

20 December 2017

## TERMS OF APPOINTMENT OF KEY DIRECTOR

Further to the announcement by First Growth Funds Limited (“FGF” or “the Company”) on 14 December 2017 (FGF strengthens its board with appointment of key director), the Company is pleased to announce the key terms of the appointment of Anoosh Manzoori as an Executive Director of the Company with effect from 14 December 2017.

As previously announced, Anoosh has been actively involved in the emerging Blockchain and Cryptocurrency market where he has advised one of the largest BitCoin mining companies in Australia and is also a strategic advisor to a Melbourne based blockchain software company. He is also an active investor in the sector.

Anoosh brings to the Board and FGF a wealth of experience in technology and investment advisory. He is the CEO of Shape Capital Pty Ltd, an advisory and venture investment firm, and an Expert Network Member, supporting local innovative companies under the Department of Industry, Innovation and Science program. His experience includes capital raising and M&A across a number of industries with a particular focus on the technology sector. Anoosh is also a Non-Executive Director of CCP Technologies Limited (ASX: CT1).

Anoosh was previously the founder and CEO of one of Australia’s largest cloud hosting companies reaching over 75,000 customers before selling the company to MYOB Limited in 2008.

Given Anoosh’s skills and the expertise that he will bring to the board and the Company, the Company proposes to incentivise and remunerate him in the following manner.

- Anoosh will receive an annual director’s fee of \$90,000, to be paid monthly.
- Subject to the receipt of all necessary shareholder approvals, Anoosh (or his nominee) will be issued 10,000,000 options with an exercise price of \$0.03, which will expire 2 years from the date of their issue and otherwise on the terms set out in Annexure A.
- Subject to receipt of all necessary shareholder approvals and any necessary ASX waivers being obtained and the achievement of certain milestones and Anoosh remaining as a director at the time of achieving those milestones, Anoosh (or his nominee) will be issued ordinary shares in the Company, in the following manner:

Timeframe	Shares	Milestone
0-12 months from appointment	15,000,000	Set up an advisory business unit (ABU) within the Company to assist the Company with initial coin offerings (ICOs) and crypto-currency offerings.  AND  Secure a minimum of 2 strategic partners for the Company that are approved by the board, who will either participate in Company ICOs and/or can provide distribution and access to ICO and crypto-currency investors during an ICO.

	15,000,000	First \$2,000,000 consideration from the ABU or any ICO activity received by the Company (Tranche A). Consideration includes the cumulative of cash, shares and crypto-currency.
12-24 months from appointment	15,000,000	Second tranche of \$2,000,000 consideration (Tranche B) (being a combined total of \$4,000,000 with Tranche A) from the ABU or any ICO activity received by the Company. Consideration includes the cumulative of cash, shares and crypto-currency.
	15,000,000	Third tranche of \$2,000,000 consideration (being a combined total of \$6,000,000 with Tranche A and Tranche B) from the ABU or any ICO activity received by the Company. Consideration includes the cumulative of cash, shares and crypto-currency.

The Company will convene a meeting of its shareholders to seek the approvals required for the issue of the options and milestone shares described above, and apply for any applicable ASX waivers within 6 months of the date of Anoosh's appointment.

Anoosh has been appointed as an executive director. The appointment may be terminated by either party without cause on 3 months' notice to the other party (or in the case of termination by the Company, by payment in lieu of such notice). In addition, the agreement may be terminated by the Company in the event of a breach of the agreement by the director or the director suffering an insolvency event.

The board welcomes Anoosh to the Company and looks forward to working with him.

Geoff Barnes  
Chairman

## Annexure A - Option terms and conditions

- (a) The Options shall be issued for no cash consideration;
- (b) The exercise price of each Option is \$0.03 (**Exercise Price**);
- (c) The Options will expire on the date that is 2 years after issue (**Expiry Date**) unless earlier exercised;
- (d) The Options are transferrable;
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
- (f) The number of Options that may be exercised at one time must be not less than 1000, unless the Option holder holds less than 1000 options in which case all options must be exercised at one time;
- (g) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares within 10 business days of valid exercise and payment;
- (h) Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (i) Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (1) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged;
- (k) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

$O^n$  = the new exercise price of the Option;

$O$  = the old exercise price of the Option;

$E$  = the number of underlying securities into which one Option is exercisable;

P = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (m) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
- (n) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options;
- (o) The Company shall not apply for listing of the Options on the ASX; and
- (p) The Company shall apply for listing on the ASX of the resultant shares of the Company issued upon exercise of any Option.