, including highly skilled engineers, electricians, air conditioning technicians and apprentices, across more than 120 locations throughout Australia, New Zealand and Vietnam. The Norfolk Group has more than 10,000 customers across a range of sectors including infrastructure, industrial, commercial, resources, retail, government and communications. Today, the Norfolk Group principally operates through its key brands which include ODG HADEN, Resolve FM, Metalbilt and Energy Products International.

4.2 Board and senior management

4.2.1 Board

The Norfolk Board comprises the following directors.

Director's name	Position
Rod Keller	Chairman
Peter Richards	Executive Director
Peter Lowe	Non-Executive Director
Paul Chrystall	Non-Executive Director

4.2.2 Senior management team

Key members of Norfolk's senior management team include:

Senior Manager's name	Position
Peter Richards	Managing Director
Stephen McDonald	Chief Financial Officer & ICT
Fiona Yiend	General Counsel & Company Secretary
Lee Bakerman	Group HR Director & Marketing
Keian Barnard	Outgoing Chief Executive, ODG HADEN Construction
Keith Blind	Chief Executive, ODG HADEN Maintenance & Norfolk New Zealand
Mark Perryman	General Manager, Resolve FM

4.3 Capital structure

As at 6 June 2013, Norfolk had the following securities on issue:

- 158,890,730 Norfolk Shares; and
- 3,469,431 Performance Rights.

Further information regarding the Performance Rights is set out in Section 7.2.1.

4.4 Financial information

4.4.1 Historical financial information

(i) Basis of preparation

The summary financial information for FY12 and FY13 set out below has been extracted from Norfolk's Appendix 4E preliminary unaudited financial statements for the year ended 31 March 2013 that were released to ASX on 17 May 2013 (the **Preliminary FY13 Accounts**). The FY12 information is consistent with Norfolk's Annual Report for the year ended 31 March 2012 (released to ASX on 22 June 2012) (**FY12 Annual Report**) apart from the reclassification in the Consolidated Income Statement extracted at Section 4.4.1(ii) of the impact of the Indian operations which were discontinued in FY13. Copies of the Preliminary FY13 Accounts and the FY12 Annual Report can be downloaded from ASX's website (www.asx.com.au) and Norfolk's website (www.norfolkgl.com.au).

The financial statements of Norfolk for FY12 were audited in accordance with Australian auditing standards. The audit opinion relating to the financial statements for FY12 was unqualified.

Norfolk expects to lodge its audited financial statements for FY13 with ASX on or about 19 June 2013.

Section 4.5 contains a detailed discussion of Norfolk's position in relation to its financiers and the funding alternatives available to it. The Directors are of the opinion that there are reasonable grounds to expect that the Norfolk Group will be able to continue as a going concern and, as such, the Preliminary FY13 Accounts have been prepared on a going concern basis. As noted in the Preliminary FY13 Accounts, the Directors' opinion is based on a range of factors – including, among other things, the execution of the Scheme Implementation Deed and the proposal to implement the Scheme, the funding alternatives available to Norfolk that are discussed in Section 4.5.3 (or a combination of one or more of them) and the expected significant improvements in the operational and financial performance of Norfolk.

4. INFORMATION ON NORFOLK

In this respect, Note 1(a) to the Preliminary FY13 Accounts includes the following statement:

> *"While the Directors consider that the status of the Scheme, each of the above funding alternatives (or a combination of one or more of them) and the anticipated improvement in financial performance together constitute reasonable grounds for concluding that [the Norfolk Group] remains a going concern, there is material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The audit opinion that will accompany the annual report is expected to include emphasis of matter paragraph relating to the going concern assumption and recognition of [the net deferred tax assets]."*

(ii) Consolidated Statement of Comprehensive Income

The summarised historical income statements of Norfolk for FY12 and FY13 are set out below:

	FY13 (Unaudited) $000	**FY12 (Audited) $000**
Revenue from continuing operating activities	938,502	898,287
Other income	-	262
Expenses		
Cost of sales	(887,449)	(778,501)
Selling and distribution costs	(27,243)	(39,733)
Marketing expenses	(1,247)	(288)
Occupancy expenses	(13,945)	(8,539)
Administrative expenses	(64,739)	(39,346)
Finance costs	(4,962)	(4,186)
Profit/(Loss) before income tax	**(61,083)**	**27,956**
Income tax credit / (expense)	20,411	12,179
Profit/(Loss) from continuing operations	**(40,672)**	**40,135**
Profit/(Loss) from discontinued operations	**(1,893)**	**(3,376)**
Profit/(Loss) for the year	**(42,565)**	**36,759**
Other Comprehensive Income		
Translation of foreign operations	123	669
Changes in the fair value of cash flow hedges	-	71
Tax effect of changes in the fair value of cash flow hedges	-	(21)
Total other comprehensive income/(expense) for the year, net of tax	**123**	**719**
Total comprehensive income for the year	**(42,442)**	**37,478**
Profit/(Loss) is attributable to:		
Minority interests	(218)	(98)
Equity holders of the company	(42,347)	36,857
	(42,565)	36,759
Total Comprehensive Income for the year is attributable to:		
Minority interests	(218)	(98)
Equity holders of the company	(42,224)	37,576
	(42,442)	37,478

(iii) Consolidated Balance Sheet

The summarised historical balance sheets of Norfolk as at 31 March 2012 and 31 March 2013 are set out below:

	31 March 2013 (Unaudited) $000	31 March 2012 (Audited) $000
Assets		
Current Assets		
Cash and cash equivalents	11,945	10,646
Trade and other receivables	219,519	222,977
Inventories	3,564	3,100
Derivative financial instruments	-	8
Income tax	-	10,042
Total Current Assets	**235,028**	**246,773**
Non-Current Assets		
Property, plant and equipment	8,001	12,642
Intangibles	56,826	53,022
Deferred tax	30,753	5,613
Total Non-Current Assets	**95,580**	**71,277**
Total Assets	**330,608**	**318,050**
Liabilities		
Current Liabilities		
Trade and other payables	178,652	180,040
Borrowings	64,941	6,063
Income tax	62	185
Provisions	8,387	6,494
Total Current Liabilities	**252,042**	**192,782**
Non-Current Liabilities		
Borrowings	247	979
Provisions	2,281	1,911
Total Non-Current Liabilities	**2,528**	**2,890**
Total Liabilities	**254,570**	**195,672**
Net Assets	**76,038**	**122,378**
Equity		
Equity Attributable to Equity Holders of the Parent:		
Contributed equity	264,065	264,065
Reserves	(222,840)	(223,832)
Retained profits	35,126	82,240
Parent entity interest	76,351	122,473
Minority interest	(313)	(95)
Total Equity	**76,038**	**122,378**

4. INFORMATION ON NORFOLK

(iv) Consolidated Statement of Cash Flows

The summarised historical cash flow statements of Norfolk for FY12 and FY13 are set out below:

	FY13 (Unaudited) $000	FY12 (Audited) $000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,033,199	948,785
Payments to suppliers (inclusive of GST)	(1,085,712)	(935,954)
	(52,513)	12,831
Interest received	1,830	155
Other revenue	919	855
Interest and other finance costs paid	(3,904)	(3,091)
Income taxes refunded/(paid)	9,545	1,853
Net cash inflow/(outflow) from operating activities	**(44,123)**	**12,603**
Cash flows from investing activities		
Payments for property, plant and equipment	(7,038)	(10,447)
Proceeds from sale of property, plant and equipment	215	604
Proceeds from sale of businesses	-	59
Net cash inflow/(outflow) from investing activities	**(6,823)**	**(9,784)**
Cash flows from financing activities		
Payment of dividends	(4,767)	(5,561)
Payments for shares acquired by Norfolk Employee Share Trust to satisfy vested sales bonus rights	-	(53)
Proceeds from / (repayment) of borrowings	57,472	(10,893)
Repayment of finance lease liabilities	(505)	(933)
Net cash inflow/(outflow) from financing activities	**52,200**	**(17,440)**
Net increase/(decrease) in cash and cash equivalents	1,254	(14,621)
Effect of exchange rate changes on cash and cash equivalents	45	198
Cash and cash equivalents at the beginning of the financial period	10,646	25,069
Cash and cash equivalents at the end of the financial period	**11,945**	**10,646**

4.4.2 Commentary on FY13 financial performance

In FY13 Norfolk experienced a loss of $42.6 million, and earnings before interest and tax (**EBIT**) for FY13 was a loss of $58.0 million from continuing operations. This result was driven by the impairment of WIP and restructuring costs.

As noted in Sections 1.1.1 and 1.1.3, Norfolk has experienced a significant build up of WIP relating to claims and variations under several large contracts which have now been completed or terminated. These contracts have experienced a variety of difficulties including significant scope change, delays, schedule change and acceleration demands. Given the disputed nature of the claims and variations on these contracts, Norfolk has re-assessed their recoverable value and written down the carrying value of the associated WIP.

Norfolk has also not received full payment from customers for work that has been completed under these contracts. As a result, Norfolk has experienced significant operating cash outflow which has caused Norfolk to increase its net borrowings to $53.2 million, an increase of $56.8 million compared to the position at 31 March 2012. The increased net borrowings and Norfolk's performance in FY13 has resulted in Norfolk breaching certain financial covenants under the terms of its Senior Facilities (further information in relation to these breaches is contained in Section 4.5.1).

4.4.3 Update in relation to Norfolk's financial position and financial performance

(i) Norfolk's financial position

As set out in the Preliminary FY13 Accounts, the net indebtedness of Norfolk (bank loans net of cash) was approximately $52.0 million as at 31 March 2013. As at 30 April 2013, the net indebtedness of Norfolk (bank loans net of cash) had increased to approximately $64.7 million. This increase is in part due to the payment of creditors (being suppliers and subcontractors) relating to several contracts for which Norfolk has not received full payment from customers for work that has been undertaken pursuant to those contracts, as discussed in Sections 1.1.1, 1.1.2 and 4.4.2. In these circumstances, Norfolk has been forced to increase the amounts drawn on its debt facilities, which have on several occasions come close to being fully drawn, until such time as it receives payment from its customers.

It should also be noted that Norfolk experiences significant intra-month variations in working capital requirements, which causes its net indebtedness to vary significantly on a daily basis. For example, throughout the entire month of April 2013, the net indebtedness of Norfolk (bank loans net of cash) ranged between approximately $49.0 million and $73.0 million.

Since the public announcement of the Scheme, Norfolk has entered into the RCR Loan to provide it with additional borrowing capacity. Amounts drawn under the RCR Loan will further increase the amount of Norfolk's net indebtedness.

Further information regarding the RCR Loan and the Senior Facilities is set out in Section 4.5.

(ii) Outlook

On 18 February 2013, Norfolk announced that its anticipated EBIT for FY14 was expected to be within the range of $25 million to $30 million, and that the anticipated earnings before interest, tax, depreciation and amortisation (**EBITDA**) for FY14 was expected to be within the range of $33 million to $38 million.

In providing this EBIT and EBITDA guidance for FY14, Norfolk had regard to the current level of WIP, its order book and the level of tendering activity, together with the reduced operating cost base resulting from the restructure and amalgamation of brands to create ODG HADEN (which had been announced by Norfolk on 27 November 2012).

On 26 March 2013, Norfolk reaffirmed the EBIT and EBITDA guidance for FY14 that it had provided on 18 February 2013. In reaffirming the EBIT and EBITDA guidance for FY14, Norfolk had regard to the same matters noted above.

Norfolk Shareholders should also note that the above EBIT and EBITDA guidance for FY14 is based on the assumption that Norfolk continues to have access to sufficient funding to enable it to effectively and efficiently operate the business, including an ongoing ability for Norfolk to:

- retain key employees or attract suitable replacements;
- maintain productive relationships with subcontractors and suppliers, upon whom Norfolk is reliant for its ability to deliver existing and new projects for its customers; and
- secure new business from customers.

If the Scheme is not approved by Norfolk Shareholders or otherwise does not become Effective, this will create uncertainty regarding Norfolk's ability to access sufficient funding to enable it to effectively and efficiently operate the business (as discussed in Section 4.5.3), including with respect to the matters noted above.

Such an outcome would be likely to have a materially adverse impact on Norfolk's ability to achieve EBIT and EBITDA for FY14 within the range reaffirmed on 26 March 2013.

In addition, the EBIT and EBITDA guidance for FY14 does not take into account the fees and expenses incurred by Norfolk in connection with the Scheme (details of which are included at Section 7.7).

4.5 Norfolk's external financing arrangements

4.5.1 Senior Facilities

As at the date of this Booklet, Norfolk has approximately $131.5 million of debt facilities in place with its external financiers, Westpac, CBA and HSBC (the **Senior Lenders**), which were entered into for a three year term in May 2012 (the **Senior Facilities**).

The Senior Facilities comprise:

- a $114.9 million multi-option facility for cash advances ($60 million) and bank guarantees ($54.9 million);
- a $6.6 million overdraft facility; and
- a $10 million cash advance facility to be used for the sole purpose of meeting Norfolk's payment obligations in respect of employee wages.

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The Senior Facilities are secured by a first-ranking fixed and floating charge over all of Norfolk's assets. In addition, under section 560 of the Corporations Act all amounts advanced under the $10 million cash advance facility for the purpose of funding employee wages, superannuation contributions and payments in respect of leave of absence or termination of employment under an industrial instrument will rank, on a winding up of Norfolk, ahead of amounts owing to other creditors of Norfolk (other than with respect to the RCR Loan).

The increase in Norfolk's net indebtedness described in Section 4.4.3(i) has caused Norfolk to rely heavily upon the Senior Facilities and, as a result, Norfolk has only limited available capacity to draw further funds under the Senior Facilities.

Further, as a result of Norfolk's increased level of net indebtedness referred to in Section 4.4.3(i) and its financial performance during FY13, Norfolk has breached certain financial covenants applicable to the Senior Facilities when tested as at the end of December 2012 and at the end of each of January, February, March and April 2013.

The Senior Lenders have waived their rights in respect of the covenant breaches that occurred as at the end of December 2012 and at the end of January 2013. However, the Senior Lenders have not waived their rights in respect of the covenant breaches that occurred as at the end of each of February, March and April 2013. The effect of these unwaived breaches is to entitle the Senior Lenders to demand repayment of some or all amounts owing to them under the Senior Facilities.

As at the date of this Booklet the Senior Lenders have not sought to exercise their right to demand immediate repayment of some or all amounts owing to them under the Senior Facilities, although they continue to remain entitled to do so.

4.5.2 RCR Loan

As announced on 14 May 2013, RCR Corporate (a wholly-owned subsidiary of RCR) has advanced approximately $10.25 million in funding to ODG Haden Maintenance Pty Ltd and ODG Haden Construction Pty Ltd (the **Borrowers**), both of which are wholly-owned subsidiaries of Norfolk, for the purposes of funding future employee entitlements and loan fees (the **RCR Loan**).

The RCR Loan provides the Norfolk Group with the ability to:

- continue to fund its obligations to pay the entitlements of its employees, using the proceeds of the RCR Loan; and
- use the funding available under its Senior Facilities for other purposes in connection with the completion of Norfolk's existing projects and pursuing new projects.

As described in Section 4.5.1, prior to entering into the RCR Loan, Norfolk had only limited available capacity to draw further funds under the Senior Facilities. As a result, the Norfolk Board considered it appropriate to obtain additional external funding to ensure that Norfolk had sufficient funding to continue to effectively and efficiently operate its business.

In determining whether to enter into the RCR Loan, the Norfolk Board had regard to (among other things) the following matters:

- In the context of the proposal to implement the Scheme, the Senior Lenders were not willing to increase the amount of funding available under the Senior Facilities.
- Although alternative sources of debt funding may have been available, in the timeframe required and in the context of the proposal to implement the Scheme, the Norfolk Board considered that it was unlikely that additional debt funding could be obtained on equivalent or superior terms from such alternative sources within the time available.
- Under the terms of the SID, any additional debt funding required the prior approval of RCR.
- In the opinion of the Norfolk Board, the terms of the RCR Loan (described in more detail below) are reasonable arm's length terms.

On that basis, the Norfolk Board considered that the entry into the RCR Loan was in the best interests of Norfolk Shareholders.

Under section 560 of the Corporations Act all amounts advanced under the RCR Loan are afforded the same right of priority in the event of a winding up of the Borrowers as the employees would have had if the amounts used to pay them out of the RCR Loan proceeds had not been paid. In effect, this means that, in the event of a winding up of the Borrowers, the amounts advanced under the RCR Loan and used for such employee payments will rank for repayment ahead of Norfolk's multi-option facility and overdraft facility components of the Senior Facilities (other than in respect of any of Norfolk's property that is subject to a fixed charge), and will rank equally on a pari passu basis with amounts advanced under the $10 million cash advance facility component of the Senior Facilities for the purpose of funding employee wages, superannuation contributions and payments in respect of leave of absence or termination of employment under an industrial instrument.

All amounts owing under the RCR Loan are repayable on the first to occur of:

- 30 September 2013;
- the date the Scheme Implementation Deed is terminated, or the Scheme is withdrawn or it

becomes apparent to RCR Corporate that the Scheme will not proceed for any reason; or

- two Business Days' notice from RCR Corporate.

In addition, if the Senior Lenders demand repayment of some or all amounts owing to them under the Senior Facilities, this will constitute an event of default under the RCR Loan and all amounts owing under the RCR Loan will become immediately repayable.

The other key terms of the RCR Loan include the following:

- The RCR Loan is unsecured, although it has priority under section 560 of the Corporations Act as described above.
- The Borrowers are obliged to pay RCR Corporate a loan establishment fee of A$250,000.
- Interest is payable on amounts drawn under the RCR Loan at the rate of 8% per annum, calculated monthly.
- As noted above, amounts drawn under the RCR Loan may only be used to pay the loan establishment fee and to pay wages of the employees of the Borrowers (such wage amounts to be approved in advance by RCR Corporate).
- The Borrowers provide various representations in favour of RCR Corporate (covering matters such as corporate authority, binding obligations and solvency) and various undertakings in favour of RCR Corporate (covering such matters as incurring no further financial indebtedness, not granting any further security over its assets and the regular provision of financial information).

4.5.3 Alternative financing arrangements if the Scheme does not proceed

If the Scheme is not approved by Norfolk Shareholders or otherwise does not become Effective:

- the Senior Lenders will retain their existing rights to demand repayment of some or all of the amounts owing to them under the Senior Facilities and take any other enforcement action against Norfolk in respect of their rights as they deem appropriate; and
- the Borrowers will be required to repay all amounts owing under the RCR Loan.

In those circumstances, it is likely that Norfolk will need to refinance at least approximately $10.25 million (to repay the RCR Loan), and potentially up to as much as approximately $131.5 million (if the Senior Lenders demanded repayment of all amounts potentially owing under the Senior Facilities). Any such refinancing may need to be undertaken within a short period to ensure that Norfolk can comply with any such repayment obligations, and also have sufficient funding to continue to effectively and efficiently operate its business.

As at the date of this Booklet, Norfolk does not have any alternative committed debt or other funding source that would enable it to repay amounts owing by it under the Senior Facilities or the RCR Loan (or both).

If Norfolk was required to repay amounts owing by it under the Senior Facilities or the RCR Loan (or both), Norfolk would seek to raise the necessary funding through a combination of one or more of new debt financing arrangements, an equity capital raising, asset disposals or the settlement of outstanding claims with customers.

While the Norfolk Board considers that each of the above alternatives (or a combination of one or more of them) are likely to be viable funding options in the event that Norfolk is required to repay amounts owing by it under the Senior Facilities or the RCR Loan (or both), each of the options involves varying degrees of risk and uncertainty. In particular, any such refinancing would depend on Norfolk (and relevant third parties) being able to agree relevant terms within the timeframe for repayment that may be imposed by Norfolk's lenders, on terms that would be acceptable to Norfolk and its shareholders and that would satisfy the quantum of Norfolk's refinancing requirements.

Although the Norfolk Board considers that each of the above alternatives (or a combination of one or more of them) are likely to be viable funding options, the Norfolk Board believes that each alternative is likely to have a materially adverse impact on the value of Norfolk Shares. In particular:

- given Norfolk's recent financial performance, obtaining debt funding of the magnitude required to refinance amounts owing by it under the Senior Facilities or the RCR Loan (or both) on acceptable terms would be very difficult;
- an equity capital raising of the magnitude required to repay amounts owing by Norfolk under the Senior Facilities or the RCR Loan (or both) would likely be priced at a significant discount to the prevailing market price of Norfolk Shares (which the Norfolk Board expects is likely to fall substantially below $0.48 if the Scheme does not proceed and no Competing Proposal or Superior Proposal emerges) and be significantly dilutive for Norfolk Shareholders; and
- against the backdrop of the potentially tight debt repayment timeframes, Norfolk expects

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that any sale of its assets or settlement of debts owing to it may be achieved only at a significant discount to their underlying value.

Finally, if Norfolk was required to repay amounts owing by it under the Senior Facilities or the RCR Loan (or both), despite the funding alternatives described above it is possible that Norfolk may be unable to access a sufficient level of funding to meet those repayment obligations in the time required and, at the same time, enable it to effectively and efficiently operate its business. In those circumstances, there is a material possibility that Norfolk may be unable to continue as a going concern and may be placed into voluntary administration or receivership. If that was to occur, Norfolk Shareholders would be unlikely to receive any value for their Norfolk Shares.

4.6 Risk factors

The risk factors in this Section 4.6 are existing factors relating to Norfolk's business and the industry in which it operates. These risks will only continue to be relevant to Norfolk Shareholders if the Scheme does not proceed and Norfolk Shareholders retain their current investment in Norfolk.

If the Scheme proceeds, Norfolk Shareholders will receive the Scheme Consideration, they will cease to be Norfolk Shareholders and will no longer be exposed to the risks set out in this Section 4.6.

4.6.1 General risk factors

As with any entity with listed securities on ASX, the future prospects, operating and financial performance of Norfolk and the value of Norfolk Shares are affected by a variety of general business cycles, economic and political factors in Australia and overseas including economic growth, interest rates, inflation, employment levels, changes in government fiscal or regulatory regimes and foreign trade policies, changes in accounting or financial reporting standards, and changes in taxation laws (or their interpretation) or regulations in the markets in which Norfolk sells its products. Deterioration of the general economic conditions, adverse foreign exchange rate movements, the Australian and overseas stock markets, natural disasters and catastrophic events may also affect Norfolk's operating and financial position.

4.6.2 Specific risk factors

(i) Finance

Norfolk has relied upon, and, if the Scheme does not become Effective, will continue to rely on, finance facilities provided by third parties. No assurance can be given that those finance facilities will always be available or available on commercially acceptable terms. If adequate funds are not available on acceptable terms in the future then Norfolk may not be able to take advantage of opportunities, develop new ideas or otherwise respond to competitive pressures.

In particular, if the Scheme does not become Effective, it is likely that Norfolk will need to refinance at least approximately $10.25 million (to repay the RCR Loan) and potentially up to as much as approximately $131.5 million of debt (if the Senior Lenders demanded repayment of all amounts potentially owing under the Senior Facilities). Depending on the amount of Norfolk's refinancing obligations and the required time period for payment, Norfolk may not be able to obtain debt funding of the required magnitude on terms that would be acceptable to it or Norfolk Shareholders, if at all.

Further information regarding Norfolk's external financing arrangements, and alternative financing arrangements which are being considered by Norfolk if the Scheme does not become Effective, is included at Section 4.5.3.

(ii) Capital raising

If Norfolk seeks to raise future equity, there is no guarantee that any such fundraising will be supported by an underwriter, or as to the price at which any such fundraising may be undertaken. It is likely that any fundraising may be undertaken at a significant discount to the then market price of Norfolk Shares, such that a Norfolk Shareholder who did not participate in the fundraising may have their holding in Norfolk significantly diluted.

In particular, if, as noted in Section 4.6.2(i) above, the Scheme does not become Effective, it is likely that Norfolk will need to refinance at least approximately $10.25 million (to repay the RCR Loan) and potentially up to as much as approximately $131.5 million of debt (if the Senior Lenders demanded repayment of all amounts potentially owing under the Senior Facilities). In those circumstances, the Norfolk Board considers that an equity capital raising of the magnitude required to meet Norfolk's refinancing obligations within the required time period for payment would likely be priced at a significant discount to the prevailing market price of Norfolk Shares and be significantly dilutive for Norfolk Shareholders.

Further information regarding Norfolk's external financing arrangements, and alternative financing arrangements being considered by Norfolk if the Scheme does not become Effective, is included at Section 4.5.3.

(iii) Competition

The industries in which Norfolk operates, particularly the electrical and communications services and HVAC (heating, ventilation and air conditioning) and refrigeration services industries, are highly fragmented. The actions of competitors or the entry of new competitors into the market may adversely impact Norfolk's performance or operating margins in the event that Norfolk does not respond effectively to the increased competition.

(iv) Cyclical fluctuations

A number of the industries in which Norfolk operates are subject to the cyclical fluctuations of commercial and residential construction, mining construction and general economic conditions. These cycles are determined by domestic and global factors outside the control of Norfolk and have the potential to impact its financial performance, including the shape and size of its future order book and the potential profit margins at which any future work is won.

(v) Contracting business

A significant proportion of Norfolk's revenue and earnings are sourced from large construction and installation contracts. Many of these contracts may be subject to variations in scope and other unexpected events during the course of the contract resulting in unforeseen expenses which may not be fully recoverable. Unrecoverable expenses incurred during the course of a project have the potential to impact Norfolk's financial performance negatively.

(vi) Recoverability of WIP

The ability of Norfolk to realise revenue and earnings is dependent on its ability to ultimately realise the value of its WIP. Norfolk's customers may encounter a range of circumstances which may limit Norfolk's ability to recover amounts owing to it in respect of the provision of contracting services. Unrecoverable WIP has the potential to impact Norfolk's financial performance negatively.

(vii) Finite project earnings

Project contracts may not be capable of renewal, limiting the potential for recurring revenue following the end of the project's finite life. The projects awarded to Norfolk may vary in number and value from year to year.

(viii) Reputation and relationships

Norfolk operates established brands in each of the industries in which it operates and has formed strong customer relationships over many years that have been strengthened by each division's directly employed workforce. The failure, or perceived failure, of any of the services and products offered by Norfolk may damage its reputation and customer relationships.

(ix) Labour shortages and inability to recruit and retain labour

It is possible that there may be shortages of skilled workers in some of the industries or geographical areas in which Norfolk operates. Additionally, in a labour-constrained market, it is possible that Norfolk may be unable to recruit and retain sufficient labour and may lose labour to competitors. This may negatively affect Norfolk by limiting its ability to retain sufficient staff to undertake potential business, or by causing it to spend above forecast levels to retain staff.

(x) Retention of key management personnel

Norfolk's future success depends, in part, on its capacity to retain and motivate existing management personnel as well as attract new management personnel. In particular, Norfolk's performance is dependent on the talents and efforts of key management personnel. The loss of key management personnel could cause material disruption to Norfolk's business and operations in the short to medium term and may have an adverse impact on the financial performance or prospects of Norfolk.

(xi) Industrial relations

Industrial action, disputes with employees and future changes to labour have the potential to impact the operational and financial performance of Norfolk adversely. Norfolk has implemented policies and procedures, including retaining external industrial relations consultants, to manage relations with employees and labour unions.

(xii) Sustainability and growth of margins

The sustainability of growth in Norfolk's revenue and profit and the level of profit margins from operations are dependent on a number of factors, some of which are outside Norfolk's control. Industry margins in each industry in which Norfolk operates may be subject to continuing but varying margin pressures. There is no assurance that the historical financial performance of Norfolk is indicative of its future financial performance.

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(xiii) Interest

Norfolk borrows money to assist in financing its operations. Changes in interest rates have the potential to impact the financial performance of Norfolk.

(xiv) Disruption to business operations

Norfolk is exposed to a range of operational risks including equipment failures, information technology system failures, external services failures, subcontractor performance failures, disputes and natural disasters. While Norfolk endeavours to take appropriate action to mitigate these operational risks and insure against them, Norfolk cannot completely remove all disruption risk to its business and one or more of these risks may negatively impact its future operational and financial performance.

(xv) Litigation

Given the nature and scope of the activities of Norfolk and the wide range of parties it deals with, Norfolk may be exposed to potential claims of, or litigation from, third parties such as customers, suppliers, joint venture partners, employees and regulators. To the extent that these risks are not covered by Norfolk's insurance policies, litigation and the costs of responding to any threats of legal action or investigation may have an adverse impact on the financial performance of Norfolk.

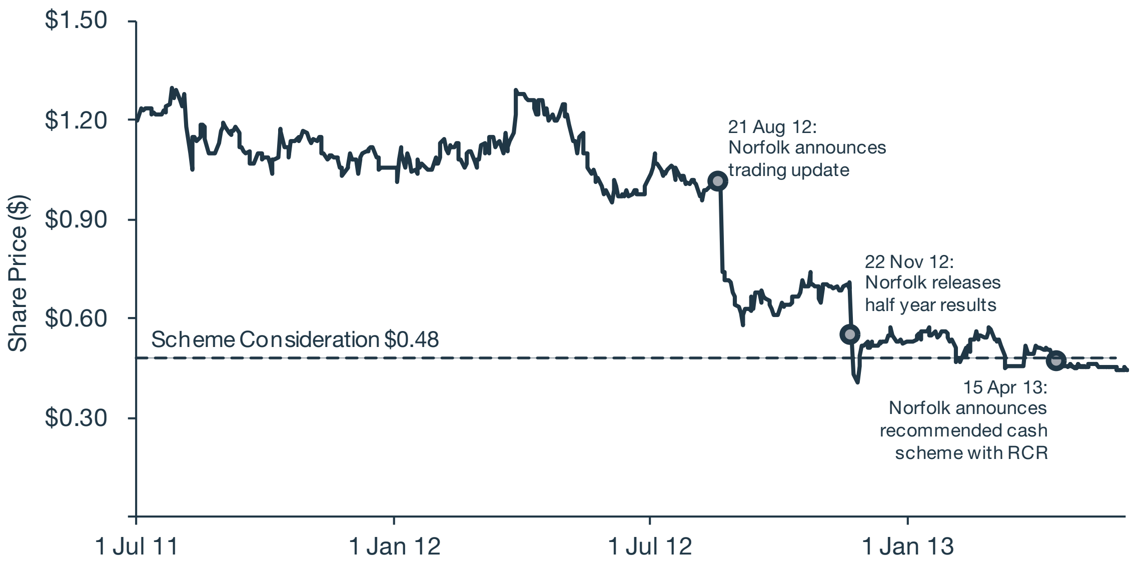
(xvi) Taxation

Both local and foreign tax rules or their interpretation may change, impacting your returns from Norfolk.

4.7 Recent Norfolk Share price performance

In the period from 1 July 2011 to 6 June 2013 the daily price of Norfolk Shares has fluctuated between a low of $0.40 and a high of $1.31.

The following chart shows the closing price of Norfolk Shares on ASX over that period.



Source: IRESS[10]

10 This Booklet contains references to trading data prepared by IRESS Market Technology Limited (ACN 060 313 359) who has not consented to such use of references to that trading data in this Booklet.

4.8 Public information available for inspection

Norfolk is a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations.

Norfolk has an obligation under the Listing Rules (subject to some exceptions) to notify ASX immediately of any information concerning it of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of Norfolk Shares.

Norfolk's recent announcements are available from ASX's website at www.asx.com.au. Further announcements will continue to be made available on this website after the date of this Booklet.

Pursuant to the Corporations Act, Norfolk is required to prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a Directors' statement and report, with an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office, on ASX's website (www.asx.com.au) and on Norfolk's website (www.norfolkgl.com).

5. INFORMATION ON RCR

The information contained in this Section 5 has been prepared by RCR and RCR Infrastructure and is the responsibility of RCR and RCR Infrastructure. Norfolk does not assume any responsibility for the accuracy or completeness of the information in this Section 5.

5.1 Overview of RCR

RCR is an integrated engineering company providing solutions in the Mining, Resources, Energy and Power sectors. RCR's services include design and engineering, construction and electrical services, manufacture, fabrication and off-site repairs and maintenance services.

RCR has operations across Australia, New Zealand and Malaysia with approximately 2,800 employees.

RCR is listed on ASX (ASX code: RCR) with a market capitalisation as at 13 May 2013 of approximately $325 million.

Further details on RCR's business is set out on its website: www.rcrtom.com.au.

5.2 Business structure of RCR

RCR's business is currently organised across four businesses:

RCR's **Mining** business is a market leader in the design and manufacture of materials handling and processing equipment for the mining industry. The business also provides off-site repair services for heavy machinery through a network of facilities in Western Australia, South Australia and Queensland.

RCR's **Energy** business provides power and steam generation solutions including, combined cycle power plants, co-generation, and steam power plants, using a wide range of fuels and Heat Recovery Steam Generators. The business also operates a network of 24/7 service maintenance, shut-down and repair services throughout Australia and New Zealand.

RCR's **Resources** business provides specialist engineering, procurement, structural, mechanical and piping (SMP), construction and maintenance support services to the resource, oil & gas, coal and LNG industries. The business operates an extensive network of operations and facilities across Australia including the Pilbara region in Western Australia and Gladstone in Queensland.

RCR's **Power** business provides end to end engineering and construction services for electrical distribution, communication, instrumentation and control systems, power distribution and transmission services to the resource and infrastructure sectors. The business also manufactures switchboards, high voltage substations, transformers and other electrical components.

5.3 RCR Infrastructure

RCR Infrastructure is a wholly-owned subsidiary of RCR which will act as the acquirer of Norfolk Shares under the Scheme.

5.4 Strategic rationale for proposed acquisition of Norfolk

The proposed acquisition of Norfolk is part of RCR's strategy to diversify its revenue across end markets and secure new business opportunities in the infrastructure markets, particularly those requiring significant technical intellectual capital.

The size and footprint of Norfolk's business is comparable to RCR's business and therefore has the potential for further growth by leveraging RCR's core strengths in Resources, Mining and Energy.

The acquisition of Norfolk will also benefit from the experience and expertise within RCR's Board and management team in engineering construction and company turnarounds.

5.5 Directors of RCR and RCR Infrastructure

As at the date of this Booklet, the directors of RCR comprise:

- Roderick Brown, Chairman of the Board – director since October 2005
- Paul Dalgleish, Managing Director & CEO – director since October 2011
- Eva Skira – director since May 2008
- Kevin Edwards – director since December 2005
- David (Paul) Dippie – director since March 2007
- Francis (Mark) Bethwaite AM – director since March 2012

As at the date of this Booklet, the directors of RCR Infrastructure comprise:

- Paul Dalgleish – director since May 2009
- Andrew Walsh – director since January 2010

5.6 Funding arrangements for Scheme Consideration

5.6.1 Funding of Scheme Consideration

The Scheme Consideration is 100% cash.

RCR or RCR Infrastructure will provide the amounts required to be paid for the acquisition of the Norfolk Shares pursuant to the Scheme. Under the terms of the Deed Poll, RCR and RCR Infrastructure have undertaken in favour of Scheme Shareholders to pay the Scheme

Consideration to Norfolk on or before the Implementation Date.

Based on the number of Norfolk Shares and Performance Rights on issue as at the date of this Booklet, and Scheme Consideration of $0.48 per Norfolk Share, the maximum amount of cash payable by RCR and RCR Infrastructure will be approximately $77.8 million.

RCR and RCR Infrastructure intend to satisfy the aggregate Scheme Consideration and related transaction costs through a mix of cash and debt facilities available to RCR and its wholly-owned subsidiaries.

RCR's cash resources as at 30 April 2013 totalled $68 million. Details on debt facilities available to RCR for the acquisition are set out below in Section 5.6.2.

RCR has not determined the proportion in which funds will be drawn from these two sources as at the date of this Scheme Booklet. However, the total amount of funds available to RCR under these arrangements will be sufficient to pay the maximum cash consideration payable to Scheme Shareholders. RCR will ensure that it or RCR Infrastructure provides all funds necessary to meet their payment obligations under the Scheme and Deed Poll, as and when such payments are required to be made.

5.6.2 RCR's debt funding arrangements

RCR has arranged debt facilities pursuant to the terms of a commitment letter with the Commonwealth Bank of Australia (**CBA**) to assist with, amongst other things, funding the acquisition of Norfolk.

The Scheme is conditional on RCR entering into an agreement with CBA for the debt facilities on substantially the same terms as the commitment letter and conditions precedent to drawdown of the debt facilities being satisfied or waived in accordance with the terms of the facilities.

(a) Commitment Letter with CBA

RCR has entered into a credit approved commitment letter dated 14 February 2013 (**Commitment Letter**) with CBA to provide a three year multi-option finance facility totalling $280 million to assist with, amongst other things, the acquisition of Norfolk, which comprises:

- an aggregate of up to $110 million senior secured amortising facility for payment of Scheme Consideration and other acquisition costs;
- an aggregate of up to $120 million senior secured multicurrency contingent instrument and trade finance facility (including provision of bank guarantees); and
- an aggregate of up to $50 million senior secured multi-option facility for working capital (including the provision of overdraft, cash advance and business cards),

(together, the **Facilities**).

(b) Proceeds of the Facilities

The proceeds of the Facilities will be available to RCR for the purpose of:

- paying the Scheme Consideration in accordance with the Scheme;
- repayment of Norfolk's existing secured debt and revolving multi-option facilities with Norfolk's financiers (refer to Section 4.5); and
- providing for the working capital and general corporate purpose needs of RCR and its subsidiaries, post implementation of the Scheme.

Following implementation of the Scheme, RCR intends to use the Facilities to address Norfolk's financial position as set out in Section 4.4 and to normalise creditor positions payable by Norfolk and its subsidiaries.

(c) Term of commitment

CBA's obligation to provide the Facilities expires on 14 September 2013.

CBA's commitment to provide the Facilities is subject to satisfaction of a number of conditions which include:

- execution and completion of definitive documentation relating to the Facilities consistent with the terms attached to the Commitment Letter;
- evidence that RCR has access to sufficient funds (including existing cash and finance facilities made available under the new CBA Facilities) to pay the Scheme Consideration and to refinance Norfolk's existing finance facilities;
- completion of satisfactory due diligence;
- certification from RCR that nothing has occurred which has had, or might reasonably be expected to have, a materially adverse effect on the financial position, assets, revenues or business of RCR, or the ability of RCR or its relevant subsidiaries to perform their obligations under the finance documents;
- recommendation by the Norfolk Directors of the Scheme, in accordance with the Scheme Implementation Deed;
- approval of the Scheme by Norfolk Shareholders and satisfaction of the other Conditions Precedent to the Scheme; and

5. INFORMATION ON RCR

- satisfaction of other conditions precedent to drawdown customary for Facilities of this nature.

RCR expects these conditions will be satisfied by the Second Court Date (other than those conditions which by their nature are typically only satisfied on the date of initial drawdown of the Facilities).

Representations and warranties given (or to be given) by RCR and certain of its subsidiaries in the Commitment Letter and in the definitive documentation relating to the Facilities are (or will be) customary for facilities of this kind. As at the date of this Booklet, RCR is not aware of any breach of any representation or warranty nor any circumstances that would lead to a breach of representation or warranty.

It is intended that RCR Infrastructure together with RCR and its wholly-owned subsidiaries will be guarantors to the Facilities. If the Scheme becomes Effective, it is intended that Norfolk and its subsidiaries will become additional guarantors to the Facilities.

In addition to the CBA Facilities outlined above, RCR has additional insurance bonding facilities totalling $43 million.

5.7 RCR's intentions if the Scheme is implemented

This Section 5.7 sets out the intentions of RCR, on the basis of the facts and information concerning Norfolk which are known to it and the existing circumstances affecting the business of Norfolk as at the date of the Booklet, in relation to:

- the continuation of the business of Norfolk;
- any major changes to be made to the business of Norfolk, including any reorganisation of any Norfolk business or the redeployment of any fixed assets or intellectual property in the business of Norfolk and its subsidiaries; and
- the future employment of the present employees of Norfolk and its subsidiaries,

in circumstances where the Scheme is implemented.

RCR Infrastructure has the same intentions and knowledge as RCR in relation to these matters.

5.7.1 Strategic review

In addition to publicly available information, RCR and its advisers have reviewed certain other information that has been made available to it by Norfolk. However, RCR does not currently have knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of Norfolk's current operations. Consequently, final decisions on these matters have not been made at this time.

If the Scheme is implemented, RCR intends to conduct a review of Norfolk's operations, covering strategic and financial matters. The review will seek to identify areas which may be improved.

Other than matters identified below, final decisions will only be reached after that review and in light of all material facts and circumstances. As such, statements set out in this Section are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this Section 5.7 should be read in this context.

5.7.2 RCR's future business structure

Following implementation of the Scheme, it is RCR's current intention to restructure its businesses into three businesses comprising, **Resources**, **Energy** and **Infrastructure.** Under the new business structure:

- RCR's **Infrastructure** business will comprise Norfolk's businesses of O'Donnell Griffin, Haden, Resolve FM and RCR's Power business. It is RCR's current intention that each of Norfolk's businesses will continue to trade under their current trading names. However, RCR intends to combine its Power business with Norfolk's O'Donnell Griffin business.

  RCR recognises the importance of Norfolk's brands and their long history. Accordingly, it is also RCR's intention to review the rationale for the recent amalgamation, by Norfolk, of the O'Donnell Griffin and Haden brands into ODG HADEN. This review may result in O'Donnell Griffin and Haden trading under their heritage brands rather than the current ODG HADEN brand.
- RCR's **Resources** business will comprise both RCR's Mining business and its Resources business as described in Section 5.2 above.
- RCR's **Energy** business, as described in Section 5.2 above, will remain unchanged in the new structure.

5.7.3 Directors

Following the implementation of the Scheme, RCR intends to replace all of the Directors and the directors of Norfolk's subsidiaries and all of the directors of any company in respect of which Norfolk has nominee directors with its own nominees.

5.7.4 Norfolk employees and senior management

RCR recognises the value and skills of Norfolk's employees who have assisted each of Norfolk's businesses to become leaders in their relevant market sector. RCR also recognises that Norfolk's employees are an integral part of the business of Norfolk and, as such, RCR's current intention is to retain Norfolk's employees who may benefit from opportunities as part of a larger integrated enterprise.

However, as noted at Section 5.7.1, RCR intends to undertake a review of each of Norfolk's businesses. As a part of this review, RCR intends to explore potential efficiencies where it is commercially appropriate to do so.

As a result of this review, it is possible that there may be some corporate, managerial and operational duplication in RCR's and Norfolk's businesses, as result of which certain roles may need to be made redundant. Until RCR has completed its review, RCR cannot reasonably determine the extent to which this may be applicable.

5.7.5 Norfolk delisting

Following the implementation of the Scheme, RCR intends to arrange for Norfolk to be removed from the official list of ASX.

5.7.6 Intentions generally

Except for the changes and intentions set out in this Section 5.7, RCR has no current intention to make major changes to, or dispose of any parts of, Norfolk's business or redeploy any of Norfolk's assets. It is intended to keep Norfolk within the context of RCR's operations as described in Sections 5.2 and 5.7.2.

5.8 Norfolk Shares

5.8.1 Interests in Norfolk Shares

As at the date of this Booklet, neither RCR nor RCR Infrastructure (nor any of their associates) has any relevant interest or voting power in any Norfolk Shares.

5.8.2 No dealings in Norfolk Shares in previous four months

During the period of four months before the date of this Booklet, neither RCR nor RCR Infrastructure (nor any of their associates) has provided or agreed to provide consideration for any Norfolk Shares under a purchase or an agreement.

5.8.3 Benefits to holders of Norfolk Shares

During the four months before the date of this Booklet, neither RCR nor RCR Infrastructure (nor any of their associates) has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- vote in favour of the Scheme; or
- dispose of Norfolk Shares,

which benefit was not offered to all Norfolk Shareholders.

5.9 Benefits to Directors

Neither RCR nor RCR Infrastructure (nor any of their associates) intends to make any payment or give any benefit to any current member of the Norfolk Board as compensation or consideration for, or otherwise in connection with, their resignation from the Norfolk Board, if the Scheme becomes Effective and the Norfolk Board is accordingly reconstituted.

5.10 Conditions precedent

As at the date of this Booklet, none of the directors of RCR and RCR Infrastructure is aware of any circumstances that would cause any Condition Precedent not to be satisfied.

6. AUSTRALIAN TAXATION IMPLICATIONS OF THE SCHEME

6.1 Introduction

The following is an outline of the Australian taxation implications that will generally apply for Norfolk Shareholders who are residents of Australia for income tax purposes, hold Norfolk Shares on capital account, are not subject to the TOFA Rules in respect of their Norfolk Shares and who dispose of their Norfolk Shares under the Scheme. It does not take into account the specific circumstances of any particular Norfolk Shareholder. It does not constitute tax advice and should not be relied upon as such.

This outline relates solely to matters governed by, and should be interpreted in accordance with, the laws of Australia as in force and as interpreted on the date of this Booklet. This outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial interpretation or legislative action, nor does it take into account tax legislation of countries other than Australia.

This outline is not exhaustive of all taxation implications which could apply in the circumstances of any given Norfolk Shareholder. For example, special rules apply to certain shareholders such as persons who are not resident in Australia for income tax purposes, tax exempt organisations, superannuation funds and Norfolk Shareholders who hold their Norfolk Shares as trading stock or on revenue account.

All Norfolk Shareholders should consult with their own independent taxation advisers regarding the Australian and, if applicable, foreign taxation implications of participating in the Scheme, given the particular circumstances which apply to them.

6.2 Capital gains tax (CGT) implications

The Scheme will involve the disposal by Norfolk Shareholders of their Norfolk Shares. This will constitute a CGT event (CGT Event A1) for Australian CGT purposes. The CGT event will happen on the Implementation Date, which is expected to be 31 July 2013. In that case, the amount of any capital gain or loss will be made in the 2013/2014 income tax year.

Norfolk Shareholders will make a capital gain to the extent the capital proceeds from disposal of their Norfolk Shares exceed the cost base of those Norfolk Shares. Conversely, Norfolk Shareholders will make a capital loss to the extent the capital proceeds are less than the reduced cost base of their Norfolk Shares.

The capital proceeds are expected to be equal to the Scheme Consideration of $0.48 per Norfolk Share.

The cost base and reduced cost base of the Norfolk Shares will generally be equal to the amount the Norfolk Shareholder paid to acquire the Norfolk Shares plus any incidental costs of acquisition and disposal that are not deductible to the Norfolk Shareholder.

The capital gains and any capital losses (including carry forward capital losses) of Norfolk Shareholders from all CGT events are aggregated, and any applicable discounts applied, to calculate their net capital gain or loss. A net capital gain is included in assessable income and may be subject to income tax. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to the satisfaction of the loss recoupment tests for some taxpayers such as companies and trustees of trusts).

Individuals and trustees of trusts that have held Norfolk Shares for more than 12 months can reduce the amount of the capital gain (after application of capital losses) from disposal of the Norfolk Shares. The reduction in the case of individuals and trustees of trusts (other than a complying superannuation fund) is 50%. The availability of the reduction for capital gains distributed by a trustee to a beneficiary will depend on whether the ultimate beneficiary is an individual, company or complying superannuation fund. Norfolk Shareholders that are trustees should consult with their own independent taxation advisers regarding the income tax implications of distributions attributable to discount capital gains.

6.3 Goods and services tax (GST)

Norfolk Shareholders will not be liable for GST on disposal of their Norfolk Shares. Depending on their own particular circumstances, Norfolk Shareholders may not be entitled to claim input tax credits for costs they incur associated with the disposal of their Norfolk Shares.

6.4 Stamp duty

Norfolk Shareholders will not be subject to stamp duty in any Australian State or Territory in respect of the transfer of their Norfolk Shares under the Scheme.

7. ADDITIONAL INFORMATION

This Section 7 sets out the statutory information required by section 412(1) of the Corporations Act and Part 3 of Schedule 8 of the Corporations Regulations, but only to the extent that this information is not otherwise disclosed in other Sections of this Booklet. This Section 7 also includes additional information that the Directors consider material to a decision on how to vote on the Scheme Resolution.

7.1 Interests of Directors

7.1.1 Interests in Norfolk Shares held by or on behalf of Directors

Other than the following marketable securities in Norfolk, which are held by or on behalf of the Directors, no marketable securities are held by or on behalf of any Directors as at the date of this Booklet:

Director	Number of Norfolk Shares held by or on behalf of the Director
Rodney Harold Keller	182,355
Peter Scott Lowe	54,068
Paul Chrystall[11]	896,496
Peter Richards	0

Directors who hold Norfolk Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration on the same terms as all other Norfolk Shareholders.

In the absence of a Superior Proposal, each Director intends to vote (or procure the voting of) the Norfolk Shares directly or indirectly held, controlled or represented by them in favour of the Scheme, and procure that any Norfolk Shareholder associated with, or represented by, them will vote in favour of the Scheme.

7.1.2 Interests in RCR held by or on behalf of Directors

No marketable securities in RCR are held by, or on behalf of, any Director as at the date of this Booklet.

7.1.3 Agreements or arrangements with Directors

Other than as set out elsewhere in this Booklet, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Scheme.

7.1.4 Payments and other benefits to Directors, secretaries or executive officers

Other than as set out elsewhere in this Booklet, no payment or other benefit will be made or given to any director, secretary or executive officer of Norfolk or of any corporation related to Norfolk as compensation for loss of, or as consideration for or in connection with, his or her retirement from office as director, secretary or executive officer of Norfolk or any corporation related to Norfolk as a result of the Scheme.

7.1.5 Interests of Directors in contracts entered into by RCR or RCR Infrastructure

No Director has any interest in a contract entered into by RCR or RCR Infrastructure.

7.2 Impact of the Scheme on Norfolk employee incentive plans

Norfolk operates the following employee incentive schemes under which it has issued or granted Norfolk Shares or Performance Rights:

- the Performance Rights Plan (**PRP**); and
- the Employee Deferred Share Plan (**EDSP**).

The impact of the Scheme on Norfolk Shares or Performance Rights issued or granted under these employee incentive schemes is described below.

7.2.1 PRP

Under the PRP, the Norfolk Board has granted Performance Rights to eligible Norfolk employees. A Performance Right is a right to receive a cash bonus and acquire Norfolk Shares, subject to specified service and performance conditions. An employee is not required to pay any consideration for the acquisition of a Performance Right or the vesting or exercise of a Performance Right. At the end of the vesting period, provided the vesting conditions have been met, Norfolk will:

- pay the employee a cash bonus of $1,000; and
- determine the value of the Performance Rights based on the volume weighted average price of Norfolk Shares on the vesting date. If the value of the vested Performance Rights is less than $1,000, no further action will be taken. If the value of the vested Performance Rights is greater than $1,000, Norfolk Shares to the value of the Performance Rights (less $1,000) will be issued or transferred to the employee.

11 Mr Chrystall is also a director of Maui Capital which has a relevant interest in more than 20% of Norfolk Shares.

7. ADDITIONAL INFORMATION

Other than in certain circumstances, vesting is subject to satisfaction of certain performance conditions relating to a combination of “Total Shareholder Return” and “Earnings per Share” hurdles.

Immediately prior to the First Court Hearing, there were 3,469,431 unvested Performance Rights.

It is a condition of the Scheme Implementation Deed that any Performance Rights are converted into Norfolk Shares or cancelled on or before the Second Court Date.

Under the rules of the PRP, where a “Change-in-Control Event” takes place, all unvested Performance Rights will, subject to the discretion of the Norfolk Board, vest at the time of the Change-in-Control Event occurring. A “Change-in-Control Event” occurs, among other things, where a court orders a meeting of members under Part 5.1 of the Corporations Act for the purpose of considering a proposed scheme of arrangement in relation to Norfolk. As a result, a Change-of-Control Event occurred at the First Court Hearing when the Court ordered the convening of the Scheme Meeting.

In accordance with the rules of the PRP, the Norfolk Board has exercised its discretion as follows:

- All Performance Rights held by a person who, at the time the Court ordered the convening of the Scheme Meeting, was an employee and had not given notice of their resignation vested at that time.
- All Performance Rights held by a person who, at the time the Court ordered the convening of the Scheme Meeting, was a former employee of Norfolk or an employee of Norfolk who had given notice of their resignation, would not vest and would lapse immediately prior to the time at which the Court ordered the convening of the Scheme Meeting.

As a result, upon the Court ordering the convening of the Scheme Meeting, 3,170,344 Performance Rights vested and 299,088 Performance Rights lapsed.

Norfolk Shares will be issued to the holders of vested Performance Rights prior to the Second Court Date, and those Norfolk Shares will participate in the Scheme on the same basis as all other Norfolk Shares. Norfolk will arrange for payment of the $1,000 to each holder of Performance Rights as part of such holder’s monthly salary payment as soon as practicable after the First Court Hearing.

7.2.2 EDSP

Under the EDSP, the Norfolk Board was entitled to grant Norfolk Shares (referred to under the EDSP as “Plan Shares”) to eligible Norfolk employees in its absolute discretion. The Plan Shares are held by a trustee on behalf of the relevant employee and are subject to certain transfer restrictions prescribed by the rules of the EDSP.

Immediately prior to the First Court Hearing, there were 31,430 Plan Shares.

In accordance with the rules of the EDSP, the Norfolk Board determined that the remaining transfer restrictions applicable to the Plan Shares under the terms of the EDSP were waived from the time that the Court ordered the Scheme Meeting to be convened.

Accordingly, all Plan Shares are no longer subject to any transfer restrictions under the EDSP and the Plan Shares will participate in the Scheme on the same basis as all other Norfolk Shares.

7.3 Consents and disclaimers

The following parties have given and have not, before the time of registration of this Booklet by ASIC, withdrawn their written consent to be named in this Booklet in the form and context in which they are named:

- Allens as Australian legal and taxation adviser to Norfolk;
- KPMG Corporate Finance as financial adviser to Norfolk;
- Lonergan Edwards & Associates as the Independent Expert;
- Link Market Services Limited as the Norfolk Share Registry;
- PricewaterhouseCoopers as auditor of Norfolk; and
- Maui Capital as a substantial shareholder of Norfolk.

Lonergan Edwards & Associates has given and has not, before the time of registration of this Booklet by ASIC, withdrawn their written consent to the inclusion of the Independent Expert’s Report set out in Appendix 1 to this Booklet and to the inclusion in this Booklet of statements attributed to, or said to be based on statements by, Lonergan Edwards & Associates (in each case in the form and context in which they appear in this Booklet).

PricewaterhouseCoopers has given and has not, before the time of registration of this Booklet by ASIC, withdrawn their written consent to the inclusion in this Booklet of statements in relation to its role as auditor of Norfolk’s FY12 and FY13 financial accounts in the form and context in which they appear in this Booklet.

Maui Capital has given and has not, before the time of registration of this Booklet by ASIC, withdrawn its written consent to the inclusion of information regarding its voting intentions in relation to the Scheme in the form and context in which it appears in this Booklet.

RCR and RCR Infrastructure have given and have not, before the time of registration of this Booklet by ASIC, withdrawn their written consent to be named in this Booklet in the form and context in which they are named and to the inclusion of the information contained in Section 5 in the form and context in which it appears in this Booklet.

Each of the persons named in this Section 7.3:

- does not make, or purport to make, any statement in this Booklet or any statement on which a statement in this Booklet is based, other than, in the case of RCR, RCR Infrastructure, Lonergan Edwards & Associates, PricewaterhouseCoopers or Maui Capital, a statement or report included in this Booklet with the consent of that party;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Booklet, other than, in the case of RCR, RCR Infrastructure, Lonergan Edwards & Associates or Maui Capital, a statement or report included in this Booklet with the consent of that party; and
- except RCR and RCR Infrastructure, does not assume any responsibility for the accuracy or completeness of the information contained in Section 5 (which information has been prepared by and is the responsibility of RCR and RCR Infrastructure).

7.4 Foreign selling restrictions

The distribution of this Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Norfolk disclaims all liabilities to such persons. Norfolk Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

7.5 Independent Expert

Lonergan Edwards & Associates has prepared the Independent Expert's report set out in Appendix 1 to this Booklet advising as to whether, in its opinion, the Scheme is in the best interests of Norfolk Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Norfolk Shareholders, in the absence of a Superior Proposal.

Lonergan Edwards & Associates will be paid a fee of $90,000 (plus GST) for the preparation of its report.

7.6 Status of Conditions Precedent

As summarised in Section 3.6.2 of this Booklet, implementation of the Scheme is subject to the Conditions Precedent.

As described in Section 7.2.1, the Directors have exercised their discretion to vest a number of unvested Performance Rights at the time the Court ordered the convening of the Scheme Meeting, and to cancel the remaining unvested Performance Rights immediately prior to that time.

In relation to the "No Material Adverse Change" Condition Precedent described at Section 3.6.2(vi), RCR has provided its consent to the impairment of the net assets of Norfolk reflected in the Preliminary FY13 Accounts. Accordingly, that impairment does not constitute a matter that causes that Condition Precedent to not be satisfied.

7.7 Fees and expenses

The aggregate amount of the fees and expenses expected to be incurred by Norfolk in connection with the Scheme is approximately $3.0 million (excluding GST). Of this amount, $1.5 million (excluding GST) is expected to be payable by Norfolk irrespective of whether or not the Scheme becomes Effective.

7.8 No unacceptable circumstances

The Norfolk Board believes that the Scheme does not involve any circumstances in relation to the affairs of Norfolk that could reasonably be characterised as constituting unacceptable circumstances for the purposes of section 657A of the Corporations Act.

7. ADDITIONAL INFORMATION

7.9 Directors' intentions regarding the business, assets and employees of Norfolk

If the Scheme is approved by Norfolk Shareholders and the Court and is implemented, the existing Norfolk Board will be reconstituted in accordance with the instructions of RCR as the only Norfolk Shareholder on the Implementation Date.

Accordingly, it is not possible for your existing Directors to provide a statement of their intentions regarding:

- the continuation of the business of Norfolk or how Norfolk's existing business will be conducted;
- any major changes to be made to the business of Norfolk, including any redeployment of the fixed assets of Norfolk; or
- the future employment of the present employees of Norfolk,

in each case, after the Scheme is implemented.

If the Scheme is approved by Norfolk Shareholders and the Court and is implemented, RCR will have 100% ownership and control of Norfolk Shares, and the intentions of RCR are as set out in Section 5.7.

7.10 Material changes in the financial position of Norfolk

Other than:

- the accumulation of profits and losses in the ordinary course of trading; or
- as disclosed in the Booklet or as otherwise disclosed to ASX by Norfolk,

to the knowledge of the Directors the financial position of Norfolk has not materially changed since 31 March 2012, being the date of Norfolk's last balance sheet sent to Norfolk Shareholders.

For further information regarding the availability of Norfolk's ASX announcements, refer to Section 4.8.

7.11 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any of the Directors, or any director of any Related Body Corporate of Norfolk, which has not been previously disclosed to Norfolk Shareholders.

7.12 Supplementary information

Norfolk will issue a supplementary document to this Booklet if it becomes aware of any of the following between the date of lodgement of this Booklet for registration with ASIC and the Effective Date:

- a material statement in this Booklet is or becomes false or misleading;
- a material omission from this Booklet;
- a significant change affecting a matter included in this Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Booklet if it had arisen before the date of lodgement of this Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Norfolk may circulate and publish any supplementary document by:

- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on Norfolk's website, www.norfolkgl.com; or
- making an announcement to ASX.

8. GLOSSARY OF TERMS

In this Booklet, unless the context otherwise requires:

Term	Meaning
Adviser	in relation to an entity, a financier to the entity or a financial, corporate, legal, or other expert adviser, consultant, contractor or agent or other person acting on behalf of the entity.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by the Australian Securities Exchange, as the context requires.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532) as a holder of a licence to operate a clearing and settlement facility.
Booklet	this document dated 7 June 2013 and the Scheme Meeting Proxy Form.
Break Fee	$1 million.
Business Day	a weekday on which trading banks are open for business in Sydney, Australia or, where appropriate, a "Business Day" as defined in the Listing Rules.
CHESS	the clearing house electronic subregister system of share transfers operated by ASX Settlement.
Competing Proposal	a transaction or arrangement, or proposal in relation to a transaction or arrangement, pursuant to which a third party will, directly or indirectly: • acquire an interest or relevant interest in 20% or more of Norfolk Shares or all or a substantial or material part of the business of the Norfolk Group taken as a whole; or • otherwise acquire control over, or merge with, Norfolk.
Conditions Precedent	the conditions precedent to the Scheme set out in clause 3 of the Scheme.
Corporations Act	the *Corporations Act 2001* (Cth).
Corporations Regulations	the *Corporations Regulations 2001* (Cth).
Court	the Federal Court of Australia (New South Wales Registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing between Norfolk and RCR.
Deed Poll	the deed poll dated 31 May 2013 executed by RCR relating to the Scheme in the form set out in Appendix 3 to this Booklet.
EDSP	the Norfolk Employee Deferred Share Plan, details of which are set out at Section 7.2.2.
Director	a director of Norfolk.
Distribution Amount	the amount, per Norfolk Share, of any dividend or return of capital declared or paid by Norfolk after 12 April 2013 and on or before the Implementation Date.
EBIT	earnings before interest and tax, which, unless otherwise stated, is before individually material items.
EBITDA	earnings before interest, tax, depreciation and amortisation.
Effective	the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
End Date	12 August 2013 or such later date as agreed by Norfolk and RCR.
Exclusivity Period	the period commencing from 12 April 2013 to the earlier of: • the termination of the Scheme Implementation Deed; and • the End Date.
Financial Year	the period commencing on 1 April in a year and ending on 31 March in the immediately following calendar year.
First Court Hearing	the day on which an application was made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme, being 7 June 2013.
FY12	the Financial Year ended 31 March 2012.
FY13	the Financial Year ended 31 March 2013.
FY14	the Financial Year ended 31 March 2014.
Implementation Date	the date on which the Scheme is to be implemented, being the date that is the third Business Day after the Record Date, or such other date as Norfolk and RCR agree.
Independent Expert	Lonergan Edwards & Associates.
Independent Expert's Report	the report by the Independent Expert, a copy of which is set out in Appendix 1 to this Booklet.
IRESS	IRESS Market Technology Limited (ACN 060 313 359)
KPMG Corporate Finance	KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Pty Limited (ACN 007 363 215).
Listing Rules	the listing rules of ASX.

8. GLOSSARY OF TERMS

Term	Meaning
Lonergan Edwards & Associates	Lonergan Edwards & Associates Limited (ACN 095 445 560).
Material Adverse Change	an event described in Section 3.6.2(vi).
Maui Capital	Maui Capital Limited, a New Zealand incorporated company.
New Zealand Shareholder	a Scheme Shareholder who has a Registered Address within New Zealand.
Norfolk	Norfolk Group Limited (ACN 125 709 971).
Norfolk Board	the board of directors of Norfolk from time to time.
Norfolk Group	Norfolk and its related bodies corporate.
Norfolk Shares	fully paid ordinary shares in the capital of Norfolk.
Norfolk Share Register	the register of members of Norfolk maintained in accordance with the Corporations Act.
Norfolk Shareholder	each person who is registered as the holder of a Norfolk Share.
Norfolk Shareholder Information Line	the information line set up for the purpose of answering enquiries from Norfolk Shareholders in relation to the Scheme, being 1300 881 079 (within Australia) or +61 1300 881 079 (international) on Business Days between 8.30am and 5.30pm (Sydney time).
Performance Right	a right to subscribe for or acquire a Norfolk Share, granted by Norfolk pursuant to the PRP.
Prescribed Occurrence	except to the extent required or permitted by the Scheme Implementation Deed or the Scheme, any of the events set out in items 1 to 15 below: (1) Norfolk converts all or any of its shares into a larger or smaller number of shares. (2) Any member of the Norfolk Group resolves to reduce its share capital in any way. (3) Any member of the Norfolk Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under the Corporations Act. (4) Any member of the Norfolk Group issues shares, performance rights or any other security or instrument convertible into shares, to a person other than to another Norfolk Group member, or grants an option over its shares other than to another Norfolk Group member, or agrees to make such an issue or grant such an option, other than shares issued on the vesting of Performance Rights. (5) Any member of the Norfolk Group issues, or agrees to issue, convertible notes or other debt securities. (6) Any member of the Norfolk Group disposes, or agrees to dispose of, the whole or a substantial part of the business or property of the Norfolk Group to a person who is not also a member of the Norfolk Group. (7) Any member of the Norfolk Group grants, or agrees to grant, a security interest in the whole or a substantial part of the business or property of the Norfolk Group. (8) Any member of the Norfolk Group resolves to be wound up. (9) A liquidator or provisional liquidator of any member of the Norfolk Group is appointed. (10) A court makes an order for the winding up of any member of the Norfolk Group. (11) An administrator of any member of the Norfolk Group is appointed under section 436A, 436B or 436C of the Corporations Act. (12) Any member of the Norfolk Group executes a deed of company arrangement. (13) A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Norfolk Group. (14) Any member of the Norfolk Group issues, grants or amends the terms of, any securities, options or rights to, or accelerates the rights of, any of the directors or employees of the Norfolk Group to compensation or benefits of any kind, other than shares issued on the vesting of Performance Rights. (15) Norfolk declares, pays or distributes any dividend, bonus or other share of its profits or assets or agrees to return any capital to its members or announces an intention to do so.
PRP	the Norfolk Performance Rights Plan, details of which are set out at Section 7.2.1.
RCR	RCR Tomlinson Ltd (ACN 008 898 486), and where the context requires, RCR Infrastructure in its capacity as the nominated "Bidder" under the Scheme Implementation Deed.
RCR Corporate	RCR Corporate Pty Ltd (ACN 009 246 182).

Term	Meaning
RCR Group	RCR and its related bodies corporate (excluding, at any time, Norfolk and its subsidiaries to the extent that Norfolk and its subsidiaries are subsidiaries of RCR at that time).
RCR Infrastructure	RCR Infrastructure Pty Ltd (ACN 060 002 959).
RCR Loan	as defined in Section 4.5.2.
Record Date	7.00pm (Sydney time) on the fifth Business Day after the Effective Date.
Registered Address	in relation to a Scheme Shareholder, the address of that Scheme Shareholder as shown on the Norfolk Share Register as at the Record Date.
Regulatory Authorities	include: • ASX and ASIC; • a government or governmental, semi-governmental or judicial entity or authority; • a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and • any regulatory organisation established under statute.
Related Body Corporate	has the meaning given in the Corporations Act.
Representatives	in relation to RCR or Norfolk: • each other member of the RCR Group or Norfolk Group (as applicable); • an officer or employee of a member of the RCR Group or Norfolk Group (as applicable); and • an Adviser to a member of the RCR Group or Norfolk Group (as applicable).
Scheme	the members' scheme of arrangement under Part 5.1 of the Corporations Act between Norfolk and the Scheme Shareholders substantially in the form set out in Appendix 2 to this Booklet or in such other form as Norfolk and RCR agree in writing.
Scheme Consideration	$0.48 cash for each Norfolk Share held by a Scheme Shareholder (less any Distribution Amount).
Scheme Implementation Deed	the deed between Norfolk and RCR under which each party undertakes specific obligations to implement the Scheme dated 12 April 2013.
Scheme Meeting	the meeting of Norfolk Shareholders (other than any Norfolk Shareholder that is an entity within the RCR Group) to be convened by the Court in relation to the Scheme under section 411(1) of the Corporations Act to be held at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney on Wednesday, 17 July 2013 at 10.00am (Sydney time).
Scheme Meeting Proxy Form	the yellow proxy form for the Scheme Meeting which forms part of this Booklet.
Scheme Resolution	the resolution to approve the Scheme to be considered by Norfolk Shareholders at the Scheme Meeting set out in the notice of meeting contained in Appendix 4 to this Booklet.
Scheme Shareholder	a Norfolk Shareholder as at the Record Date (other than any Norfolk Shareholder that is an entity within the RCR Group).
Second Court Date	the date of the Second Court Hearing.
Second Court Hearing	the hearing of the application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Section	a section of this Booklet.
Senior Facilities	as defined in Section 4.5.1.
Senior Lenders	as defined in Section 4.5.1.
Share Registry	the share registry of Norfolk, being Link Market Services Limited (ABN 54 083 214 537).
subsidiary	has the meaning given in section 9 of the Corporations Act.
Superior Proposal	a bona fide Competing Proposal that the Norfolk Board determines, acting in good faith and after taking advice from its legal and financial advisers: • is reasonably capable of being completed without undue delay taking into account all legal, regulatory, financial and other aspects of the proposal and the party making the proposal; • would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable to Norfolk Shareholders than the terms of the Scheme; and • that failure to recommend to Norfolk Shareholders would be reasonably likely to constitute a breach of the fiduciary duties of the directors of Norfolk.
TOFA Rules	the rules concerning the taxation of financial arrangements contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth).
WIP	work in progress.

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LONERGAN EDWARDS
& ASSOCIATES LIMITED

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The Directors
Norfolk Group Limited
Level 5, 50 Berry Street
North Sydney NSW 2060

7 June 2013

Subject: Proposed acquisition by way of Scheme

Dear Directors

Introduction

1 On 22 March 2013 Norfolk Group Limited (Norfolk or the Group) announced that it had entered into exclusivity with RCR Tomlinson Limited (RCR) regarding an indicative proposal, subject to due diligence by RCR, under which RCR would acquire all the shares in Norfolk for a cash consideration of $0.38 per share, plus an amount based on the Uncollected Working Capital[1] of Norfolk.

2 On 12 April 2013 Norfolk announced that it had entered into a Scheme Implementation Deed with RCR (the Deed) that superseded the earlier proposal[2]. Pursuant to the Deed RCR will acquire all the shares in Norfolk for a cash consideration of $0.48 per share (the Scheme Consideration).

3 The proposed acquisition of the shares is to be implemented via a scheme of arrangement between Norfolk and its shareholders (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I of our report).

4 If the Scheme is approved by Norfolk shareholders and the Court, Norfolk shareholders will receive the Scheme Consideration. The proposed transaction implies an equity value of Norfolk of approximately $77.8 million on a fully diluted basis.

5 The Scheme is subject to the Court convening a meeting of Norfolk shareholders. Under the *Corporations Act 2001 (Cth)* (Corporations Act), the Scheme is approved by Norfolk shareholders if a resolution in favour of the Scheme is passed by a majority in number of Norfolk shareholders present and voting at the Scheme meeting (in person or by proxy), and by 75% of the votes cast on the resolution. If this occurs a second Court hearing will be held to approve the Scheme, which if approved, will become binding on all Norfolk shareholders who hold Norfolk shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

---

1 The Uncollected Working Capital related to claims and variations under several contracts completed in prior periods, or projects that were expected to be completed prior to implementation of the proposed transaction. Pursuant to the proposal announced on 12 April 2013, the benefit of Uncollected Working Capital as it was defined in RCR's indicative proposal accrues in full to RCR.

2 The related announcement was released by the Australian Securities Exchange (ASX) prior to the commencement of trading on 15 April 2013.

Norfolk

6 Norfolk is a leading provider of integrated engineering services in the electrical, HVAC (heating, ventilation and air conditioning) and facilities management markets. Norfolk employs more than 2,700 people, including engineers, electricians, air conditioning technicians and apprentices, and has 38 major locations throughout Australia, New Zealand and Vietnam. Norfolk has more than 10,000 customers across a range of sectors including infrastructure, industrial, commercial, resources, retail, government and communications.

RCR

7 RCR is an integrated engineering company providing turnkey solutions to blue chip clients in the mining, resources, energy and power sectors. RCR's services include design, procurement, manufacture, fabrication, engineering construction and electrical services and off-site repairs and maintenance. Headquartered in Perth, Western Australia, RCR has operations across Australia, New Zealand and Malaysia.

Purpose of report

8 There is no regulatory requirement for an independent expert's report (IER) to be prepared in relation to the Scheme. However the Directors' recommendation of the Scheme is subject to an independent expert concluding that the Scheme is in the best interests of Norfolk shareholders, in the absence of a superior proposal.

9 Accordingly, the Directors of Norfolk have requested that Lonergan Edwards & Associates Limited (LEA) prepare an IER stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Norfolk shareholders and the reasons for that opinion. LEA is independent of Norfolk and RCR and has no other involvement or interest in the proposed Scheme.

Summary of opinion

10 In our opinion, the Scheme is fair and reasonable and in the best interests of Norfolk shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of Norfolk

11 As set out in paragraph 19 Norfolk is currently in breach of certain debt covenants and its FY13 financial statements note that in the absence of the Scheme there is a material uncertainty regarding the ability of the company to continue to operate as a going concern. Notwithstanding this, for the purposes of our report we have assessed the value of Norfolk shares on a going concern basis.

12 Our assessed (going concern) value of Norfolk shares on a 100% controlling interest basis ranges between $0.39 to $0.49 per share, as shown below:

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Norfolk – valuation summary[1]	Paragraph	Low $m	High $m
EBIT[2] adopted for valuation purposes	130	20.0	25.0
EBIT multiple	139 – 140	6.0	5.0
Enterprise value	141	120.0	125.0
Add Uncollected Working Capital	142 – 146	15.0	25.0
Add tax losses	147 – 0	3.0	5.0
Less net debt	149 – 150	(75.0)	(75.0)
Value of Norfolk equity		63.0	80.0
Effective shares on issue	151 – 152	162.1	162.1
Value per share		$0.39	$0.49

Note:
1 Consistent with our understanding of *Regulatory Guide 111 – Content of expert reports* (RG 111), we have assessed the value of the shares in Norfolk on a going concern basis. Our valuation does not therefore take into account the significant risk that Norfolk may not be a going concern in the absence of the Scheme (for the reasons set out in paragraph 19 below). Given these risks, in the absence of the Scheme, the realisable value of Norfolk shares is likely to be materially below our assessed valuation range on a going concern basis.
2 Earnings before interest and tax.

13 Given the contracting nature of Norfolk's business activities, together with the history of reported operating performance, we consider it more appropriate to have regard to the level of earnings generated over a four to five year cycle than to seek to assess a single point estimate or narrow range of future earnings. In the circumstances of Norfolk we have therefore adopted EBIT for valuation purposes of $20 million to $25 million.

14 We also consider it appropriate to apply a higher earnings multiple to the lower range of earnings adopted for valuation purposes, and a lower earnings multiple to our assessed higher range of earnings. This is because, in our view, any purchaser of Norfolk would be more confident about achieving, and thus paying a higher multiple for, lower range earnings, and vice versa for higher range earnings.

Fair and reasonable opinion

15 Pursuant to RG 111 the Scheme is "fair" if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme. This comparison is shown below:

Comparison of Scheme Consideration to value of Norfolk	Low $ per share	High $ per share	Mid-point $ per share
Scheme Consideration	0.48	0.48	0.48
Value of 100% of Norfolk	0.39	0.49	0.44
Extent to which the Scheme Consideration exceeds (or is less than) the value of Norfolk	0.09	(0.01)	0.04

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16 As the Scheme Consideration lies within our assessed valuation range for Norfolk shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to Norfolk shareholders when assessed based on the guidelines set out in RG 111.

17 Pursuant to RG 111, a transaction is reasonable if it is fair. Further, in our opinion, if the Scheme is "reasonable" it must also be "in the best interests" of shareholders, in the absence of a superior proposal.

18 Consequently, in our opinion, the Scheme is also "reasonable" and "in the best interests" of Norfolk shareholders in the absence of a superior proposal.

Assessment of the Scheme

19 We summarise below the advantages and disadvantages of the Scheme for Norfolk shareholders:

Advantages

(a) the Scheme Consideration of $0.48 cash per share is consistent with our assessed value range of Norfolk shares on a 100% controlling interest basis

(b) in the absence of the Scheme, Norfolk has indicated that it will need to repay some and potentially all of the amounts it owes to its lenders under its external debt facilities (including the RCR Loan), and would seek to raise the necessary funding through a combination of one or more of new debt financing arrangements, asset disposals, the settlement of outstanding claims with customers or an equity capital raising, each of which involves varying degrees of risk and uncertainty. Any such refinancing may need to be undertaken within a short period of time to ensure that Norfolk can comply with its repayment obligations. In these circumstances, each of the funding alternatives is likely to have a materially adverse impact on the value of Norfolk shares if, for example, Norfolk:

(i) becomes subject to higher interest costs on new debt financing arrangements, reflecting an increased level of default risk

(ii) realises assets at discounts to market values due to the expedited nature of any asset disposal process and the potential limitations on buyers' abilities to conduct sufficient due diligence investigations

(iii) enters into expedited and discounted settlements with its customers relating to disputes as to amounts owing under various contracts (including the Uncollected Working Capital); or

(iv) conducts an accelerated form of equity raising, which is likely to be priced at a significant discount to the market price of Norfolk shares at the time, and would be dilutive to those existing Norfolk shareholders that did not participate in the capital raising

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(c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Norfolk shares is likely to trade at a significant discount to our valuation and the Scheme Consideration (reflecting the portfolio nature of individual shareholdings, together with the potential immediate refinancing obligations which may arise and the adverse impact of Norfolk's various refinancing options on the value of Norfolk shares).

Disadvantages

(d) the Scheme Consideration represents a discount to the recent market prices of Norfolk shares prior to the initial announcement of the Scheme on 22 March 2013. However, due to Norfolk's current financial position and likely need for further equity capital, in our opinion, these share prices would no longer be sustainable

(e) Norfolk shareholders should note that if the Scheme is approved they will no longer hold an interest in Norfolk. Norfolk shareholders will therefore not participate in any future value created by the company as a result of ongoing operations over and above that reflected in our assessed valuation of the company. In this regard, Norfolk has achieved levels of profitability in prior years (most recently in FY12) above those on which our assessed valuation has been based. However, in our opinion, the current value of this future earnings potential is reasonably reflected in the Scheme Consideration.

Other considerations

20 In considering the Scheme and related resolutions, Norfolk shareholders should also note that Maui Capital Limited (Maui Capital) and its associates (who together hold a relevant interest in excess of 20% of the ordinary shares in Norfolk) have indicated an intention to vote in favour of the Scheme resolutions, subject to no superior proposal emerging and the independent expert concluding that the Scheme is in the best interests of Norfolk shareholders.

Conclusion

21 Given the above analysis, we consider that the acquisition of Norfolk shares by RCR under the Scheme is fair and reasonable and in the best interests of Norfolk shareholders in the absence of a superior proposal.

General

22 In preparing this report we have considered the interests of Norfolk shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.

23 The impact of the Scheme on the tax position of Norfolk shareholders depends on the individual circumstances of each investor. Norfolk shareholders should read Section 6 of the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.

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24 The ultimate decision whether to approve the Scheme should be based on each Norfolk shareholder's assessment of their own circumstances. If Norfolk shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that Norfolk shareholders read the remainder of our report.

Yours faithfully

Craig Edwards
Authorised Representative

Martin Holt
Authorised Representative

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I Key terms of the Scheme

Terms

25 On 22 March 2013 Norfolk Group Limited (Norfolk or the Group) announced that it had entered into exclusivity with RCR Tomlinson Limited (RCR) regarding an indicative proposal, subject to due diligence by RCR, under which RCR would acquire all the shares in Norfolk for a cash consideration of $0.38 per share, plus an amount based on the Uncollected Working Capital[3] of Norfolk.

26 On 12 April 2013 Norfolk announced that it had entered into a Scheme Implementation Deed with RCR (the Deed) that superseded the earlier proposal[4]. Pursuant to the Deed RCR will acquire all the shares in Norfolk for a cash consideration of $0.48 per share (the Scheme Consideration).

27 The proposed acquisition of the shares is to be implemented via a scheme of arrangement between Norfolk and its shareholders (the Scheme) and is subject to a number of conditions precedent as summarised below.

28 If the Scheme is approved by Norfolk shareholders and the Court, Norfolk shareholders will receive the Scheme Consideration

Conditions

29 The Scheme is subject to the satisfaction of a number of conditions precedent, including the following which are outlined in the Deed between Norfolk and RCR dated 12 April 2013:

(a) respective regulatory approvals from the Australian Securities & Investments Commission (ASIC) and the ASX

(b) Norfolk shareholder approval by the requisite majorities under the Corporations Act at the Scheme meeting

(c) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act

(d) such third party consents as the parties consider necessary in order to implement the transaction

(e) all outstanding performance rights in Norfolk are converted into Norfolk shares or cancelled on or before the Second Court Date

(f) no "Norfolk Material Adverse Change" (as defined in clause 1.1 of the Deed) occurs in respect of Norfolk on or before 8.00am on the Second Court Date

(g) no "Norfolk Prescribed Occurrence" (as defined in clause 1.1 of the Deed) occurs in respect of Norfolk on or before 8.00am on the Second Court Date

---

3 The Uncollected Working Capital related to claims and variations under several contracts completed in prior periods, or projects that were expected to be completed prior to implementation of the proposed scheme. Pursuant to the proposal announced on 12 April 2013, the benefit of Uncollected Working Capital accrues in full to RCR.

4 The related announcement was released by the ASX prior to the commencement of trading on 15 April 2013.

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(h) between 12 April 2013 and immediately prior to the Second Court Date the S&P ASX 200 Index does not close below 4,500 on each of three consecutive ASX trading days

(i) prior to the Second Court Date no claim against Norfolk is announced, commenced or threatened or increased by an amount greater than $10 million, which may reasonably result in an order or judgement against Norfolk

(j) prior to the Second Court Date, RCR has entered into the relevant funding facilities and funding conditions attaching to the RCR funding facilities have been met

(k) the "Norfolk Representations and Warranties" (as set out in schedule 2 of the Deed) are true and correct in all material respects as at the time they are given

(l) the relevant counterparties to certain identified key contracts consent (or waive their respective rights) to the change of control of Norfolk which arises as a result of the proposed transaction

(m) no "Insolvency Event" (as defined in clause 1.1 of the Deed) occurs in relation to RCR on or before 8.00am on the Second Court Date

(n) the "Bidder Representations and Warranties" (as set out in schedule 1 of the Deed) are true and correct in all material respects as at the time they are given.

30 In addition Norfolk has agreed that up until 12 August 2013 it will not:

(a) solicit, invite, encourage or initiate any competing transaction

(b) participate in any discussions or negotiations which may reasonably be expected to lead to a competing transaction

(c) enter into any agreement, arrangement or understanding in relation to a competing transaction or any agreement, arrangement or understanding which may reasonably be expected to lead to the completion of a competing transaction

(d) provide any information to a third party for the purposes of enabling that party to table a competing transaction.

31 The exclusivity obligations do not apply if Norfolk has complied with the various obligations set out in the Deed and the Norfolk Directors determine:

(a) the proposed competing transaction is a superior proposal or the steps which the Norfolk Directors propose to take may reasonably be expected to lead to a competing transaction which is a superior proposal[5]; and

(b) based on written advice from its legal advisers, that compliance with exclusivity obligations would involve a breach of fiduciary duties or would otherwise be unlawful.

5 Subject to any potential breach of fiduciary duties, Norfolk must notify RCR if it receives a superior competing proposal and give RCR three business days to match that competing proposal.

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32 A break fee of $1 million is payable by Norfolk to RCR in certain circumstances as specified in the Deed.

Resolution

33 Norfolk shareholders will be asked to vote on the Scheme in accordance with the Scheme resolution contained in the notice of meeting accompanying the Scheme Booklet.

34 If the Scheme resolution is passed by the requisite majorities, Norfolk must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all Norfolk shareholders who hold Norfolk shares as at the Scheme Record Date, whether or not they voted in favour of the Scheme (and even if they voted against the Scheme).

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II Scope of our report

Purpose

35 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Corporations Regulations) prescribes information to be sent to shareholders in relation to a members' scheme of arrangement pursuant to s411 of the Corporations Act.

36 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.

37 RCR has no current shareholding in Norfolk and has no representative director on the Norfolk Board. Accordingly there is no regulatory requirement for an IER. However the Norfolk Directors' recommendation of the Scheme is subject to an independent expert concluding that the Scheme is in the best interests of Norfolk shareholders, in the absence of a superior proposal.

38 Furthermore, as the Scheme (if approved and implemented) will result in 100% of the securities in Norfolk being held by RCR, RG 111 requires that we provide an opinion on whether the consideration payable under the Scheme is fair and reasonable to the shareholders of Norfolk.

39 The Directors of Norfolk have therefore requested LEA to prepare an IER stating whether the proposed acquisition of the shares in Norfolk by RCR under the Scheme is fair and reasonable and in the best interests of Norfolk shareholders and the reasons for that opinion.

40 This report has been prepared by LEA for the benefit of Norfolk shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Scheme Booklet to be sent to Norfolk shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of Norfolk shareholders.

41 The ultimate decision whether to approve the Scheme should be based on each Norfolk shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, Norfolk shareholders should seek independent professional advice.

Basis of assessment

42 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111.

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43 RG 111 distinguishes "fair" from "reasonable" and considers:

(a) the Scheme to be fair if the value of the Scheme Consideration is equal to or greater than the value of the securities that are the subject of the Scheme. A comparison must be made assuming 100% ownership of the target company

(b) the Scheme to be reasonable if it is fair. The Scheme may also be reasonable if, despite not being fair but after considering other significant factors, there are sufficient reasons for shareholders to approve the Scheme in the absence of a superior proposal.

44 There is no legal definition of the expression "in the best interests". However, RG 111 states that a Scheme may be *"in the best interests of the members of the company"* if there are sufficient reasons for securityholders to vote in favour of the Scheme in the absence of a higher offer.

45 In our opinion, if the Scheme is fair and reasonable under RG 111 it must also be in the best interests of Norfolk shareholders.

46 Our report has therefore considered:

(a) the market value of 100% of the shares in Norfolk

(b) the value of the consideration offered by RCR

(c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

(d) the extent to which a control premium is being paid to Norfolk shareholders

(e) the extent to which Norfolk shareholders are being paid a share of any synergies likely to be generated pursuant to the proposed transaction

(f) the listed market price of Norfolk shares, both prior to and subsequent to the announcement of the proposed Scheme

(g) the likely market price of Norfolk shares if the proposed Scheme is not approved

(h) the value of Norfolk to an alternative offeror and the likelihood of a higher alternative offer being made for Norfolk prior to the date of the Scheme meeting

(i) the advantages and disadvantages of the Scheme from the perspective of Norfolk shareholders

(j) other qualitative and strategic issues associated with the Scheme.

Limitations and reliance on information

47 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

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48 Our report is also based upon financial and other information provided by Norfolk and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

49 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of Norfolk shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

50 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters.

51 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

52 In forming our opinion, we have also assumed that:

(a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects

(b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Deed and the terms of the Scheme itself.

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III Profile of Norfolk

Overview

53 Norfolk is a leading provider of integrated engineering solutions in the electrical, communications, HVAC (heating, ventilation and air conditioning), fire protection and property services sectors in Australia and New Zealand. These services are offered through its ODG HADEN Construction and Maintenance divisions. The Group's Resolve FM business (Resolve) provides a range of asset management, support, facilities management and sustainable maintenance services. An overview of Norfolk by division is as follows:

Norfolk overview

History

54 Norfolk was established in 2004 to manage a group of companies which were acquired by JBWere (NZ) Private Equity Limited from Tyco Services Australia and New Zealand. These companies included the long established O'Donnell Griffin (ODG) and Haden Engineering (Haden) businesses, with over 100 years of combined experience. The acquisition also included non-core manufacturing assets in New Zealand, including Metalbilt Doors and Energy Products International. From 2004 to 2006 management implemented a number of initiatives to improve various aspects of the businesses, including the introduction of a new corporate structure and a centralised information technology platform.

55 On 27 July 2007 Norfolk listed on the ASX, which coincided with an expansion into new markets and customers across various regions in Australia, New Zealand and India[6].

56 In January 2011 the Group initiated Project Phoenix, a process re-engineering plan targeting standardisation and efficiency of the businesses in conjunction with a software upgrade. Project Phoenix was completed in June 2012. This facilitated the eventual integration of the electrical and communications focused ODG and the air conditioning and mechanical engineering Haden businesses into two new service areas, called ODG HADEN Construction and ODG HADEN Maintenance. Announced to the market in October 2012 and effective under the new brand name from 1 November 2012, the new structure is expected to provide more streamlined operations and increased cross selling opportunities. Cost savings of approximately $11 million per annum are also expected, primarily associated with the consolidation of facilities and a reduction in personnel numbers and corporate costs.

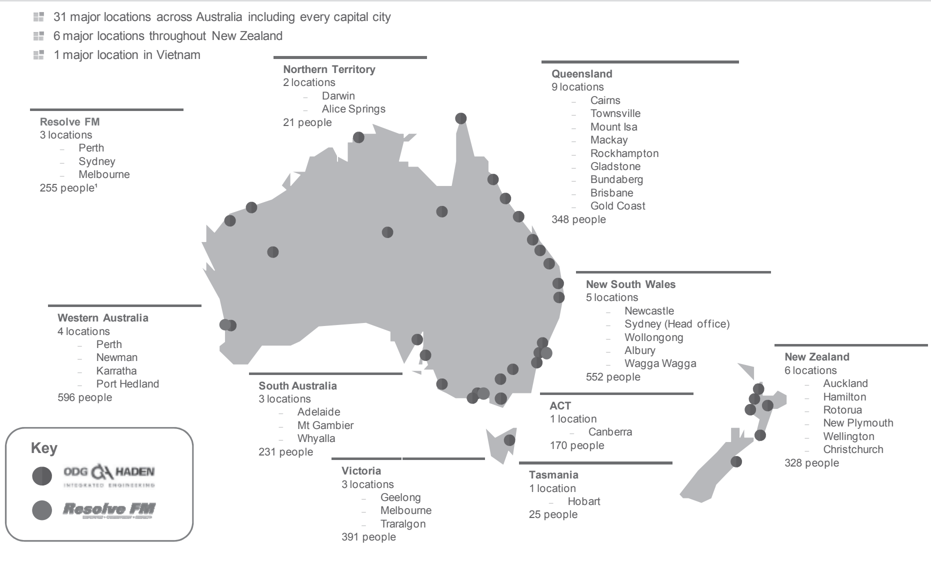
6 Operations in India have since been wound down due to a lack of scale.

57 On 27 November 2012 Norfolk announced that the Group along with its advisers had been undertaking a strategic review of the business which had commenced around July 2012. During this period Norfolk received non-binding, indicative and conditional proposals from several parties. Subsequently on 18 February 2013 Norfolk announced that it had commenced a formal process in relation to a potential corporate transaction, which could involve a sale or merger of the company in the short-term. A number of expressions of interest and enquiries in relation to a potential change in control transaction were received, which culminated in the proposed Scheme with RCR. At this time Norfolk indicated that it was carrying $74 million (book value at the time) of uncollected working capital in relation to claims and variations under several contracts (Uncollected Working Capital). This included a contract with GE Transport (a subsidiary of General Electric Company) in relation to a radio based rail signalling system for Fortescue Minerals Group Ltd (FMG)[7].

Current operations

58 In Australia Norfolk is a leading provider of specialty electrical engineering services and non-residential HVAC maintenance services. The Group operates from a Sydney head office and has the most extensive network of its competitors, with 38 major locations and over 2,700 employees. A geographical representation of Norfolk's major locations is set out below:

Norfolk geographic coverage



59 Over its three divisions, Norfolk has developed specialist experience and skills in many key market sectors, including mining, rail, telecommunications, infrastructure (water, roads, tunnels and airports), power, property and health. The Group has maintained strong long-term relationships with clients including:

7 In a market update provided on 26 March 2013, Norfolk announced that the contract with GE Transport for the FMG rail duplication project had been terminated.

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(a) state and federal governments (primarily rail and power / infrastructure related)

(b) miners such as BHP Billiton, Rio Tinto, FMG and Xstrata

(c) energy companies including Woodside Petroleum and ExxonMobil

(d) property service clients including DTZ, Colliers and Jones Lang LaSalle; and

(e) telecommunications companies such as Telstra and Optus.

60 Norfolk companies have a wide variety of electrical and mechanical engineering capabilities that bring together a combination of skills and services to provide end-to-end solutions. Post the ODG HADEN restructure the Group operates through the following divisions:

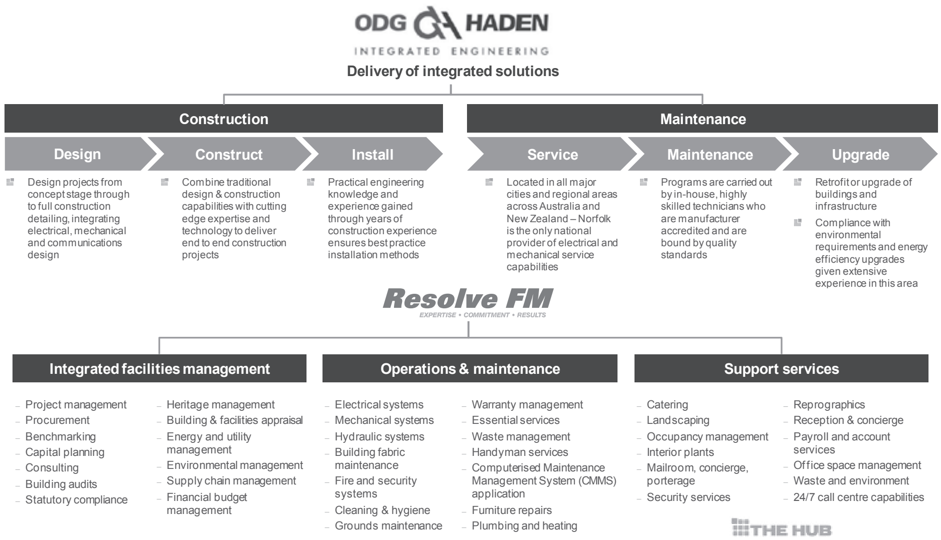
(a) **ODG HADEN Construction –** a leading provider of design, construction and installation of electrical and communications solutions, HVAC and refrigeration systems and rail operations

(b) **ODG HADEN Maintenance –** carries out integrated mechanical, electrical and fire services maintenance programs by in-house, highly skilled and accredited technicians

(c) **Resolve –** provides technical facilities management services such as the coordination and delivery of asset management, support services, workplace solutions, integrated facilities management, call centre services capabilities, operations and sustainable maintenance.

61 A summary of the operations conducted by each division is as follows:

Norfolk capabilities



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62 ODG HADEN Construction and Resolve operate in Australia only, while the ODG HADEN Maintenance business includes ODG HADEN New Zealand, Building Products New Zealand and ODG HADEN Vietnam. Building Products New Zealand comprises two business units including:

(a) **Energy Products International** – a leading New Zealand manufacturer and supplier of heating and air conditioning systems, with branches located in all the major centres throughout New Zealand

(b) **Metalbilt Doors** – a leading industrial and commercial door designer and manufacturer, with premises in Auckland, Wellington and Christchurch.

Financial performance

63 The financial performance of Norfolk for the five years ended 31 March 2013 (FY13) is set out below:

Norfolk – statement of financial performance

Year ended 31 March	FY09 Audited $m	FY10 Audited $m	FY11 Audited $m	FY12 Audited $m	FY13 Unaudited $m
Total revenue	744.4	771.2	916.1	902.6	936.7
EBITDA(1) before non-recurring items	20.2	34.9	44.2	38.9	(42.6)
Depreciation / software amortisation	(4.7)	(6.0)	(8.6)	(7.0)	(8.1)
EBIT before non-recurring items	15.5	28.9	35.6	31.9	(50.7)
Non-recurring items(2)	-	1.5	(3.2)	-	(7.3)
Reported EBIT	15.5	30.4	32.3	31.9	(58.0)
Net financial expense	(6.8)	(5.6)	(3.3)	(4.0)	(3.1)
Profit before tax	8.6	24.9	29.0	28.0	(61.1)
Income tax benefit / (expense)	(3.1)	(6.6)	(7.9)	12.2	20.4
Profit after tax	5.6	18.3	21.1	40.1	(40.7)
Losses from discontinued operations	(1.2)	(1.0)	(2.1)	(3.4)	(1.9)
Reported profit after tax	4.4	17.3	19.0	36.8	(42.6)

Note:
1 Earnings before interest, tax, depreciation and amortisation.
2 Non-recurring items are detailed as follows:

	FY09	FY10	FY11	FY12	FY13
Goodwill impairment	-	-	(0.9)	-	-
Gain / (loss) on sale of business	-	1.3	(1.5)	-	-
India EBIT profit / (loss)	-	0.2	(0.8)	-	-
Restructuring costs	-	-	-	-	(7.3)
	-	1.5	(3.2)	-	(7.3)

Rounding differences may exist.

64 Below is a summary of the key factors impacting on the annual financial performance of Norfolk during the period FY10 to FY13.

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Two years ended 31 March 2011[8]

65 The ODG business reported record revenues and profits in both FY10 and FY11, driven by increased activity in the rail sector arising primarily from capital investment by resources companies and upgrades to public transport. In addition, power connection for new mines with high voltage electricity requirements and ongoing work for power utilities in both generation and distribution contributed to the record operating performance.

66 The Haden business reported a resilient performance for FY10 despite a general decrease in HVAC construction and installation work (refer Section IV). However in FY11 the prevailing weak trading conditions were compounded by intense competition and resulted in lower margins and business earnings (which also continued in FY12 and FY13).

67 Resolve's results in both FY10 and FY11 rose due to increased custodial and accommodation work for the Australian Government for emergency detention centres.

Year ended 31 March 2012[8]

68 Continued activity in the resources sector and related rail markets was positive for the Group, however project delays and wet weather impacted performance, with employee utilisation levels lower than in previous periods. As noted above difficult conditions in the HVAC market continued. Resolve recorded high contract renewal rates and received additional emergency property services work for the federal government.

Year ended 31 March 2013

69 The reported financial performance for FY13 was impacted by a number of material contract impairments, some of which related to contract costs carried forward (as work-in-progress) in respect of prior years. These impairments were primarily attributable to delays and scope changes for mining and rail contracts. Mining companies have recently shifted focus from speed to the market to operational efficiency, which has increased scrutiny of construction contracts and associated spend. The related build up of working capital has negatively impacted the company's operating cash flow and resulted in a significant increase in bank borrowings (from previously negligible levels).

70 In addition the reported financial performance was impacted by restructuring costs of $7.3 million associated with ODG HADEN rationalisation. These costs related to the amalgamation of the O'Donnell Griffin and Haden brands and the rationalisation of multiple sites and employee numbers. Norfolk has estimated annualised cost savings of approximately $11 million as a result of these initiatives.

Forecast year ending 31 March 2014

71 On 18 February 2013 Norfolk issued guidance for FY14, stating that based on current work in progress, its order book and the level of tendering activity, the Group expected EBIT in the range of $25 million to $30 million and EBITDA in the range of $33 million to $38 million. It also noted that:

"Critical factors underpinning the Board's FY2014 guidance include:

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8 Prior to the October 2012 announced restructure, whereby ODG and Haden were standalone business units.

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- *the recent restructure and amalgamation of brands to create ODG HADEN has materially lowered the ongoing operating cost base of the Company;*
- *the strong and consistent current order book of $768 million;*
- *signs of increased tendering activity; and*
- *the thorough review of the carrying value of WIP which has reduced the risk to future earnings."*

Financial position

72 The financial position of Norfolk as at 31 March 2013, shown before and after adjustments for the Uncollected Working Capital, is set out below:

Norfolk – statement of financial position	Including Uncollected Working Capital 31 Mar 13 $m	Uncollected Working Capital 31 Mar 13 $m	Excluding Uncollected Working Capital 31 Mar 13 $m
Cash and cash equivalents	11.9	-	11.9
Trade and other receivables	131.4	(10.7)	120.7
Unbilled contract works	88.1	(57.4)	30.7
Inventories	3.6	-	3.6
Total current assets	235.0	(68.1)	166.9
Property, plant and equipment	8.0	-	8.0
Intangibles	56.8	-	56.8
Deferred tax assets	30.8	-	30.8
Total non-current assets	95.6	-	95.6
Total assets	330.6	(68.1)	262.5
Trade and other payables[1]	178.7	(24.2)	154.5
Interest bearing liabilities	64.9	-	64.9
Provisions	8.4	-	8.4
Other	0.1	-	0.1
Total current liabilities	252.0	(24.2)	227.8
Interest bearing liabilities	0.2	-	0.2
Provisions	2.3	-	2.3
Total non-current liabilities	2.5	-	2.5
Total liabilities	254.6	(24.2)	230.4
Net assets	76.0	(43.9)	32.1

Note:
1 Includes contract work billed in advance and employee benefits.
Rounding differences may exist.

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73 As at 31 March 2013 Norfolk had written down the value of the Uncollected Working Capital to $43.9 million (allocated as above) on the basis of its assessment of the respective contract recoverability. Amounts outstanding related to several contracts that were expected to be completed before 31 March 2013[9]. There are currently four contracts to which various claims and variations remain outstanding, including the GE Transport / FMG contract.

Net interest bearing debt

74 A summary of Norfolk's net interest bearing debt as at 31 March 2013 is as follows:

Norfolk – net interest bearing debt	Unaudited 31 Mar 13 $m
Cash and cash equivalents	11.9
Current interest bearing liabilities	(64.9)
Non-current interest bearing liabilities	(0.2)
	(53.2)

75 Due to the investment in Uncollected Working Capital, Norfolk has experienced cash flow constraints which have increased its level of net debt and in turn caused it to breach certain financial covenants provided by it under the terms of its senior debt facilities on several occasions. Norfolk's lenders have waived their rights in respect of the covenant breaches that occurred as at the end of December 2012 and at the end of January 2013. However, Norfolk's lenders have not waived their rights in respect of the covenant breaches that occurred as at the end of each of February, March and April 2013. Those breaches currently entitle Norfolk's principal lenders, Commonwealth Bank, Westpac Banking Corporation and HSBC Bank Australia to demand immediate repayment of some or all of the amounts owing under its senior debt facilities should they choose to do so.

76 Since the public announcement of the Scheme, in order to provide access to additional borrowing capacity, RCR has provided Norfolk with a $10.25 million cash advance facility (RCR Loan). If the Scheme does not proceed, Norfolk is likely to be required to repay all amounts owing by it under the RCR Loan.

77 We also note that based on an analysis of Norfolk's net debt position over the year to 31 March 2013, the average monthly net debt balance is materially higher than month end amounts.

Tax assets

78 As at 31 March 2013, Norfolk has available tax losses estimated at $120 million (gross). We understand these losses reflect the benefit of the group entering into a tax consolidation regime in 2007, together with the losses incurred in FY13. In this regard we note that Norfolk has the ability to claim a tax deduction for work-in-progress expenditure on an as incurred basis.

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[9] The largest of these contracts was with GE Transport in relation to the radio based rail signalling system for the FMG rail duplication project.

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Share capital and performance

79 As at 31 March 2013 Norfolk had 158.9 million fully paid ordinary shares on issue. In addition the company had 3.2 million performance rights on issue (each of which carries the right to convert to an ordinary share in Norfolk) with nil exercise prices.

80 Performance rights are issued by Norfolk to certain employees and vest upon the satisfaction of certain performance targets. We understand that in the event of a change in control transaction the Norfolk Board has the power to approve the related vesting of shares (and that the Board intends to approve the issue of these shares associated with the Scheme). Allowing for the exercise of the performance rights there will be 162.1 million fully diluted Norfolk shares on issue.

Significant shareholders

81 As at 31 March 2013 the significant shareholders in Norfolk were Maui Capital with 31.9 million shares (20.1% of Norfolk's issued capital), Perpetual Limited with 22.9 million shares (14.4%) and Masfen Securities Limited with 22.6 million shares (14.2%).

Share price performance

82 The price of Norfolk shares from 1 January 2010 to 11 April 2013 (being the last trading day prior to the announcement of the Scheme) is summarised below:

Norfolk – share price performance

	High $	Low $	Close $	Monthly volume(1) 000
Quarter ended				
March 2010	1.10	0.71	0.78	4,488
June 2010	1.00	0.69	0.76	6,030
September 2010	1.18	0.75	1.16	5,386
December 2010	1.29	0.98	1.28	3,904
March 2011	1.33	0.94	1.29	3,472
June 2011	1.43	1.16	1.17	2,804
September 2011	1.31	0.96	1.09	2,162
December 2011	1.19	0.97	1.06	1,116
March 2012	1.30	1.02	1.28	2,794
June 2012	1.31	0.95	1.02	3,315
Month ended				
July 2012	1.10	1.00	1.02	987
August 2012	1.03	0.60	0.64	7,611
September 2012	0.70	0.58	0.61	9,558
October 2012	0.75	0.61	0.65	3,842
November 2012	0.74	0.40	0.52	11,220
December 2012	0.58	0.51	0.53	4,480
January 2013	0.58	0.52	0.53	4,054
February 2013	0.58	0.46	0.58	6,336
March 2013	0.58	0.44	0.50	4,095
April 2013(2)	0.52	0.51	0.51	2,288

Note:
1 Monthly volumes for the quarter ended represent average monthly volumes.
2 Up to and including 11 April 2013.
Source: Bloomberg.

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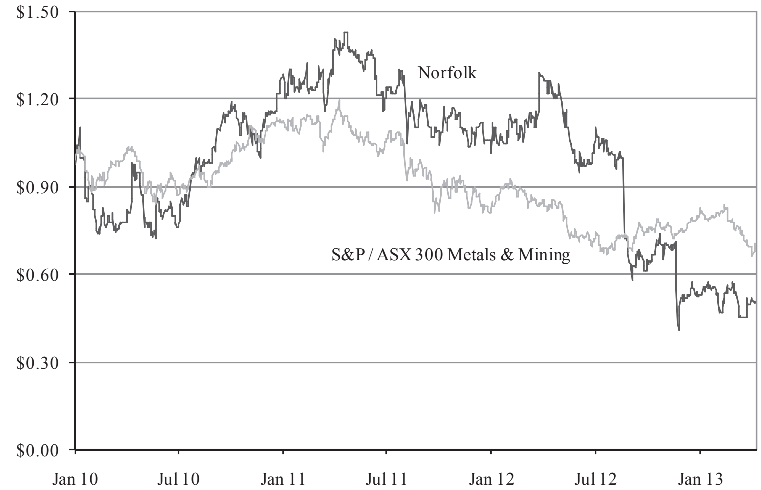
83 The following chart illustrates the movement in the share price of Norfolk compared to the S&P / ASX 300 Metals & Mining Index[10] from 1 January 2010 to 11 April 2013[11]:

Norfolk – share price history
1 January 2010 to 11 April 2013



Note:
1 Based upon closing prices. The S&P / ASX Metals & Mining Index has been rebased to Norfolk's last traded price on 1 January 2010.
Source: Bloomberg.

84 As indicated above, the share price of Norfolk outperformed the S&P / ASX 300 Metals & Mining Index in the year to June 2011. This relative share price strength coincided with a number of announced contract wins and the subsequent reporting of higher earnings in FY11. The subsequent fall in the share price in August 2012 was largely attributable to the announcement of indicated earnings for the half year to 30 September 2012, which were below the previous comparable half year period.

Liquidity in Norfolk shares

85 The liquidity in Norfolk shares based on trading on the ASX over the 12 month period prior to 11 April 2013 is set out below:

10 Norfolk obtains a significant share of its revenue from providing contract services to the mining sector. As such we consider the S&P / ASX Metals & Mining Index relevant for this analysis.

11 Being the last trading day prior to the announcement of the Scheme.

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Norfolk – liquidity in shares

Period	Start date	End date	No of shares Traded 000	WANOS[1] outstanding 000	Implied level of liquidity Period[2] %	Annual[3] %
1 month	12 Mar 13	11 Apr 13	5,496	158,891	3.5	41.5
3 months	12 Jan 13	11 Apr 13	16,370	158,891	10.3	41.2
6 months	12 Oct 12	11 Apr 13	34,107	158,891	21.5	42.9
1 year	12 Apr 12	11 Apr 13	62,717	158,891	39.5	39.5

Note:
1 Weighted average number of shares outstanding (WANOS) during relevant period.
2 Number of shares traded during the period divided by WANOS.
3 Implied annualised figure based upon implied level of liquidity for the period.
Source: Bloomberg and LEA analysis.

86 The liquidity in Norfolk's shares has been relatively consistent over time and indicates a reasonable level of market liquidity for a company of its size, notwithstanding the major shareholding held by Maui Capital over the above timeframe.

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IV Industry overview

Introduction

87 Norfolk is a leading provider of integrated engineering solutions in the electrical, communications, HVAC, fire protection and property services sectors in Australia and also New Zealand[12]. This section therefore focuses on the Australian electrical and HVAC services markets[13], as well as the drivers of demand for Norfolk's services, including building and engineering construction generally and the specific sectors that materially contribute to the Group's work, such as mining, rail, power and telecommunications.

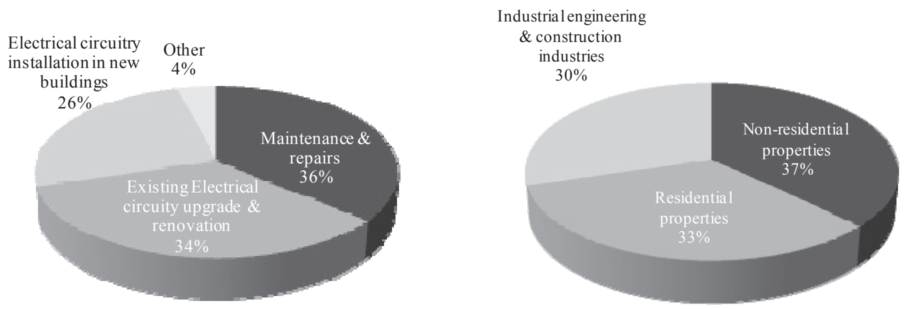
Electrical services market

88 The electrical services sector is one of the larger trade industries in Australia covering a variety of clients ranging from households to large industrial sites. Services include the installation of new electrical, electronic, communications and industrial equipment, the installation of wiring and cabling and the repair and maintenance of existing electrical equipment and fixtures.

89 An overview of the key industry segments is detailed in the charts below, noting that Norfolk does not target the electrical residential market, which is serviced by a large number of smaller operators in the industry:

Electrical services in Australia

Major market segments | **Type of work / service offered**



Source: IBISWorld, Electrical Services in Australia (April 2013).

Competition / barriers to entry

90 The electrical services industry employs over 140,000 people through almost 29,000 establishments, with half the firms principally operating as independent contractors (or subcontractors) and many small scale operators with four to five staff[14]. As such the market is highly fragmented. In general smaller operators service basic household needs and to a

---

12 Norfolk's FY12 and FY13 revenue from New Zealand was 7% and 6% of total revenue respectively. Hence this section focuses on Australia only. Further, we have not covered the Resolve business in this section given its broad coverage of the asset management, support, facilities management and sustainable maintenance services industries.

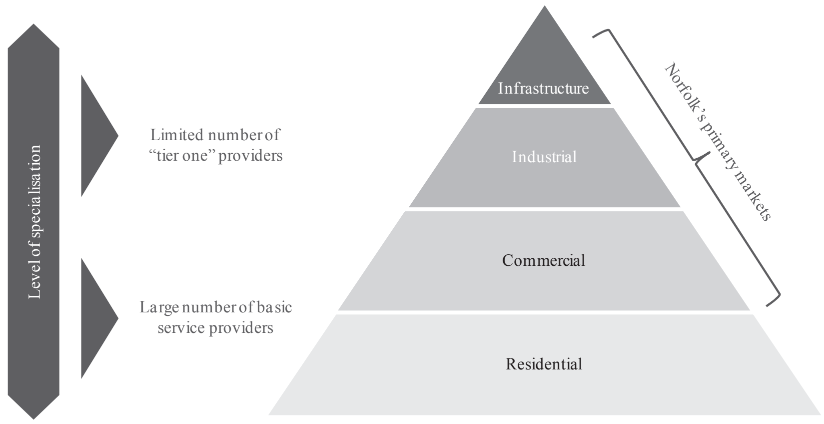
13 Norfolk positions its services towards the larger and higher end technical and specialist segment of these sectors.

14 IBISWorld, Electrical Services in Australia (April 2013).

lesser extent the commercial markets. Larger infrastructure, industrial and commercial contracts are usually awarded to the construction and electrical groups that have the required scale and work force of qualified electricians to undertake the work.

91 An overview of the degree of specialisation of Norfolk's target markets in the electrical services sector is shown below:

Norfolk's markets and degree of specialisation



92 A significant barrier to entry in the industry is the requirement for contractors to be licensed by state and territory authorities, with different licensing requirements for the various electrical sub-sectors also complicating matters. This has contributed to staff shortages and higher wages in resource states such as Western Australia. However, there is currently an objective to introduce national recognition of electrical trade qualifications and licenses to increase contractor mobility and thus reduce regional skill shortages[15].

93 IBISWorld estimates that the four largest companies in the industry (Norfolk, Stowe Australia, Downer EDI and UGL) represent in aggregate approximately 9% of sector revenue, with Norfolk the largest of these with some 3% market share. These firms typically target larger and more complex work and hence the barriers to entry in this sub-segment are significantly higher than the industry in general.

Industry performance

94 Spending on emerging technologies such as electronic communications equipment, data cabling and fibre optics, as well as robust investment in the infrastructure and institutional building segments have generally provided solid demand for electrical contractors since 2004. The exception was the onset of the global financial crisis (GFC) in 2008, as shown in the chart below:

15 IBISWorld, Electrical Services in Australia (April 2013) (in real terms).

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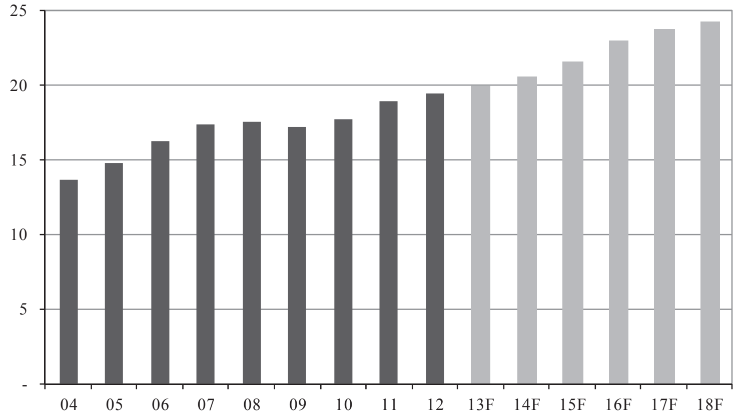
Industry revenue
Year ending 30 June ($bn)



Source: IBISWorld, Electrical Services in Australia (April 2013) (in real prices).

95 Industry turnover for the year to 30 June 2013 is expected to reach $20 billion, with IBISWorld forecasting a compound annual growth rate (CAGR) of 4% for the sector over the following five years[16]. This rate of growth is consistent with IBISWorld's expectations for gross domestic product and total value of building construction. Future growth is expected to emanate from the installation of networking systems for electronic data transfer in existing premises, the installation and maintenance of premises surveillance instrumentation and the installation of telephony, broadband and pay television services.

Heating, ventilation and air conditioning (HVAC)

96 The HVAC services market is broadly defined as contractors involved in the installation and maintenance of air-conditioning and central heating systems into households, complex climate controlled systems into commercial and industrial complexes and expansive refrigeration systems for supermarkets and food processors. Contractors in the HVAC industry install, repair and maintain a range of products including gas heater plants, chilling plants, industrial refrigeration units, electrical and hydraulic components, ventilation equipment, heating ducts and building automation components[17].

16 IBISWorld, Electrical Services in Australia (April 2013) (in real terms).

17 Many suppliers of HVAC equipment (e.g. air conditioning ducting and commercial and industrial refrigeration) manufacture, install and maintain their own products. Therefore this segment of the market is not available to contract HVAC services operators.

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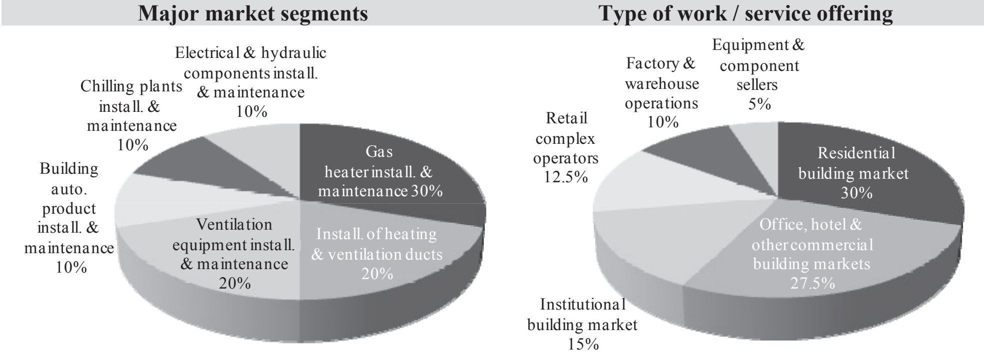
97 The industry generates approximately two-thirds of its revenue from new installation, maintenance and repair work in the non-residential building market, approximately 30% of revenue from the newly constructed and existing housing market[18] and some 5% of revenue from the sale of other components, equipment, ducting and ventilation materials[19]. A graphical illustration of the major market segments and type of work offered is as follows:

Air conditioning and heating services in Australia



Source: IBISWorld, Air Conditioning and Heating Services in Australia (November 2012).

Competition

98 There are over 6,200 businesses operating in the HVAC industry, with almost half of these sole proprietors with no additional staff, employing subcontractors when faced with larger jobs[20]. Norfolk is the largest operator in the industry holding a 3% market share, with the next three major companies accounting for a further 5% of the market. Similar to the electrical services sector the industry is highly fragmented. The large operators tend to focus on the commercial and industrial markets and generally provide both installation and ongoing repair and maintenance services. Households are generally serviced by smaller operators, who also tend to have a localised geographic focus.

Industry performance

99 HVAC industry revenue was around $6.7 billion in the year to 30 June 2012, with revenue declining by some 0.5% over each of the past five years[21]. This is primarily attributable to weak commercial and residential building markets (which have struggled to recover from the GFC), which increased price based competition and resulted in significantly reduced industry profit margins. Such conditions were also a contributing factor to the collapse of the previously largest operator in the market Hastie Group in 2012.

18 Norfolk does not service this market segment.

19 IBISWorld, Air Conditioning and Heating Services in Australia (November 2012).

20 IBISWorld, Air Conditioning and Heating Services in Australia (November 2012).

21 IBISWorld, Air Conditioning and Heating Services in Australia (November 2012).

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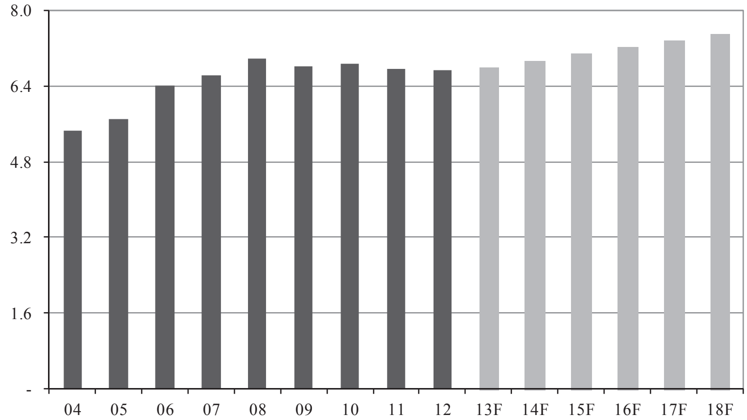
Industry revenue
Year ending 30 June ($bn)



Source: IBISWorld, Air Conditioning and Heating Services in Australia (November 2012) (in real prices).

100 IBISWorld expects the prospects for HVAC contractors to improve over the medium term, forecasting a CAGR of 1.8% for the six years to 30 June 2018[22]. This is supported by IBISWorld's expectations of a return to growth in commercial and residential construction activity[23]. A conscious effort to increase energy efficiency is also likely to stimulate demand for HVAC equipment, given projections of increased future energy costs.

Other demand drivers for Norfolk's operations

101 The primary drivers of Norfolk's operations are broad and include building and engineering construction generally and specific sectors such as mining, rail, power and telecommunications. We have therefore had regard to the status and historical demand within these sectors below.

102 The value of Australian construction activity reached $218 billion for the year to 31 December 2012, with a majority of this represented by engineering construction ($139 billion). The remainder comprised residential ($46 billion)[24] and non-residential ($33 billion) building activity.

22 IBISWorld, Air Conditioning and Heating Services in Australia (November 2012) (in real terms).
23 IBISWorld, Air Conditioning and Heating Services in Australia (November 2012).
24 Norfolk is not exposed to the Australian residential building sector, expenditure for which has stagnated due to weaker economic conditions, deteriorating housing affordability, tightened lending arrangements subsequent to the GFC and a lack of land releases by state governments.

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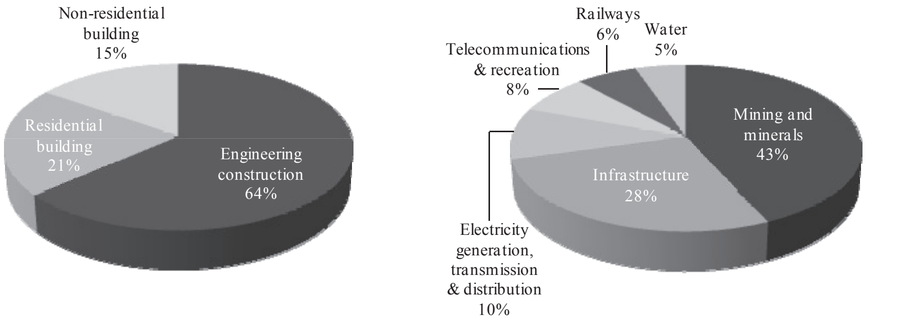
Engineering construction (by sector)

Building & construction industry ($218 bn) **Engineering construction by sector ($139 bn)[1]**



Note:

1 Gas and oil projects are included in mining. Mining and minerals expenditure is also shown in infrastructure, electricity, railways and water categories above.

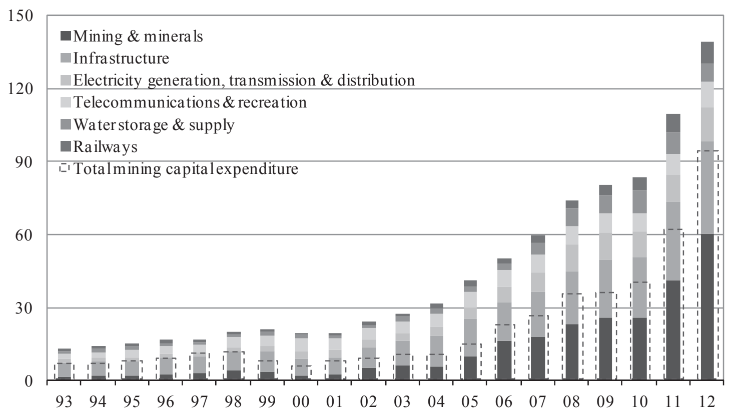
Source: Australian Bureau of Statistics (ABS).

103 The primary sub-segments of the engineering construction sector are the mining and infrastructure sectors[25], which combined represent 71% of the total engineering construction industry. These sectors have been a significant driver of Australian economic growth in recent years, particularly as growth in the non-resource sectors of the Australian economy has been subdued.

104 The following chart shows a breakdown of Australian engineering construction expenditure by sector compared to mining capital expenditure over the 20 years to 31 December 2012. This highlights both the significance of mining capital expenditure to engineering construction activity in Australia and the increased rate of mining expenditure since 2006.

Australian engineering construction

Years to 31 December ($bn)



25 Mining related expenditure is also shown under infrastructure, electricity, railways and water in the above chart.

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Note:
1 Mining and minerals includes LNG and other energy projects.
2 Mining and minerals expenditure is also shown in infrastructure, electricity, railways and water categories above.
Source: ABS.

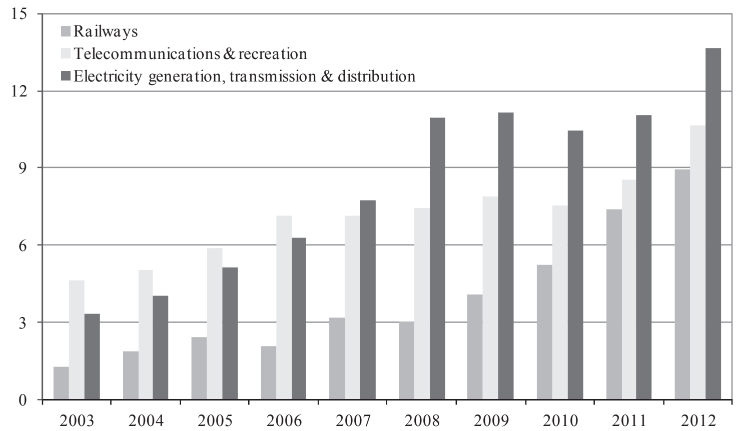
Mining and minerals

105 Global demand for commodities over the past 10 years, driven by the industrialisation of a number of large economies in Asia (most notably China) has generated robust investment in the Australian mining sector. Over this period bulk commodities such as iron ore and coal (and to a lesser extent precious and base metals) have seen capital spending levels grow significantly. This has driven Australian mining investment to record levels, with further investment augmented by the large pipeline of significant LNG developments underway.

Other engineering construction expenditure

106 A breakdown of the railway, electricity generation, transmission and distribution and telecommunications construction expenditure for the 10 years to 31 December 2012[26] is shown below:

Relevant engineering construction expenditure
10 years to 31 December 2012 ($bn)



Source: ABS.

Electricity generation, transmission and distribution

107 Investment in Australia's electricity generation, transmission and distribution networks increased substantially in the five years to 31 December 2008, subsequent to which investment levels have been maintained. This growth reflected stricter licensing conditions, new safety and reliability standards, the commencement of replacement and reinforcement of ageing assets (due to inadequate prior investment) and meeting load growth and rising peak power demand (due in part to the proliferation of air conditioners, which are typically only needed for short periods of the year).

26 Noting that Norfolk generally targets the electrical and HVAC services components of these markets.

108 Mr Martin Ferguson, until recently the Federal Minister for Resources and Energy, has stated that Australia requires an investment of $100 billion for new electricity generation and network infrastructure over the next 10 years[27]. This is a significant requirement, considering the current asset base for generation, transmission and distribution infrastructure is around $120 billion. Further, the replacement of a substantial proportion of existing infrastructure is also required, given it was largely built in the 1950s and 1960s. Hence there is potential for further growth in power related construction activity.

Telecommunications and recreation

109 In the ten years to 31 December 2012 telecommunications construction grew from $4.65 billion to $10.65 billion. Whilst Telstra, Optus, Vodafone and the smaller telecommunications companies have a vested interest in upgrading their respective infrastructure and are expected to continue to rollout new services like 4G (e.g. to retain a competitive advantage), the most notable development in the telecommunications sector in recent years has been the commencement of the National Broadband Network (NBN).

110 The estimated capital investment in the NBN is $37.4 billion over the 10 years to June 2022[28], with construction only recently commencing. The NBN's initial rollout has contributed to telecommunication capital spending increasing by almost 25% in 2012. NBN Co, the company established to design, build and operate the network has been contracting out specific areas for installation, however progress to date has been slower than expected due in part to reported low contractor margins[29].

Rail infrastructure

111 Robust growth in the resources sector and increased investment from the Federal Government has contributed to strong demand for transport infrastructure such as rail. In particular, Australia's major iron ore companies (Rio Tinto, BHP Billiton and FMG) have all invested significant amounts to expand their respective rail infrastructure. Coal related rail upgrades such as in the Hunter Valley of NSW have also contributed to this growth.

112 Rail transport networks in most major cities are currently reaching capacity levels during peak periods, lowering productivity levels and increasing the cost of living. There are therefore opportunities in the rail sector emanating from future State Government rail projects in Australia's major cities, in addition to rail projects in the mining sector.

[27] Source: www.rebuildingthenation.com.au.

[28] However, a change in the Federal Government as a result of upcoming elections may result in a reduction in the total spend.

[29] Norfolk has undertaken minimal NBN work to date.

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Outlook

113 As discussed above IBISWorld is forecasting CAGR of 4% for electrical services and 1.8% for HVAC contractor services over the medium term[30]. On this basis the overall outlook appears positive. However, Norfolk obtains a significant proportion of its work from the mining sector (and related rail projects) and there is an increasing consensus view that 2013 will reflect the peak in mining activity levels. Further, since September 2012 mining service companies have been increasingly under pressure to lower costs and increase efficiency (largely due to the iron ore price decline), which changed the then prevailing industry focus of a speed to market mentality (due to high prices). As a result the prevalence of increased price based competition has risen.

114 While levels of mining and related infrastructure investment are likely to decline, expenditure by Federal and State Governments on electricity, backlogged transport infrastructure initiatives (particularly in the major cities) and telecommunication services like the NBN are expected to provide offsetting revenue streams.

30 In real terms.

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V Valuation approach

115 Regulatory Guide 111 – Content of expert reports (RG 111) outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

(a) the discounted cash flow (DCF) methodology

(b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets

(c) the amount that would be available for distribution to shareholders in an orderly realisation of assets

(d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis

(e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

116 Under the DCF methodology the value of the business is equal to the net present value (NPV) of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

117 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future "maintainable" earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.

118 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, earnings before interest, tax, depreciation and amortisation (EBITDA), earnings before interest, tax and amortisation (EBITA), earnings before interest and tax (EBIT) or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

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119 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

Methodologies selected

120 The market value of Norfolk has been assessed by aggregating the market value of the business operations together with the realisable value of any surplus assets (including the Uncollected Working Capital) and deducting net borrowings.

121 The valuation of the business has been made on the basis of market value as a going concern. The primary valuation method used to value Norfolk's business has been the capitalisation of future maintainable EBIT. Under this methodology the value of the business is represented by its core underlying maintainable EBIT capitalised at a rate (or EBIT multiple) reflecting the risks inherent in those earnings.

122 In our opinion the capitalisation of EBIT method is the most appropriate methodology for Norfolk's business divisions. This is because:

(a) Norfolk's business divisions operate in a relatively mature industry and have well established market positions

(b) long-term cash flow projections regarded as sufficiently robust to enable a DCF valuation to be undertaken are not available

(c) the EBIT multiples for listed companies exposed to similar industry sectors as Norfolk's business divisions can be derived from publicly available information; and

(d) transaction evidence in the sector is generally expressed in terms of EBIT multiples.

Cross-check

123 While we consider the above approach to be the most appropriate valuation methodology in the circumstances, it is important to also cross-check the assessed Norfolk equity valuation against other valuation methodologies used in equity markets to assess the price that might be paid for 100% of Norfolk. Accordingly we have also considered the recent sale process undertaken by Norfolk and its advisers, and have cross-checked our overall equity valuation range against the third party non-binding indicative offers received (including the valuation basis of those offers).

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VI Valuation of Norfolk

Valuation methodology

124 As stated in Section V, we have adopted the capitalisation of EBIT method as our primary valuation method. Under this method the EBIT (before non-recurring items) is capitalised at an appropriate EBIT multiple. The value of the shares in Norfolk is then derived by adding the net realisable value of surplus and other assets and deducting net interest bearing debt. The resulting values have also been cross-checked by reference to the recent sale process undertaken by Norfolk and its advisers.

Assessment of normalised EBIT

125 In order to assess the appropriate level of EBIT for valuation purposes we have had regard to the historical results of each business unit, and have discussed each business unit's financial performance, operating environment and prospects with Norfolk management. A summary of Norfolk's net sales revenue and operating EBIT (by segment) for the five years to FY13 is set out below:

Norfolk – revenue and EBIT

Year ended 31 March	FY09 Audited $m	FY10 Audited $m	FY11 Audited $m	FY12 Audited $m	FY13[1] Unaudited $m
Total revenue	744.4	771.2	916.1	902.6	936.7
ODG	6.5	23.5	36.3	31.3	(49.6)[2]
Haden	13.3	14.7	3.5	3.1	(0.2)[2]
Resolve	3.9	1.4	4.0	6.5	3.5[2]
Corporate	(8.2)	(10.7)	(8.2)	(9.0)	(11.6)[2]
EBIT before non-recurring items	15.5	28.9	35.6	31.9	(50.7)[2]
EBIT margin	2.1%	3.7%	3.9%	3.5%	n/a

Note:
1 Financial information for FY13 has been extracted from Norfolk's Appendix 4E preliminary unaudited financial statements that were released to the ASX on 17 May 2013.
2 EBIT for FY13 is after non-recurring items.

126 As shown above and discussed in Section III, the reported trading performance of Norfolk was relatively strong over the period FY10 to FY12. However reported earnings in FY09 and in particular FY13 were negatively impacted by contract impairments in the ODG and ODG / HADEN Construction business unit. A number of the impairments in FY13 related to contract costs carried forward (as work-in-progress) in respect of prior years.

127 We note that the inherent volatility in reported results is a reflection of factors including:

(a) the low operating margin nature of construction activities generally and the sub-contracting type work undertaken by Norfolk (whereby large projects have the ability to negatively impact overall profitability)

(b) the inherent subjectivity in the reported recognition of contract profits.

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FY14 outlook

128 Norfolk has recently undergone a period of significant restructuring by amalgamating operations, rationalising multiple (and often duplicate) sites and reducing employee numbers. Management has estimated the savings from this initiative at approximately $11 million per annum.

129 As stated in Section III, Norfolk has provided guidance for FY14 of EBIT in the range of $25 million to $30 million. We note that this includes the benefit of a majority of the restructuring cost savings.

EBIT adopted for valuation purposes

130 Given the contracting nature of Norfolk's business activities, together with the history of reported operating performance, we consider it more appropriate to have regard to the level of earnings generated over a four to five year cycle than to seek to assess a single point estimate or narrow range of future earnings. In the circumstances of Norfolk we have therefore adopted EBIT for valuation purposes of $20 million to $25 million.

EBIT multiple

131 The selection of the appropriate EBIT multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

EBIT multiple considerations

- The stability and quality of earnings
- The quality of the management and the likely continuity of management
- The nature and size of the business
- The spread and financial standing of customers
- The financial structure of the company and gearing level
- The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors
- The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors
- The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc.
- The cyclical nature of the industry
- Expected changes in interest rates
- The asset backing of the underlying business of the company and the quality of the assets
- The extent to which a premium for control is appropriate
- Whether the assessment is consistent with historical and prospective earnings

132 We discuss below specific factors taken into consideration when assessing the appropriate EBIT multiple range for Norfolk.

Listed company multiples

133 The EBIT multiples for the Australian companies with electrical and mechanical engineering services (which generally form part of a much larger service offering) and diversified engineering companies with electrical operations are set out in Appendix C and summarised

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below. The multiples are based on each company's average broker forecasts for the 2013 and 2014 financial years (given Norfolk's 31 March financial year end[31]):

Listed company multiples		
	EBIT multiples	
	Forecast 2013	**Forecast 2014**
	x	**x**
Southern Cross Electrical Engineering	5.2	4.1
Programmed	7.2	6.6
BSA	5.0	4.7
Other companies with electrical operations (excluding the above)		
Range	3.6 – 7.6	2.8 – 4.7
Mean	4.9	4.0
Median	4.5	4.0
Diversified engineering companies with electrical operations		
Range	6.8 – 10.2	6.7 – 8.7
Mean	8.5	8.0
Median	8.3	8.3

134 In relation to the above, we note that none of the above listed companies are directly comparable to Norfolk. In this regard we note that:

(a) the most comparable company on both a size and operational basis is Southern Cross Electrical Engineering[32]

(b) Programmed owns an electrical business that it purchased in 2009 (KLM Group) and also has other maintenance operations that have similarities to the Resolve business. However Programmed is a significantly larger business than Norfolk and it also has sizeable recruitment operations

(c) BSA offers HVAC and electrical services, however the company is more focused on the commercial and telecommunications sector (which is a relatively smaller portion of Norfolk's business) and is much smaller than Norfolk

(d) the remaining companies with electrical operations share similarities to Norfolk in that they have exposure to the same broad industry drivers and market trends as Norfolk (e.g. exposure to resources, rail, power, telecommunications etc.)

(e) listed companies exposed to the mining services sector have reported numerous earnings downgrades in the last six months, as mining companies increasingly focus on operational costs rather than speed to the market. This has impacted investor confidence in both the mining sector and in companies exposed to the mining sector, and resulted in lower implied EBIT multiples than in prior periods; and

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31 Aside from Programmed Maintenance Services Limited (Programmed) all the listed companies have a 30 June year end.

32 Southern Cross Electrical Engineering has a small exposure to South America and the Caribbean through its operations located there.

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(f) while the diversified engineering companies in many cases compete against Norfolk in the electrical services and HVAC industries, these companies are significantly larger in size and have a broader service offering (and thus diversification). In our view, the implied EBIT multiples for these companies are not indicative of the appropriate EBIT multiple for Norfolk.

135 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical evidence reviewed by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium of 20% to 25% at the EBIT multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company.

Transaction evidence

136 There have been a number of transactions in the electrical services / HVAC and related industries. A summary of the EBIT and EBITDA multiples[33] implied by these transactions is shown below, with a description of the respective target companies set out in Appendix D:

Transaction multiples

Date[(1)]	Target	Acquirer	Enterprise value[(2)] $m	EBIT Multiple[(3)] x	EBITDA Multiple[(3)] x
Apr 06	Gordon Brothers	Hastie Group	20.0	5.6 (F)	n/a
Sep 06	Heyday Group	Hastie Group	40.5	4.9 (F)	n/a
Apr 07	Eagle Engineering	RCR	21.0	4.9 (F)	n/a
Aug 07	Positron Group	RCR	43.7	4.0 (F)	n/a
Dec 07	Watters Electrical	Hastie Group	41.2	5.2 (F)	5.2 (F)
Feb 08	Rotary	Hastie Group	£94.8	8.7 (H) / 7.5 (F)	8.2 (H)
Jul 08	BCA Consultants	VDM Group	5.2	3.3 (H)	n/a
Aug 09	KJ Johnson	Southern Cross	9.6	2.2 (H)	n/a
Oct 09	KLM Group	Programmed	24.2	6.9 (F)[(4)]	5.5 (F)[(4)]
Feb 10	Oceanic Industries	Southern Cross	12.4	n/a	4.1 (H)
Mar 11	Arccon	Allmine Group	27.0	n/a	7.1 (H)
Jul 11	BEC Engineering	Cardno	45.0	5.0 (F)	n/a
Jan 12	CTEC	Forge Group	38.6	n/a	2.2 (F)
Oct 12	G&S Engineering Services	Calibre Group	93.9	n/a	5.5 (F)
Dec 12	Engenco	Elph	74.3[(5)]	n/m	4.9 (H) / 6.5 (F)
Dec 12	Contract Resources	Hellaby Holdings	116.0	8.5 (F)	5.8 (F)[(4)]

Note:
1 Date of announcement.
2 In Australian dollars except for Rotary which is in British pounds.
3 H – Historical multiple. F – Forecast multiple. n/a – not available. n/m – not meaningful.
4 Historical multiple is not considered representative of an appropriate multiple.
5 Elph did not gain 100% control of Engenco and the company remains listed on the ASX.
Source: LEA analysis using data from ASX announcements, broker reports and company annual reports.

33 In some instances it is not possible to derive EBIT multiples from the transaction evidence and hence EBITDA multiples are shown.

137 In relation to the transaction evidence it should be noted that:

(a) unless noted above the transactions related to the acquisition of 100% of the businesses and therefore implicitly incorporated a premium for control

(b) none of the above businesses are directly comparable to Norfolk, however from an operational viewpoint Heyday Group, Positron Group, Watters Electrical, KLM Group and BEC Engineering are the most comparable

(c) due to the significant impact of the GFC on the world economy and equity / asset values generally, in our opinion, more regard should be had to the transaction multiples post December 2008[34]

(d) since September 2012 mining service companies have been increasingly under pressure to lower costs and increase efficiency, which has impacted investor confidence in companies servicing the mining industry

(e) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company's "maintainable" earnings; and

(f) the companies acquired differ in terms of their size and nature of operations. Accordingly, in our view, the median or average multiples implied by these transactions are not necessarily representative of the multiples which should be applied to Norfolk.

Norfolk trading multiples

138 We have also considered the implied historical EBIT multiples for Norfolk over recent years, based on the three month volume weighted average price (VWAP) of Norfolk shares following the announcement of profit results. The table below sets out the historical EBIT multiples implied by trading in Norfolk shares over FY10 to FY12 (which therefore exclude a premium for control).

EBIT multiples over time based on three month VWAP	Post FY10 result(1) x	Post FY11 result(1) x	Post FY12 result(1) x
Norfolk	5.2	5.1	4.4

Note:
1 EBIT multiples based on the three month VWAP following the announcement of the company's results. Multiple based on last 12 months normalised EBIT.

34 In this regard we note that the implied multiple for Rotary (acquired by Hastie Group in February 2008) is relatively high, which may be attributable to negotiations taking place at or around the peak of global stock markets prior to the GFC. Hastie Group has since been placed in administration.

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Conclusion on appropriate EBIT multiples

139 The earnings history and outlook of Norfolk is volatile reflecting the nature of Norfolk's business activities. In our view it is appropriate to apply a higher earnings multiple to the lower range of earnings adopted for valuation purposes and a lower earnings multiple to our assessed higher range of earnings. This is because any purchaser of Norfolk would be more confident about achieving, and thus paying a higher multiple for, lower range earnings, and vice versa for higher range earnings.

140 Based on the above, in our opinion, an EBIT multiple range of 5.0 to 6.0 is appropriate when applied to the level of EBIT adopted for valuation purposes. This range includes a premium for control and reflects in particular:

(a) the inherent low operating margin nature of construction activities generally

(b) the subcontract nature of the majority of work undertaken by Norfolk

(c) the cost structure required to maintain a national operational presence

(d) notwithstanding the leading market positions held, both the electrical services and HVAC industry sectors are highly fragmented.

Value of core businesses

141 On this basis the value of Norfolk's core operating businesses (before debt) is as follows:

Norfolk – valuation	Low $m	High $m
EBIT adopted for valuation purposes	20.0	25.0
EBIT multiple	6.0	5.0
Value of operating businesses	120.0	125.0

Uncollected Working Capital

142 As set out in Section III, Norfolk has significant Uncollected Working Capital balances related to a number of contracts completed in prior periods and the contract with GE Transport in relation to the radio-based rail signalling system for FMG's rail duplication project. Following a detailed review by Norfolk management of the likely recoverable amounts these Uncollected Working Capital balances were written down from approximately $74 million to $43.9 million as at 31 March 2013. The carrying value (and composition) of these Uncollected Working Capital balances in Norfolk's financial statements as at 31 March 2013 is shown below:

	$m
Accounts receivable	10.7
Unbilled work-in-progress	57.4
Outstanding claims (prior to amounts owed to subcontractors / other creditors)	68.1
Amounts owed to subcontractors / other creditors	(24.2)
Uncollected Working Capital balance	43.9

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143 As at the date of this report Norfolk has negotiated an in-principle settlement with one of the customers to which a small proportion of the Uncollected Working Capital balances relate[35]. However, the recoverability of the large majority of the Uncollected Working Capital balances as at 31 March 2013 remains highly uncertain. In the absence of a negotiated settlement with the customers, resolution of Norfolk's outstanding claims will require either legal action or binding third party determination.

144 As additional disclosure of the outstanding claims could prejudice future settlement discussions we are unable to provide further information in this report on the individual amounts claimed or the nature of individual claims (and counter-claims). However, we have discussed the basis for the writedowns as at 31 March 2013 and the prospects for recovery with Norfolk's senior management and in-house legal counsel.

145 Notwithstanding the recent write-down, in our view the market value of the Uncollected Working Capital balances is likely to be less than their carrying value in Norfolk's financial statements as at 31 March 2013. This is principally because, whilst the carrying value represents Norfolk's best estimate of the recoverable amount:

(a) the carrying value makes no specific allowance for the costs associated with any required legal action or expert determination process, or the time value of money

(b) further discounts are likely to be necessary in order to settle outstanding claims in the short-term. Given the financial position of Norfolk, in our view, it is likely that early settlement of the claims would need to be pursued in the absence of the Scheme

(c) in our view, any potential purchaser of the Uncollected Working Capital balances is likely to take a conservative view of the recoverable amount given the high level of uncertainty and downside risks inherent in the claims

(d) as noted above, Norfolk owes significant amounts to subcontractors and other creditors in relation to contracts which are subject to outstanding claims. Accordingly, any significant under-recovery of gross contract claims from customers could have a greater adverse impact on Norfolk's net recovery if the amounts owed to subcontractors and creditors in relation to these contracts cannot also be reduced.

146 Based on our review of the individual contract claims we have assessed the value of the Uncollected Working Capital balances at $15 million to $25 million. The wide range reflects the high level of uncertainty associated with the likely net recovery.

Tax losses

147 As set out in Section III Norfolk has generated significant losses primarily in relation to FY13 and has substantial available tax losses.

[35] The carrying value of this contract claim was written down in Norfolk's financial statements as at 31 March 2013 to the in-principle settlement amount.

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148 For valuation purposes we have adopted a value for these tax losses of $3 million to $5 million. In forming this view we have considered:

(a) the extent to which the tax losses could be utilised, based on the level of earnings likely to be generated by the Australian businesses after deducting depreciation and interest charges

(b) the time period over which any utilisation could occur, particularly given the ability of Norfolk to claim a tax deduction for work-in-progress expenditure on an as incurred basis

(c) the reluctance by purchasers generally to pay significant value for tax losses due to, inter alia, the uncertainty associated with their ability to utilise the tax losses (in particular, following a change of control of a company).

Net debt

149 As at 31 March 2013, Norfolk had net debt (being cash less interest bearing liabilities) of $53.2 million. However, the Group's average debt balance is materially higher in the interim periods than at the end of each respective month. In addition, the composition of aged trade payables as at 31 March 2013 has been assessed to be beyond normalised levels and inclusive of liabilities that require immediate payment or are otherwise subject to negotiated payment plans and are considered to be debt like items. For the purpose of our valuation therefore we have treated these outstanding liabilities as debt.

150 After allowance for these liabilities we have adopted net debt for valuation purposes of $75 million.

Effective shares on issue

151 Norfolk currently has 158.9 million shares on issue. In addition there are approximately 3.2 million performance rights on issue. In the event of a takeover or other control event, Norfolk's Board can waive the respective performance hurdles and accelerate the vesting of the performance rights (which the Board intends to do).

152 For valuation purposes therefore we have assumed 162.1 million shares on issue.

Value of Norfolk

153 As set out in paragraph 194 Norfolk is currently in breach of certain debt covenants and its FY13 financial statements note that in the absence of the Scheme there is a material uncertainty regarding the ability of the company to continue to operate as a going concern. Notwithstanding this, for the purposes of our report we have assessed the value of Norfolk shares on a going concern basis.

154 On this basis the value of 100% of Norfolk on a (going concern) controlling interest basis is as follows:

Norfolk – valuation summary	Paragraph	Low $m	High $m
Enterprise value	141	120.0	125.0
Add Uncollected Working Capital	142 – 146	15.0	25.0
Add tax losses	147 – 0	3.0	5.0
Less net debt	149 – 150	(75.0)	(75.0)
Value of Norfolk equity		63.0	80.0
Effective shares on issue	151 – 152	162.1	162.1
Value per share		$0.39	$0.49

Note:

1 Consistent with our understanding of RG 111, we have assessed the value of the shares in Norfolk on a going concern basis. Our valuation does not therefore take into account the significant risk that Norfolk may not be a going concern in the absence of the Scheme (for the reasons set out in paragraph 194 below). Given these risks, in the absence of the Scheme, the realisable value of Norfolk shares is likely to be materially below our assessed valuation range on a going concern basis.

Cross-check against values implied by recent sales process

155 On 27 November 2012 Norfolk announced that the Group, along with its advisers had been undertaking a strategic review of the business which had commenced around July 2012. During this strategic review process, the Group received non-binding, indicative and conditional proposals from several parties. Following assessment of the proposals received, and in the interests of maximising shareholder value, the Board decided to resume the strategic review process at the end of the then current financial year (March 2013).

156 During the strategic review period the increased investment in Uncollected Working Capital was financed by significant draw downs on its existing debt facilities. As a result of the increased level of draw-downs on its existing debt facilities and the financial performance during FY13, Norfolk breached certain debt facility covenants when tested as at the end of December 2012[36]. Accordingly, in early 2013 the Norfolk Board decided to expedite a formal sale process for the Group.

36 Norfolk has breached certain financial covenants applicable to its debt facilities when tested as at the end of December 2012 and at the end of each of January, February, March and April 2013. Norfolk's lenders have waived their rights in respect of the covenant breaches that occurred as at the end of December 2012 and at the end of January 2013. However, Norfolk's lenders have not waived their rights in respect of the covenant breaches that occurred as at the end of each of February, March and April 2013. The effect of these unwaived breaches is to entitle the lenders to demand repayment of some or all amounts owing to them under the debt facilities.

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157 The sale process involved discussions with numerous parties, many of whom executed non-disclosure agreements and were granted access to non-public information about Norfolk. Several detailed indicative proposals to acquire Norfolk were received. The Norfolk Board considered the indicative proposals, taking into account the value each proposal would provide to Norfolk shareholders, the ability of each proponent to repay Norfolk's senior debt facilities and the level of transaction certainty (from a funding, execution and timing perspective) provided by each proposal. The proposal from RCR was considered to be financially superior, more advanced and certain (from a funding, execution and timing perspective) than the other indicative proposals received.

158 In relation to the other competitive offers received (which were conditional on, inter-alia, due diligence) we note that:

(a) each party provided details on the methodology and key assumptions adopted to derive their value of Norfolk's core business (before debt and before the value attributed to Uncollected Working Capital balances)

(b) these other offers represented (expressly or by implication) EBIT multiples within our assessed EBIT multiple range of 5.0 to 6.0

(c) the other parties placed a lower value on Norfolk's core business than RCR's indicative proposal announced on 22 March 2013.

159 Given the strategic review and subsequent sale process undertaken, the number of potential buyers involved and the period over which the sale process has been undertaken, in our opinion, the resulting offer by RCR is likely to reflect the fair market value of Norfolk shares.

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VII Evaluation of the Scheme

Summary of opinion

160 In our opinion, the Scheme is fair and reasonable and in the best interests of Norfolk shareholders in the absence of a superior proposal. We have formed this opinion for the following reasons.

Assessment of the Scheme

Fairness

161 Pursuant to RG 111 the Scheme is "fair" if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme. This comparison is shown below:

Comparison of Scheme Consideration to value of Norfolk	Low $ per share	High $ per share	Mid-point $ per share
Scheme Consideration	0.48	0.48	0.48
Value of 100% of Norfolk	0.39	0.49	0.44
Extent to which the Scheme Consideration exceeds (or is less than) the value of Norfolk	0.09	(0.01)	0.04

162 As the Scheme Consideration is consistent with our assessed valuation range for Norfolk shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to Norfolk shareholders when assessed based on the guidelines set out in RG 111.

Other qualitative factors

163 Pursuant to RG 111, a transaction is reasonable if it is fair. Further, in our opinion, if the Scheme is "fair and reasonable" it must also be "in the best interests" of shareholders, in the absence of a superior proposal.

164 Consequently, in our opinion, the Scheme is also reasonable and in the best interests of Norfolk shareholders in the absence of a superior proposal.

165 In assessing whether the Scheme is reasonable and in the best interests of Norfolk shareholders LEA has also considered, in particular:

(a) the extent to which a control premium is being paid to Norfolk shareholders

(b) the extent to which Norfolk shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction

(c) the current funding position of Norfolk

(d) the listed market price of the shares in Norfolk, both prior to and subsequent to the announcement of the proposed Scheme

(e) the likely market price of Norfolk shares if the proposed Scheme is not approved, including the impact of a substantial capital raising which Norfolk expects to undertake if the proposed Scheme is not approved

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(f) the value of Norfolk to an alternative offeror and the likelihood of a higher alternative offer being made for Norfolk prior to the date of the Scheme meeting

(g) the advantages and disadvantages of the Scheme from the perspective of Norfolk shareholders

(h) other qualitative and strategic issues associated with the Scheme.

166 These issues are discussed in detail below.

Extent to which a control premium is being paid

167 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company's shares three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price). This premium range reflects the fact that:

(a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder

(b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds

(c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company

(d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

168 We have calculated the premium implied by the Scheme Consideration by reference to the market prices of Norfolk shares (as traded on the ASX) for periods up to and including 21 March 2013 (being the last trading day prior to the initial announcement of RCR's indicative proposal). Prior to the opening of trading on 22 March 2013 Norfolk announced an indicative proposal, subject to due diligence, regarding a proposed scheme of arrangement with RCR.

169 The implied offer premium / (discount) relative to Norfolk share prices is shown below:

Implied offer premium / (discount) relative to recent Norfolk share prices

	Norfolk share price $	Implied offer premium / (discount) %
Closing share price on 21 March 2013[1]	0.455	5.5
1 month VWAP[2] to 21 March 2013	0.517	(7.1)
3 months VWAP[2] to 21 March 2013	0.524	(8.5)

Note:
1 Being the last trading day prior to the initial announcement of the Scheme.
2 Volume weighted average price.

170 As indicated above, based on share market trading over the period, the Scheme Consideration implies a discount rather than a premium relative to the market price of Norfolk shares prior to the initial announcement of the Scheme on 22 March 2013.

171 In regard to trading in Norfolk shares during the above periods we note:

(a) on 27 November 2012 Norfolk announced that it had recently undertaken a strategic review, during the course of which it had received a number of non-binding, indicative and conditional proposals. Following an assessment of these proposals, the Board decided to resume the strategic review process subsequent to the end of the FY13 year

(b) on 18 February 2013 Norfolk announced that it had commenced a formal process in relation to a potential corporate transaction, which could involve a sale or merger of the company in the short-term. A number of expressions of interest and enquiries in relation to a potential change in control transaction had been received.

172 Having regard to these announcements, we have interpreted the trading in Norfolk shares prior to 22 March 2013 to reflect an expectation in the market of an outcome of the change in control process superior to that reflected in the Scheme Consideration.

173 Further, we note that since the above trading periods, Norfolk has announced significant writedowns in relation to the carrying value of certain contracts. Had these writedowns been announced during the above trading periods, in our view, the Norfolk share prices and VWAPs shown above would have been materially lower.

Extent to which Norfolk shareholders are being paid a share of synergies

174 If the Scheme is approved by Norfolk shareholders, RCR will acquire a 100% interest in the company and as a result Norfolk will be privatised. We understand that whilst no changes of significance are planned in regard to the existing operations of Norfolk, it is likely that some rationalisation will occur in respect of duplicated services of a head office / administrative nature. In addition, costs associated with the existing public company status of Norfolk will no longer be incurred.

175 We have noted above that the existence of such cost saving related synergies from business combinations is one of the key reasons why bidders pay a control premium to acquire a company. In the circumstances of Norfolk and the Scheme therefore, we consider an appropriate share of the synergy benefits inherent in the proposed transaction to be reflected in our assessed controlling interest value of Norfolk.

Potential equity capital raising

176 As at 31 March 2013 Norfolk had net debt of $53.2 million. In addition, the company had limited scope for additional funding under its financing arrangements and was in breach of certain of the covenants relating to its existing bank facilities. In the circumstances it is expected that in the absence of the Scheme (or an equivalent change in control transaction) a significant repayment of some and potentially all of the amounts currently advanced would be required.

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177 The Norfolk Directors have indicated that the ability of the company to meet the required level of debt repayment in the short time period in which it may be required would almost certainly require a capital raising of a corresponding size (albeit subject to alternative funding which may be raised through a combination of one or more new debt financing arrangements, asset disposals and the settlement of outstanding claims with customers, each of which involves varying degrees of risk and uncertainty in the short time period in which they may be required). If the Scheme is not implemented, existing Norfolk shareholders may therefore need to increase their investment in the company or be significantly diluted if an equity capital raising is proceeded with.

178 An equity capital raising of the extent required to meet the level of debt repayment which may be required would be significant for Norfolk, given the prevailing market capitalisation of the company in the absence of the Scheme[37].

179 Large equity capital raisings are generally priced at a discount to the prevailing share market price. The size of discount is dependent on the circumstances of the particular issue, having regard to factors such as the amount of money being raised, the purpose of the issue and the size of the raising (as a percentage of existing issued shares). The typical range of observed discounts is between 5% and 20% (but can be higher or lower depending on market conditions and the above factors)[38]. In our view, as the capital raising would be required to repay debt, it is likely that the required discount would be at the high end of this range (or greater).

180 In the circumstances of a potential equity capital raising we consider it unlikely that existing Norfolk shareholders would be willing or in a position to provide all the required level of equity funding and that a successful capital raising would likely require a significant component of institutional funding. The interests of existing shareholders in Norfolk that did not participate in the capital raising would therefore be significantly diluted.

181 In contrast the Scheme:

(a) provides Norfolk shareholders with consideration of $0.48 per share rather than seek additional investment monies from them

(b) implicitly avoids the dilution associated with any future equity capital raising.

Recent share prices subsequent to the announcement of the Scheme

182 Shareholders should note that Norfolk shares have traded on the ASX in the range of $0.45 to $0.47 per share in the period since the Scheme was announced up to 13 May 2013. The VWAP for the period was $0.46 per share, and on 13 May 2013 Norfolk shares last traded at $0.46 per share. These share prices are lower than the Scheme Consideration and suggest that the market consensus view is that a superior offer or proposal is unlikely to emerge and that the Scheme is likely to be successful.

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37 The market capitalisation of Norfolk prior to the initial announcement of the Scheme on 22 March 2013 was around $73 million.

38 Based on empirical evidence reviewed by LEA.

Likelihood of an alternative offer

183 We have been advised by the Directors of Norfolk that no formal alternative offer or proposal has been received subsequent to the announcement of the Scheme on 12 April 2013.

184 In considering the likelihood of an alternative offer, as noted above, on 27 November 2012 Norfolk announced that it had recently undertaken a strategic review, during the course of which it had received a number of non-binding, indicative and conditional proposals. Subsequently on 18 February 2013 Norfolk further announced that it had commenced a formal process in relation to a potential corporate transaction, which could involve a sale or merger of the company in the short-term. A number of expressions of interest and enquiries in relation to a potential change in control transaction had been received.

185 There has effectively been (and remains) an opportunity therefore for third-parties contemplating an acquisition of Norfolk to table a proposal before the Norfolk Board. The proposal from RCR is considered by the Board of Norfolk to offer the best outcome for all shareholders taking into account value and certainty (from a funding, execution and timing perspective).

186 In the circumstances, in our opinion, there are limited prospects of a higher offer or superior proposal to the Scheme being received prior to the Scheme meeting.

187 In considering the Scheme and related resolutions, Norfolk shareholders should also note that Maui Capital and its associates (who together hold a relevant interest in excess of 20% of the ordinary shares in Norfolk) have indicated an intention to vote in favour of the Scheme resolutions, subject to no superior proposal emerging and the independent expert concluding that the Scheme is in the best interests of Norfolk shareholders.

Likely price of Norfolk shares if the Scheme is not approved

188 If the Scheme is not approved by Norfolk shareholders and the Court, and no higher offer or alternative proposal emerges, we would expect that, at least in the short-term, Norfolk shares would trade at a significant discount to our valuation and the Scheme Consideration (reflecting the difference between the value of Norfolk on a portfolio basis and the value on a 100% controlling interest basis, together with Norfolk's potential immediate refinancing obligations which may arise and the adverse impact of Norfolk's various refinancing options on the value of Norfolk shares).

189 We note that in the period prior to the initial announcement of the Scheme on 22 March 2013 Norfolk shares had been trading at prices above the Scheme Consideration. On and subsequent to that date Norfolk has announced:

(a) lower earnings for FY13 associated with certain contract recoveries and increasingly subdued trading conditions

(b) a deterioration in the financial position of the company

(c) an indication that in the absence of the Scheme Norfolk is likely to require a refinancing of some or all of its existing debt facilities (including the RCR Loan), which may require Norfolk to undertake a significant capital raising.

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190 If the Scheme is not implemented those Norfolk shareholders who wish to sell their Norfolk shares are therefore likely, at least in the short-term, to realise a significantly lower price for their shares than will be payable under the Scheme.

Other considerations

191 The nature of the business operations undertaken by Norfolk is such that they are inherently subject to prevailing economic conditions. In periods where these conditions deteriorate markedly the earnings and financial position of the business can decline significantly, with a corresponding significant decline in the price at which Norfolk shares trade on the ASX. A graphic illustration of the above is set out in Section III of our report.

192 We have assessed the current value of Norfolk having regard to the medium to longer term prospects of the company. As the Scheme Consideration lies within our assessed value range for Norfolk, we consider these prospects are reasonably reflected in the Scheme Consideration payable. However, individual shareholders in Norfolk with a longer term investment horizon may prefer not to support the Scheme in order to seek to realise a higher underlying value over time.

Summary of opinion on the Scheme

193 We summarise below the likely advantages and disadvantages for Norfolk shareholders if the Scheme proceeds.

Advantages

194 The Scheme has the following benefits for Norfolk shareholders:

(a) the Scheme Consideration of $0.48 cash per share is consistent with our assessed value range of Norfolk shares on a 100% controlling interest basis

(b) in the absence of the Scheme, Norfolk has indicated that it will need to repay some and potentially all of the amounts it owes to its lenders under its external debt facilities, and would seek to raise the necessary funding through a combination of one or more of new debt financing arrangements, asset disposals, the settlement of outstanding claims with customers or an equity capital raising, each of which involves varying degrees of risk and uncertainty. Any such refinancing may need to be undertaken within a short period of time to ensure that Norfolk can comply with its repayment obligations. In these circumstances, each of the funding alternatives is likely to have a materially adverse impact on the value of Norfolk shares if, for example, Norfolk:

(i) becomes subject to higher interest costs on new debt financing arrangements, reflecting an increased level of default risk

(ii) realises assets at discounts to market values due to the expedited nature of any asset disposal process and the potential limitations on buyers' abilities to conduct sufficient due diligence investigations

(iii) enters into expedited and discounted settlements with its customers relating to disputes as to amounts owing under various contracts (including the Uncollected Working Capital); or

(iv) conducts an accelerated form of equity raising, which is likely to be priced at a significant discount to the market price of Norfolk shares at the time, and would be dilutive to those existing Norfolk shareholders that did not participate in the capital raising

(c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of Norfolk shares is likely to trade at a significant discount to our valuation and the Scheme Consideration (reflecting the portfolio nature of individual shareholdings, together with the potential immediate refinancing obligations which may arise and the adverse impact of Norfolk's various refinancing options on the value of Norfolk shares).

Disadvantages

195 The Scheme has the following adverse implications for Norfolk shareholders:

(a) the Scheme Consideration represents a discount to the recent market prices of Norfolk shares prior to the initial announcement of the Scheme on 22 March 2013. However, as indicated above, in our opinion these share prices would no longer be sustainable

(b) Norfolk shareholders should note that if the Scheme is approved they will no longer hold an interest in Norfolk. Norfolk shareholders will therefore not participate in any future value created by the company as a result of on-going operations over and above that reflected in our assessed valuation of the company. In this regard, Norfolk has achieved levels of profitability in prior years (most recently in FY12) above those on which our assessed valuation has been based. However, in our opinion, the current value of this future earnings potential is reasonably reflected in the Scheme Consideration.

Conclusion

196 Given the above analysis, we consider that the acquisition of Norfolk shares by RCR under the Scheme is fair and reasonable and in the best interests of Norfolk shareholders in the absence of a superior proposal.

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Appendix A

Financial Services Guide

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532.

Financial Services Guide

3 The Corporations Act authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to Norfolk shareholders in connection with the Scheme.

4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

General financial product advice

6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at $90,000 plus GST.

9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

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Appendix A

10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.

13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Services Limited (FOS), an external complaints resolution service. You will not be charged for using the FOS service.

Contact details

14 LEA can be contacted by sending a letter to the following address:

Level 27
363 George Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

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Appendix B

Qualifications, declarations and consents

Qualifications

1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared many hundred independent expert's reports.

2 This report was prepared by Mr Craig Edwards and Mr Martin Holt, who are each authorised representatives of LEA. Mr Edwards and Mr Holt have over 19 years and 27 years experience respectively in the provision of valuation advice.

Declarations

3 This report has been prepared at the request of the Directors of Norfolk to accompany the Scheme Booklet to be sent to Norfolk shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of Norfolk shareholders.

Interests

4 At the date of this report, neither LEA, Mr Edwards nor Mr Holt have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

5 LEA has had no prior business or professional relationship with Norfolk or RCR prior to the preparation of this report.

Indemnification

6 As a condition of LEA's agreement to prepare this report, Norfolk agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of Norfolk which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

LONERGAN EDWARDS & ASSOCIATES LIMITED

Appendix C

Listed company multiples

1 The implied EBIT multiples for Australian companies with electrical and mechanical engineering services (which generally form part of a much larger service offering) and diversified engineering companies with electrical operations, as well as a description of their respective activities, are set out below:

	Enterprise value[(1) (2)] $m	Gearing[(3)] %	Forecast[(4)] FY13 x	Forecast[(4)] FY14 x
Companies with electrical and mechanical engineering services				
Forge Group	420.7	(12.0)	3.6	3.7
Programmed Maintenance Services	377.9	26.2	5.8	5.5
RCR Tomlinson	252.4	(21.2)	4.2	3.7
AusGroup	141.5	(18.4)	2.6	2.1
Calibre Group	145.9	19.4	2.9	2.4
Southern Cross Electrical Engineering	142.7	(29.1)	4.3	3.4
GR Engineering Services	66.6	(39.6)	6.6	3.6
Service Stream	89.1	26.8	3.3	2.9
BSA	63.8	31.9	3.5	3.2
Diversified engineering groups with electrical operations				
Downer EDI	2,562.7	23.5	3.8	3.7
UGL	2,178.1	25.7	7.5	6.9
Monadelphous Group	1,745.5	(7.3)	7.0	6.9
Transfield Services	1,427.4	45.2	6.3	5.6
Clough	746.2	(23.6)	8.0	7.8

Note:
1 Enterprise value and earnings multiples calculated as at 6 May 2013.
2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), convertible notes, net derivative liabilities and excludes surplus assets.
3 Gearing represents net debt divided by enterprise value.
4 Forecast earnings are based on Bloomberg broker average forecast (excluding outliers and outdated forecasts) as at 6 May 2013. Adjusted for acquisition intangibles.
5 E&A Ltd has also been considered but no meaningful forecasts for 2013 and 2014 are available at the date of this report.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements, LEA analysis.

Companies with electrical and mechanical engineering services

Forge Group Limited

2 Forge Group is a multi-disciplinary engineering, construction and maintenance service provider with operations in Australia, New Zealand and West Africa. The group provides engineering, process and project management solutions for the minerals and resources industry, turnkey power solutions to the resources, oil and gas and infrastructure sectors and civil, mechanical and electrical services to the construction industry.

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Programmed Maintenance Services Limited

3 Programmed Maintenance Services is a provider of staffing, maintenance and project services in Australia and New Zealand. The company operates under three divisions, being Property and Infrastructure (maintenance and operational services), Resources (construction, maintenance and operational services) and Integrated Work Force (recruitment and labour hire services). The company employs over 10,000 staff across a broad range of industries.

RCR Tomlinson Limited

4 RCR is a multi-disciplinary engineering company with operations spanning over 60 locations across Australia, New Zealand and Asia. The group operates under four business units including; RCR Mining, which offers design and manufacturing of materials handling and process equipment; RCR Energy, a provider of turnkey solutions for utility, power and industrial energy projects; RCR Resources, a structural, construction and maintenance provider and RCR Power which offers turnkey services for electrical distribution, instrumentation and control systems for the resource and infrastructure sectors.

AusGroup Limited

5 AusGroup is listed on the Singapore Exchange, with its primary operations located in Australia and other operations in Singapore and Thailand. The company offers fabrication and manufacturing, construction and integrated services to natural resource development companies. It also provides a range of complex specialist components for the oil and gas sectors. AusGroup's capabilities in construction include structural, piping, mechanical and installation for the mineral resources and oil and gas markets.

Calibre Group Limited

6 Calibre Group provides diversified engineering, project delivery and asset management services to the resources and infrastructure sectors. Its four main operating divisions are Calibre Global, G&S Engineering Services, Brown Consulting, and Xstract Mining Consultant. The services provided by Calibre include early-stage asset evaluation and project feasibility studies, design, construction management, fabrication and commissioning, ongoing support, maintenance and optimisation of mine, rail and infrastructure assets.

Southern Cross Electrical Engineering Limited

7 Southern Cross Electrical Engineering is focused on providing large scale specialised electrical, control and instrumentation installation and testing services for the mining, oil and gas, infrastructure and heavy industrial sectors. The company has three main operating segments including Infrastructure, Construction and Services. It is headquartered in Perth and has operations in Australia, South America and the Caribbean.

GR Engineering Services Limited

8 GR Engineering Services provides process engineering design and construction, consulting and asset management services to mining and mineral processing industries in Australia, the Pacific area and South East Asia. Its services include feasibility studies, design and construction of minerals processing facilities, plant evaluation and relocation and the provision of teams for project management and delivery. The company also provides assistance in the development and implementation of core asset management requirements.

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Appendix C

Service Stream Limited

9 Service Stream provides a range of services to the telecommunication and utilities sectors. Its services are operated under three segments, consisting of fixed communications (services for copper and fibre optic), mobile communications (design and construction of wireless telecommunications infrastructure) and energy and water (specialist metering and environmental services to utilities and government bodies).

BSA Limited

10 BSA is an Australian based provider of communication and technical services. The company has three operating segments being Technical Field Force Solutions, Technical Design and Construction Projects and Technical Maintenance Services. Services offered by BSA include telecommunications network fixed line support, installation and commissioning of antennas and equipment, warehousing and logistics services, optical fibre support, telecommunications infrastructure and equipment support and project management.

Diversified engineering groups with electrical operations

Downer EDI Limited

11 Downer EDI provides engineering and infrastructure management services to customers in the minerals and metals, oil and gas, power, rail and transport, telecommunications, water and property industries. Its operations are primarily focused in Australia and New Zealand and extend to Asia-Pacific, South America and South Africa. Downer EDI also provides contract mining services and asset management solutions.

UGL Limited

12 UGL is a diversified group providing specialised engineering and property services in the areas of water, power, rail and other essential infrastructure across 52 countries worldwide. Its engineering services include construction, engineering and maintenance, passenger and freight rolling stock, rail maintenance solutions and project delivery, while its property services include facilities and asset management, valuation and other property related services.

Monadelphous Group Limited

13 Monadelphous Group is an Australian based engineering construction company. The company services a broad range of industries with core markets in the resource industry and a particular focus on iron ore, coal and mineral processing. Its services cover engineering and construction, maintenance, industrial and infrastructure. The company operates primarily in Australia but also has operations in New Zealand and Papua New Guinea.

Transfield Services Limited

14 Transfield Services offers asset management, consulting, engineering, construction, operations and maintenance services. The company operates in the resources, energy, industrial, infrastructure, property and defence sectors. Transfield Services is headquartered in Australia and has operations in 11 countries across the Americas, the Middle East, Africa, Australia and New Zealand.

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Clough Limited

15 Clough is an Australian based engineering and project services contractor. The company provides services across the entire value chain of a project, from concept development through detailed design, procurement, fabrication, construction, commissioning to long-term asset support. The main markets serviced by the company are the energy and chemical sectors and the mining and mineral sectors. Clough has operations in Australia and Papua New Guinea.

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Appendix D

Transaction descriptions

Gordon Brothers

1 Gordon Brothers designs, manufactures and installs large refrigeration plants for a number of industries such as meat and food processing, petrochemicals, soft drinks, brewing and underground mining.

Heyday Group

2 Heyday Group is a provider of electrical systems, which include communications, fire protection and security systems for commercial buildings and infrastructure. At the date of acquisition the business was primarily based in NSW, with a growing presence in Victoria, Queensland and the ACT.

Eagle Engineering

3 Eagle Engineering provides construction and maintenance repair services to the Queensland and NSW coal industries. It also provides structural steel and pipework fabrication, bucket repairs and shutdown services to aluminium smelters, chemical plants, oil refineries and coal handling facilities in the Gladstone area. It had 180 employees at the date of acquisition.

Positron Group

4 Positron Group was established in 1987 and provides electrical services, which includes the construction, maintenance, manufacture and overhaul of substations and switchboards. Its customers are in the mining, resource and infrastructure sectors.

Watters Electrical

5 Watters Electrical in a provider of electrical services to both the commercial and industrial markets, with approximately 65% of total revenue from commercial work. At the date of acquisition it operated in Victoria and South Australia through a network of seven offices.

Rotary

6 Rotary is a United Kingdom (UK) based company with 11 branches across the UK and the Republic of Ireland and around 2,000 employees. It provides air conditioning, hydraulics, electrical and maintenance services. At the date of the acquisition the company had completed projects in 34 countries and had a growing presence in the Middle East.

BCA Consultants

7 BCA Consultants is a Western Australian based company providing a full range of building services including mechanical, air conditioning, electrical, vertical transportation, fire and life safety, energy management and communication consultancy. At the date of acquisition the company employed 30 staff.

KJ Johnson & Co

8 KJ Johnson & Co provides overhead power line construction services in the Western Australian power market. The company had approximately 30 employees at the date of acquisition.

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KLM Group

9 KLM Group provides design, installation, integration and maintenance services in the electrical and communications sector. Its key businesses focus on data and communications, audio, visual and video, security, electrical and lighting and energy management.

Oceanic Industries

10 Oceanic Industries focuses on the coal seam gas market and has a blue-chip customer base including Origin, Santos, Arrow and Cougar. In addition the company undertakes electrical and instrumentation installations as a preferred contractor to the BP and Caltex refineries in Queensland.

Arccon

11 Arccon is an engineering and construction company providing engineering, design, and construction services to the mineral resources industry and to the Western Australia commercial building sector. The company was established in 2003.

BEC Engineering

12 BEC Engineering is a 100 person electrical engineering firm based in Perth with additional offices in Brisbane and Tanzania. The company provides electrical engineering services to the resources sector ranging from feasibility studies through to project design, construction, commissioning and operations.

CTEC

13 CTEC is a Western Australian based company providing engineering, procurement, construction, operations and maintenance solutions to the energy and utilities sectors. The company employed 60 people at the date of acquisition and had specific expertise in the power generation sector.

G&S Engineering Services

14 G&S is a provider of maintenance and shut-down construction and manufacturing as well as electrical engineering services to the resources sector. Its offering includes a full suite of maintenance and asset management services for fixed mine assets, major mobile plan and materials handling facilities across the Queensland coal sector.

Engenco

15 Engenco provides services to the rail, transport, resources, defence, maritime and power generation industries. It specialises in the provision of products and services for heavy duty power and propulsion and industrial road and rail operations.

Contract Resources

16 Contract Resources is a New Zealand based provider of specialised niche services to oil refineries, gas processing and petrochemical plants through catalyst handling and specialised mechanical services. It also provides a broad range of environmental and industrial services.

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Appendix E

Glossary

Term	Meaning
ABS	Australian Bureau of Statistics
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
CAGR	Compound annual growth rate
Corporations Act	*Corporations Act 2001 (Cth)*
Corporations Regulations	*Corporations Regulations 2001*
DCF	Discounted cash flow
Deed	Scheme Implementation Deed with RCR
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax and amortisation
EBITDA	Earnings before interest, tax, depreciation and amortisation
FIRB	Foreign Investment Review Board
FMG	Fortescue Minerals Group Ltd
FOS	Financial Ombudsman Services Limited
FSG	Financial Services Guide
FY	Financial year
GFC	Global Financial Crisis
Haden	Haden Engineering
HVAC	Heating, ventilation and air conditioning
IER	Independent expert's report
LEA	Lonergan Edwards & Associates Limited
Maui Capital	Maui Capital Limited / MCIF Nominee Limited / Maui Capital Limited
NBN	National Broadband Network
Norfolk or Group	Norfolk Group Limited
NPV	Net present value
ODG	O'Donnell Griffin
PE	Price earnings
Programmed	Programme Maintenance Services Limited
RCR	RCR Tomlinson Limited
RCR Loan	RCR has provided Norfolk with a $10.25 million cash advance facility
Resolve	Resolve FM
RG 111	Regulatory Guide 111 – *Content of expert reports*
Scheme	Scheme of arrangement between Norfolk and its shareholders
Scheme Consideration	$0.48 cash per share
UK	United Kingdom
Uncollected Working Capital	Claims and variations under several contracts
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding

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APPENDIX 2 SCHEME OF ARRANGEMENT

APPENDIX 2 SCHEME OF ARRANGEMENT

Scheme of Arrangement under Part 5.1 of the Corporations Act.

Between

1. **Norfolk Group Limited** (ACN 125 709 971) registered in New South Wales of Level 5, 50 Berry Street, North Sydney NSW 2060 (***Norfolk***); and
2. The holders of ordinary shares in Norfolk at the Scheme Record Date (other than Excluded Shareholders)

1. Definitions and interpretation

1.1 Definitions

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

Bidder means RCR Tomlinson Limited (ACN 008 898 486).

Bidder Group means Bidder and each of its related bodies corporate (excluding, at any time, Norfolk and its subsidiaries to the extent that Norfolk and its subsidiaries are subsidiaries of Bidder at that time). A reference to a ***member of the Bidder Group*** is a reference to Bidder or any such related body corporate.

Bidder Nominee means RCR Infrastructure Pty Limited (ACN 060 002 969).

Business Day means a business day as defined in the ASX Listing Rules.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

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

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing between Norfolk and Bidder Nominee.

Court Order means the order of the Court approving this scheme of arrangement under section 411(4)(b) of the Corporations Act.

Deed Poll means the deed poll dated 31 May 2013 executed by Bidder Nominee and Bidder in favour of the Scheme Shareholders.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this scheme of arrangement.

Effective Date means the date on which this scheme of arrangement becomes Effective.

End Date means the 'End Date' determined in accordance with the Scheme Implementation Deed.

Excluded Shareholder means any Norfolk Shareholder which is an entity within the Bidder Group.

Implementation Date means the third Business Day after the Scheme Record Date or such other date agreed to in writing between Norfolk and Bidder Nominee.

Marketable Parcel means a marketable parcel as defined by the ASX Operating Rules.

Norfolk Performance Rights Plan means the performance rights plan established by Norfolk and approved by Norfolk Shareholders in 2011.

Norfolk Board means the board of directors of Norfolk.

Norfolk Registry means Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW, Australia, 2000 or any replacement provider of share registry services to Norfolk.

Norfolk Share means a fully paid ordinary share in Norfolk.

Norfolk Shareholders means each person who is registered as the holder of Norfolk Shares from time to time.

Norfolk Share Register means the register of members of Norfolk maintained in accordance with the Corporations Act.

Registered Address means, in relation to a Norfolk Shareholder, the address shown in the Norfolk Share Register.

Scheme Booklet means the scheme booklet sent to holders of Norfolk Shares on or about 14 June 2013.

Scheme Consideration, in respect of a Scheme Shareholder, means A$0.48 (less the amount per Norfolk Share of any dividend or return of capital declared or paid by Norfolk after 12 April 2013 and on or before the Implementation Date) per Scheme Share held by that Scheme Shareholder.

Scheme Implementation Deed means the Scheme Implementation Deed dated 12 April 2013 between Norfolk and Bidder.

Scheme Meeting means the meeting of Norfolk Shareholders (other than the Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7pm on the fifth Business Day after the Effective Date or such other time and date agreed to in writing between Norfolk and Bidder Nominee.

Scheme Share means a Norfolk Share held by a Scheme Shareholder at the Scheme Record Date.

Scheme Shareholders means Norfolk Shareholders (other than the Excluded Shareholders) at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Trust Account means an Australian dollar denominated trust account operated by the Trustee, to be held on trust for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be to Bidder Nominee's account.

Trustee means Norfolk as trustee for the Scheme Shareholders.

1.2 Interpretation

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

(a) The singular includes the plural, and the converse also applies.

(b) A gender includes all genders.

(c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.

(e) A reference to a clause is a reference to a clause of this scheme of arrangement.

(f) A reference to an ***agreement*** or ***document*** (including a reference to this scheme of arrangement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.

(g) A reference to a party to this scheme of arrangement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).

(h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(i) A reference to an ***agreement*** includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a ***document*** includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.

(j) A reference to ***Australian dollars*** and ***A$*** is to Australian currency.

(k) A reference to ***New Zealand dollars*** and ***NZ$*** is to New Zealand currency.

(l) All references to time are to Sydney, Australia time.

(m) Mentioning anything after ***includes***, ***including***, ***for example*** or similar expressions, does not limit what else might be included.

(n) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.

(o) A reference to ***officer***, ***related body corporate*** or ***subsidiary*** is to that term as it is defined in the Corporations Act.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Listing requirements included as law

A listing rule or business rule of a financial market will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to a party.

APPENDIX 2 SCHEME OF ARRANGEMENT

2. Preliminary

2.1 Norfolk

(a) Norfolk is a public company limited by shares, registered in New South Wales and admitted to the official list of ASX.

(b) Norfolk Shares are officially quoted on ASX. At 6 June 2013, Norfolk had the following securities on issue:

(i) 158,890,730 Norfolk Shares; and

(ii) 3,469,431 performance rights outstanding pursuant to the Norfolk Performance Rights Plan conferring rights to be transferred, issued or allocated up to 3,469,431 Norfolk Shares.

2.2 Bidder Nominee

Bidder Nominee is a company registered in Western Australia and is a wholly-owned subsidiary of Bidder.

2.3 Consequence of this scheme of arrangement becoming Effective

If this scheme of arrangement becomes Effective:

(a) it will override the constitution of Norfolk, to the extent of any inconsistency;

(b) Bidder Nominee must (pursuant to its obligations under the Deed Poll) pay or procure payment of the Scheme Consideration in the manner contemplated by clause 5; and

(c) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to Bidder Nominee, and Norfolk will enter Bidder Nominee in the Norfolk Share Register as the holder of the Scheme Shares with the result that Norfolk will become a wholly-owned subsidiary of Bidder Nominee.

3. Conditions

(a) This scheme is conditional on:

(i) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(c)) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8.00 am on the Second Court Date; and

(ii) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the parties, having been satisfied.

(b) The satisfaction of the conditions referred to in clause 3(a) is a condition precedent to the operation of clauses 4.2 and 5.

(c) This scheme will lapse and be of no further force or effect if:

(i) the Effective Date does not occur on or before the End Date or any later date as the Court, with the consent of the parties, may order; or

(ii) the Scheme Implementation Deed is terminated before implementation of this scheme of arrangement on the Implementation Date.

4. Implementation

4.1 Lodgement of Court orders

Norfolk must lodge with ASIC office copies of any Court orders under section 411 of the Corporations Act approving this scheme of arrangement by 5.00pm on the Business Day the Court approves this scheme of arrangement or by 5.00pm on the Business Day on which the Court orders are entered, whichever is the later.

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the payment of the Scheme Consideration to the Trust Account in accordance with clause 5.3(a), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder Nominee, without the need for any further act by any Scheme Shareholder (other than acts performed by Norfolk or its officers as agent and attorney of the Scheme Shareholders under clause 8.5 or otherwise) by:

(i) Norfolk delivering to Bidder Nominee a duly completed and executed share transfer form to transfer all the Scheme Shares to Bidder Nominee; and

(ii) Bidder Nominee duly executing such transfer form and delivering it to Norfolk for registration; and

(b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(ii), Norfolk must enter the name of Bidder Nominee in the Norfolk Share Register in respect of the Scheme Shares.

5. Scheme Consideration

5.1 Amount of Scheme Consideration

Each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder.

5.2 Joint holders

In the case of Scheme Shares held in joint names, the relevant Scheme Consideration is payable to and must be sent to the holder whose name appears first in the Norfolk Share Register at the Scheme Record Date or where the joint holders have nominated a bank account under clause 5.3(c)(i)(B) or clause 5.3(c)(ii)(B)(2), the amount must be deposited directly to the nominated bank account of the joint holders.

5.3 Scheme Consideration

(a) Bidder Nominee must (pursuant to its obligations under the Deed Poll) before 12 noon on the Implementation Date pay or procure payment to the Trust Account of an amount at least equal to the aggregate amount of Scheme Consideration.

(b) Subject to Bidder Nominee having complied with its obligations under clause 5.3(a), as soon as practicable following implementation of this scheme of arrangement on the Implementation Date, the Trustee must pay from the Trust Account to each Scheme Shareholder such amount of cash as is due to that Scheme Shareholder as Scheme Consideration under clause 5.1 in respect of that Scheme Shareholder's Scheme Shares.

(c) Each amount referred to in clause 5.3(b) must be paid by the Trustee doing any of the following:

(i) in the case of a Scheme Shareholder with a Registered Address outside New Zealand – at the Trustee's election:

(A) sending (or procuring the Norfolk Registry to send) that amount to the Scheme Shareholder's Registered Address by cheque in Australian dollars drawn out of the Trust Account; or

(B) depositing (or procuring the Norfolk Registry to deposit) that amount into an account with any Australian ADI (as defined in the Corporations Act) notified to Norfolk (or the Norfolk Registry) by an appropriate authority from the Scheme Shareholder; and

(ii) in the case of a Scheme Shareholder with a Registered Address in New Zealand:

(A) converting that amount from Australian dollars to New Zealand dollars at the prevailing exchange rate on the Implementation Date; and

(B) at the Trustee's election:

(1) sending (or procuring the Norfolk Registry to send) the New Zealand dollar amount determined under clause 5.3(c)(ii)(A) to the Scheme Shareholder's Registered Address by cheque in New Zealand dollars drawn out of the Trust Account; or

(2) depositing (or procuring the Norfolk Registry to deposit) the New Zealand dollar amount determined under clause 5.3(c)(ii)(A) into an account with any New Zealand bank notified to Norfolk (or the Norfolk Registry) by an appropriate authority from the Scheme Shareholder.

(d) If there is any surplus in the amount held by the Trustee in the Trust Account, that surplus must be paid by the Trustee to Bidder Nominee following the satisfaction of the Trustee's obligations under this clause 5.3.

(e) If any amount is required under any Australian or New Zealand law or by any Australian or New Zealand government or any Australian or New Zealand governmental, semi-governmental or judicial entity or authority to be:

(i) withheld from an amount payable under clause 5.3(c) and paid to that entity or authority; or

(ii) retained by the Trustee out of an amount payable under clause 5.3(c),

its payment or retention by the Trustee (or the Norfolk Registry) will constitute the full discharge of the Trustee's obligations under this clause 5.3 with respect to the amount so paid or retained until, in the case of clause 5.3(c)(i)(B) or clause 5.3(c)(ii)(B)(2), it is no longer required to be retained.

APPENDIX 2
SCHEME OF ARRANGEMENT

6. Dealings in Norfolk Shares

(a) To establish the identity of the Scheme Shareholders, dealings in Norfolk Shares will only be recognised if:

(i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Norfolk Share Register as the holder of the relevant Norfolk Shares on or before the Scheme Record Date; and

(ii) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Scheme Record Date at the place where the Norfolk Share Register is kept.

(b) Norfolk must register registrable transmission applications or transfers of the kind referred to in clause 6(a) on the Scheme Record Date (provided that for the avoidance of doubt nothing in this clause 6(b) requires Norfolk to register a transfer that would result in a Norfolk Shareholder holding a parcel of Norfolk Shares that is less than a Marketable Parcel).

(c) Norfolk will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Norfolk Shares received after the Scheme Record Date.

(d) For the purpose of determining entitlements to the Scheme Consideration, Norfolk must maintain the Norfolk Share Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been paid to the Scheme Shareholders. The Norfolk Share Register in this form will solely determine entitlements to the Scheme Consideration.

(e) From the Scheme Record Date until registration of Bidder Nominee in respect of all Scheme Shares under clause 4, no Norfolk Shareholder may deal with Norfolk Shares in any way except as set out in this scheme of arrangement and any attempt to do so will have no effect.

(f) All statements of holding for Norfolk Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares (other than statements of holding in favour of any member of the Bidder Group and its successors in title). As from the Scheme Record Date, each entry current at that date on the Norfolk Share Register (other than entries in respect of any member of the Bidder Group and its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Norfolk Shares relating to that entry.

(g) As soon as possible after the Scheme Record Date and in any event at least two Business Days before the Implementation Date, Norfolk will ensure that details of the names, Registered Addresses and holdings of Norfolk Shares for each Scheme Shareholder are available to Bidder Nominee in the form Bidder Nominee reasonably requires.

7. Quotation of Norfolk Shares

(a) It is expected that suspension of trading on ASX in Norfolk Shares will occur from the close of trading on the day Norfolk notifies ASX that the Court has approved this scheme of arrangement under section 411(4)(b) of the Corporations Act.

(b) On a date after the Implementation Date to be determined by Bidder Nominee, Norfolk will apply:

(i) for termination of the official quotation of Norfolk Shares on ASX; and

(ii) to have itself removed from the official list of ASX.

Norfolk must do everything it can to ensure that such termination of official quotation and removal from the official list does not occur before the Implementation Date.

8. General Scheme Provisions

8.1 Consent

If the Court proposes to approve this scheme of arrangement subject to any alterations or conditions, Norfolk may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which Bidder Nominee has consented in writing.

8.2 Agreement of Scheme Shareholders

(a) Scheme Shareholders agree to the transfer of their Norfolk Shares in accordance with this scheme of arrangement and agree to the variation, cancellation or modification of the rights attached to their Norfolk Shares constituted by or resulting from this scheme of arrangement.

(b) Each of the Scheme Shareholders acknowledges that this scheme of arrangement binds Norfolk and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against this scheme of arrangement at that Scheme Meeting).

8.3 Warranties by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to Norfolk, in its own right and for the benefit of Bidder Nominee that:

(a) all of its Norfolk Shares which are transferred to Bidder Nominee under this scheme of arrangement will, on the date on which they are transferred to Bidder Nominee, be free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind;

(b) all of its Norfolk Shares which are transferred to Bidder Nominee under this scheme of arrangement will, on the date on which they are transferred to Bidder Nominee, be fully paid; and

(c) it has full power and capacity to sell and to transfer its Norfolk Shares to Bidder Nominee.

8.4 Beneficial entitlement to Norfolk Shares

From the Implementation Date, Bidder Nominee will be beneficially entitled to the Norfolk Shares transferred to it under this scheme of arrangement pending registration by Norfolk of Bidder Nominee in the Norfolk Share Register as the holder of the Norfolk Shares.

8.5 Authority given to Norfolk

(a) Scheme Shareholders will be deemed to have authorised Norfolk to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement this scheme of arrangement, including executing, as agent and attorney of each Scheme Shareholder, a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2.

(b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Norfolk and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:

(i) enforcing the Deed Poll against Bidder and Bidder Nominee; and

(ii) executing any document necessary to give effect to this scheme of arrangement, including a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares.

8.6 Appointment of sole proxy

Upon this scheme of arrangement becoming Effective and until Norfolk registers Bidder Nominee as the holder of all Norfolk Shares in the Norfolk Share Register, each Scheme Shareholder:

(a) is deemed to have irrevocably appointed Bidder Nominee as its attorney and agent (and directed Bidder Nominee in such capacity) to appoint an officer or agent nominated by Bidder Nominee as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Norfolk, exercise the votes attaching to the Scheme Shares registered in its name and sign any Norfolk Shareholders' resolutions, and no Scheme Shareholder may attend or vote at any of those meetings or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than as pursuant to this clause 8.6(a); and

(b) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder Nominee reasonably directs.

9. General

9.1 Stamp duty

Bidder Nominee must (pursuant to its obligations under the Deed Poll) pay all stamp duty payable in connection with the transfer of the Scheme Shares to Bidder Nominee.

9.2 Definition of 'sending'

For the purposes of clause 5 the expressions ***sending*** means, in relation to each Scheme Shareholder:

(a) sending by ordinary pre-paid post or courier to the Registered Address of that Scheme Shareholder as at the Scheme Record Date; or

(b) delivery to the Registered Address of that Scheme Shareholder as at the Scheme Record Date by any other means at no cost to the recipient.

9.3 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this document is sent by post to Norfolk, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the place where Norfolk's Share Registry is kept.

APPENDIX 2
SCHEME OF ARRANGEMENT

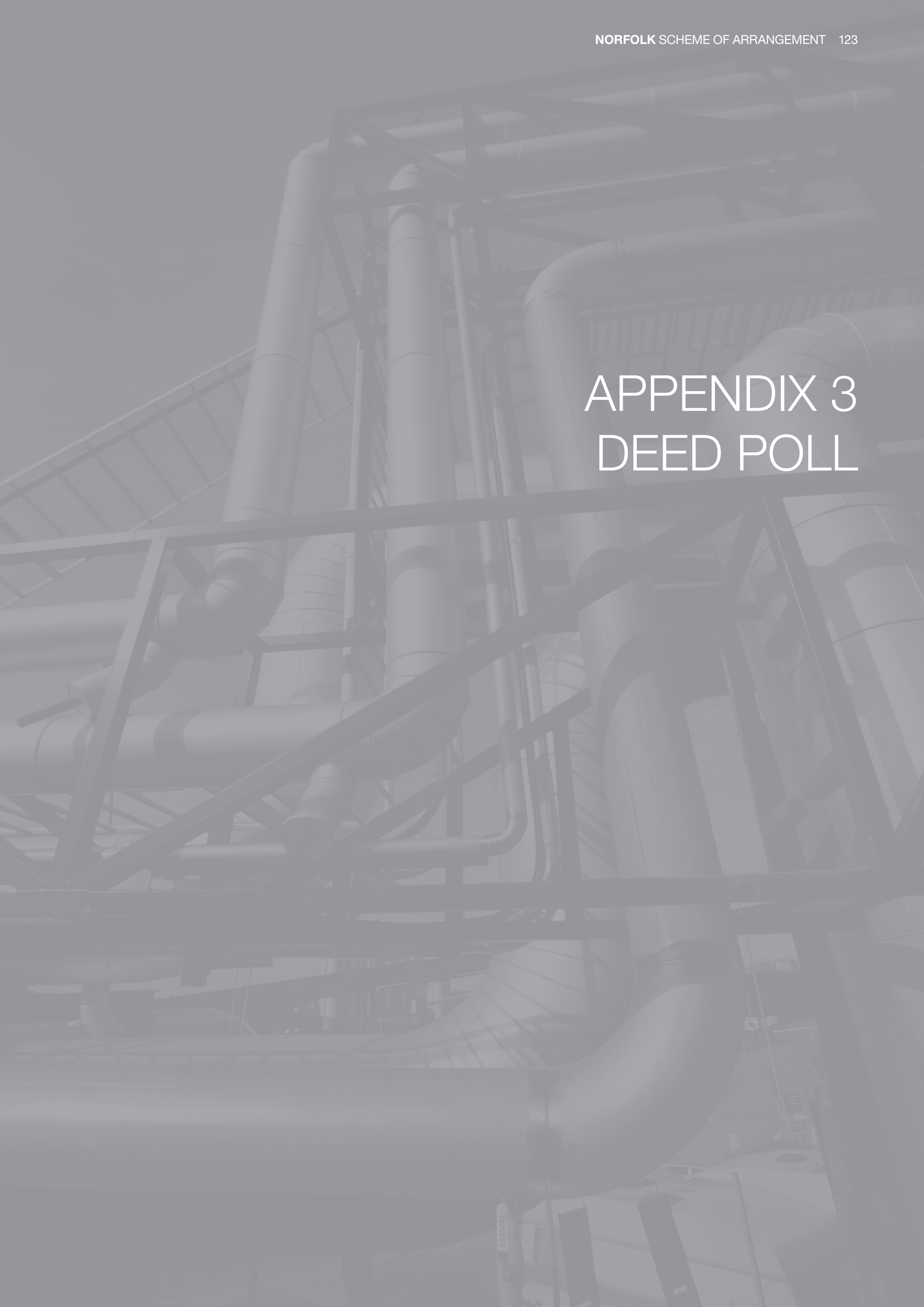
(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

This scheme is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there.

9.5 Further assurances

Norfolk must do anything necessary (including executing agreements and documents) to give full effect to this scheme of arrangement and the transactions contemplated by it.



APPENDIX 3
DEED POLL

APPENDIX 3
DEED POLL

Date 31 May 2013

Deed Poll by

1. **RCR Infrastructure Pty Ltd** (ACN 060 002 959) registered in Western Australia of Level 6, 251 St Georges Terrace, Perth WA 6000 (***Bidder Nominee***); and

2. **RCR Tomlinson Ltd** (ACN 008 898 486) registered in Western Australia of Level 6, 251 St Georges Terrace, Perth WA 6000 (***Bidder***).

in favour of the **Scheme Shareholders.**

Recitals

A. On 12 April 2013, Bidder and Norfolk entered into the Scheme Implementation Deed to provide for the implementation of the Scheme.

B. Bidder is the ultimate holding company of Bidder Nominee.

C. As permitted by the Scheme Implementation Deed, Bidder has nominated Bidder Nominee to act as the "Bidder" for the purposes of the Scheme Implementation Deed and the Scheme.

D. The effect of the Scheme will be to transfer all Scheme Shares to Bidder Nominee in return for the Scheme Consideration.

E. Bidder Nominee and Bidder enter this deed poll to covenant in favour of Scheme Shareholders to pay or procure payment of the Scheme Consideration in accordance with the Scheme.

It is declared as follows.

1. Definitions and interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Scheme Implementation Deed means the scheme implementation deed dated 12 April 2013 between Bidder and Norfolk.

Trustee means Norfolk as trustee for the Scheme Shareholders.

1.2 Terms defined in Scheme Implementation Deed

Words defined in the Scheme Implementation Deed and not in this deed poll have the same meaning in this deed poll as in the Scheme Implementation Deed unless the context requires otherwise.

1.3 Incorporation by reference

The provisions of clauses 1.2, 1.3, 1.4 and 1.5 of the Scheme Implementation Deed form part of this deed poll as if set out at length in this deed poll but with 'deed poll' substituted for 'deed' and with any reference to 'party' being taken to include the Scheme Shareholders.

1.4 Nature of this deed poll

Each of Bidder Nominee and Bidder acknowledges that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

2. Conditions

2.1 Conditions

The obligations of Bidder Nominee and Bidder under clause 3 are subject to all conditions precedent to the Scheme being satisfied or waived in accordance with the terms of the Scheme Implementation Deed and the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder Nominee and Bidder under this deed poll will automatically terminate and this deed poll will be of no further force or effect if:

(a) the Scheme Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective by the End Date,

unless Norfolk and Bidder Nominee otherwise agree.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to them:

(a) each of Bidder Nominee and Bidder is released from its obligations to further perform this deed poll; and

(b) Scheme Shareholders retain the rights they have against each of Bidder Nominee and Bidder in respect of any breach of this deed poll which occurred before it terminated.

3. Scheme Consideration

(a) Subject to clause 2:

(i) Bidder Nominee undertakes in favour of each Scheme Shareholder to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

(ii) Bidder undertakes in favour of each Scheme Shareholder to procure that Bidder Nominee complies with its obligations under clause 3(a)(i) in accordance with that clause.

(b) The obligations of Bidder Nominee and Bidder to provide the Scheme Consideration under clause 3(a) will be satisfied if, on or before 12 noon on the Implementation Date, Bidder Nominee or Bidder:

(i) pays or procures payment of an amount at least equal to the aggregate amount of the Scheme Consideration payable to Scheme Shareholders under the Scheme by depositing in cleared funds in an Australian dollar denominated trust account operated by Norfolk, on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will be to Bidder Nominee's account; and

(ii) provides Norfolk with written confirmation of that payment.

4. Warranties

4.1 Bidder Nominee

Each of Bidder Nominee and Bidder represents and warrants to each Scheme Shareholder that:

(a) (**status**) Bidder Nominee is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;

(b) (**power**) Bidder Nominee has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) (**corporate authorisations**) Bidder Nominee has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) (**documents binding**) this deed poll is Bidder Nominee's valid and binding obligation enforceable in accordance with its terms;

(e) (**transactions permitted**) the execution and performance by Bidder Nominee of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:

(i) a law or treaty or a judgment, ruling, order or decree of a Governmental Agency binding on Bidder Nominee;

(ii) Bidder Nominee's constitution or other constituent documents; or

(iii) any other document which is binding on Bidder Nominee or its assets; and

(f) (**solvency**) Bidder Nominee is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

4.2 Bidder

Bidder represents and warrants to each Scheme Shareholder that:

(a) (**status**) Bidder is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;

(b) (**power**) Bidder has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) (**corporate authorisations**) Bidder has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) (**documents binding**) this deed poll is Bidder's valid and binding obligation enforceable in accordance with its terms;

(e) (**transactions permitted**) the execution and performance by Bidder of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:

(i) a law or treaty or a judgment, ruling, order or decree of a Governmental Agency binding on Bidder;

(ii) Bidder's constitution or other constituent documents; or

(iii) any other document which is binding on Bidder or its assets; and

APPENDIX 3 DEED POLL

(f) (**solvency**) Bidder is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

5 Continuing Obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until Bidder Nominee and Bidder have fully performed their obligations under it.

6 Notices

Any notice, demand or other communication (a ***Notice***) to Bidder Nominee or Bidder in respect of this deed poll:

(a) must be in writing and signed by the sender or a person duly authorised by it;

(b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number below:

Address:

RCR Tomlinson Ltd
Level 6
251 St Georges Terrace
Perth WA 6000

Attention: Company Secretary
Fax No: (08) 9261 2363

RCR Infrastructure Pty Ltd
Level 6
251 St Georges Terrace
Perth WA 6000

Attention: Company Secretary
Fax No: (08) 9261 2363; and

(c) will be conclusively taken to be duly given or made:

(i) in the case of delivery in person, when delivered;

(ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and

(iii) in the case of fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 5.00pm (local time) it will be taken to have been duly given or made at the start of business on the next business day in that place.

7. General Provisions

7.1 Amendment

This deed poll may be amended only by another deed poll entered into by Bidder Nominee and Bidder and then only if the amendment is agreed to by Norfolk in writing and the Court indicates that the amendment would not itself preclude approval of the Scheme.

7.2 Assignment

The rights of each Scheme Shareholder under this deed poll are personal and cannot be assigned, charged, encumbered or otherwise dealt with at law or in equity without the prior written consent of Bidder Nominee and Bidder.

7.3 Counterparts

This deed poll may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

7.4 Cumulative rights

The rights, powers and remedies of Bidder Nominee, Bidder and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.5 Governing law and jurisdiction

This deed poll is governed by the laws of New South Wales. In relation to it and related non-contractual matters, each of Bidder Nominee and Bidder irrevocably submit to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

7.6 Further assurances

Bidder Nominee and Bidder must do anything necessary (including executing agreements and documents) to give full effect to this deed and the transactions contemplated by it.

7.7 No waiver

If a Scheme Shareholder does not exercise a right arising from a breach of this deed poll at a given time, it may, unless it has waived that right in writing, exercise the right at a later point in time.

7.8 Stamp duty

Bidder Nominee must do, and Bidder must procure that Bidder Nominee does, the following:

(a) pay or procure the payment of all stamp duty (including fines, penalties and interest) in respect of the Scheme and this deed poll, the Scheme Implementation Deed, the performance of this deed poll, the Scheme Implementation Deed and each transaction effected by or made under the Scheme, this deed poll and the Scheme Implementation Deed; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.8(a).

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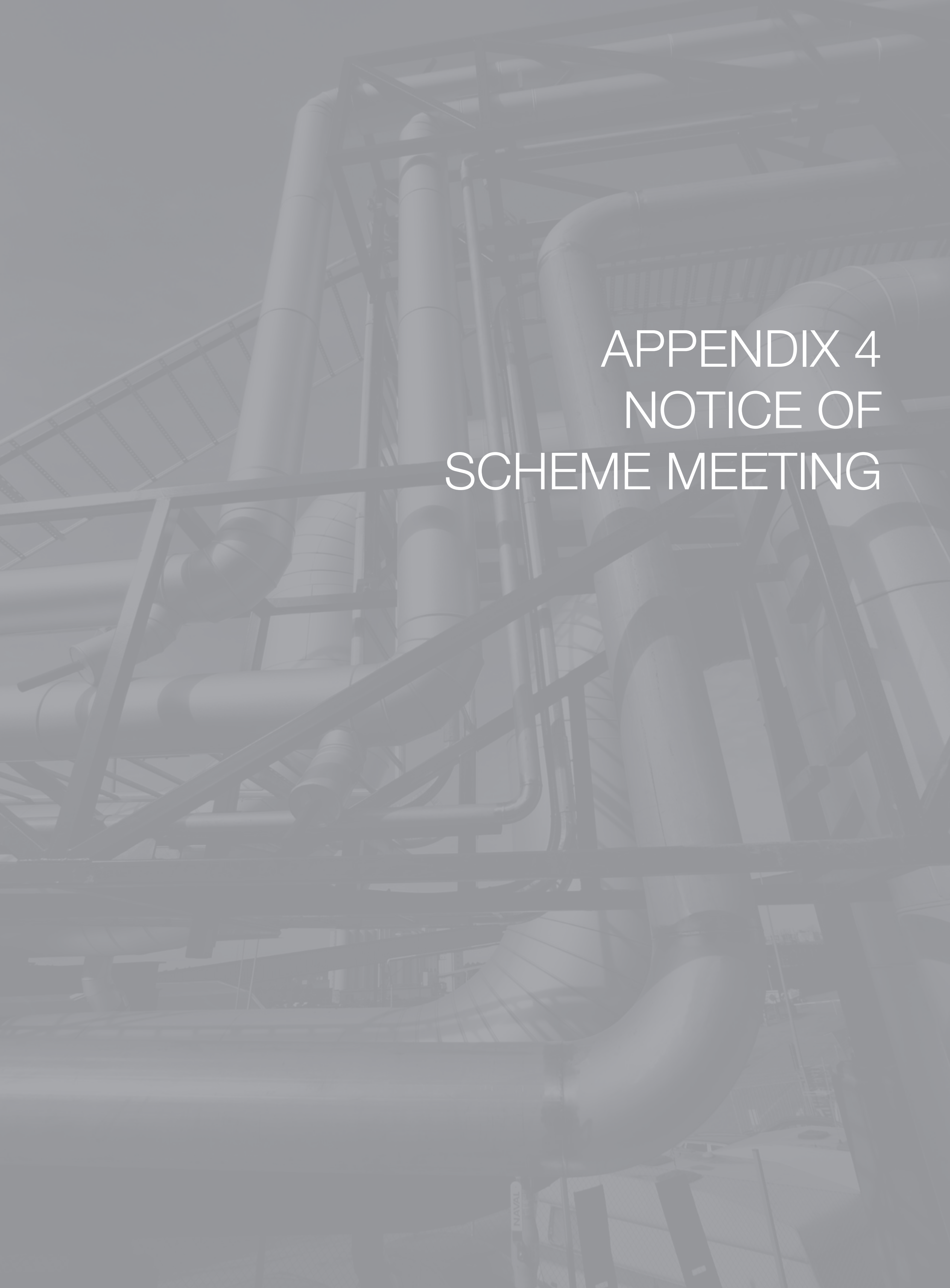

APPENDIX 4 NOTICE OF SCHEME MEETING

APPENDIX 4 NOTICE OF SCHEME MEETING

Norfolk Group Limited ACN 125 709 971

By order of the Court made on 7 June 2013, a meeting of the holders of ordinary shares in Norfolk Group Limited (**Norfolk**) (other than any Norfolk Shareholder that is an entity within the RCR Group) will be held at the Cambridge Room, Christie Conference Centre, 56 Berry Street, North Sydney on Wednesday, 17 July 2013 at 10.00am (Sydney time).

The Court has directed that Rod Keller be chairman of the meeting or failing him Peter Lowe.

Information on the Scheme is set out in this Booklet (of which this notice forms part). Terms used in this notice have the same meaning as set out in the glossary to this Booklet, unless indicated otherwise.

BUSINESS

To consider and, if thought fit, to pass the following resolution:

"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Norfolk and the holders of Norfolk Shares (other than any Norfolk Shareholder that is an entity within the RCR Group), the terms of which are contained in and more precisely described in this Booklet (of which the notice convening this meeting forms part) is approved (with or without modification as approved by the Federal Court of Australia)."

By order of the Board

Fiona Yiend
Company Secretary
Norfolk Group Limited

7 June 2013

EXPLANATORY NOTES

Shareholders who are entitled to vote

Only Norfolk Shareholders registered at 7.00pm (Sydney time) on Monday, 15 July 2013 (other than any Norfolk Shareholder that is an entity within the RCR Group) are entitled to vote on the resolution.

Majorities required

In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution must be passed by:

- a majority in number of Norfolk Shareholders present and voting at the meeting in person or by proxy (unless the Court orders otherwise); and
- Norfolk Shareholders holding at least 75% of the total number of votes cast by Norfolk Shareholders present and voting at the meeting (in person or by proxy).

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is passed by the requisite majorities and the other Conditions Precedent are satisfied or waived (as applicable), Norfolk intends to apply to the Court on Friday, 19 July 2013 for approval of the Scheme.

Voting

How to vote

Norfolk Shareholders can vote in either of two ways:

- by attending the Scheme Meeting and voting in person or by attorney or, in the case of corporate shareholders, by corporate representative; or
- by appointing a proxy to attend and vote at the Scheme Meeting on their behalf.

Voting in person (or by attorney)

If possible, Norfolk Shareholders should arrive at the meeting venue 30 minutes before the time designated for the Scheme Meeting, so that their shareholding can be checked against the Norfolk Share Register and attendances noted.

Attorneys should bring with them original or certified copies of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

Representatives of companies should bring with them satisfactory evidence of their appointment including any authority under which that appointment is signed (unless previously given to the Share Registry).

Voting by proxy

A Norfolk Shareholder entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the Norfolk Shareholder may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the Norfolk Shareholder's voting rights. If the proportion is not specified, each proxy may exercise half of the Norfolk Shareholder's voting rights. Fractional votes will be disregarded.

Norfolk Shareholders should read carefully the instructions on the Scheme Meeting Proxy Form and consider how they wish to direct the proxy to vote on their behalf. Norfolk Shareholders may direct the proxy to vote "for", "against" or "abstain" from voting on the resolution or may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a Norfolk Shareholder.

The Scheme Meeting Proxy Form must be signed by the Norfolk Shareholder or the Norfolk Shareholder's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Scheme Meeting Proxy Form must be received by 10.00am (Sydney time) on Monday, 15 July 2013 by one of the following methods:

(a) by mail or by hand to the registered office of Norfolk;

(b) by mail to the Share Registry:

    Link Market Services Limited
    Locked Bag A14
    Sydney South NSW 1235;

    or by hand to the office of the Share Registry:

    Link Market Services Limited
    1A Homebush Bay Drive
    Rhodes NSW

    or

    Link Market Services Limited
    Level 12, 680 George Street
    Sydney NSW;

(c) by facsimile to the Share Registry on (02) 9287 0309 (within Australia) or +61 2 9287 0309 (international); or

(d) electronically via www.linkmarketservices.com.au using the holding details printed on the personalised Scheme Meeting Proxy Form. To use the online lodgment facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the personalised Scheme Meeting Proxy Form).

If the Scheme Meeting Proxy Form is executed under a power of attorney that has not been noted by Norfolk, the original or a certified copy of the power of attorney must accompany the Scheme Meeting Proxy Form.

In the case of joint Norfolk Shareholders, the names of all joint Norfolk Shareholders should be shown on the Scheme Meeting Proxy Form and the Scheme Meeting Proxy Form should be signed by one of the joint Norfolk Shareholders.

Corporations

A corporation that is a Norfolk Shareholder or a proxy may elect to appoint a representative in accordance with the Corporations Act, in which case Norfolk will require the appropriate "Appointment of Corporate Representative" form to be lodged with or presented to Norfolk before the meeting. A form may be obtained from the Share Registry.

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CORPORATE DIRECTORY

Norfolk Group Limited
ACN 125 709 971

Level 5, 50 Berry Street
North Sydney NSW 2060

Telephone: +61 2 8413 3000
Fax: +61 2 8413 3010

Directors

Rod Keller
Chairman and Non-Executive Director

Peter Richards
Managing Director

Peter Lowe
Non-Executive Director

Paul Chrystall
Non-Executive Director

Company Secretary

Fiona Yiend

Auditor

PricewaterhouseCoopers
Darling Park Tower 2,
201 Sussex Street
Sydney NSW 2000

Financial Adviser

KPMG Corporate Finance
10 Shelley Street
Sydney NSW 2000

Australian Legal Adviser

Allens
Level 37, 101 Collins Street
Melbourne VIC 3000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Telephone: 1300 881 079 (within Australia) or
+61 1300 881 079 (international)

NORFOLK
INTEGRATED ENGINEERING