

23 November 2017

Dear BPS Shareholder,

## SUCCESSFUL PLACEMENT AND SPP OFFER

BPS Technology Limited (the **Company** or **BPS**) has successfully completed a placement of 21.818m fully paid ordinary shares at \$0.45<sup>1</sup> per share to institutional and sophisticated investors, raising \$9,818,100 (**Placement**). The Placement was significantly oversubscribed.

Whilst the Placement could only be made available to institutional and sophisticated investors, the Board felt it appropriate to offer to all shareholders the opportunity to increase their equity participation in BPS via a Shareholder Purchase Plan (**SPP**) which aims to raise up to a further \$2 million maximum. BPS has reserved the right to scale back applications for New Shares.

BPS is now pleased to provide details of its 2017 SPP.

The SPP will be available to shareholders who are on BPS's register at 7.00pm (Sydney time) on Wednesday, 22 November 2017 (**Record Date**), and having a registered address in Australia or New Zealand (**Eligible Shareholders**).

The SPP gives Eligible Shareholders the opportunity to acquire up to \$15,000 worth of ordinary shares in BPS (**New Shares**) at an issue price of \$0.45 per New Share. No brokerage or other charges will apply to New Shares acquired under the SPP. All BPS shares including Shares issued under the Placement will be entitled to a proposed final FY17 dividend of 2.25 cents per share, details of which are set out in BPS's announcement to the ASX dated 16 November 2017. The indicative Record Date for that dividend will be on or before 15 December 2017 with an indicative Payment Date on or before 10 January 2018.

The funds raised under the Placement and SPP (together, the **Capital Raising**) will be used to provide additional working capital, replace funds used to retire the \$5 million convertible note retired in August 2017 and associated costs as determined by the BPS Board. Further information regarding the Capital Raising can be found in the announcement and investor presentation dated Wednesday, 22 November 2017.

The SPP by its very nature is not underwritten.

Information about BPS is available at [www.bpstechology.com](http://www.bpstechology.com), which should be considered in conjunction with the Company's continuous disclosure to ASX.

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<sup>1</sup> All references to currency in this Offer Booklet are to Australian Dollars.



The SPP will close on Wednesday, 13 December 2017, at 5.00pm (Sydney time) (**Closing Date**). If you wish to participate in the SPP your application must be received by the Closing Date. BPS reserves its right to close the SPP early.

If you have any questions in relation to this Offer Booklet, please call the BPS SPP Offer Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) between 8.30am and 5.00pm (Brisbane time), Monday to Friday.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Murray D'Almeida".

Murray D'Almeida

Chairman

## **BPS Technology Limited**

### **ACN 167 603 992**

#### **Security Purchase Plan 2017**

#### **Offer Document**

BPS is now pleased to provide details of its 2017 Security Purchase Plan (**SPP**).

The SPP gives you the opportunity to acquire up to \$15,000 worth of ordinary shares in BPS (**New Shares**) at an issue price of \$0.45 per New Share. No brokerage or other charges will apply to shares acquired under the SPP. All BPS shares including Shares issued under the Placement will be entitled to a proposed final FY17 dividend of 2.25 cents per share, details of which are set out in BPS's announcement to the ASX dated 16 November 2017. The indicative Record Date for that dividend will be on or before 15 December 2017 with an indicative Payment Date on or before 10 January 2018.

The funds raised under the Placement and the SPP (together, the **Capital Raising**) will be used to provide additional working capital, replace funds used to retire the \$5 million convertible note retired in August 2017 and associated costs as determined by the BPS Board. Further information regarding the Capital Raising can be found in the announcement and investor presentation dated 22 November 2017.

The SPP is not underwritten.

#### **How to Apply and Closing Date**

Applications to acquire New Shares under the SPP must be made in one of the following two ways:

- Submit your payment for New Shares via BPAY® by using the customer reference number shown on your Application Form which is required to identify your holding. If you use BPAY® to pay for New Shares, you do not need to return the Application Form. Payment must be received by **5.00pm (Sydney time)** on Wednesday, 13 December 2017 (**Closing Date**). You must take into account the cut off times your financial institution has in advance of the Closing Date. New Zealand-based BPS shareholders who do not have an Australian bank account cannot apply using BPAY®.

#### **Important Note**

By submitting your payment for New Shares via BPAY® you certify and represent to BPS that the aggregate application money paid by you in any capacity (except as a Custodian) for the New Shares under your application and any other New Shares issued to you, or to a Custodian on your behalf and at your instruction, under the SPP or any similar arrangement operated by BPS in the 12 months before the date your application is received by BPS, is not more than \$15,000.

**OR**

- Complete and return the Application Form which accompanies this Offer Booklet together with your cheque, bank draft or money order for the correct amount. Application Forms and payment for New Shares must be received by the share registry by 5.00pm (Sydney time) on the Closing Date.

Application Forms together with application monies should be mailed to:

BPS Technologies Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

**Or hand delivered to:**

BPS Technologies Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 (Please do not use this address for mailing purposes)

The Application Form includes a certification that the aggregate application money paid by you in any capacity (except as a Custodian) for the New Shares under your application and any other New Shares issued to you, or to a Custodian on your behalf and at your instruction, under the SPP or any similar arrangement operated by BPS in the 12 months before the date your application is received by BPS, is not more than \$15,000.

Custodians, trustees or nominees within the definition of 'custodian' in ASIC Class Order [CO 09/425] (as varied) (**Custodian**) also need to lodge a Custodian Certificate (see the section 'Am I eligible to participate?' below for details).

Please refer to the attached Application Form for further instructions on how to apply.

**How many shares can I apply for?**

Subject to the terms and conditions of the SPP as set out in this Offer Booklet, the **maximum application amount is \$15,000** and the **minimum application amount is \$500**.

By applying for New Shares under the SPP, you agree to be bound by the SPP's terms and conditions.

**Am I eligible to participate?**

Participation in the SPP is open to all shareholders registered as holders of ordinary shares of BPS at **7.00pm (Sydney time)** on Wednesday, 22 November 2017 (**Record Date**) and whose address on BPS's share register is in Australia or New Zealand (**Eligible Shareholders**).

Custodians who are Eligible Shareholders may apply for New Shares on behalf of their beneficial holders as at the Record Date, according to the terms set out below. Custodians must certify that each beneficiary for whom it applies for New Shares has a registered address in Australia or New Zealand.

The Board of BPS has determined that it is either not lawful or not practical for shareholders in other jurisdictions to participate in the SPP.

Offers made under the SPP are not renounceable. Shareholders cannot transfer their right to acquire New Shares under the SPP to any other person.

Participation in the SPP is entirely voluntary.

Each Eligible Shareholder may only participate in the SPP up to the maximum limit of \$15,000, even if the shareholder has more than one registered holding:

- **Holdings receiving more than one offer:** If you are an Eligible Shareholder but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only subscribe to a maximum of \$15,000 in applying for New Shares.
- **Joint holders:** If you are recorded with one or more other persons as a joint holder of a holding of BPS shares on the Record Date, that joint holding is considered to be a single registered holding for the purpose of the SPP and the joint holders are entitled to participate in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only subscribe a maximum of \$15,000 in applying for New Shares.
- **Custodians:** If you are a Custodian and hold BPS shares on behalf of one or more persons (**Participating Beneficiary**), you may subscribe a maximum of \$15,000 in applying for New Shares for each Participating Beneficiary, subject to providing BPS (via its registry, Link Market Services Limited) with a notice in writing that you certify to BPS the matters required by ASIC Class Order [CO 09/425] (as varied) Condition 9 (**Custodian Certificate**). Custodians must also certify that each Participating Beneficiary has a registered address in Australia or New Zealand.

Please contact Link Market Services Limited for a copy of the Custodian Certificate which is required to be attached to the Application Form and lodged with Link Market Services Limited.

- **Trustees or nominees:** If you hold shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply and you may only contribute a maximum of \$15,000 in applying for New Shares. You are not eligible to participate on behalf of a person who resides outside Australia or New Zealand.

BPS reserves the right to reject any application at its discretion, including but not limited to where the maximum application limit or any other term of the SPP has not been complied with.

Any shareholders who hold shares on behalf of persons who are 'U.S. persons' (as defined in Regulation S under the US Securities Act of 1933) (**U.S. Persons**) or who act for the account or benefit of a U.S. Persons are not entitled to participate in the SPP.

## Pricing

The price for each New Share issued under the SPP is \$0.45 (**Issue Price**).

This is the same price as the price at which the Placement was conducted, and this represents a 10% discount to BPS's closing price of \$0.50 on 21 November, 2017 (being the day before the Placement was conducted). All BPS shares including Shares issued under the Placement will be entitled to a proposed final FY17 dividend of 2.25 cents per share, details of which are set out in BPS's announcement to the ASX dated 16 November 2017. The indicative Record Date for that dividend will be on or before 15 December 2017 with an indicative Payment Date on or before 10 January 2018.

There are risks associated with any stock market investment and we recommend that you obtain your own independent financial advice in relation to the SPP. In particular, there is a risk that BPS's market price at the time that New Shares are issued will be less than the Issue Price. If this occurs, the value of your investment in New Shares will be less than the amount you invested. Accordingly, you should consider price movements of shares in BPS before applying for New Shares under the SPP.

The number of New Shares to be issued to each applicant will be calculated by dividing the amount subscribed for by you (subject to any scale-back) by the Issue Price. Fractions will be rounded down to

the nearest whole New Share, and the difference (being any amount less than the Issue Price) may be retained by BPS.

### **Allocation of New Shares and scale-backs**

BPS seeks to raise up to a maximum of \$2 million under the SPP. The BPS Board may, in its absolute discretion, decide to issue to any person fewer New Shares than that person applied for under the SPP. This may be by way of a scale back mechanism. Any scale back decisions will be at the discretion of the BPS Board and are final.

Factors that the Board may take into account in determining any scale-back include compliance with regulatory requirements, the amount applied for by each Eligible Shareholder, the number BPS shares held at the Record Date and if the shareholder remains on the BPS register at the Closing Date.

The Board will not issue New Shares to an applicant if the issue of those New Shares, either alone or in conjunction with the issue of shares under other applications received by BPS, would contravene any law, the ASX Listing Rules or Class Order [CO 09/425] (as varied) (**Class Order**).

The Board of BPS reserves the right at its discretion to cancel the SPP at any time up to the time of issue of New Shares under the SPP, or to extend the SPP Closing Date. If BPS does this it will notify ASX.

If the SPP is cancelled or BPS issues a lesser number of New Shares than a shareholder applied for (including under any scale back), application money received from shareholders not applied in subscribing for New Shares will be returned to the applying shareholder/s, without interest, by way of cheque sent to their registered address. Any interest received on application money may be retained by BPS whether or not New Shares are issued under the SPP.

### **Issue of New Shares**

New Shares are expected to be issued by Friday, 15 December 2017. Also, Transaction Confirmation Statements setting out the number of New Shares allocated to you are expected to be despatched on or about Friday, 15 December 2017.

New Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in BPS on the date of issue.

BPS will, promptly after the issue of New Shares under the SPP, make an application for the New Shares to be quoted on ASX. The New Shares are expected to commence quotation on ASX on or around Tuesday, 19 December 2017.

An indicative timetable for the SPP is set out as follows:

<b>Event</b>	<b>Date (and time if relevant)</b>
SPP Record Date (at 7.00pm Sydney time)	Wednesday, 22 November, 2017
Announcement Date	Thursday, 23 November 2017
SPP Opening Date	Tuesday, 28 November 2017
SPP Closing Date (at 5.00pm Sydney time)	Wednesday, 13 December 2017
Allotment of New Shares issued under the SPP	Friday, 15 December 2017
ASX quotation of New Shares issued under the SPP	Tuesday, 19 December 2017

BPS reserves the right to amend any or all of these dates in its absolute discretion, subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other applicable laws.

## Costs of Participation

No brokerage, commissions or other transaction costs will be payable by participants in respect of the application for, and issue of, New Shares under the SPP.

## Significance of applying for New Shares

If you apply to participate in the SPP:

- (a) you agree that once you have sent in your Application Form or made your BPAY® payment, you cannot withdraw or cancel your application and your application is unconditional;
- (b) you confirm that you are an Eligible Shareholder and that you are lawfully permitted to:
  - i. apply for New Shares under the SPP; and
  - ii. participate in the SPP in accordance with the terms and conditions of this Offer Booklet and any applicable laws and specifically that you are not a U.S. Person;
- (c) you certify that, even if you have received more than one offer under the SPP or received offers in more than once capacity, the aggregate application money paid by you in any capacity (except as a Custodian) for:
  - i. the New Shares subject of the Application Form or BPAY® payment; and
  - ii. any other New Shares issued to you, or to a Custodian on your behalf and at your instruction, under the SPP or any similar arrangement operated by BPS in the 12 months before the date your Application Form or BPAY® payment is received by BPS,is not more than \$15,000;
- (d) if you are a Custodian and are applying for New Shares with a total application price exceeding \$15,000, you agree that BPS may refuse to accept your application and that BPS may not issue New Shares to you unless BPS has received a completed Custodian Certificate (in hard and electronic copy in accordance with the instructions on the Custodian Certificate) which is required to be attached to the Application Form and lodged with Link Market Services Limited;
- (e) you agree to the terms and conditions in this Offer Booklet and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (f) you authorise BPS (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details as BPS may elect to do so;
- (g) you agree that BPS may determine that your Application Form is valid and in accordance with the terms and conditions in this Offer Booklet, even if it is incomplete, contains errors or is otherwise defective;
- (h) you agree that your application is only effective when received by BPS and not when it is posted;
- (i) you accept the risk associated with any refund that may be sent to you by cheque to your address as shown on BPS's register of members;
- (j) you are responsible for any dishonour fees or other costs which BPS may incur if your cheque for payment is dishonoured;
- (k) you agree that if there is a rounding down of a fractional number of New Shares, any remaining balance of your payment after your allotment will form part of the assets of BPS and will not be refunded;

- (l) you acknowledge that no interest will be paid on any application money held pending the allotment of New Shares or subsequently refunded to you for any reason;
- (m) you agree that BPS, the Lead Manager and Link Market Services Limited have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy New Shares;
- (n) you acknowledge that the SPP does not take into account your individual investment objectives, financial situation or particular needs, and you have obtained appropriate independent financial and taxation advice in connection with the SPP; and
- (o) you agree that BPS is not liable for any exercise of its discretion referred to in the terms and conditions in this Offer Booklet.

### **Disputes**

BPS may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application, and the decision of BPS will be conclusive and binding on all participants and other persons to whom the determination relates.

BPS reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of BPS under these terms and conditions may be exercised by the Directors or any delegate of the Directors.

### **ASIC relief**

This offer of New Shares under the SPP is made in accordance with the Class Order, which grants relief from the requirement to prepare a disclosure document for the SPP subject to certain terms and conditions.

BPS has, prior to the release of this Offer Booklet, given a notice to ASX that complies with the requirements of the Class Order. This document is not an offer of securities in any place outside Australia or New Zealand and does not take into account your individual investment objectives, financial situation or particular needs. An investment in the Company is speculative. Therefore, you should obtain independent financial and taxation advice before making an investment decision.

### **If you have any enquiries concerning the SPP please contact:**

- **your financial adviser; or**
- **BPS's share registry (Link Market Services Limited) during business hours on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia).**

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, shares in the United States or to, or for the account or benefit of, U.S. Persons. The shares issued under the Capital Raising have not been and will not be registered under the U.S. Securities Act. Shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons.**