

## Terms for Options to be issued by Cobalt Blue Holdings Limited (Directors)

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The Options granted by Cobalt Blue Holdings Limited ACN 614 466 607 (**Company**) entitle the holder to subscribe for ordinary shares in the capital of the Company (**Shares**) on the following terms and conditions:

- (a) The Options are issued for nil consideration.
- (b) Upon vesting and subject to the terms of exercise of the Options, each Option gives the holder the right to subscribe for one Share. To obtain the right given by each Option, the holder must exercise the Options in accordance with the term and conditions of the Options.
- (c) Each Option has an exercise price of A\$0.25 (**Exercise Price**).
- (d) The Options vest on the date that is three months following the commencement of trading of the Company's Shares on the ASX (**Vesting Date**).
- (e) Up to the Vesting Date, the Options are non-transferable.
- (f) The Company will seek to have the Options quoted on the ASX from the Vesting Date, and they will thereafter be freely tradeable.
- (g) Each Option expires three years from the Vesting Date (**Expiry Date**).
- (h) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise specifying the number of Options being exercised together with a cheque for the exercise price to the Company (**Exercise Notice**) at any time after the Vesting Date and prior to the Expiry Date.
- (i) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (j) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Price.
- (k) All Shares allotted upon exercise of the Options will upon allotment rank pari passu in all respects with the then issued ordinary shares of the Company.
- (l) If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return of capital), all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) Other than pursuant to term (m), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.

- (n) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities of the Company offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (p) If at any time a meeting of holders of Options is required or proposed, the rules applicable to the convening and holding of, and voting at, a general meeting of the Company will apply so far as they are capable of application (and with all necessary changes) to that meeting on the basis that on a poll a holder is entitled to 1 vote for each Option held.

## Terms for Bonus Options to be issued by Cobalt Blue Holdings Limited (In Specie Distribution)

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The Bonus Options granted by Cobalt Blue Holdings Limited ACN 614 466 607 (**Company**) entitle the holder to subscribe for ordinary shares in the capital of the Company (**Shares**) on the following terms and conditions:

- (a) The Bonus Options are issued for nil consideration.
- (b) Upon vesting and subject to the terms of exercise of the Bonus Options, each Bonus Option gives the holder the right to subscribe for one Share. To obtain the right given by each Bonus Option, the holder must exercise the Bonus Options in accordance with the term and conditions of the Bonus Options.
- (c) Each Bonus Option has an exercise price of A\$0.25 (**Exercise Price**).
- (d) The Bonus Options are subject to a vesting condition that the Bonus Option holder holds Shares on the date that is three months following the commencement of trading of the Company's Shares on the ASX (**Vesting Date**).
- (e) Up to the Vesting Date, the Bonus Options are non-transferable.
- (f) The Company will seek to have the Bonus Options quoted on the ASX from the Vesting Date, and they will thereafter be freely tradeable.
- (g) The number of Bonus Options to vest will be the lesser of:
  - (i) the number of Bonus Options held by the holder on the Vesting Date; and
  - (ii) the number of Shares received under the In Specie Distribution (as defined in the Replacement Prospectus dated 3 January 2017) and held by the holder on the Vesting Date, divided by 4.
- (h) Each Bonus Option expires three years from the Vesting Date (**Expiry Date**).
- (i) The Bonus Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise specifying the number of Bonus Options being exercised together with a cheque for the exercise price to the Company (**Exercise Notice**) at any time after the Vesting Date and prior to the Expiry Date.
- (j) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (k) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Bonus Options specified in the Exercise Price.
- (l) All Shares allotted upon exercise of the Bonus Options will upon allotment rank pari passu in all respects with the then issued ordinary shares of the Company.

- (m) If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return of capital), all rights of a Bonus Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) Other than pursuant to term (m), a Bonus Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.
- (o) There are no participating rights or entitlements inherent in the Bonus Options and Bonus Option holders will not be entitled to participate in new issues of securities of the Company offered to shareholders during the currency of the Bonus Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Bonus Option holders the opportunity to exercise their Bonus Options prior to the date for determining entitlements to participate in any such issue.
- (p) If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Bonus Option is exercisable may be increased by the number of Shares which the Bonus Option holder would have received if the Bonus Option had been exercised before the record date for the bonus issue.
- (q) If at any time a meeting of holders of Bonus Options is required or proposed, the rules applicable to the convening and holding of, and voting at, a general meeting of the Company will apply so far as they are capable of application (and with all necessary changes) to that meeting on the basis that on a poll a holder is entitled to 1 vote for each Bonus Option held.

# Terms for Loyalty Options to be issued by Cobalt Blue Holdings Limited under its Prospectus

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The Loyalty Options granted by Cobalt Blue Holdings Limited ACN 614 466 607 (**Company**) entitle the holder to subscribe for ordinary shares in the capital of the Company (**Shares**) on the following terms and conditions:

- (a) The Loyalty Options are issued for nil consideration.
- (b) Upon vesting and subject to the terms of exercise of the Loyalty Options, each Loyalty Option gives the holder the right to subscribe for one Share. To obtain the right given by each Loyalty Option, the holder must exercise the Loyalty Options in accordance with the term and conditions of the Loyalty Options.
- (c) Each Loyalty Option has an exercise price of A\$0.25 (**Exercise Price**).
- (d) The Loyalty Options are subject to a vesting condition that the Loyalty Option holder holds Shares on the date that is three months following the commencement of trading of the Company's Shares on the ASX (**Vesting Date**).
- (e) Up to the Vesting Date, the Loyalty Options are non-transferable.
- (f) The Company will seek to have the Loyalty Options quoted on the ASX from the Vesting Date, and they will thereafter be freely tradeable.
- (g) The number of Loyalty Options to vest will be the lesser of:
  - (i) the number of Loyalty Options held by the holder on the Vesting Date; and
  - (ii) the number of Shares held by the holder on the Vesting Date divided by 4.
- (h) Each Loyalty Option expires three years from the Vesting Date (**Expiry Date**).
- (i) The Loyalty Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise specifying the number of Loyalty Options being exercised together with a cheque for the exercise price to the Company (**Exercise Notice**) at any time after the Vesting Date and prior to the Expiry Date.
- (j) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (k) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Exercise Price.
- (l) All Shares allotted upon exercise of the Loyalty Options will upon allotment rank pari passu in all respects with the then issued ordinary shares of the Company.

- (m) If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return of capital), all rights of a Loyalty Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) Other than pursuant to term (m), a Loyalty Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.
- (o) There are no participating rights or entitlements inherent in the Loyalty Options and Loyalty Option holders will not be entitled to participate in new issues of securities of the Company offered to shareholders during the currency of the Loyalty Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced. This will give Loyalty Option holders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in any such issue.
- (p) If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Loyalty Option is exercisable may be increased by the number of Shares which the Loyalty Option holder would have received if the Loyalty Option had been exercised before the record date for the bonus issue.
- (q) If at any time a meeting of holders of Loyalty Options is required or proposed, the rules applicable to the convening and holding of, and voting at, a general meeting of the Company will apply so far as they are capable of application (and with all necessary changes) to that meeting on the basis that on a poll a holder is entitled to 1 vote for each Loyalty Option held.