

4 September 2012

ALESCO ACTS TO FACILITATE POTENTIAL ADDITIONAL DIVIDEND AND PROTECT SHAREHOLDERS BY ESTABLISHING AN ALESCO SHAREHOLDER ACCEPTANCE FACILITY

Alesco Corporation Limited (**Alesco**) (ASX:ALS) today provided the following update on DuluxGroup Limited's (**DuluxGroup**) (ASX:DLX) takeover offer.

Alesco shareholders will recall that last week, in the interests of all shareholders, Alesco initiated Takeovers Panel proceedings seeking, among other orders, an order that would enable DuluxGroup to deliver an enhanced offer to shareholders. Alesco notes the Panel's decision today not to conduct proceedings in relation to Alesco's Panel application.

KEY POINTS

- The Alesco Board remains of the view that DuluxGroup's best and final offer of \$2.05 per share, potentially incorporating up to \$0.42 of fully franked dividends (**Offer**), is highly conditional, materially inadequate and undervalues Alesco
- DuluxGroup now holds a relevant interest plus acceptances tendered into its Institutional Acceptance Facility of 44.3% in Alesco. If DuluxGroup were to free its offer of conditions, Alesco shareholders would lose the chance to benefit from any additional fully franked dividends
- Further, DuluxGroup can only deliver additional fully franked dividends (in excess of the \$0.15 per share special and final dividends already determined and payable on Friday, 7 September 2012) with the support of Alesco. Alesco could only exercise its discretion to support any additional dividends if they were subject to DuluxGroup becoming a 90% holder in Alesco¹, funding was secured and the additional dividends could be fully franked because Alesco cannot afford to pay material further dividends within its existing banking facilities and covenants as a standalone listed entity
- In the circumstances, if the overwhelming majority of Alesco shareholders choose to support the Offer, the Alesco Board will facilitate the possibility of shareholders receiving a further fully franked dividend of up to \$0.27 per share (**Additional Dividend**). The Additional Dividend would be in addition to the \$0.15 per share already determined (i.e. up to \$0.42 per share in total), and could be paid only if:
 - DuluxGroup becomes a holder of at least 90% in Alesco and the Offer remains open and conditional until at least three days after the record date for the Additional Dividend, so that the Additional Dividend can be funded; and
 - the Additional Dividend can be fully franked. Alesco will need to obtain a favourable tax ruling from the Australian Taxation Office (**ATO**) to achieve this certainty

¹ Including shares owned by DuluxGroup, acceptances under the Offer or tendered into the DuluxGroup IAF, shares held by index funds nominated by the Alesco Board and acceptances tendered into the ALSAF (see page 3).

- To provide Alesco Shareholders with the opportunity to accept the Offer in a way that facilitates the possibility that the Additional Dividend can be determined and paid, Alesco will establish the Alesco Shareholder Acceptance Facility (**ALSAF**). The ALSAF is open to all shareholders who wish to accept the Offer and receive the Additional Dividend, and will protect those shareholders in the event that shareholders do not overwhelmingly support the Offer. The ALSAF will enable all Alesco shareholders to lodge acceptance instructions which will be held within the ALSAF until the conditions for payment of the Additional Dividend are met, or become incapable of being met, or the shareholder elects to withdraw from the ALSAF
- The Alesco Board recommends that any shareholders who wish to accept DuluxGroup's Offer only if the Additional Dividend can be determined and paid should **TENDER THEIR ACCEPTANCE INTO THE ALSAF**
- Attached to this announcement are the terms of the ALSAF. Full details of the ALSAF, including forms for shareholders to accept into the ALSAF, will be despatched to Alesco shareholders together with a Supplementary Target's Statement to be released shortly
- **THE ALESCO BOARD DOES NOT RECOMMEND THAT SHAREHOLDERS ACCEPT THE OFFER FROM DULUXGROUP OR TENDER THEIR SHARES INTO DULUXGROUP'S INSTITUTIONAL ACCEPTANCE FACILITY. SHAREHOLDERS SHOULD TENDER THEIR ACCEPTANCE INTO THE ALSAF**
- **Shareholders who directly accept the DuluxGroup Offer or tender their shares into the DuluxGroup Institutional Acceptance Facility run the risk that DuluxGroup may free its Offer of conditions at any time and take their shares, precluding any possibility that they can benefit from any Additional Dividend**

"The Alesco Board has always acted in the best interests of **ALL** shareholders as its primary focus in dealing with the unsolicited Offer from DuluxGroup. The Board remains of the strong view that the Offer is materially inadequate, undervalues Alesco and is below the Independent Expert's value range," Mark Luby, Chairman of Alesco, said.

"Given that the DuluxGroup Offer is currently the only offer available to shareholders, the Alesco Board has decided to implement the Alesco Shareholder Acceptance Facility (**ALSAF**) to provide shareholders who wish to receive the Additional Dividend (as part of the DuluxGroup Offer) an opportunity to indicate their support for this outcome. The ALSAF will provide shareholders protection from the risk of losing their shares to an unconditional DuluxGroup Offer that will result in **NO** Additional Dividends being paid to shareholders.

"At this time Alesco cannot pay, within its existing banking facilities and covenants, the Additional Dividend as a standalone entity. It would be irresponsible for the Alesco Board to do so in managing the Alesco balance sheet. Any Additional Dividend can only be paid if the DuluxGroup becomes a holder of at least 90% of Alesco, appropriate funding is in place and a favourable tax ruling is obtained.

"At least 90% of shareholders must tender their shares into the ALSAF or the DuluxGroup facility in order for the Additional Dividend to be paid. The Alesco Board strongly recommends that shareholders tender their shares into the ALSAF and not the DuluxGroup facility to ensure they avoid the risk of losing their shares to an unconditional DuluxGroup Offer that will result in **NO** Additional Dividends being paid to shareholders.

"The implementation of the ALSAF is a pragmatic and sensible solution that will allow shareholders who wish to receive the Additional Dividend to indicate their support for this outcome. The Alesco Board will facilitate the possibility of shareholders receiving a further fully franked dividend of up to \$0.27 per share if 90% of Alesco shareholders indicate their support for the Offer and provided DuluxGroup does not go unconditional with its Offer in the meantime."

OPERATION OF THE ALSAF

The ALSAF will enable all Alesco shareholders to lodge acceptance instructions which will be held within the ALSAF until the conditions for payment of the Additional Dividend are met or the shareholder elects to withdraw from the ALSAF. After the relevant conditions are met and the Additional Dividend is payable, all shares which are the subject of acceptance instructions within the ALSAF will automatically be accepted into DuluxGroup's Offer. By lodging acceptances into the ALSAF rather than accepting the Offer directly or with DuluxGroup under its Institutional Acceptance Facility, Alesco shareholders will therefore ensure that they only sell their Alesco shares to Dulux in circumstances where the Additional Dividend can be paid to them.

The relevant conditions include:

- DuluxGroup becoming at least a 90% holder in Alesco (including acceptances into the DuluxGroup Institutional Acceptance Facility and the ALSAF);
- Alesco obtaining a favourable tax ruling regarding entitlement of Alesco shareholders to the franking credits and associated tax offset attached to any Additional Dividend paid in relation to the Offer;
- available financing on terms acceptable to Alesco to enable payment of the Additional Dividend;
- no superior offer to the Offer emerging; and
- DuluxGroup's Offer remaining open and conditional until after the record date for the Additional Dividend.

If all of the conditions are not met, all acceptance instructions into the ALSAF will be void and shareholders will be free to deal with their shares as they see fit.

Having regard to the above conditions, there can be no certainty that any additional dividends will be paid.

Shareholders who have accepted into the existing DuluxGroup Institutional Acceptance Facility will lose their ability to receive the Additional Dividend if DuluxGroup declares its Offer unconditional before the conditions to the payment of the Additional Dividend set out above are met. If all conditions to the DuluxGroup Offer are satisfied or waived and the Additional Dividend is not paid, shareholders who accept the Offer will receive \$1.90 per share cash from DuluxGroup, and, if they were on the register of Alesco shareholders on 17 August 2012, \$0.15 per share of fully franked dividends from Alesco.² As such, to preserve the possibility that they can benefit from any Additional Dividend and maximise the value of the Offer, the Alesco Board encourages shareholders who have accepted into the DuluxGroup Institutional Acceptance Facility to withdraw their acceptances from the DuluxGroup Institutional Acceptance Facility immediately and lodge instructions into the ALSAF.

Attached to this announcement are the terms of the ALSAF. Full details of the ALSAF, including these terms and forms and instructions for shareholders to accept into the ALSAF, will be included in an invitation which will be despatched to Alesco shareholders shortly, together with a Supplementary Target's Statement.

² The record date for the aggregate fully franked final and special dividend of \$0.15 per share was Friday 17 August 2012 at 7pm. These dividends will be paid by Alesco on 7 September 2012. Shareholders who come on to the register after the record date will not receive these dividends and will receive \$1.90 per share from DuluxGroup unless Alesco's proposal is implemented.

OPTIONS FOR ALESCO SHAREHOLDERS

With the establishment of the ALSAF, there are several options available to Alesco shareholders who have not already accepted the Offer, including:

- Acceptance into the ALSAF – **RECOMMENDED BY THE ALESCO BOARD FOR SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER AND RECEIVE THE ADDITIONAL DIVIDEND**
- Acceptance directly into the DuluxGroup Offer (or the DuluxGroup Institutional Acceptance Facility for eligible institutional shareholders) – **NOT RECOMMENDED BY THE ALESCO BOARD. THE ALESCO BOARD FURTHER RECOMMENDS THAT ALL SHAREHOLDERS WHO HAVE ACCEPTED INTO DULUXGROUP'S INSTITUTIONAL ACCEPTANCE FACILITY SHOULD WITHDRAW THEIR ACCEPTANCES FROM THAT FACILITY AND LODGE INSTRUCTIONS INTO THE ALSAF**
- Sell their Alesco shares on the ASX
- Do nothing – for shareholders who do not wish to accept the Offer and who wish to remain as Alesco shareholders irrespective of the prospect of the Additional Dividend

The DuluxGroup Offer is presently conditional. If the conditions of the DuluxGroup Offer are not satisfied or waived at the time the Offer closes, all acceptances into the Offer will be void and shareholders will be free to deal with their shares as they see fit.

If DuluxGroup's Offer becomes unconditional, DuluxGroup will acquire the Alesco shares in respect of which it presently holds acceptances and the Alesco shares in respect of which acceptances have been tendered into the DuluxGroup Institutional Acceptance Facility. In this circumstance, the Additional Dividend can no longer be paid, acceptances tendered into the ALSAF will be void and shareholders will be free to deal with their shares as they see fit.

Shareholders who intend disposing of their Alesco shares should consider whether selling on market (after allowing for brokerage) or accepting the Offer, including by lodging acceptance instructions into the ALSAF, provides the greater value. Each shareholder's individual circumstances differ and shareholders should take their own tax and financial advice.

Alesco will keep shareholders informed of all material developments.

FOR FURTHER INFORMATION:

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Alesco supplies innovative branded products to trade and industrial customers serving the building products markets in Australia and New Zealand. For more information on Alesco visit www.alesco.com.au.

All company announcements and information on the DuluxGroup Offer and Alesco's response are available on the Alesco website at www.alesco.com.au. Shareholders can also receive information on the Offer by calling the Alesco Shareholder Information Line:

Within Australia: 1800 828 558

Outside Australia: +61 2 8280 7215.

NOTE: Alesco intends to update the ASX of Acceptance Instructions received into the Alesco Shareholder Acceptance Facility by 11am on the Business Day following receipt of any Acceptance Instructions.

Alesco Shareholder Acceptance Facility Terms of Appointment

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DX 113 Sydney

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TERMS OF APPOINTMENT

- 1 **Introduction** - These Terms of Appointment (**Terms**) relate to the shareholder acceptance facility (**Facility**) that has been arranged by Alesco Corporation Limited (ACN 008 666 064) (**Alesco**) with Pacific Custodians Pty Limited (ACN 009 682 866) (**Facility Agent**) in respect of the off-market takeover offer (**Offer**) by DuluxGroup (Nominees) Pty Limited (ACN 156 611 540) (**DuluxGroup Bidco**), a wholly owned subsidiary of DuluxGroup Limited (ACN 133 404 065) (**DuluxGroup**) for all of the ordinary shares in Alesco (**Alesco Shares**).
- 2 **Appointment of Facility Agent** - The Facility Agent has agreed to make the Facility available and accept any appointment as acceptance facility collection agent on these Terms by way of a deed poll (**Deed of Settlement**) in favour of all holders of ordinary shares in Alesco (**Alesco Shareholders**) entitled to accept the Offer who agree to appoint the Facility Agent.
- 3 **Lodgement of Acceptance Instructions** - Under the Facility, Alesco Shareholders may lodge acceptance instructions (**Acceptance Instructions**) together with the enclosed Appointment of Facility Agent Form with the Facility Agent (c/o Link Market Services Limited)¹ in the form of:
 - (a) a duly completed acceptance form in respect of their Alesco Shares (**Acceptance Form**); and/or
 - (b) in circumstances where an Alesco Shareholder holds Alesco Shares as a custodian (**Custodian**) for another person (**Beneficial Holder**), a direction from the Beneficial Holder to the Alesco Shareholder to accept the Offer (**Custodian Direction**) (and the Custodian Direction can be lodged by the Beneficial Holder instead of the custodian who is the legal owner of the relevant Alesco Shares),that demonstrate their intention to accept the Offer in respect of the Alesco Shares which the Alesco Shareholder holds if (and only if) the Confirmation Letter referred to in paragraph 5 is provided by Alesco to the Facility Agent.
- 4 **Powers of Facility Agent** - The Facility Agent acknowledges that it is to hold any duly completed and executed Acceptance Form or, where applicable, any duly completed and executed Custodian Direction (as appropriate) in respect of all of the Alesco Shares which the Alesco Shareholder (as named on the Appointment of Facility Agent Form) holds, as acceptance facility collection agent and bare trustee only pursuant to these Terms and the Deed of Settlement. The parties acknowledge that the powers of the Facility Agent and each Alesco Shareholder or Beneficial Holder (as applicable) who lodges Acceptance Instructions with the Facility Agent (each a **Participant**) under the Facility are limited such that the exception to the definition of "relevant interest" in sub-section 609(2) of the Corporations Act 2001 (**Act**) will apply. Furthermore, the parties acknowledge that the Facility Agent is acting as acceptance facility collection agent in the ordinary course of its business and, accordingly, the exception to the definition of "relevant interest" in sub-section 609(3) will apply. Acceptance Instructions provided to the Facility Agent will not constitute acceptances of the Offer while they are held by the Facility Agent.
- 5 **Direction to Facility Agent** - Each Participant directs and authorises the Facility Agent to deliver or procure the delivery of (as applicable):
 - (a) a completed Acceptance Form to DuluxGroup Bidco (or, at DuluxGroup Bidco's direction, its share registry), as acceptances of the Offer; and/or

¹ Please return the acceptance instructions using the enclosed reply paid envelope or, alternatively, post it to:

Pacific Custodians Pty Limited
c/o Link Market Services Limited
Alesco Shareholder Acceptance Facility
Locked Bag A14
Sydney South NSW 1235
Australia

- (b) the Custodian Direction to the relevant Custodian(s),

as soon as reasonably practicable after the Facility Agent receives a letter from Alesco (**Confirmation Letter**) stating that Alesco has become aware and is satisfied (in each case acting reasonably) that the Facility Conditions set out at paragraph 6 have been satisfied.

6 **Facility Conditions** - The **Facility Conditions** are that:

- (a) the aggregate of the number of Alesco Shares:
- i. in which DuluxGroup Bidco has a relevant interest;
 - ii. which are held in the Institutional Acceptance Facility established by DuluxGroup Bidco (as described in the DuluxGroup Bidco supplementary Bidder's Statement dated 25 June 2012) (**DuluxGroup Bidco Institutional Acceptance Facility**);
 - iii. which Alesco may determine ought to be included in the calculation for the purposes of the Facility Condition because those Alesco Shares are held by index funds; and
 - iv. in respect of which Acceptance Instructions have been received, as advised by the Facility Agent to Alesco, provided that where the Acceptance Instructions are in the form of:
 1. an Acceptance Form, the Alesco Shares to which the Acceptance Form relates remain held by the Alesco Shareholder who has provided the Acceptance Instructions; and
 2. a Custodian Direction, the Alesco Shares to which the Custodian Direction relates remain held by the relevant custodian,
- exceeds 90% (in aggregate by number) of the number of Alesco Shares on issue at that time;
- (b) the Australian Tax Office issues a favourable tax ruling in relation to franking credits attached to any dividends paid by Alesco in relation to the Offer. For these purposes a favourable tax ruling will be received if the ruling confirms that:
- i. Alesco shareholders are not precluded from entitlement to the franking credits and associated tax offset attached to the dividends; and
 - ii. the Commissioner of Taxation will not make a determination under section 204-30(3)(c) of the Income Tax Assessment Act 1997 or section 177EA(5)(b) of the Income Tax Assessment Act 1936 to deny any franking benefits on any dividends paid;
- (c) there is available financing on terms reasonably acceptable to Alesco to enable Alesco to pay any fully franked dividend of up to \$0.27 per Alesco Share (**Additional Dividend**) in addition to the \$0.15 (in aggregate) of special and final dividends determined by Alesco on 24 July 2012;
- (d) no superior offer to the Offer emerges, being a bona fide proposal for the acquisition of 100% of the issued shares of Alesco which the Alesco Board considers (acting reasonably):
- i. has the same or superior conditionality and certainty as the Offer;
 - ii. is capable of being implemented within 6 months; and
 - iii. is at a superior offer price, after taking advice from Alesco's financial advisers;

- (e) DuluxGroup Bidco confirms to Alesco that it will not deduct the value of franking credits attached to any Additional Dividend from its Offer price; and
- (f) DuluxGroup Bidco undertakes to Alesco that its Offer will remain open and conditional until no earlier than three business days after the record date for the Additional Dividend.

7 Withdrawal and termination -

- (a) Participants may withdraw Acceptance Instructions from the facility at any time prior to the Facility Agent receiving the Confirmation Letter from Alesco.
- (b) Any withdrawal in accordance with paragraph 7(a) must be either in writing² or by way of email transmission³ (at the email address AlescoAF@linkmarketservices.com.au), provided that notification to withdraw the relevant Acceptance Instruction(s) is received by the Facility Agent prior to its receipt of the Confirmation Letter and contains:
 - i. the full name of the registered holder of the relevant Alesco Shares that is the subject of the withdrawal notice; and
 - ii. the security holder reference number or the holder identification number (as appropriate) of the relevant holder of the Alesco Shares that are the subject of the withdrawal notice.
- (c) Alesco may terminate the Facility in the following circumstances:
 - i. in the circumstances described in paragraph 17;
 - ii. where the Facility Conditions have not been satisfied before 25 May 2013 (**End Date**); or
 - iii. where, in Alesco's view (acting reasonably), the Facility Conditions are not capable of being satisfied prior to the End Date.
- (d) The Facility Agent must
 - (i) return (or procure the return of): the relevant Acceptance Instructions to a Participant promptly upon that Participant withdrawing them from the Facility in accordance with this clause; and
 - (ii) return (or procure the return of): all Acceptance Instructions to Participants promptly upon termination of the Facility,

and the Facility Agent will cease to have any right or obligation to deliver the relevant Acceptance Instructions to DuluxGroup Bidco under these Terms upon withdrawal or termination (as relevant).

8 Rights and control over Alesco Shares - Until the Facility Agent receives the Confirmation Letter from Alesco, a Participant will retain all rights in relation to, and full control over, its Alesco Shares and can withdraw its Acceptance Instructions by notice in

² Written notice sent by post should be sent to:

Pacific Custodians Pty Limited
 c/o Link Market Services Limited
 Alesco Shareholder Acceptance Facility
 Locked Bag A14
 Sydney South NSW 1235
 Australia

³ The email notification must be from at least one of the individuals that signed the relevant Appointment of Facility Agent Form. The Facility Agent is entitled to assume that the person named as signing the e-mail is the person that signed the relevant Appointment of Facility Agent Form if it appears, on its face, that this is the case.

writing to the Facility Agent in accordance with paragraph 7 at any time prior to receipt of the Confirmation Letter by the Facility Agent.

- 9 **Reporting of Acceptance Instructions** - Before 8.30am (Sydney time) each business day (or at another time upon request from Alesco), the Facility Agent will inform Alesco of the number of Alesco Shares the subject of Acceptance Instructions held in the Facility as at the end of the previous business day. In addition, the Facility Agent will inform Alesco of any withdrawals of any Acceptance Instructions under paragraph 7 on the day on which those withdrawals are received.
- 10 **Representations, warranties, acknowledgements and undertakings** - Each Participant represents and warrants, acknowledges or undertakes (as relevant), both at the time the Participant delivers the Acceptance Form and/or Custodian Direction in respect of its Alesco Shares to the Facility Agent and at the time when the Facility Agent delivers those documents to DuluxGroup Bidco in accordance with these Terms, that:
- (a) it has the full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in the Alesco Shares to which an Acceptance Instruction relates or, where the Custodian is the legal owner of the Alesco Shares to which an Acceptance Instruction relates, the relevant Beneficial Holder is the absolute beneficial owner of the Alesco Shares or controls the exercise of the power to dispose of the Alesco Shares;
 - (b) it has authority to enter into these arrangements and provide the warranties contained in these Terms;
 - (c) it has not accepted the Offer from DuluxGroup Bidco or accepted into the DuluxGroup Bidco Institutional Acceptance Facility in respect of the Alesco Shares to which an Acceptance Instruction relates and will not effect any such acceptance for so long as those Alesco Shares are the subject of Acceptance Instructions held in the Facility by the Facility Agent;
 - (d) in respect of the Acceptance Form (if applicable), the Acceptance Form has been duly completed and executed and will enable DuluxGroup Bidco to acquire good title to, and beneficial ownership free from all encumbrances of, the Alesco Shares that are specified in the Acceptance Form (and any additional Alesco Shares specified in an Acquisition Notice under paragraph (f)) and, in the case of any Alesco Shares held through CHESS, when it is delivered to DuluxGroup Bidco, the Alesco Shareholder will take all necessary action in order to ensure the relevant Broker or Non-Broker Participant immediately initiates acceptance of the Offer;
 - (e) in respect of the Custodian Direction (if applicable), the Custodian Direction has been duly completed and executed and when delivered to the Custodian will compel the Custodian to immediately accept the Offer for the Alesco Shares subject to its compliance procedures (in respect of which the Beneficial Holder will take all necessary action in order to ensure the Custodian immediately accepts the Offer) and on the Custodian acting in accordance with the Custodian Direction and accepting the Offer, DuluxGroup Bidco will acquire good title to, and beneficial ownership free from all encumbrances of, the Alesco Shares that are specified in the Custodian Direction;
 - (f) if it purchases a legal and beneficial interest or beneficial interest in additional Alesco Shares, it will notify the Facility Agent (c/o Link Market Services Limited) in writing⁴ or by way of email transmission (at the email address AlescoAF@linkmarketservices.com.au)(**Acquisition Notice**), within 24 hours

⁴ Written notice sent by post should be sent to:

Pacific Custodians Pty Limited
c/o Link Market Services Limited
Alesco Shareholder Acceptance Facility
Locked Bag A14
Sydney South NSW 1235
Australia

(and be received by the Facility Agent prior to its receipt of the Confirmation Letter) and the Acquisition Notice must contain:

- (iii) details of the additional number of Alesco Shares acquired and how those Alesco Shares are registered; and
- (iv) the full name and the security holder reference number or the holder identification number (as appropriate) of the registered holder of the relevant Alesco Shares,

and by providing the Acquisition Notice the Participant acknowledges that those additional Alesco Shares are subject to the Acceptance Instructions;

- (g) it will give the Facility Agent written notice in accordance with paragraph 7 withdrawing the Acceptance Instructions if the Alesco Shareholder:
 - i. intends to dispose of, encumber or otherwise create any third party interest whatsoever in respect of any of the Alesco Shares or, where the Alesco Shares are held by the Custodian, the Custodian is changed or the Alesco Shareholder becomes the legal owner of the Alesco Shares; or
 - ii. intends, wishes or decides to withdraw any of its Acceptance Instructions;
- (h) it has read and understood these Terms;
- (i) these Terms apply as between the Participant and the Facility Agent, not Alesco or DuluxGroup Bidco;
- (j) any contract formed on the Participant's acceptance of the Offer is between it and DuluxGroup Bidco, not the Facility Agent or Alesco;
- (k) the Facility Agent has not provided any investment, financial advice or other advice, or has any obligation to provide such advice, concerning the Participant's decision to participate in the Facility; and
- (l) these Terms and the Facility are governed by the laws in force in New South Wales.

11 **Release of Facility Agent** - Each Participant acknowledges, and by accepting the Acceptance Form and/or Custodian Direction, the Facility Agent agrees, that the Facility Agent does not have any duties, obligations, rights or powers in relation to the Alesco Shares or the bare trust referred to in these Terms and established pursuant to the Deed of Settlement other than as expressly set out in these Terms and that nothing in the arrangement described in these Terms creates in the Facility Agent a relevant interest (as defined in the Act), or legal or equitable interest, or association between the Facility Agent and the Alesco Shareholder in, or in relation to, any of the Alesco Shares which are the subject of the Acceptance Form and/or Custodian Direction held by the Facility Agent or otherwise in, or in relation to, the Acceptance Form and/or the Custodian Direction. To the fullest extent permitted by law, each Participant agrees that the Facility Agent shall not have any liability to the Alesco Shareholder or Beneficial Holder (as applicable) for any claim, demand, loss, cost, expense, liability or action (**Loss**) arising directly or indirectly from or relating to the Alesco Shareholder's or Beneficial Holder's (as applicable) participation in the Facility or the actions of the Facility Agent with respect to the Facility (including Loss as a result of the Facility Agent's negligence or default).

12 **No interest in Alesco Shares** - Each Participant further acknowledges that it is only the Acceptance Instructions and the rights and obligations conferred under these terms which the Facility Agent is to hold, pursuant to these Terms and the Deed of Settlement, as acceptance facility collection agent and bare trustee, and that the Facility Agent has, and will have, no interest whatsoever (including as trustee, legal, equitable or otherwise) in the Alesco Shares to which the Acceptance Instructions relate, or the rights attaching to them.

13 **No liability for Confirmation Letter** - The Facility Agent does not accept, and each Participant releases the Facility Agent from, any responsibility for ensuring that the

Confirmation Letter from an authorised officer of Alesco in accordance with paragraph 5 is delivered, or that it is delivered in time to effect acceptance of the Offer in respect of the Alesco Shares or for investigating the authorisation of the Alesco authorised officer who signs any Confirmation Letter. The Facility Agent is entitled to rely on such Confirmation Letter and any information and reconciliations from or on behalf of either Alesco, Link Market Services Pty Limited or DuluxGroup Bidco as conclusive evidence of the number of Alesco Shares in the Facility and the Facility Agent does not accept, and the Shareholder releases the Facility Agent from, any liability should there be any discrepancies in calculation or reconciliation as a result of such reliance or otherwise.

14 **Disclaimer** - The Facility Agent:

- (a) does not accept and the Participant releases the Facility Agent from any responsibility if there is any defect in the completion, execution or implementation of the Acceptance Form or Custodian Direction by the Participant or by the Custodian, which would render the Acceptance Form or Custodian Direction (or any Acceptance Form provided by the Custodian in relation to Alesco Shares) ineligible for acceptance;
- (b) does not represent or warrant that the Facility Conditions will be met or that the Confirmation Letter will be provided by Alesco; and
- (c) will rely on the representations and warranties in paragraph 10 of these Terms, including when informing Alesco of the number of Alesco Shares which are the subject of Acceptance Instructions held by the Facility Agent.

15 **Appointment of Facility Agent** - The Appointment of Facility Agent form and enclosures should be provided to the Facility Agent by post⁵. However, the Facility Agent reserves the right to act on documents emailed or faxed to the Facility Agent.

16 **Authorisation of Facility Agent** - By signing and returning the Appointment of Facility Agent form each Participant will be deemed to have (subject to withdrawal under paragraph 7) irrevocably authorised:

- (a) Alesco and each of its officers and agents on the Participant's behalf to correct any errors in, and omissions from, the form or the Acceptance Instructions, as may be necessary to make the form a valid Appointment of Facility Agent form or to make the Acceptance Instructions valid or correct to enable acceptance of the Offer in respect of all of the Participant's Alesco Shares subject to these Terms; and
- (b) the Facility Agent to disclose the Acceptance Instructions to Alesco or allow Alesco and its representatives to review the Acceptance Instructions at any time, provided that Alesco and its and its representatives keep such Acceptance Instructions confidential.

17 **Regulatory orders** - If there is in effect a final order of the Takeovers Panel, Court, or a government agency which prevents the Offer from being completed before the Facility Agent receives a Confirmation Letter, the Acceptance Facility will terminate and Acceptance Instructions will be returned to the relevant Participant.

18 **Amendment of terms** - The terms of this Facility may be amended by the Facility Agent (with the consent of Alesco) by notice provided to ASX, provided that no amendment will be prejudicial to the interests of the Participant or confer on Alesco or the Facility Agent any control or discretion over the voting or disposal of the Alesco Shares to which any Acceptance Instructions relate. The terms of this Facility may be also amended by the

⁵ Please return the acceptance instructions using the enclosed reply paid envelope or, alternatively, post it to:

Pacific Custodians Pty Limited
c/o Link Market Services Limited
Alesco Shareholder Acceptance Facility
Locked Bag A14
Sydney South NSW 1235
Australia

Facility Agent (with the consent of Alesco) in accordance with any final order of the Takeovers Panel by notice provided to ASX, including any amendment which may be prejudicial to the interests of the Participant, provided that no amendment will confer on Alesco or the Facility Agent any control or discretion over the voting or disposal of the Alesco Shares to which any Acceptance Instructions relate.

- 19 **Removal of Facility Agent** - Alesco may at any time by notice provided to ASX, remove Pacific Custodians Pty Limited as the Facility Agent under this Facility and appoint another entity on the same terms or on terms which are no less favourable to the Participant than these terms, and the Participant will continue to be bound by the Terms as if it had provided its Acceptance Instructions to the new Facility Agent and the new terms had applied at that time.
- 20 **Amendment by consent** - The Appointment of Facility Agent form, including these Terms as they relate to an individual Participant, may be amended by the Facility Agent with the consent of the Participant.
- 21 **No distribution** - The invitation to participate in the Facility is by invitation to Alesco Shareholders only and you should not distribute the Appointment of Facility Agent form without the consent of the Facility Agent.