



ASX ANNOUNCEMENT

Tox Free Solutions Ltd - Scheme Meeting

3 May 2018

ASX Limited

Chairman's address

Please find following the Chairman's address for today's Scheme Meeting to be held at 11am at the Parmelia Hilton, Perth.

Yours faithfully

David McArthur

About Tox Free Solutions Ltd (ASX code: TOX)

Tox Free Solutions Ltd (Toxfree) is one of the largest integrated waste management, industrial service and environmental businesses in Australia. The Company offers a full range of waste management services through its national network of licensed waste treatment facilities. In addition Toxfree are fast becoming the leaders in onsite industrial services, waste minimisation, resource recovery and total waste management services.

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Tox Free Solutions Limited - Scheme Meeting Chairman's Address

**Thursday, 3 May 2018 at 11.00 am (Perth time)
Parmelia Hilton (Karri Room), 14 Mill Street, Perth**

Welcome to the Tox Free Solutions Limited Scheme Meeting, to discuss and vote on the scheme of arrangement between Toxfree and its shareholders, under which 100% of the issued share capital of Toxfree will be acquired by a wholly-owned subsidiary of Cleanaway Waste Management Limited.

I am your Chairman, Bob McKinnon, and I have been appointed by the Federal Court of Australia to chair this meeting.

I would like to introduce our Managing Director, Steve Gostlow, Non-executive Director Richard Allen and our Company Secretary, David McArthur. Michael Humphris, a Non-Executive Director who lives in Melbourne is online, and Non- Executive Director Kathy Hirschfeld sends her apologies. I also welcome members of the Company's management group here today.

By way of background, Toxfree and Cleanaway announced on 11 December last year that they had entered into a Scheme Implementation Deed, subject to a number of conditions, under which Cleanaway proposed to acquire 100% of the issued share capital of Toxfree for a cash price of \$3.425. The transaction is to be effected by way of a scheme of arrangement between Toxfree and its shareholders.

Toxfree released the Scheme Booklet to ASX on 2 March 2018. The Scheme Booklet was despatched to shareholders on 7 March and contains details of the proposed Scheme being considered at this meeting. The Scheme Booklet includes an independent expert's report prepared by Lonergan Edwards & Associates Limited, which concluded that the proposed Scheme is fair and reasonable and in the best interests of Toxfree shareholders in the absence of a superior proposal.

You would have also received a letter sent to shareholders on 28 March that contained, among other things, information that the Scheme Meeting had been postponed by order of the Federal Court of Australia from 6 April to 3 May 2018 and an updated indicative timetable for implementation of the Scheme.

The Scheme Meeting was postponed as a result of the ACCC extending the proposed date for the announcement of its findings in relation to its review of the acquisition of Toxfree by Cleanaway and to allow time for the satisfaction (or waiver) of a condition to the Scheme relating to the receipt of "competition approval" prior to the Scheme Meeting. Toxfree announced on 26 April 2018 that the relevant condition had been satisfied as a result of the ACCC deciding not to oppose the proposed acquisition.

The postponement of the Scheme meeting did not change the Toxfree Board's recommendation or the Independent Expert's conclusion.

As stated in the Scheme Booklet and the letter to shareholders, Toxfree's Board of Directors unanimously recommend that Toxfree shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of Toxfree shareholders. Each Director of Toxfree intends to vote all the Toxfree shares that he or she holds in favour of the Scheme, subject to those same qualifications. The Independent Expert has, of course, concluded that the Scheme is in the best interests of Toxfree shareholders. Also I confirm that no superior proposal, and indeed no other competing proposal, has been made.

The Scheme Booklet outlines “reasons to vote in favour of the Scheme” on page 11 and “reasons to vote against the Scheme” on page 14. I do not propose to read out those reasons.

In summary, if the Scheme is approved and implemented, Toxfree shareholders who are registered as such on both the special dividend record date and the Scheme record date will receive a total cash payment of \$3.425 for each Toxfree share that they own. This total cash payment will comprise:

- a fully franked special dividend of \$0.58 per Toxfree share that they hold on the special dividend record date (currently expected to be 5.00 pm Perth time on 16 May); and
- the Scheme consideration of \$2.845 per Toxfree share that they hold on the scheme record date (currently expected to be 7.00 pm Perth time on 18 May).

The Scheme remains subject to the following conditions:

- the approval by the requisite majorities of Toxfree shareholders of the resolution to be considered at today's meeting;
- the Federal Court of Australia approving the Scheme at the second Court hearing, which is scheduled to be held at 9.00 am (Perth time) on Thursday, 10 May;
- no regulatory consents or approvals (other than competition approval, which has been obtained) necessary for the acquisition by Cleanaway's wholly-owned subsidiary of all the shares in Toxfree being withdrawn, cancelled or revoked; and
- no material adverse change occurring, being announced or becoming known prior to 5.00 pm (Perth time) on Wednesday, 9 May, being the business day prior to the second Court date.

In addition, the following conditions must be satisfied by 8.00 am (Perth time) on the second Court date, which is scheduled for Thursday, 10 May 2018:

- there is not in effect any temporary, preliminary or final order, decision or decree issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection or order issued by any government agency or any other legal restraint which restrains or prohibits the Scheme;

- the independent expert has not changed or publicly withdrawn its conclusion that the Scheme is in the best interests of Toxfree shareholders;
- no prescribed occurrence has occurred;
- the representations and warranties given by Toxfree in the Scheme Implementation Deed remain true and correct in all material respects; and
- the representations and warranties given by the wholly owned subsidiary of Cleanaway remain true and correct in all material respects.

If the Scheme is approved by Toxfree shareholders and by the Court, and the conditions mentioned a moment ago are either satisfied or waived, the special dividend will be paid on 23 May, the Scheme consideration will be paid on 25 May, Toxfree will become a wholly-owned subsidiary of Cleanaway and an application will be made to delist Toxfree shares from the ASX.

If the Scheme is not approved by Toxfree shareholders, shareholders will retain their Toxfree shares, Toxfree will continue to operate as a standalone entity listed on the ASX and Toxfree shareholders will not receive the Scheme consideration or the special dividend. In such circumstances, Toxfree will continue to focus on its current business plan and growth strategy.

Your vote is important and I encourage those present to participate at this meeting.