



Level 5, 137-139 Bathurst Street Sydney NSW 2000
Phone: +61 2 8072 1400 | Fax: +61 2 9283 1970

Montech Holdings Limited
ACN 050 240 330

Terms of Options

July 2014



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Options (expiry 30 June 2017)

The terms and conditions of these Options are as follows:

- (a) Each Option gives the Optionholder the right to subscribe for one (1) Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with these terms and conditions.
- (b) The Options will expire at 5:00pm (AEST) on 30 June 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).
- (d) The Options may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (e) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice)

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) 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 Notice.
- (h) The Options are freely transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company may apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital 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 6 Business Days after the issue is announced. This will



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give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.

- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.



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Options (expiry 9 December 2014)

The terms and conditions of these Options are as follows:

- (a) No amount will be payable on issue of the Options.
- (b) Each Option is exercisable during the period commencing on the date the Company grants the Option (**Issue Date**) and concluding at 5:00pm (AEDT) on 9 December 2014 (**Expiry Time**).
- (c) The exercise price of the Options is \$0.70 (**Exercise Price**).
- (d) The Options are transferrable.
- (e) Option Holders will not be entitled to participate in any new issue to existing Shareholders unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares and not just Options.
- (f) If the Company makes a bonus issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the Offer, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for determining entitlements to the issue.
- (g) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option is reduced in accordance with the ASX Listing Rules.
- (h) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the holder (including the number of Options to which the holder is entitled to/or the Exercise Price) must be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
- (i) Any calculations or adjustments to the exercise terms which are required to be made subsequent to a reorganisation will be made by the Board and will, in the absence of error, be final and conclusive and binding on the Company and the holder of the Option.
- (j) The Company must within a reasonable period give to the holder notice of any change to the Exercise Price of any Option held by the holder or the number of Shares for which the holder is entitled to subscribe on exercise of an Option.
- (k) A holder may only Options in multiples of 30,000 unless the holder exercises all Options held by the Holder.
- (l) Options will be deemed to have been exercised on the date the Exercise Notice is delivered to the Company.



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- (m) Subject to the Constitution, all Shares issued on exercise of the Options rank in all respects (including rights relating to dividends) equally with the Existing Shares at the date of issue of those Shares.
- (n) The Company will not apply for Official Quotation of any of the Options however it will apply for quotation of any Shares issued as a result of exercising Options. It is expected the ASX will grant quotation of the Shares (on exercise of the Options), but no guarantee can be given that will occur.
- (o) The terms and the rights and obligations of the holders are governed by the laws of Victoria, Australia. Each participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.



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Options (expiry 12 February 2016, 2017 and 2018)

The terms and conditions of these Options are as follows:

(a) **Exercise Price: A\$0.70**

The exercise price for these Options was set at the same exercise price for the options offered to shareholders under the Non-Renounceable Rights Issue as issued in December 2011.

(b) **Vesting and Terms of Options**

The Options are to vest at the rate of one-third each year for the three year period immediately following on from the 13 February 2012 and once vested any unexercised options will automatically lapse on the third anniversary of their respective vesting dates i.e.

	Vest date	Expiry date
One-third	13.02.2013	12.02.2016
One-third	13.02.2014	12.02.2017
One-third	13.02.2015	12.02.2018

(c) **Exercise Period**

As such the exercise price is for the Options is from the respective vesting dates until the expiry date. The shares issued upon the exercise of these options will rank *pari passu* with all other ordinary shares quoted on the official lists of the ASX.

(d) **Expiry Date**

As noted in paragraph (c) above unexercised Options, respectively by vesting dates, as at the close of business on 12 February 2016; 2017 and 2018 will automatically expire.