



Level 5, 137-139 Bathurst Street Sydney NSW 2000
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Montech Holdings Limited
ACN 050 240 330

Terms of Options

June 2015



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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 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.