



AUB GROUP LIMITED

Retail Entitlement Offer

Information Booklet

4 for 27 accelerated pro rata non-renounceable entitlement offer of AUB Group Limited (ABN 60 000 000 715) ordinary shares (**New Shares**) at an offer price of \$12.30 per New Share.

The Retail Entitlement Offer closes at 5:00pm (AEST) on Thursday 29 November 2018.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or call the AUB Offer Information Line on 1300 330 255 or +61 1300 330 255 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer period. Alternatively, you can access information about the Retail Entitlement Offer online at <https://events.miracle.com/AUB-Offer/>.

NOVEMBER 2018



IMPORTANT NOTICES

This Information Booklet has been prepared by AUB Group Limited (ABN 60 000 000 715) (**AUB**) and is dated 19 November 2018. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Information Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Information Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

NO OVERSEAS OFFERING

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders. This Information Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for AUB to lawfully receive your Application Monies.

NEW ZEALAND DISCLAIMER

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of AUB with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

UNITED STATES DISCLAIMER

This Information Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares offered in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act or in a

transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

DEFINITIONS AND TIME

Defined terms used in this Information Booklet are contained in Section 9. All references to time are to the time in Sydney (Australia), unless otherwise indicated.

FOREIGN EXCHANGE

All references to “\$” are AUD unless otherwise noted.

TAXATION

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 5 provides for a general guide to the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. AUB recommends that you consult your professional tax advisor in connection with the Retail Entitlement Offer.

PAST PERFORMANCE

Investors should note that the past Share price performance of AUB provides no guarantee or guidance as to future Share price performance.

FUTURE PERFORMANCE

This Information Booklet contains forward looking statements, including statements regarding the completion and effects of the acquisition of the additional 44% interest in Adroit Holdings Pty Limited, the outcome of the capital raising and the implementation of AUB’s acquisition strategy. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of AUB and its directors and management. A number of important factors could cause AUB’s actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors described in the “Key Risks” section of the investor presentation included in Section 7 of this Information Booklet. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. To the maximum extent permitted by law, AUB and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

RISKS

Refer to the ‘Key Risks’ section of the Investor Presentation included in Section 7 of this Information Booklet for a summary of certain risk factors that may affect AUB.

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1. Chairman's Letter

Monday, 19 November 2018

Dear Shareholder,

On behalf of the directors of AUB Group Limited (ABN 60 000 000 715) (**AUB**), I am pleased to invite you to participate in a 4 for 27 accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares in AUB (**New Shares**) at an offer price of \$12.30 (**Offer Price**) per New Share (**Entitlement Offer**).

Purpose of the Entitlement Offer and use of proceeds

Proceeds from the Entitlement Offer will be used to repay part of AUB's current debt facility in order to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit Holdings Pty Limited and for the transaction and offer costs.

The Entitlement Offer

The Entitlement Offer comprises an institutional component, being the Institutional Entitlement Offer and a retail component, being the Retail Entitlement Offer, including a Retail Oversubscription Facility pursuant to which eligible retail shareholders who take up all of their Entitlement (and who are not a Related Party of AUB) may apply for up to 50% of their Entitlement in addition to their Entitlement as **Additional New Shares**.

This Information Booklet relates to the Retail Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders with a registered address in Australia or New Zealand are entitled to subscribe for 4 New Shares for every 27 existing fully paid ordinary shares in AUB (**Shares**) held at 7.00pm (AEST) on Wednesday 14 November 2018 (**Record Date**), at the Offer Price of \$12.30 per New Share. This is the same price which was offered to institutional investors who participated in the Institutional Entitlement Offer (and as set out in the Entitlement and Acceptance Form that is enclosed with this Information Booklet). The Offer Price represents a 8.7% discount to the theoretical ex-rights price (**TERP**).¹

New Shares and Additional New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

The Entitlement Offer is being underwritten by Credit Suisse (Australia) Limited.

The Institutional Entitlement Offer was completed on Tuesday 13 November 2018.

Information Booklet

This Information Booklet is important and requires your immediate attention. It is accompanied by your personalised Entitlement and Acceptance Form which contains details of your Entitlement as well as important information including:

- Key Dates for the Entitlement Offer;
- Instructions on How to Apply, setting out how to accept all or part of your Entitlement in the Retail Entitlement Offer if you choose to do so, and also (unless you are a Related Party of AUB) apply for Additional New Shares in excess of your Entitlement pursuant to the Retail Oversubscription Facility; and
- ASX Offer Announcements and Investor Presentation.

The Retail Entitlement Offer closes at 5:00pm (AEST) on Thursday 29 November 2018.

To participate, you need to ensure that you have completed your application by:

¹ The theoretical ex-rights price (**TERP**) is the theoretical market price for shares in AUB immediately following the Entitlement Offer assuming the Entitlement Offer is fully subscribed, based on the 5-day volume weighted average price (**VWAP**) of AUB shares prior to announcement of the equity raising on 12 November 2018. This is a theoretical calculation only and the actual market price may be higher or lower than this.

- paying Application Monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form or online at <https://events.miraqle.com/AUB-Offer/> so that your payment via BPAY® has been received by AUB by 5:00pm (AEST) on Thursday, 29 November 2018;

OR

- lodging your Entitlement and Acceptance Form, together with payment of Application Monies, by cheque, bank draft or money order so that it is received by AUB (care of the Registry) by 5:00pm (AEST) on Thursday, 29 November 2018.

No Entitlements trading

Your Entitlement cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up some or all of your Entitlement, your rights will lapse. Please see section 3.5 of this Information Booklet for more information.

Additional information

Further information on the Entitlement Offer is detailed in this Information Booklet. You should read the entirety of this Information Booklet carefully (including the “Key Risks” section of the Investor Presentation released to ASX on Monday, 12 November 2018 and included in Section 7 herein) before deciding whether to participate in the Entitlement Offer.

If you have any further questions about the Entitlement Offer, you should seek advice from your stockbroker, accountant or other independent professional adviser, or you can call the AUB Offer Information Line on 1300 330 255 or +61 1300 330 255 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer period. Alternatively, you can access information about the Retail Entitlement Offer online at <https://events.miraqle.com/AUB-Offer/>.

The board of directors of AUB looks forward to your participation in the Entitlement Offer.

Yours sincerely,



David Clarke

Chairman

2. Key dates for the Entitlement Offer

Event	Date
Entitlement Offer announced	Monday, 12 November 2018
Institutional Entitlement Offer	Monday, 12 November 2018 and Tuesday, 13 November 2018
Record Date to determine eligibility to participate in the Entitlement Offer	7.00pm AEST Wednesday, 14 November 2018
Retail Entitlement Offer opens and Information Booklet despatched	Monday, 19 November 2018
Issue of New Shares under the Institutional Entitlement Offer	Thursday, 22 November 2018
Retail Entitlement Offer Closes	5.00pm AEST Thursday, 29 November 2018
Issue of New Shares under the Retail Entitlement Offer	Friday, 7 December 2018
Trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Monday, 10 December 2018
Despatch of Holding Statements for New Shares under Retail Entitlement Offer	Tuesday, 11 December 2018

Note: The timetable above is indicative only and subject to change. AUB reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth) (**Corporations Act**), the ASX Listing Rules and other applicable laws. In particular, AUB reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of New Shares and Additional New Shares is subject to confirmation from ASX.

Enquiries

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the AUB Offer Information Line on 1300 330 255 or +61 1300 330 255 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer period.

Alternatively, you can access information about the Retail Entitlement Offer online at <https://events.miracle.com/AUB-Offer/>.

3. Overview of the Entitlement Offer

3.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 9,458,738 New Shares at the Offer Price of \$12.30 per New Share. All Eligible Institutional Shareholders and all Eligible Retail Shareholders are entitled to subscribe for 4 New Shares for every 27 Shares held at 7.00pm (AEST) on the Record Date.

The Entitlement Offer is comprised of two parts:

- the Institutional Entitlement Offer – Eligible Institutional Shareholders were invited to take up their Entitlements. The Institutional Entitlement Offer closed on Tuesday, 13 November 2018; and
- the Retail Entitlement Offer – Eligible Retail Shareholders are now being invited to take up all or part of their Entitlements and, if applicable, also apply for Additional New Shares in excess of their Entitlement.

The Entitlement Offer is non-renounceable, which means that Entitlements are non-transferable and cannot be sold or traded.

New Shares and Additional New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue. The Retail Entitlement Offer closes at 5:00pm (AEST) on Thursday, 29 November 2018, with New Shares and Additional New Shares (if any) to be issued on Friday, 7 December 2018.

The Entitlement Offer is fully underwritten by Credit Suisse (Australia) Limited (the **Underwriter**).

3.2 Who is eligible to participate in the Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 4 New Shares for every 27 Shares held as at the Record Date (7.00pm (AEST) on Wednesday, 14 November 2018), at the Offer Price of \$12.30 per New Share, and also apply for Additional New Shares in excess of their Entitlement.

Eligible Retail Shareholders are those Shareholders who:

- (a) are not Eligible Institutional Shareholders or Ineligible Institutional Shareholders;
- (b) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Wednesday, 14 November 2018;
- (c) as at the Record Date, have a registered address in Australia or New Zealand;
- (d) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States); and
- (e) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

AUB may (in its absolute sole discretion) extend the Retail Entitlement Offer to any institutional Shareholder who was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Entitlement Offer (subject to compliance with applicable laws).

3.3 Retail Oversubscription Facility and Additional New Shares

Eligible Retail Shareholders who take up all of their Entitlement (and who are not a Related Party of AUB) may apply for up to 50% of their Entitlement in addition to their Entitlement as Additional New Shares pursuant to the Retail Oversubscription Facility. This means that, in total, you may apply for up to 150% of your Entitlement (comprising the New Shares under your Entitlement plus the Additional New Shares). Eligible Retail Shareholders who apply for Additional New Shares in excess of their Entitlement may be offered some or all of the New Shares (as the case may be) not otherwise taken up by other Eligible Retail Shareholders. These Shares will form part of the Shortfall the subject of the Retail Oversubscription Facility.

Please note that Additional New Shares will only be allocated to you if there are a sufficient number of New Shares not taken up by Eligible Retail Shareholders pursuant to their full Entitlement or from New Shares that would have been offered to Ineligible Shareholders if they had been eligible to participate in the Retail Entitlement Offer, subject to any scale-back that AUB may apply (in its absolute discretion). If you apply for Additional New Shares, there is no guarantee you will be allocated any. Any allocation of Additional New Shares will be made on a pro-rata basis at the discretion of AUB and the Underwriter. Related Parties of AUB may not apply for, or be issued, any Additional New Shares.

AUB will only issue Shares under the Retail Entitlement Offer where the directors of AUB are satisfied, in their discretion, that the issue of such Shares will not increase a Shareholder's voting power in contravention of the takeover prohibitions pursuant to the Corporations Act.

3.4 What is your Entitlement

Your Entitlement to New Shares pursuant to the Retail Oversubscription Facility is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 4 New Shares for every 27 Shares you held as at the Record Date, being 7.00pm (AEST) on Wednesday, 14 November 2018. If the result is not a whole number your Entitlement will be rounded up to the nearest whole number. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up; for example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States (see definition of Eligible Retail Shareholders in section 3.2 of this Information Booklet).

3.5 Can you trade your Entitlement

Your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5:00pm (AEST) on Thursday, 29 November 2018, your rights will lapse. The New Shares not subscribed for will form part of the Shortfall.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your interest in AUB will also be diluted.

3.6 Reconciliation

The Entitlement Offer is a complex structure and in some instances Shareholders may believe that they will own more Shares in AUB than they actually do on the Record Date. This results in a need for reconciliation. If reconciliation is required, it is possible that AUB may need to issue a small quantity of additional New Shares (**Top-Up Shares**) to ensure all Eligible Shareholders receive their full Entitlement.

These Top-Up Shares would be issued at the Offer Price.

3.7 ASX quotation

Subject to approval being granted, quotation of the New Shares is expected to commence on:

- Thursday, 22 November 2018 for New Shares issued under the Institutional Entitlement Offer (on a normal trading basis); and
- Monday, 10 December 2018 for New Shares and Additional New Shares (if any) issued under the Retail Entitlement Offer (on a normal trading basis).

Holding statements will be dispatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares or Additional New Shares.

Any applicant who sells New Shares or Additional New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. AUB and the Underwriter disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares or Additional New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by AUB, the Underwriter or the Registry or otherwise, or who otherwise trade or purport to trade New Shares or Additional New Shares in error or which they do not hold or are not entitled to. If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

3.8 Ineligible Retail Shareholders

All Shareholders who are not Eligible Retail Shareholders, or who are either Eligible Institutional Shareholders or Ineligible Institutional Shareholders, are ineligible Retail Shareholders (**Ineligible Retail Shareholders**). Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

AUB has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to the number of Shares held by Ineligible Retail Shareholders, the number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of Shares to Ineligible Retail Shareholders in those places.

3.9 Rights of AUB and the Underwriter

(a) Adjusting Entitlements

AUB reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

(b) Acknowledgement

By accepting their Entitlement, Shareholders irrevocably acknowledge and agree to do any of the above as required by AUB and the Underwriter in their absolute discretion. Shareholders also acknowledge that:

- there is no time limit on the ability of AUB and the Underwriter to require any of the actions set out above; and
- where AUB and the Underwriter exercise their right to correct a Shareholder's Entitlement, the Shareholder is treated as continuing to accept or not take up any remaining Entitlement.

4. How to apply

4.1 What you may do – choices available

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the AUB Offer Information Line on 1300 330 255 or +61 1300 330 255 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer period. Alternatively, you can access information about the Retail Entitlement Offer online at <https://events.miracle.com/AUB-Offer/>. You should also refer to the “Key Risks” section of the Investor Presentation included in section 7 of this Information Booklet.

If you are an Eligible Retail Shareholder, you may do any one of the following:

- take up all of your Entitlement (see section 4.2 of this Information Booklet);
- take up part of your Entitlement (see section 4.3 of this Information Booklet);
- provided you are not a Related Party of AUB, take up all of your Entitlement and also apply for up to 50% of your Entitlement in addition to your Entitlement as Additional New Shares pursuant to the Retail Oversubscription Facility. This means that, in total, you may apply for up to 150% of your Entitlement (comprising the New Shares under your Entitlement plus the Additional New Shares). Any Additional New Shares will be issued from any potential Shortfall (see section 4.4 of this Information Booklet); or
- not take up your Entitlement (see section 4.5 of this Information Booklet).

You should note that if you do not take up all of your Entitlement, your percentage shareholding in AUB will be diluted. The New Shares not subscribed for will form part of the Shortfall.

4.2 If you wish to take up all of your Entitlement

If you decide to take up all of your Entitlement and you wish to pay by cheque, bank draft or money order you should:

- complete the personalised Entitlement and Acceptance Form by following the instructions set out on the personalised Entitlement and Acceptance Form;
- attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) to the form; and
- return the Entitlement and Acceptance Form together with payment to the Registry so that it is received by 5:00pm (AEST) on Thursday, 29 November 2018.

If you wish to take up all of your Entitlement and you wish to pay by BPAY®² you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) so that it is received by 5:00pm (AEST) on Thursday, 29 November 2018.

If you choose to pay by BPAY® you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

4.3 If you wish to take up part of your Entitlement

If you decide to take up part of your Entitlement and reject the balance and you wish to pay by cheque, bank draft or money order you should:

- complete the personalised Entitlement and Acceptance Form by following the instructions set out on the personalised Entitlement and Acceptance Form indicating the number of New Shares you wish to take up. This will be less than your Entitlement as specified on the Entitlement and Acceptance Form;

² BPAY® is a bill payment service. For further information, please see <http://www.bpay.com.au/>.

- attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself) to the form; and
- return the Entitlement and Acceptance Form to the Registry so that it is received by 5:00pm (AEST) on Thursday, 29 November 2018.

If you wish to take up part of your Entitlement and reject the balance and you wish to pay by BPAY® you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself).

If you choose to pay by BPAY® you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

4.4 If you wish to take up all of your Entitlement and apply for Additional New Shares

If you wish to take up all of your Entitlement and apply for Additional New Shares pursuant to the Retail Oversubscription Facility and you wish to pay by cheque, bank draft or money order you should:

- complete the personalised Entitlement and Acceptance Form by following the instructions set out on the personalised Entitlement and Acceptance Form indicating that you wish to take up the full number of New Shares and indicating the number of Additional New Shares you wish to take up;
- attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up and the number of Additional New Shares you wish to take up – you will need to calculate this number yourself) to the form; and
- return the Entitlement and Acceptance Form to the Registry so that it is received by 5:00pm (AEST) on Thursday, 29 November 2018.

If you wish to take up all of your Entitlement and apply for Additional New Shares pursuant to the Retail Oversubscription Facility and you wish to pay by BPAY® you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up and the number of Additional New Shares you wish to take up – you will need to calculate this number yourself).

If you choose to pay by BPAY® you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

4.5 If you do not wish to take up your Entitlement

If you do not wish to take up your Entitlement you should do nothing.

4.6 Payment

(a) General

The Offer Price of \$12.30 per New Share accepted is payable on acceptance of your Entitlement.

You can pay in the following ways:

- BPAY®; or
- cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued.

AUB will treat you as applying for as many New Shares as your payment will pay for in full, up to your Entitlement. If your payment will pay for more than your full Entitlement, AUB will treat

you as applying for your full Entitlement and as many Additional New Shares by way of oversubscription to any Shortfall as your payment will pay for in full.

Application Monies received from Eligible Retail Shareholders will be held in the AUB Entitlement Offer Account solely for the purpose of holding the Application Monies.

AUB reserves the right to cancel the Entitlement Offer at any time prior to the allocation of New Shares under the Institutional Entitlement Offer. If the Entitlement Offer is cancelled, all Application Monies will be refunded without interest. To the fullest extent permitted by law, each Eligible Retail Shareholder agrees that any Application Monies paid by them to AUB will not entitle them to any interest against AUB and that any interest earned in respect of Application Monies will belong to AUB. This will be the case, whether or not all or none (if the Entitlement Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

Any Application Monies received for more than your final allocation of New Shares or Additional New Shares (if applicable) will be refunded (except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by AUB). No interest will be paid on any Application Monies received or refunded.

(b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Reference Number on your Entitlement and Acceptance Form. If you have multiple holdings and receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, please only use the Reference Number specific to the Entitlement on that form. If you do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of your Entitlements, your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the statements on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5:00pm (AEST) on Thursday, 29 November 2018 (subject to variation).

You should be aware that your Australian financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

(c) Payment by cheque, bank draft or money order

Your cheque, bank draft or money order must be:

- for an amount equal to \$12.30 multiplied by the number of New Shares (and Additional New Shares, if applicable) that you are applying for;
- in Australian currency drawn on an Australian branch of a financial institution; and
- payable to "AUB Group Limited – Application Amount" and crossed "Not Negotiable".

If you wish to pay by cheque, bank draft or money order, you must also complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it to the Registry accompanied by a cheque, bank draft or money order.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for

which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and you will be taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

4.7 Mail and hand delivery

Shareholders who make payment via cheque, bank draft or money order should send their completed personalised Entitlement and Acceptance Form together with Application Monies to:

By mail:

AUB Group Limited
c/o Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

By hand:

AUB Group Limited
c/o Link Market Services
1A Homebush Bay Drive
Rhodes
Sydney NSW 2138

4.8 Effect of participating in Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Entitlement Offer, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
- (b) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer; and
- (c) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (d) once AUB receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (e) you have read and understood this Information Booklet and the personalised Entitlement and Acceptance Form;
- (f) the information contained in this Information Booklet is not investment advice nor a recommendation that the New Shares or the Additional New Shares (if applicable) are suitable for you, given your investment objectives, financial situation or particular needs;
- (g) this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in AUB and is given in the context of AUB's past and on-going continuous disclosure announcements to ASX;
- (h) you have read and understand the statement of risks in the 'Key Risks' section of the Investor Presentation included in Section 7 of this Information Booklet, and that investments in AUB are subject to risk;

- (i) neither AUB nor the Underwriter, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisors, warrants or guarantees the future performance of AUB, nor do they guarantee any return on any investment made pursuant to the Entitlement Offer;
- (j) you agree to:
 - (i) apply for, and be issued with up to, the number of New Shares (and Additional New Shares, if applicable) that you apply for at the Offer Price of \$12.30 per New Share;
 - (ii) provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date; and
 - (iii) be bound by the terms of this Information Booklet and the provisions of AUB's constitution;
- (k) you authorise AUB to:
 - (a) register you as the holder of New Shares (and Additional New Shares, if applicable) and authorise AUB and its officers or agents to do anything on your behalf necessary for the New Shares (and Additional New Shares, if applicable) to be issued to you, including to act on instruction of the Registry by using the contact details set out in the personalised Entitlement and Acceptance Form; and
 - (b) correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (l) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of AUB and/or the Underwriter; and
 - (ii) each of AUB and the Underwriter, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law; and
- (m) you represent and warrant that:
 - (i) (for the benefit of AUB, the Underwriter and their respective related bodies corporate and affiliates) you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
 - (ii) the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer; and
 - (iii) (for the benefit of AUB, the Underwriter and their respective related bodies corporate and affiliates) you are an Eligible Retail Shareholder.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY® or otherwise applying to participate in the Retail Entitlement Offer you will also be treated as:

- (a) having represented and warranted that:
 - (i) you are not in the United States and are not applying for New Shares or Additional New Shares on behalf of, or for the account or benefit of, a person in the United States;

- (ii) you and each person on whose account you are acting are not engaged in the business of distributing securities; and
- (iii) you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer, including this Information Booklet and the Entitlement and Acceptance Form, to any person that is in the United States; and
- (b) acknowledging on your own behalf and on behalf of each person on whose account you are acting that:
 - (i) you are not in the United States and you are not acting for the account or benefit of a person in the United States;
 - (ii) you understand and acknowledge that neither the Entitlements nor the New Shares or Additional New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and that, accordingly, the Entitlements may not be taken up or exercised by a person in the United States, and the New Shares and Additional New Shares (if applicable) may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
 - (iii) you are subscribing for and purchasing the Entitlements and the New Shares (and Additional New Shares, if applicable) outside the United States in an 'offshore transaction' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
 - (iv) you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand;
 - (v) you agree that if in the future you decide to sell or otherwise transfer the New Shares or Additional New Shares (if applicable), you will only do so in standard (regular way) brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
 - (vi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

5. Australian tax implications

5.1 General

The section below provides a general summary of the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

This section is intended to provide a summary of the general Australian income tax, GST and stamp duty implications for Eligible Retail Shareholders who are permanent residents for Australian income tax purposes and hold their Shares on capital account. This summary does not consider the implications for Eligible Retail Shareholders who:

- are exempt from Australian income tax;
- acquired their Shares as a result of an employment or services arrangement;

- are banks or insurance companies;
- hold their Shares on revenue account or as trading stock;
- are non-residents for Australian tax purposes, and who hold, or have held at any time, their Shares through a permanent establishment in Australia or hold their Shares through one or more interposed Australian entities; or
- are subject to the Australian taxation of financial arrangement (TOFA) rules under Division 230 of the Income Tax Assessment Act 1997 (Cth).

The information in this section is general in nature and is based on the relevant Australian tax legislation in force, and the understandings of the practice of the relevant revenue authorities, as at the date of this Retail Entitlement Information Booklet. AUB and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning tax consequences, or in respect of the tax consequences. It is strongly recommended that each Eligible Retail Shareholder seeks their own independent professional tax advice applicable to their particular circumstances.

5.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

5.3 Exercise of Entitlements

The exercise of an Entitlement should not, of itself, result in an amount being included in the assessable income of an Eligible Retail Shareholder.

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. You will also acquire Additional New Shares if your application for Additional New Shares is accepted.

Each New Share or Additional New Share will constitute a separate asset for CGT purposes. The Offer Price for the New Shares or the Additional New Shares will form part of the cost base (or reduced cost base) of the New Shares or the Additional New Shares. Each of the New Shares or the Additional New Shares will be taken to be acquired on the day that the Entitlement in respect of the New Share or the Additional New Share is exercised.

5.4 Entitlements not taken up

Any Entitlements not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Shareholder will not receive any consideration for those Entitlements. There should not be any tax implications for the Eligible Retail Shareholder in these circumstances.

5.5 Distributions on New Shares

Any future dividends or other distributions made in respect of New Shares or Additional New Shares will generally be subject to the same income tax treatment as dividends or other distributions made on existing Shares held in the same circumstances.

5.6 TFN/ABN withholding

AUB may be required to withhold amounts from income distributions at the highest marginal tax rate plus the Medicare Levy if a TFN, ABN, or evidence of an appropriate exemption from quoting such numbers, has not been provided.

If an Eligible Retail Shareholder has quoted their TFN or ABN or an exemption from quoting such numbers applies in respect of their existing holding of Shares, this quotation or exemption will also apply in respect of any New Shares or Additional New Shares acquired by that Eligible Retail Shareholder.

5.7 Disposal of New Shares

The disposal of a New Share or an Additional New Share will constitute a disposal for CGT purposes.

On disposal of a New Share or an Additional New Share, an Eligible Retail Shareholder will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share or the Additional New Share (as applicable). An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share or the Additional New Shares.

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares or Additional New Shares for 12 months or more at the time of disposal (excluding the dates of acquisition and disposal) should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33 1/3% for complying superannuation entities.

New Shares or Additional New Shares will be treated for the purposes of the capital gains tax discount as having been acquired when an Eligible Retail Shareholder exercises their Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Eligible Retail Shareholder exercised their Entitlement (excluding the dates of acquisition and disposal). For the Additional New Shares the 12 months should be measured from the date the Additional New Shares are issued.

Eligible Retail Shareholders that make a capital loss on the disposal of their New Shares or their Additional New Shares can only use that loss to offset other capital gains, i.e. the capital loss cannot be used to offset other assessable income. However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, provided, in the case of a corporate or trustee Eligible Retail Shareholder, that certain tests are satisfied.

5.8 Other Australian taxes

No Australian GST or stamp duty should be payable in respect of the issue or exercise of the Retail Entitlement Offer, or the acquisition of New Shares or Additional New Shares pursuant to the Retail Entitlement Offer.

6. ASX Announcements

ASX release

Monday, 12 November 2018

Not for distribution or release in the United States

AUB Group Limited announces a fully underwritten A\$116 million capital raising

AUB Group Limited (“AUB”) today announces it is undertaking a fully underwritten 4 for 27 accelerated pro-rata non-renounceable entitlement offer to raise approximately A\$116 million in order to repay part of AUB’s current debt facility to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit Holdings Pty Ltd (“Adroit”, the “**acquisition**”) and for the transaction and offer costs. Completion of the offer will result in a pro forma funding capacity as at 30 June 2018 of approximately A\$142 million and pro forma gearing of 7%¹.

AUB today also reconfirms the FY19 Adjusted NPAT outlook as stated in the FY18 results². In relation to financial misconduct identified and announced by AUB to the market on 18 October 2018, AUB’s investigation continues and its current assessment is that the impact of the matter is unlikely to be material. Nothing has come to the attention of the Group to indicate that this misconduct extends beyond the identified entity.

AUB strategy

Acquisitions across Australia and New Zealand continue to be a key element of AUB’s strategy, complementing organic growth. Execution of AUB’s strategy has resulted in a strong organic growth platform supplemented by acquisition activity.

Completion of 31 acquisitions for a consideration of A\$168 million³ over the past 5 years has provided AUB with ownership of a robust network of diversified risk management enterprises while continuing the success of the ‘owner-driver’ model.

AUB’s CEO and Managing Director, Mark Searles, said, “*We remain focused on continuing to supplement organic growth through relevant acquisitions and start-up opportunities in Australia and New Zealand. We have a strong pipeline of future acquisition opportunities which we will actively pursue in order to enhance returns for shareholders*”.

Acquisition of additional 44% interest in Adroit

AUB has signed an agreement to acquire an additional 44% interest in Adroit, which will take total effective ownership to 94% upon completion. Completion of the acquisition is expected in early December 2018 for a total consideration of A\$21.7 million in cash.

AUB’s partnership with Adroit was first established in the late 1980’s and the acquisition will provide AUB with an increased shareholding in the key Victorian broking group.

Capital raising

AUB is undertaking a fully underwritten 4 for 27 accelerated pro-rata non-renounceable entitlement offer to raise approximately A\$116 million (“**Entitlement Offer**”).

Approximately 9.5 million new fully paid ordinary shares in AUB (“**New Shares**”) are expected to be issued under the Entitlement Offer at a price of \$12.30 per New Share (“**Offer Price**”).⁴

1 Represents 30 June 2018 balances adjusted to reflect the repayment of A\$91.7 million of drawn debt, representing proceeds of A\$116.3 million less the Adroit acquisition consideration of A\$21.7 million and transaction and offer costs of A\$2.9 million.

2 See Appendix 1 of AUB’s Full Year Results announcement dated 27 August 2018 for a reconciliation of Adjusted NPAT to Reported NPAT.

3 Based on acquisitions by AUB and AUB’s share of partner bolt-on acquisitions to 30 June 2018.

4 In addition, 196,714 shares will be issued to executives during the offer period as a result of the expected exercise of vested options under the 2015 grant under AUB’s Senior Executive Option Program (SEOP) and a further 81,312 options to be issued to executives pursuant to the 2018 grant. Any shares issued will not participate in the Entitlement Offer.

Eligible shareholders will be entitled to subscribe for 4 New Shares for every 27 existing ordinary shares held as at 7:00pm Sydney time on Wednesday, 14 November 2018.

The Offer Price represents a:

- 9.9% discount to the last traded price of \$13.65 on Friday, 9 November 2018; and
- 8.7% discount to the theoretical ex-rights price⁵ (“**TERP**”) of A\$13.48

New Shares will rank equally with existing fully paid ordinary shares from their time of issue.

The Entitlement Offer consists of:

- an accelerated institutional component of the Entitlement Offer (“**Institutional Entitlement Offer**”) which will be conducted from Monday, 12 November 2018 to Tuesday, 13 November 2018; and
- a retail component which will open on Monday, 19 November 2018 and close at 5:00pm on Thursday, 29 November 2018 (“**Retail Entitlement Offer**”)

Institutional Entitlement Offer

Eligible institutional shareholders in certain jurisdictions will be invited to participate in the Institutional Entitlement Offer which is expected to close tomorrow, Tuesday, 13 November 2018.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on market or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional investors concurrently with the Institutional Entitlement Offer.

AUB shares will remain in a trading halt pending completion of the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer.

The Retail Entitlement Offer will open on Monday, 19 November 2018 and close at 5:00pm on Thursday, 29 November 2018. Eligible retail shareholders may also apply for New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which AUB expects to lodge with the ASX and dispatch on Monday, 19 November 2018.

Entitlements cannot be traded on the ASX or transferred. Eligible retail shareholders who do not take up their Entitlement under the Retail Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on +61 1300 330 255 at any time between 8:30am and 5:30pm (AEDT), Monday to Friday.

⁵ TERP means the theoretical ex-rights price at which AUB shares should trade immediately after the ex-date of the Offer. TERP is a theoretical calculation only and the actual price at which AUB's shares trade at that time will depend on many factors and may not be equal to TERP.

Key dates

A timetable of key dates in relation to the Entitlement Offer is set out below. The timetable is indicative only and dates and times are subject to change without notice.

Event	Date ⁶
Trading halt and announcement of the acquisition of Adroit; Institutional Entitlement Offer opens	Monday, 12 November 2018
Institutional Entitlement Offer closes	Tuesday, 13 November 2018
Trading halt lifted – shares recommence trading on ASX	Wednesday, 14 November 2018
Record date for determining entitlement to subscribe for New Shares	7:00pm Wednesday, 14 November 2018
Retail Entitlement Offer opens	Monday, 19 November 2018
Retail Offer Booklet and Application and Entitlement Forms dispatched	Monday, 19 November 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	Wednesday, 21 November 2018
Allotment and trading of New Shares issued under the Institutional Entitlement Offer	Thursday, 22 November 2018
Retail Entitlement Offer closes	5:00pm Thursday, 29 November 2018
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 6 December 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 7 December 2018
Quotation and trading of New Shares issued under the Retail Offer	Monday, 10 December 2018
Expected dispatch of holding statement	Tuesday, 11 December 2018

For further information, contact:

Justin Coss
Company Secretary
E: justinc@aubgroup.com.au
Tel: +61 2 9935 2224

⁶ All dates and times are indicative and subject to change without notice. Times refer to Sydney time. AUB reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

This release has been prepared for release in Australia and may not be released or distributed in the United States. This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (“Securities Act”), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

This release contains “forward-looking” statements, including statements regarding the completion and effects of the acquisition, the outcome of the capital raising and the implementation of AUB’s acquisition strategy. These statements relate to expectations, beliefs, intentions or strategies regarding the future. Forward looking statements may be identified by the use of words like ‘anticipate’, ‘believe’, ‘aim’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘plan’, ‘project’, ‘will’, ‘should’, ‘seek’ and similar expression.

The forward looking statements reflect views and assumptions with respect to future events as of the date of this announcement. However, they are not guarantees of future performance. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of AUB Group and its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. Readers are cautioned not to place undue reliance on the forward looking statements, which are based only on information currently available to AUB Group. To the fullest extent permitted by law, AUB Group and its directors, officers, employees, advisers, agents and intermediaries do not warrant that these forward looking statements relating to future matters will occur and disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

ASX release

Wednesday, 14 November 2018

Not for distribution or release in the United States

AUB Group Limited successfully completes Institutional Entitlement Offer

AUB Group Limited ("**AUB**") is pleased to announce the successful completion of the institutional component ("**Institutional Entitlement Offer**") of its fully underwritten 4 for 27 accelerated pro rata non-renounceable entitlement offer ("**Entitlement Offer**") announced to the Australian Securities Exchange ("**ASX**") on Monday, 12 November 2018. Proceeds from the Entitlement Offer will be used to repay part of AUB's current debt facility to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit Holdings Pty Ltd and for the transaction and offer costs.

The Institutional Entitlement Offer raised approximately A\$98 million at A\$12.30 per share ("**Offer Price**") with a take-up rate of 66% by institutional shareholders. Shares not taken up (and those that otherwise would have been allocated to ineligible foreign shareholders) have been fully allocated to existing and new investors.

AUB's CEO and Managing Director, Mark Searles, said, "*We are pleased to have completed the Institutional Entitlement Offer and look forward to executing further on our strategy of supplementing organic growth with relevant acquisitions to drive growth.*"

New shares issued under the Institutional Entitlement Offer ("**New Shares**") will rank equally in all respects with existing shares. The New Shares issued under the Institutional Entitlement Offer will be allotted on Thursday, 22 November 2018.

Commencement of Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand and who are not in the United States or acting for the account or benefit of a person in the United States ("**Eligible Retail Shareholders**") will be invited to participate in the Retail Entitlement Offer, which is scheduled to open on Monday, 19 November 2018 and close at 5.00pm (Sydney time) on Thursday, 29 November 2018 ("**Retail Offer Period**").

Eligible Retail Shareholders will be able to subscribe for 4 New Shares for every 27 AUB shares held as at 7.00pm (Sydney time) on the Record Date (Wednesday, 14 November 2018) at the same Offer Price of A\$12.30 per New Share as the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders may apply for an additional 50% of New Shares ("**Additional New Shares**") in excess of their entitlement under an oversubscription facility ("**Oversubscription Facility**"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. The allocation of Additional New Shares under the Oversubscription Facility will be subject to the terms set out in the Retail Entitlement Offer Booklet, expected to be dispatched to Eligible Retail Shareholders on Monday, 19 November 2018.

Eligible Retail Shareholders are encouraged to carefully read the Retail Entitlement Offer Booklet for further details relating to the Retail Entitlement Offer, which includes the timetable for the Retail Entitlement Offer. Copies of the Retail Entitlement Offer Booklet will be available on the ASX website and AUB's offer website at <https://events.miracle.com/AUB-Offer/> from Monday, 19 November 2018.

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please contact the AUB Offer Information Line on +61 1300 330 255 or +61 1300 330 255 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday during the Retail Offer Period.

Disclaimer

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 ("**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

For further information, contact:

Justin Coss

Company Secretary

E: justinc@aubgroup.com.au

Tel: +61 2 9935 2224

– Ends –

This release contains "forward-looking" statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "anticipated", "expected", "projections", "guidance", "forecast", "estimates", "could", "may", "target", "consider", "will" and other similar expressions. The forward looking statements reflect views and assumptions with respect to future events as of the date of this announcement. However, they are not guarantees of future performance. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of AUB Group and its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. Readers are cautioned not to place undue reliance on the forward looking statements, which are based only on information currently available to AUB Group. To the fullest extent permitted by law, AUB Group and its directors, officers, employees, advisers, agents and intermediaries do not warrant that these forward looking statements relating to future matters will occur and disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

7. Investor Presentation

AUB GROUP LTD

CAPITAL RAISING AND ACQUISITION

12 NOVEMBER 2018



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IMPORTANT NOTICE AND DISCLAIMER

SUMMARY INFORMATION

This document has been prepared by AUB Group Limited (ABN 60 000 000 715) ("AUB"). It is a presentation of general background information about AUB's activities current at the date of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with AUB's other announcements released to ASX (available at www.asx.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate.

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This Presentation contains forward looking statements, including statements regarding the completion and effects of the Acquisition, the outcome of the capital raising and the implementation of AUB's acquisition strategy. These statements relate to expectations, beliefs, intentions or strategies regarding the future. Forward looking statements may be identified by the use of words like 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions.

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Investors should note that this Presentation contains pro forma historical financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of AUB's views on its future financial condition and/or performance. The pro forma financial information has been prepared on the basis set out on slide 7. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (SEC), and such information does not purport to comply with Article 3-05 of Regulation S-X.

Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934 and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The non-IFRS financial information/non-GAAP financial measures include gearing, adjusted EPS and adjusted NPAT. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although AUB believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation. The financial information in the Presentation is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

IMPORTANT NOTICE AND DISCLAIMER (cont'd)

FINANCIAL DATA AND ROUNDING

All dollar values are in Australian dollars (\$) unless stated otherwise. A number of figures, amounts, percentages estimates, calculations of value and other fractions used in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of AUB and the Underwriter; and
- each of AUB and the Underwriter and their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Underwriter may have interests in the securities of AUB, including by providing investment banking services to AUB. Further, the Underwriter may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in its capacity as a lead manager and underwriter to the Offer.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

EXECUTIVE SUMMARY

Equity raising	<ul style="list-style-type: none"> AUB is raising approximately A\$116 million via a fully underwritten 4 for 27 accelerated pro-rata non-renounceable entitlement offer ("Entitlement Offer") Proceeds from the Entitlement Offer will be used to repay part of AUB's current debt facility to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit Holdings Pty Ltd ("Adroit") and for the transaction and offer costs This will result in a pro forma funding capacity as at 30 June 2018 of approximately A\$142 million and pro forma gearing of 7%⁽¹⁾
Funding and flexibility for future acquisitions	<ul style="list-style-type: none"> Acquisitions across Australia and New Zealand continue to be a key element of AUB's strategy, complementing organic growth Execution of AUB's strategy has resulted in a strong organic growth platform supplemented by acquisition activity Completion of 31 acquisitions for a consideration of A\$168 million⁽²⁾ over the past 5 years has provided AUB with ownership of a robust network of diversified risk management enterprises while continuing the success of the 'owner-driver' model
Acquisition of additional 44% interest in Adroit	<ul style="list-style-type: none"> AUB has signed an agreement to acquire an additional 44% interest in Adroit, taking total effective ownership to 94% Completion is expected in early December 2018 for a total consideration of A\$21.7 million in cash AUB's partnership with Adroit was first established in the late 1980's and the acquisition will provide AUB with an increased shareholding in the key Victorian broking group
Strong M&A track record and pipeline	<ul style="list-style-type: none"> Disciplined, proven and replicable approach to acquisitions employed in line with our M&A criteria Current strong pipeline of acquisition opportunities in various stages of evaluation and execution Two New Zealand transactions completing in calendar 2018 approved by AUB Board
FY19 outlook reconfirmed	<ul style="list-style-type: none"> No change to the FY19 Adjusted NPAT outlook as stated in the FY18 results presentation⁽³⁾ In relation to financial misconduct identified and announced by AUB to the market on 18 October 2018, AUB's investigation continues and its current assessment is that the impact of the matter is unlikely to be material. Nothing has come to the attention of the Group to indicate that this misconduct extends beyond the identified entity

(1) Represents 30 June 2018 balances adjusted to reflect the repayment of A\$91.7 million of drawn debt, representing proceeds of A\$116.3 million less the Adroit acquisition consideration of A\$21.7 million and transaction and offer costs of A\$2.9 million.

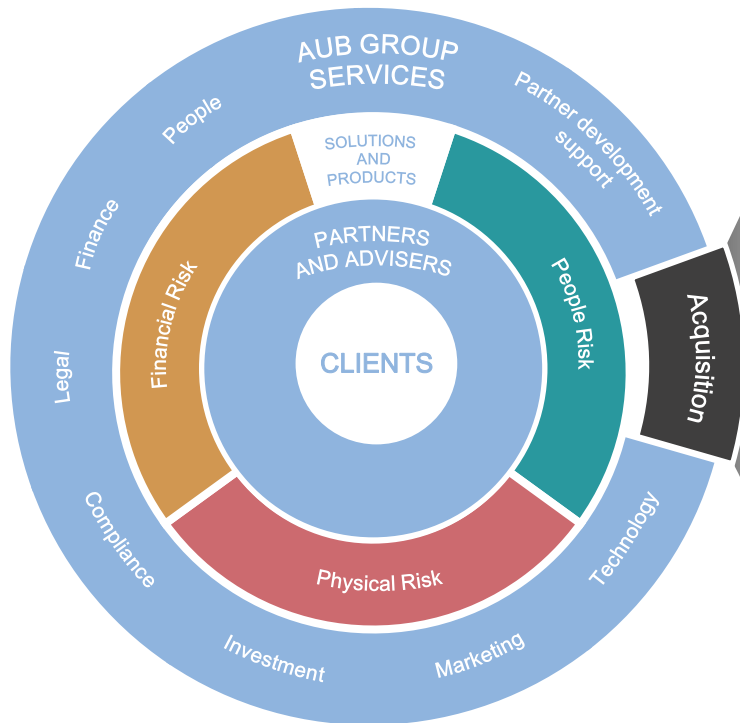
(2) Based on acquisitions by AUB and AUB's share of partner bolt-on acquisitions to 30 June 2018.

(3) See Appendix 1 of AUB's Full Year Results announcements dated 27 August 2018 for a reconciliation of Adjusted NPAT to Reported NPAT.

ACQUISITIONS ARE AN IMPORTANT ELEMENT OF AUB'S STRATEGY



AUB intends to continue to supplement organic growth by relevant acquisitions and start-up opportunities in Australia and New Zealand across Insurance Broking, Underwriting Agencies and Risk Services



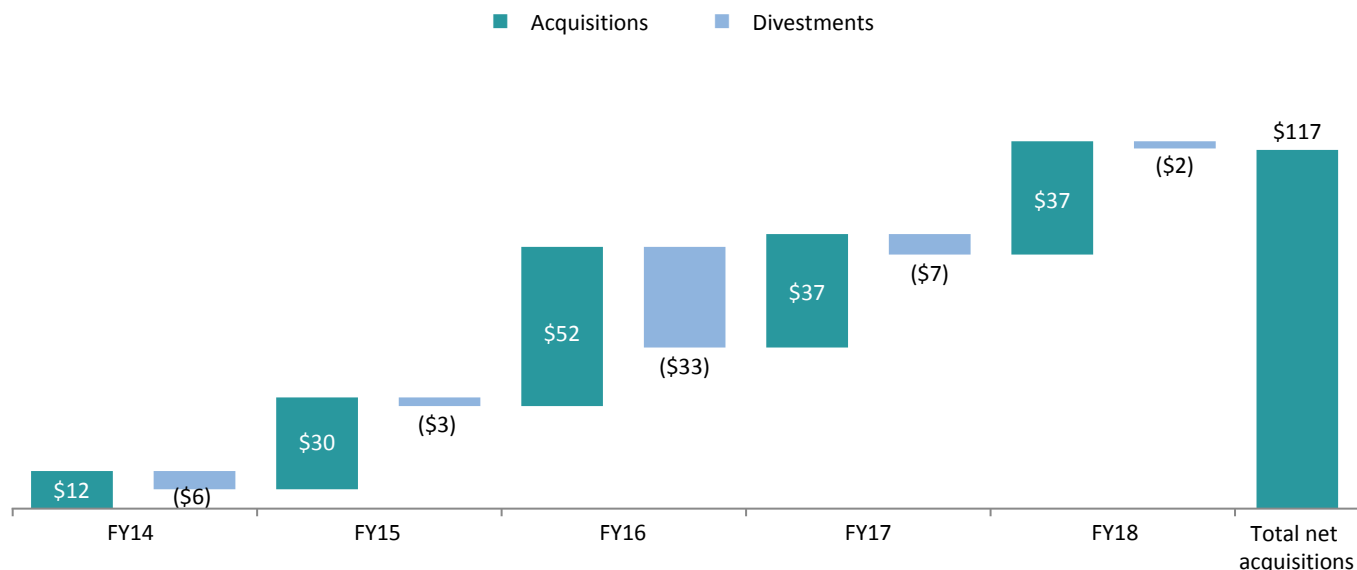
- **31** acquisitions executed since 1 July 2013⁽¹⁾
- **A\$168 million** total consideration paid⁽¹⁾
- Mix of corporate acquisitions and partner bolt-ons
 - AUB and partner firms seek to own between 50% and 100%, with ownership managed over time across the portfolio
- Strong pipeline of future acquisition opportunities in various stages of evaluation and execution
- Target after tax return on invested capital of at least **10%** before synergies
- Key acquisition selection and evaluation criteria
 - ✓ Alignment of values including fit with 'owner-driver' model
 - ✓ Ability of AUB to add value through platform integration
 - ✓ Complementary client bases and geographies
 - ✓ Financial returns

(1) Based on acquisitions by AUB and AUB's share of partner bolt-on acquisitions to 30 June 2018.

AUB ACTIVELY MANAGES ITS PORTFOLIO TO ENHANCE RETURNS

Evolution of AUB's acquisitions and returns⁽¹⁾

(A\$ million)



Gearing (Debt / Debt + Equity) ⁽²⁾	16.7%	17.5%	20.2%	21.6%	25.3%
Adj. EPS (c / share) ⁽³⁾	59.8	59.3	59.6	63.2	69.8
DPS (c / share)	38.5	39.7	40.0	42.0	45.5
Acquisitions (#)	2	5	7	9	8
Divestments (#)	3	5	7	7	3

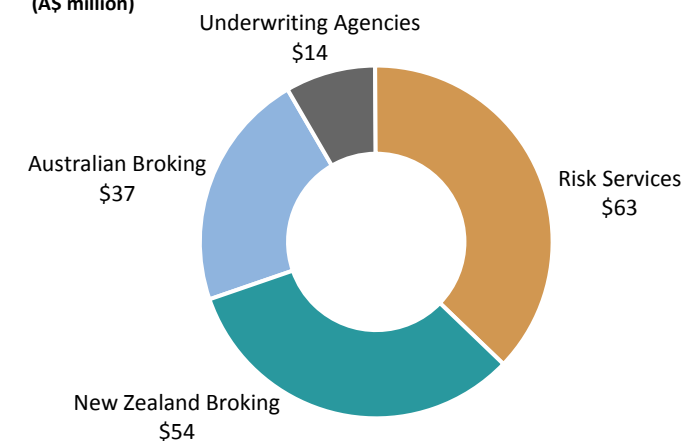
(1) Based on AUB's share of acquisitions and divestments in each respective period (includes payment for contingent consideration from FY14 to FY18).

(2) Gearing at financial year end.

(3) Calculated as Adjusted NPAT / weighted avg. number of shares. Adjusted NPAT is NPAT excluding adjustments to carrying values of associates, profit on sale and deconsolidation of controlled entities, contingent consideration adjustments, impairment charge and amortisation of intangibles.

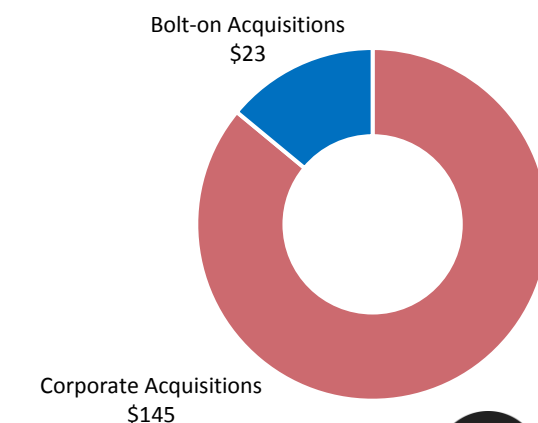
Acquisitions by business unit

(A\$ million)



Acquisitions by type

(A\$ million)



FLEXIBILITY TO FUND FUTURE GROWTH

Source of funds	A\$ million
Entitlement Offer	\$116.3
Total sources	\$116.3

Uses of funds	A\$ million
Acquisition of Adroit	\$21.7
Transaction and offer costs	\$2.9
Debt repayment	\$91.7
Total uses	\$116.3

Pro forma parent entity funding as at 30 June 2018

- Undrawn debt (A\$ million)
- Drawn debt (A\$ million)

A\$50.4 million
funding capacity



Actual Jun 18

A\$142.1 million pro
forma funding capacity



Pro forma Jun 18⁽¹⁾

- Parent entity multi-currency revolving debt facility of A\$150 million on a 3 year term (with extensions to 5 years)

Total group gearing (%)	25.3%	7.0%
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(1) Represents 30 June 2018 balances adjusted to reflect the repayment of A\$91.7 million of drawn debt, representing proceeds of A\$116.3 million less the Adroit acquisition consideration of A\$21.7 million and transaction and offer costs of A\$2.9 million.

ENTITLEMENT OFFER SUMMARY

Offer size and structure	Approximately A\$116 million via a fully underwritten 4 for 27 accelerated pro-rata non-renounceable entitlement offer Approximately 9.5 million New Shares to be issued (equivalent to approximately 14.8% of existing shares on issue) ⁽¹⁾
Offer price	The Entitlement Offer price is A\$12.30 per New Share (" Offer Price "), representing a: <ul style="list-style-type: none"> • 9.9% discount to the last traded price of \$13.65 on Friday, 9 November 2018; and • 8.7% discount to TERP of \$13.48⁽²⁾
Use of proceeds	Proceeds from the Entitlement Offer will be used to repay part of AUB's current debt facility to provide additional financial flexibility for potential near-term growth initiatives, to fund the acquisition of an additional 44% interest in Adroit and for the transaction and offer costs
Institutional investors	The Institutional Entitlement Offer will be conducted from Monday, 12 November 2018 to Tuesday, 13 November 2018
Retail investors	The Retail Entitlement Offer will open on Monday, 19 November 2018 and close on Thursday, 29 November 2018
Ranking	New Shares will rank equally with existing fully paid ordinary shares from their time of issue
Underwriting	The Entitlement Offer is fully underwritten

(1) In addition, 196,714 shares will be issued to executives during the offer period as a result of the expected exercise of vested options under the 2015 grant under AUB's Senior Executive Option Program (SEOP) and a further 81,312 options to be issued to executives pursuant to the 2018 grant. Any shares issued will not participate in the Entitlement Offer.

(2) TERP means the theoretical ex-rights price at which AUB shares should trade immediately after the ex-date of the Offer. TERP is a theoretical calculation only and the actual price at which AUB's shares trade at that time will depend on many factors and may not be equal to TERP.

TIMETABLE

Event	Date ⁽¹⁾
Trading halt and announcement of the acquisition of Adroit; Institutional Entitlement Offer opens	Monday, 12 November 2018
Institutional Entitlement Offer closes	Tuesday, 13 November 2018
Trading halt lifted – shares recommence trading on ASX	Wednesday, 14 November 2018
Record date for determining entitlement to subscribe for New Shares	7:00pm AEDT Wednesday, 14 November 2018
Retail Entitlement Offer opens	Monday, 19 November 2018
Retail Offer Booklet and Application and Entitlement Forms dispatched	Monday, 19 November 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	Wednesday, 21 November 2018
Allotment and trading of New Shares issued under the Institutional Entitlement Offer	Thursday, 22 November 2018
Retail Entitlement Offer closes	5:00pm Thursday, 29 November 2018
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 6 December 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 7 December 2018
Quotation and trading of New Shares issued under the Retail Offer	Monday, 10 December 2018
Expected dispatch of holding statement	Tuesday, 11 December 2018

(1) All dates and times are indicative and subject to change without notice. Times refer to Sydney time. AUB reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.



KEY RISKS



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GENERAL RISKS

Set out below are general risks applicable to the AUB and its controlled entities (“AUB Group”).

REDUCTION OF GROSS WRITTEN PREMIUM IN THE AUSTRALIAN AND NEW ZEALAND GENERAL INSURANCE MARKET

AUB Group derives most of its revenue as a result of sales of general insurance products either as agent of the customer through its broker network or as agent of the insurer through its underwriting agency business. A substantial portion of the broker revenue consists of commissions that are based on a proportion of the premium payable by the customer. AUB’s revenues could be adversely affected if any reduction in sales volumes or premium prices resulted in a reduction in the overall level of insurance premium paid by insurance customers (known as “gross written premium”) declined in Australia and/or New Zealand.

Gross written premium is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of gross written premium.

RELIANCE ON DIVIDENDS FROM NETWORK

As AUB is a holding company, the amount of cash available to AUB to, among other things, pay dividends to AUB shareholders depends in part on the timing and amount of dividends paid by member firms of AUB’s network. The amounts available will depend on the financial performance of member businesses and the decisions made by their boards to declare dividends, which we may not control and are subject to corporate law requirements.

BUSINESS MODEL OF ACQUIRING AND HOLDING EQUITY IN OPERATING BUSINESSES

An important part of AUB’s business model and its growth strategy is to acquire and hold equity in insurance broking, underwriting agency or risk services businesses. While AUB ordinarily has veto rights on most decisions concerning AUB Group members, it may not have the capacity to implement its decisions in all cases.

Risks resulting from this model include:

- disputes regarding the acquisition, including the amount and timing of any deferred consideration;
- deficiencies in due diligence by AUB;
- competition for opportunities;
- potential unknown or contingent liabilities;
- reliance on partners (including management who hold an equity stake within the operating businesses) who may not perform satisfactorily or with whom the relationship may break down, which may lead to issues with decision-making; and
- insufficient funding to capitalise on opportunities.

AUB has entered into put option arrangements with other shareholders in a small number of AUB network firms that upon vesting will entitle the shareholders to require AUB to buy their shares. In each case, the earliest date the option can be exercised is five years after the date AUB acquired its initial shareholding, and the first such options will become exercisable in approximately 15 months. AUB calculates that the present value of its total liability if all such options were exercised is approximately \$26.4 million. AUB’s future growth may be limited by a lack of suitable future targets to continue AUB’s strategy of acquisitions or a failure of previous acquisitions to perform to expectations and its financial performance may be adversely affected.

IMPAIRMENT OF INTANGIBLE ASSETS

AUB’s balance sheet includes a significant level of intangible assets, such as goodwill and insurance broking registers, recognised as a result of its various acquisitions. Intangible assets are regularly tested to determine their “recoverable amount”. The recoverable amount is the higher of estimated fair value less costs to sell and “value in use”, which is an estimate of value based on future cash flows. If the recoverable amount of an asset is lower than its carrying value, AUB would recognise an impairment, which would result in the carrying value of the asset being reduced on AUB’s balance sheet and the amount of the impairment being recorded as an expense in AUB’s income statement for the relevant period. A material impairment would result in lower profits or a loss for an accounting period.

GENERAL RISKS (cont'd)

KEY PERSON RISK

AUB relies on its key employees and key employees within the executive team or the operating businesses may retire or resign or transition to other positions in the AUB Group. Material business interruption and loss of key customer relationships may result, particularly if a number of key employees leave at one time.

AUB has announced that CEO and MD, Mark Searles, intends to step down in October 2019. AUB has engaged in a recruitment process and will transition leadership over the coming year.

ACTIONS BY EMPLOYEES THAT ARE ILLEGAL OR DO NOT MEET COMMUNITY STANDARDS

Actions by employees of AUB or the member firms of the AUB network that are fraudulent, breach laws, reflect fraudulent misconduct, or fail to meet community standards could expose the AUB and/or the member firms to liability to customers or partners, regulatory action and penalties and reputational damage that affects its ability to win and retain business. This risk may be higher at member firms where AUB does not control the day-to-day operations and therefore has less ability to ensure compliance with its policies and procedures and maintain an appropriate culture than it does with its own direct employees.

LOSS OF AUB NETWORK MEMBERS

AUB's financial results substantially depend on the business generated by AUB's network members, and therefore if members were to leave the network, AUB's revenues and profit would likely be reduced. While there are significant barriers to member firms leaving the network, including, in most cases, AUB's right to pre-empt a sale of other shareholders' equity and restrictions on a former network member competing with the AUB member network, nevertheless network firms may leave.

MANAGEMENT OF MEMBER SUCCESSION

AUB's future growth depends, in large part, on the ability of its member firms to retain suitably qualified and motivated professionals to continue to manage and develop the individual businesses. The insurance broking, underwriting agency and risk services industries have rationalised significantly in recent years due to, among other things, the ageing profile of industry participants, who are increasingly seeking to exit from their investments prior to retirement. In order to continue AUB's success, AUB will need to ensure that their businesses prepare for and manage succession issues.

RELIANCE ON STRATEGIC PARTNERS

AUB depends on relationships with strategic partners such as insurers and premium funders. The loss of any of these relationships could adversely affect AUB's business by reducing the range of products and services AUB Group can offer with respect to both the insurance brokerage and underwriting agency businesses. This could result in lower revenue from fees and commissions.

INCREASED COMPETITION OR CHANGES TO THE DYNAMICS OF THE INSURANCE INDUSTRY

Any increase in competition or deterioration in the competitive positioning of AUB may have an adverse impact on AUB network members, and could potentially result in a reduction in gross written premium placed through their AUB network members due to a loss of market share; a reduction in fees and commissions fees and/or a reduction in margins which may adversely impact the revenue and earnings of AUB network members.

Increased competition from new entrants and existing market participants in markets in which operating businesses operate, including increased commoditisation of business insurance products, may have an adverse impact of earnings. If there are changes in the remuneration model for, or the use of, insurance brokers, underwriting agencies, or risk services businesses this may adversely impact AUB's earnings and/or financial position and performance. In addition, increased competition or a change in the market structure for premium funding may also adversely impact upon the premium funding business in which AUB has an equity interest, ultimately potentially adversely impacting AUB's earnings.

AUB Group, through its network, offers to customers a selection of products from a range of insurers. AUB Group in some cases acts as agent of the insurers. Insurers may choose to reduce their reliance on insurance brokers and underwriting agencies including through an increase in their direct web based distribution models. For instance, insurers may target clients directly, as opposed to through insurance brokers. There have been attempts by insurers to move directly into the SME sector. AUB's ability to offset these pressures will depend on its ability to provide value-added services such as risk management and consulting services to its clients. The Australian general insurance industry has consolidated significantly over the last decade and further insurer consolidation may result in a more limited product set and/or greater pricing power for insurers which may result in downwards pressure on commissions and fees.

GENERAL RISKS (cont'd)

ROYAL COMMISSION AND OTHER REGULATORY RISK & CHANGES IN LAW, REGULATION AND GOVERNMENT POLICY

AUB's operating entities, network brokers and underwriting agencies are required to individually comply with their Australian Financial Services licence ("AFSL") requirements and financial services laws, including by ensuring that they and their authorised representatives comply with the law and the conditions of the AFSL. In the event of non-compliance with law or licence conditions, a licence may be suspended or withdrawn, legal or regulatory proceedings may be commenced, monetary penalties may be imposed and the AFSL holder may be required to pay compensation. This may have an adverse impact on AUB's earnings and/or financial position, performance and reputation and ability to win new business and retain existing business.

The financial services industry has been, and is likely to continue to be, the subject of significant changes to the regulatory environment in which it operates. In particular, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "Royal Commission") may result in increased regulation in the insurance industry. This may include changes to the regulation relating to the design and sale of life and general insurance products, the handling of claims and the appropriateness of the current regulatory regime for the insurance industry. In addition, the Australian government has proposed laws that would introduce new obligations with respect to the design and distribution of financial products, including insurance. These and other regulatory changes may impact AUB and/or its operating entities through increased compliance costs and changes to operating procedures that may adversely affect AUB's profitability. New regulation may have unintended consequences that harm the industry or AUB's business. In addition, a number of reviews are underway in New Zealand with respect to the financial services industry and the New Zealand financial services regulatory regime and it is likely that this process will result in regulatory changes in New Zealand as well.

In October 2018, ASIC made a submission to the Royal Commission recommending, along with other recommendations, that the insurance sector no longer be exempted from the prohibitions on conflicted remuneration. If enacted into law, this would require a change in certain circumstances under which AUB's partners derive a portion of their revenue and could result in a decrease in overall revenues.

Changes in relevant taxation laws, accounting standards, other legal, legislative and administrative regimes, and government policies may have an adverse impact on the operations and ultimately the financial position and performance of AUB.

INFORMATION AND TECHNOLOGY SYSTEMS RISK

AUB depends on the effectiveness and security of a number of information technology systems to operate its business and monitor and report its financial position and results of operations. It also relies on third parties for the provision of the information technology systems and services. Any interruption to the operation of these systems may interrupt AUB's business, resulting in loss of business, while any breach of AUB's data security, including through malicious cyber activity, could result in unauthorised access to and misuse of AUB's data and that of its customers. If this occurs, AUB may incur costs to restore and upgrade its systems, liability, regulatory intervention, damage to its reputation and loss of business.

When AUB undertakes strategic IT projects, such as outsourcing aspects of its IT system, adopting new systems and upgrading existing ones, it faces implementation risk, such as cost overruns and lack of expected functionality.

AUB relies on proprietary and third party software products and services. If AUB is unable to integrate the latest software developments in a fully functional manner, it may experience difficulties that could delay or prevent the successful development, introduction or marketing of new products and services.

ACCESS TO FUNDING

AUB's strategy relies upon access to funding to capitalise on opportunities, including new acquisitions and to refinance its existing debt. Its liquidity and ability to grow its business may be affected if credit markets are interrupted, and its profitability may be adversely affected if the cost of finance increases. The availability and cost of funding may be affected by macroeconomic factors in Australia and globally as well as by the performance of AUB's business and industry.

LITIGATION

AUB, its network members and its partners may from time to time be involved in legal disputes arising from its business, operations and the activities of its employees and authorized representatives. These disputes may lead to legal proceedings and may cause AUB to incur significant costs, disrupt its business and divert the attention of management.

DAMAGE TO AUB'S BRANDS

AUB is heavily reliant on the successful reputation and branding of its operating brands Austbrokers and SURA. Issues or events that damage these brands, such as perceptions of poor client service or advice, wrongdoing by employees or authorised representatives, other compliance issues or data security breaches could impede its ability to compete successfully and result in loss of business.

GENERAL RISKS (cont'd)

MARKET RISKS

There are risks associated with any investment in a company listed on a stock market. The price at which shares trade on the ASX may be affected by the financial performance of AUB and by external factors over which AUB and its directors have no control. These factors include movements in Australian and international stock markets and investor sentiment, domestic and international economic conditions and outlook, and changes to the relevant indices in which AUB may participate, the weighting that AUB has in the indices and the implications of those matters for institutional investors that impact their investment holdings in shares. The market price for AUB's shares could fluctuate in response to a wide range of factors and actual or anticipate events, including the financial performance or outlook for the Australian general insurance market, variations in AUB's prospects or operating results, or the actual or perceived value of AUB.

Acts of terrorism or an outbreak of international hostilities may adversely affect consumer confidence and lead to a downturn in client spending. This may adversely affect the revenue generating ability of AUB which could have a negative impact on the value of AUB's shares.

GENERAL ECONOMIC AND BUSINESS CONDITIONS

AUB's operating and financial performance is influenced by a variety of general economic and business conditions, exchange rates, inflation, commodity prices, ability to access funding, supply and demand conditions, government fiscal, monetary and regulatory policies, changes in gross domestic product and economic growth, employment levels and consumer spending, consumer and investment sentiment and property market volatility.

Prolonged deterioration in these conditions, including an increase in interest rates, a reduction in the rate of inflation, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on AUB's operating and financial performance.

TRANSACTION-SPECIFIC RISKS

UNDERWRITING RISK

Subject to the terms and conditions of the underwriting agreement between AUB and the Underwriter, the Underwriter has agreed to fully underwrite the Offer. If certain conditions are not satisfied or certain termination events occur, the Underwriter may terminate the underwriting agreement. Also, if there is a material adverse change which impacts the financial position or performance, among other things, of the AUB Group then the Underwriter has the ability to notify the Company and renegotiate a new offer price (which may be the same, above or below the current offer price). The termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Offer.



INTERNATIONAL SELLING RESTRICTIONS



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

INTERNATIONAL SELLING RESTRICTIONS

This document does not constitute an offer of new ordinary shares (“New Shares”) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

CANADA (BRITISH COLUMBIA, ONTARIO AND QUEBEC PROVINCES)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 - Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such New Shares. Any person in the Provinces lawfully participating in the Entitlement Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the transaction, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.

INTERNATIONAL SELLING RESTRICTIONS (cont'd)

HONG KONG

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

SINGAPORE

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Notification under Section 309B(1)(c) of the SFA -- In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018"), the Company has determined the classification of the New Shares as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INTERNATIONAL SELLING RESTRICTIONS (cont'd)

UNITED KINGDOM

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

UNITED STATES

This document may not be released or distributed in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which an offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under U.S. Securities Act or the securities laws or any state or other jurisdiction of the United States.

Accordingly, neither the entitlements nor the New Shares may be offered or sold, directly or indirectly, to persons in the United States, unless they have been registered under the U.S. Securities Act (which the Company has no intention or obligation to do or procure), or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

8. Important information

8.1 Responsibility for Information Booklet

This Information Booklet (including the ASX Offer Announcements and the enclosed personalised Entitlement and Acceptance Form) has been prepared by AUB. This Information Booklet is dated 19 November 2018 (other than the ASX Offer Announcements, which were released to the ASX and published on the ASX website on Monday, 12 November 2018).

No party other than AUB has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by AUB, or its related bodies corporate in connection with the Entitlement Offer.

8.2 Status of Information Booklet

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allows rights issues to be offered without a prospectus.

Neither this Information Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Information Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in AUB. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on AUB and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Information Booklet, the Investor Presentation and other announcements made available at <http://www.asx.com.au/>. Alternatively, you can access information about the Retail Entitlement Offer online at <https://events.miraqle.com/AUB-Offer/>.

This Information Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. After reading the Information Booklet, and the Investor Presentation released to ASX on Monday, 12 November 2018 (in particular, the “Key Risks” section), if you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

8.3 Information Booklet availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information Booklet during the period of the Entitlement Offer by accessing the ASX website or accessing the Retail Entitlement Offer website at <https://events.miraqle.com/AUB-Offer/>. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet on the ASX website and the Retail Entitlement Offer website will not include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by calling the AUB Offer Information Line on 1300 330 255 or +61 1300 330 255 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer period.

This Information Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be distributed or released to, or relied upon by, persons in the United States or that are acting for the account or benefit of a person in the United States.

8.4 Notice to nominees

If AUB believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer from AUB. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as custodians or nominees must not take up Entitlements or apply for New Shares or Additional New Shares on behalf of, or for the account or benefit of, a person in the United States and must not send any document relating to the Retail Entitlement Offer to any person that is in the United States.

AUB is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. AUB is not able to advise on foreign laws. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

8.5 No cooling off

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your application once it has been made.

8.6 Shortfall and Retail Oversubscription Facility

Whilst AUB believes that the Retail Entitlement Offer will be well received (in light of the success of the Institutional Entitlement Offer), there may be a Shortfall in the Retail Entitlement Offer and AUB, in consultation with the Underwriter, intends to satisfy the applications for Additional New Shares made by Eligible Retail Shareholders wishing to participate in the Shortfall (if any) as soon as possible after the close of the Retail Entitlement Offer and to issue those Additional New Shares, together with the New Shares on Friday, 7 December 2018, and in any event, by no later than 28 February 2019, being within three months of Thursday, 29 November 2018, the Final Retail Closing Date.

AUB does not guarantee that there will be any Shortfall. AUB will issue and allocate the placement of the Additional New Shares arising from any Shortfall at its sole discretion and retains the right to decline any application in respect of Additional New Shares. AUB confirms that no Related Party will participate in, or be issued any, Additional New Shares arising from any Shortfall.

See section 4 on how to apply for Additional New Shares.

8.7 Privacy Statement

If you complete an application for New Shares or Additional New Shares, you will be providing personal information to AUB (directly or through the Registry). AUB collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Registry at the relevant contact numbers set out in the Corporate Directory of this Information Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, AUB may not be able to accept or process your application.

8.8 Governing Law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

8.9 Foreign jurisdictions

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of AUB with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

This Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares or otherwise permit the public offering of the New Shares in any jurisdiction other than Australia and New Zealand.

This Information Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares offered in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

8.10 Underwriting of the Entitlement Offer

AUB has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriter who has agreed to fully underwrite the Entitlement Offer. As is customary with these types of arrangements:

- (a) AUB has agreed, subject to certain carve-outs, to indemnify the Underwriter, its affiliates, successors and related bodies corporate, and the respective directors, officers, agents, employees, representatives and advisers of the Underwriter or any of its affiliates successors or related bodies corporate against any losses it may suffer or incur in connection with the Entitlement Offer;
- (b) AUB and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
- (c) the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
 - (i) any offer document (including this Retail Offer Booklet and all ASX announcements made in connection with the Entitlement Offer) omits certain material required by the Corporations Act, contains a statement which is misleading or deceptive, or the cleansing notice lodged by AUB in respect of the Entitlement Offer is “defective” within the meaning of the Corporations Act;
 - (ii) at the close of business on either (a) any two consecutive trading days from (and including) the announcement date to (and including) the first settlement date or (b) the first settlement date, the S&P/ASX 200 Index is at a level that is 10% or more below its level as at the close of business on the trading day prior to the date of the Underwriting Agreement;
 - (iii) ASX announces that AUB will be removed from the official list of ASX or that its shares will be suspended from quotation;
 - (iv) approval to the official quotation of the New Shares is not given by ASX;
 - (v) there are certain delays in the timetable for the Entitlement Offer without the Underwriter’s consent (such consent not to be unreasonably withheld or delayed);
 - (vi) there are material financial or economic disruptions in certain key markets or hostilities commence or escalate in certain key countries;
 - (vii) a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the AUB group from the position fairly disclosed by AUB to ASX before the date of the Underwriting Agreement on the announcement date;
 - (viii) AUB breaches the terms of the Underwriting Agreement; or
 - (ix) AUB withdraws the Offer.

The Underwriter will be paid an underwriting fee of 1.45% (excluding GST) and a management and selling fee of 0.75% (excluding GST) of the Institutional Entitlement Offer proceeds and an underwriting fee of 1.45% and a management and selling fee of 0.75% (excluding GST) of the Retail Entitlement Offer proceeds for providing these services. The Underwriter will also be reimbursed for certain expenses.

Neither the Underwriter nor any of its related bodies corporate, successors and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information Booklet and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter and each of its related bodies corporate, successors and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its related bodies corporate, successors and affiliates nor their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, or the Information Booklet and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of its related bodies corporate, successors and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares, the Additional New Shares or the Entitlement Offer generally.

The engagement of the Underwriter by AUB is not intended to create any agency, fiduciary or other relationship between the Underwriter and the shareholders or any other investor.

8.11 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by AUB, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, neither AUB, nor any other person, warrants or guarantees the future performance of AUB or any return on any investment made pursuant to this Information Booklet or its contents.

9. Glossary

ABN means Australian Business Number.

Additional New Shares means the New Shares forming part of the Shortfall for which Eligible Retail Shareholders may apply for in addition to their Entitlement, equivalent to up to 50% of their Entitlement.

AEST means Australian Eastern Standard Time.

AUB means AUB Group Limited (ABN 60 000 000 715).

Application Monies means the amount specified in the personalised Entitlement and Acceptance Form, being the consideration for New Shares and (if applicable) Additional New Shares under the Retail Entitlement Offer.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it on which Shares are quoted.

ASX Offer Announcements means the ASX announcements reproduced in sections 6 and 7 of the Information Booklet, being the announcement to ASX on 12 November 2018 of the launch of the Entitlement Offer, the announcement to ASX on 14 November 2018 of completion of the Institutional Entitlement Offer and the Investor Presentation.

CGT means capital gains tax.

Corporations Act means the Corporations Act 2001 (Cth).

Eligible Institutional Shareholder means institutional Shareholders who were successfully invited to participate in the Institutional Entitlement Offer (as determined by the Underwriter).

Eligible Retail Shareholders has the meaning given in section 3.2 of the Information Booklet.

Entitlement and Acceptance Form means the personalised form accompanying this Information Booklet to be used to make an application in accordance with the instructions set out on that form.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 4 New Shares for every 27 Shares held at the Record Date.

Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer of 4 New Shares for every 27 Shares held at the Record Date at an Offer Price of \$12.30 per New Share.

Final Retail Closing Date means 5:00pm on Thursday, 29 November 2018.

GST means goods and services tax.

Ineligible Institutional Shareholder means institutional Shareholders who were treated as ineligible institutional Shareholders under the Institutional Entitlement Offer (as determined by the Underwriter).

Ineligible Retail Shareholders has the meaning given in section 3.8 of this Information Booklet.

Information Booklet means this information booklet in relation to the Retail Entitlement Offer, including the ASX Offer Announcements reproduced in sections 6 and 7 and the personalised Entitlement and Acceptance Form accompanying the information booklet.

Institutional Entitlement Offer means the entitlement offer made to Eligible Institutional Shareholders and successfully completed on Tuesday, 13 November 2018.

Investor Presentation means the AUB Investor Presentation released to ASX on 12 November 2018 and included in section 7 of this Information Booklet.

Listing Rules means the official listing rules of the ASX.

New Shares means the fully paid ordinary Shares in AUB offered under the Entitlement Offer.

Offer Price means \$12.30 being the price payable per New Share under the Entitlement Offer.

Record Date means 7.00pm (AEST time) on Wednesday, 14 November 2018.

Registry means Link Market Services Limited (ACN 083 214 537) or any other person appointed as registry by AUB from time to time.

Related Party has the meaning given to that term in section 228 of the Corporations Act, including, without limitation, directors of AUB and their respective spouses, de facto partners, and their respective parents and children, and any entity controlled by any of them.

Retail Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer of 4 New Shares for every 27 existing Shares held at the Record Date at an Offer Price of \$12.30 made to Eligible Retail Shareholders.

Retail Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement, up to a maximum of 50% of their Entitlement.

Shortfall means the number of Entitlements and corresponding New Shares for which applications have not been received by AUB by the Final Retail Closing Date, plus that number of New Shares which would have been offered to Ineligible Shareholders if they had been eligible to participate in the Retail Entitlement Offer.

TERP means the theoretical ex-rights price.

TFN means tax file number.

Underwriting Agreement means the underwriting agreement between AUB and the Underwriter under which the Underwriter has agreed to underwrite the Entitlement Offer.

Underwriter means Credit Suisse (Australia) Limited.

Share means a fully paid ordinary Share in AUB.

Shareholder means a holder of a Share.

U.S. Securities Act means the United States Securities Act 1933.

VWAP means the volume weighted average price.

10. Corporate directory

AUB Group Limited

ABN 60 000 000 715

Registered Office

Level 10, 88 Phillip Street,
Sydney, NSW 2000 Australia

Legal Adviser

Allen & Overy
Level 25, 85 Castlereagh Street
Sydney NSW 2000 Australia

Underwriter

Credit Suisse (Australia) Limited
Level 31 Gateway
1 Macquarie Place
Sydney, NSW 2000 Australia

Registry

Link Market Services Limited
GPO Box 3560
Sydney NSW 2000

Website

Corporate information and the AUB Annual Report can be found via AUB's website at
<https://www.aubgroup.com.au>

You can access information about the Retail Entitlement Offer online at
<https://events.miracle.com/AUB-Offer/>.

AUB Offer Information Line

1300 330 255 or +61 1300 330 255 (outside Australia)

Open between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer period.