



ASX ANNOUNCEMENT

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

3 November 2016

Toxfree Despatches Retail Offer Booklet and Entitlement and Acceptance Form

Tox Free Solutions Limited (“**Toxfree**”) confirms that the Retail Offer Booklet and personalised Entitlement and Acceptance Form for the retail component of its fully underwritten 1 for 3.9 accelerated non-renounceable entitlement offer, announced on Wednesday, 26 October 2016 (“**Retail Entitlement Offer**”) are being despatched to Eligible Retail Shareholders⁽¹⁾ today.

Attached is a copy of the Retail Offer Booklet and pro forma Entitlement and Acceptance Form.

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to subscribe for 1 new ordinary Toxfree share (“**New Shares**”) for every 3.9 existing ordinary Toxfree shares held at 7:00pm (Melbourne time) on Friday, 28 October 2016, at an Offer Price of \$2.30 per New Share.

The Retail Entitlement Offer opened today, and will close at 5:00pm (Melbourne time) on Friday, 18 November 2016, unless extended.

A letter notifying those retail shareholders who are ineligible to participate in the Retail Entitlement Offer will be despatched today. A copy of this letter to ineligible retail shareholders is also attached.

Shareholders who have questions relating to the Retail Entitlement Offer should call the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

For further information, please contact:

Steve Gostlow
Managing Director
Tox Free Solutions Limited
+61 8 6216 7000

¹ Eligible Retail Shareholders are as defined in the Retail Offer Booklet



Retail Entitlement Offer

Tox Free Solutions Limited

(ABN 27 058 596 124)

Details of a 1 for 3.9 accelerated non-renounceable entitlement offer of fully paid ordinary shares at an offer price of \$2.30 per new share

Retail Entitlement Offer closes at 5:00PM (Melbourne time) on Friday, 18 November 2016.

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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 Retail Offer Booklet is not a prospectus under the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities & Investments Commission ("**ASIC**"). Please call your stockbroker, accountant or other professional adviser or the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30AM to 5:00PM (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period if you have any questions.



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1. Important Notices

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The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84) which allows rights issues to be offered without a Prospectus. As a result, this Retail Entitlement Offer is not being made under a Prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Toxfree and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the enclosed materials and ASX Announcements, Toxfree's interim and annual reports and other announcements made available at www.toxfree.com.au or www.asx.com.au.

1.1 Future Performance and Forward Looking Statements

Neither Toxfree nor any other person warrants or guarantees the future performance of the New Shares and any Additional New Shares or any return on any investment made pursuant to the Entitlement Offer. This Retail Offer Booklet may contain certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, financial position and performance are also forward-looking statements. Any forecasts or other forward-looking statements contained in this Retail Offer Booklet are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Toxfree, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules), Toxfree undertakes no obligation to update these forward-looking statements.

1.2 Risks

Refer to the section 7 (Key Risks) of the Investor Presentation included in Section 8.2 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Toxfree. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

1.3 Past Performance

Past performance information included in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance.

1.4 Foreign Jurisdictions

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any persons acting for the account or benefit of any person in the United States, or in any other jurisdiction in which such an offer would be illegal. Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. The Entitlements to purchase New Shares and any Additional New Shares pursuant to the offer described in this Retail Offer Booklet and the New Shares and any Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Entitlements may not be purchased or taken up by

persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares and any Additional New Shares may be offered or sold in the United States, and the New Shares and any Additional New Shares may not be resold in the United States, unless such Entitlements or New Shares and any Additional New Shares have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares and any Additional New Shares offered and sold in the Retail Entitlement Offer will be sold only in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The distribution of this Retail Offer Booklet and the Entitlement and Acceptance Form (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions, including those set forth in the "International Offer Restrictions" section of the Investor Presentation included in Section 8.2 of this Retail Offer Booklet. Due to legal restrictions, you must not send copies of this Retail Offer Booklet or any material in relation to the Entitlement Offer to any person outside Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.

1.5 References to "you" and "your Entitlement"

In this Retail Offer Booklet, references to "you" are references to Eligible Retail Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

1.6 Times and Dates

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Melbourne time, unless otherwise specified. Refer to the "Key Dates for the Retail Entitlement Offer" Section of this Retail Offer Booklet for more details.

1.7 Currency

All dollar values are in Australian dollars and financial data is presented as at 30 June 2016 unless otherwise stated.

1.8 Trading of New Shares and any Additional New Shares

Toxfree will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares and any Additional New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Toxfree or the Registry or otherwise, or who otherwise trade or purport to trade New Shares and any 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, accountant or other independent professional adviser.

Refer to Section 9.12 for more details.

2. Key Dates for the Retail Entitlement Offer

Event	Date
Announcement of the Entitlement Offer	Wednesday, 26 October 2016
Record Date for eligibility under the Entitlement Offer (7:00PM Melbourne time)	Friday, 28 October 2016
Retail Entitlement Offer opens	Thursday, 3 November 2016
Retail Entitlement Offer closes (“ Retail Closing Date ”) (5:00PM Melbourne time)	Friday, 18 November 2016
Settlement of New Shares and any Additional New Shares under the Retail Entitlement Offer (“ Retail Settlement Date ”)	Friday, 25 November 2016
New Shares and any Additional New Shares issued under the Retail Entitlement Offer	Monday, 28 November 2016
New Shares and any Additional New Shares issued under the Retail Entitlement Offer commence trading on ASX	Tuesday, 29 November 2016
Despatch of holding statements	Tuesday, 29 November 2016

This timetable is indicative only and subject to change without notice.

The commencement of quotation of New Shares and any Additional New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Toxfree reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, without notice. You cannot, in most circumstances, withdraw an application once it has been lodged.

No cooling off rights apply to the Retail Entitlement Offer.

Eligible Retail Shareholders with a registered address in Australia or New Zealand wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

2.1 Enquiries

If you have any questions, please call the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30AM to 5:00PM (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. Alternatively, you can access information about the Retail Entitlement Offer online at www.toxfree.com.au or www.asx.com.au.

Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must do the following:

- complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment (“**Application Monies**”); or
- pay their Application Monies via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case by no later than 5:00PM (Melbourne time) on Friday, 18 November 2016. Eligible Retail Shareholders should refer to Section 4 of this Retail Offer Booklet for options available to them to deal with their Entitlement.

3. Letter from the Chairman

Thursday, 3 November 2016

Dear Shareholder,

On behalf of the Directors of Tox Free Solutions Limited (“**Toxfree**”), I am pleased to invite you to participate in the retail entitlement offer to fund the proposed \$186 million acquisition of 100% of Daniels Health Pty Limited and Daniels Manufacturing Australia Pty Limited (“**Daniels**”) and related assets (the “**Acquisition**”).

Toxfree’s retail shareholders with registered addresses in Australia or New Zealand have the opportunity to participate in the retail component of a 1 for 3.9 accelerated non-renounceable Entitlement Offer of new ordinary Toxfree shares (“**New Shares**”) at an Offer Price of \$2.30 per share (“**Retail Entitlement Offer**”). This means that you can purchase 1 New Share at this price for every 3.9 Toxfree Shares that you owned as at 7:00PM (Melbourne time) on 28 October 2016.

Purpose of the Entitlement Offer and Use of Proceeds

Toxfree has entered into a binding agreement to acquire 100% of Daniels for \$186 million. Toxfree intends to fund the Acquisition and associated transaction fees through a combination of equity, cash and increased debt facilities, including approximately \$85 million via a fully underwritten pro-rata non-renounceable entitlement offer (“**Entitlement Offer**”) which includes the Retail Entitlement Offer, \$29 million through a placement of Toxfree shares to the seller (“**Placement**”), \$67 million from increased debt facilities arranged with Toxfree’s existing lenders, and \$14 million cash from the completion of a proposed sale and leaseback transaction.

Daniels was founded in 1986 and is the leading player in medical waste services in Australia.¹ The business provides a range of waste management solutions, including medical waste collection and treatment, proprietary reusable sharps containers and safety devices, point-of-use disposal technology, recycling, gatewaste, waste stream auditing, controlled substance destruction, secure shredding, training, compliance and education. Daniels has approximately 300 employees in Australia across 17 locations, including two incineration facilities in Sydney and Melbourne, as well as three joint venture managed sites in New Zealand. Daniels generated pro forma revenue of \$83.4 million and pro forma EBITDA of \$20.7 million in the year ended 30 June 2016.²

The Acquisition is highly complementary to Toxfree’s existing business and culture, and further expands Toxfree’s ambitions to be the leader in specialist waste streams in Australia. In addition, medical waste is an attractive and growing market segment, and the business is the leading player in medical waste services in Australia with long-term contracts with hospitals and large medical centres, with specialist intellectual property and know-how, and has grown significantly over the last three years. The segment also provides a new pillar of growth for Toxfree, along with increased diversification by industry and geography.

The Acquisition is expected to deliver approximately 16% EPS accretion in FY2017 on a full year pro forma adjusted basis, excluding synergies.³ The Acquisition is scheduled to complete on 1 December 2016.

¹ By pro forma FY2016 revenue. Other equivalent references to Daniels’ market position are also based on pro forma FY2016 revenue

² Refer to page 52 of the Investor Presentation included in Section 8.2 of this Retail Offer Booklet for Basis of Preparation

³ Toxfree financials based on estimates for the 12 months ended 30 June 2017, and assumes that there is no significant change to material contracts. Daniels financials based on Toxfree’s estimation of Daniels’ pro forma earnings for the 12 months ended 30 June 2017. EPS accretion is based on estimated FY2017 NPAT of Toxfree and excludes expensing of transaction costs and amortisation of identifiable intangibles acquired, and includes the impact of a proposed sale and leaseback transaction. Standalone EPS used in EPS accretion calculation incorporates an adjustment factor to account for the bonus element in the Entitlement Offer and assumes the Seller receives the maximum amount of consideration in Toxfree shares as provided in the sale agreement. The EPS accretion calculation assumes that the transaction, the Entitlement Offer and Toxfree shares issued to the Seller all occurred on 1 July 2016. Refer also to section 7 (Key Risks) of the Investor Presentation included in Section 8.2 of this Retail Offer Booklet

Details of the Entitlement Offer

This offer to you is part of an underwritten Entitlement Offer announced by Toxfree on Wednesday, 26 October 2016 to raise approximately \$85 million. Approximately \$60 million was raised in the institutional component of the Entitlement Offer to existing Institutional Shareholders. Up to \$25 million will be raised through the Retail Entitlement Offer to which this Retail Offer Booklet relates.

The \$2.30 Offer Price represents a 7.6% discount to the closing price of Toxfree Shares on 25 October 2016 (the last trading day before the Entitlement Offer and proposed Acquisition of Daniels announced) and a 5.8% discount to TERP.⁴ The Offer Price is the same price at which New Shares were issued to institutional investors under the institutional component of the Entitlement Offer. New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

If you take up your full entitlement, you may also apply for additional New Shares (“**Additional New Shares**”) up to 50% of your Entitlement, at the Offer Price (“**Top Up Facility**”). Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. Toxfree retains the flexibility to scale back Applications for any Additional New Shares at its discretion (refer to Section 6.7 of this Retail Offer Booklet for more information).

Purpose of this Retail Offer Booklet

This Retail Offer Booklet and the enclosed personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer and I encourage you to read them carefully before deciding whether or not to participate in the Retail Entitlement Offer. In particular, you will find in this Retail Offer Booklet the following important information:

- in Section 2 – the key dates for the Retail Entitlement Offer;
- in Section 5 – an overview of the Entitlement Offer;
- in Section 6 – a “How to Apply” Section detailing how to accept all or part of your Entitlement;
- in Section 8 – the ASX Announcement and Investor Presentation in relation to the Entitlement Offer that were released to the ASX on Wednesday, 26 October 2016, which provided further information on the Entitlement Offer, including key risks; and
- in Section 9 - some Important Additional Information relevant to the Entitlement Offer.

To participate, you must apply and pay for your New Shares and any Additional New Shares **before 5:00PM (Melbourne time) on Friday, 18 November 2016**. Further information about how to apply for New Shares and any Additional New Shares is set out in Section 6.3.

If you have any questions about the Retail Entitlement Offer please call the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30AM to 5:00PM (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period, or contact your stockbroker, accountant or other professional adviser.

The Toxfree Board is very pleased to offer this opportunity to you.

Yours sincerely,



Robert McKinnon
Chairman, Tox Free Solutions Limited

⁴ The theoretical ex-rights price (“TERP”) is the theoretical price at which Toxfree shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Toxfree shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Toxfree’s closing price of \$2.49 on 25 October 2016

4. What Should You Do?

Step 1: Read this Retail Offer Booklet and the Entitlement and Acceptance Form and, if appropriate, seek professional advice

This Retail Offer Booklet and the accompanying personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer and require your immediate attention. You should read them carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. In particular, you should consider the “Risks” set out in section 7 of the Investor Presentation in Section 8.2 of this Retail Offer Booklet.

If you are in doubt as to the course you should follow, you should consult your stockbroker, accountant or other independent professional adviser before deciding whether to take up your Entitlement.

Step 2: Decide what you want to do

If you are an Eligible Retail Shareholder (see definition in Section 9.3 below), you may take up all, some or none of your Entitlement. See Section 6 of this Retail Offer Booklet for further details.

Eligible Retail Shareholders who do not participate in the Retail Entitlement Offer will have their percentage holding in Toxfree reduced. Eligible Retail Shareholders who participate in the Retail Entitlement Offer will see their percentage holding in Toxfree reduce or stay the same depending on the proportion of their Entitlement they take up.

Entitlements cannot be traded, transferred, assigned or otherwise dealt with, whether on the ASX or privately.

Step 3: Apply for New Shares and any Additional New Shares

To participate in the Retail Entitlement Offer, your application for New Shares and any Additional New Shares must be received by the Registry before **5:00PM (Melbourne time) on Friday, 18 November 2016**. See Section 6 and the enclosed personalised Entitlement and Acceptance Form for further details on how to apply.

Step 4: Questions

If you:

- have questions in relation to the Existing Shares upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30AM to 5:00PM (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

5. Overview of the Entitlement Offer

5.1 Entitlement Offer

Toxfree proposes to raise approximately \$85 million under the Entitlement Offer. Under the Entitlement Offer, Toxfree is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 3.9 Existing Shares held at 7.00PM (Melbourne time) on Friday, 28 October 2016, at the Offer Price of \$2.30 per New Share. Eligible Retail Shareholders who take up all of their Entitlement can also apply for any Additional New Shares under the Top Up Facility, up to a maximum of 50% of their Entitlement.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

The Entitlement Offer comprises three parts:

- The **Institutional Entitlement Offer** – under which Eligible Institutional Shareholders were invited to take up all or part of their Entitlement.
- The **Institutional Shortfall Bookbuild** – under which New Shares that were not taken up by Eligible Institutional Shareholders, together with the Entitlements of Ineligible Shareholders who are Institutional Shareholders, were allocated to Eligible Institutional Shareholders and Institutional Investors.
- The **Retail Entitlement Offer** – under which Eligible Retail Shareholders are being sent this Retail Offer Booklet, together with a personalised Entitlement and Acceptance Form, and are being invited to take up all or part of their Entitlement. In addition, Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for any Additional New Shares in excess of their Entitlement, up to a maximum of 50% of their Entitlement, at the Offer Price.

The Entitlement Offer is fully underwritten by the Underwriter on the terms and conditions of the Underwriting Agreement (see Section 9.16 for more details).

Please refer to the ASX Announcement and the Investor Presentation set out in Section 8 for information on the purpose of the Entitlement Offer, the application of the proceeds of the Entitlement Offer and for information on Toxfree's business, performance and strategy. You should also consider other publicly available information about Toxfree, including information available at www.toxfree.com.au and www.asx.com.au.

5.2 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to subscribe for 1 New Share for every 3.9 Existing Shares held at 7.00PM (Melbourne time) on Friday, 28 October 2016, at the Offer Price of \$2.30 per New Share. This is referred to as your Entitlement. Entitlements under the Retail Entitlement Offer are non-renounceable.

Details on how to take up your Entitlement are contained in Section 6 and the enclosed personalised Entitlement and Acceptance Form. You may take up some, all or none of your Entitlement. Eligible Retail Shareholders who take up all of their Entitlement can also apply for any Additional New Shares under the Top Up Facility, up to a maximum of 50% of their Entitlement.

The Retail Entitlement Offer is only open to Eligible Retail Shareholders (see Section 9.3 for the definition of an Eligible Retail Shareholder), and Toxfree reserves the right to reject any Application that it believes comes from a person that is not an Eligible Retail Shareholder. Please note that Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on the ASX or privately.

The Retail Entitlement Offer closes at 5:00PM (Melbourne time) on **Friday, 18 November 2016** ("**Retail Closing Date**"), with New Shares and any Additional New Shares expected to be issued on Monday, 28 November 2016.

5.3 Institutional Entitlement Offer and Institutional Shortfall Bookbuild

The Institutional Entitlement Offer was conducted between Wednesday, 26 October 2016 and Thursday, 27 October 2016 (inclusive). Entitlements under the Institutional Entitlement Offer were non-renounceable, and New Shares that were not taken up by Eligible Institutional Shareholders, together with the Entitlements of Ineligible Shareholders who are Institutional Shareholders, were allocated to Eligible Institutional Shareholders and Institutional Investors.

On Friday, 28 October 2016, Toxfree announced the successful completion of the Institutional Entitlement Offer. A copy of that announcement is contained in Section 8.3 of this Retail Offer Booklet. The Institutional Entitlement Offer raised approximately \$60 million through the issue of approximately 26.1 million New Shares. Settlement of the Institutional Entitlement Offer is expected to occur on Monday, 7 November 2016, with trading expected to occur on the following business day.

6. How to Apply

If you are an Eligible Retail Shareholder you should read this Section in its entirety for instructions on the choices available to you. You should also refer to Section 5 of this Retail Offer Booklet for an overview of the Entitlement Offer and read the remainder of this Retail Offer Booklet in its entirety.

The ASX Announcement and Investor Presentation set out in Section 8 of this Retail Offer Booklet are current as at Wednesday, 26 October 2016. There may be additional announcements that are made by Toxfree after that date and throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Toxfree before submitting an application.

6.1 Choices Available to Eligible Retail Shareholders

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

- take up all or part of your Entitlement (refer to Section 6.3) by the Retail Closing Date. If you take up all of your Entitlement, you may also apply for any Additional New Shares under the Top Up Facility, up to a maximum of 50% of your Entitlement (refer to Section 6.7); or
- do nothing (refer to Sections 6.5 and 6.6).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Eligible Retail Shareholders who do not participate in the Retail Entitlement Offer will have their percentage holding in Toxfree reduced. Eligible Retail Shareholders who participate in the Retail Entitlement Offer will see their percentage holding in Toxfree stay the same (if they take up all of their Entitlement) or reduce (if they take up only part of their Entitlement).

6.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 3.9 Existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares and any Additional New Shares.

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 a separate Entitlement for each separate holding.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for any Additional New Shares under the Top Up Facility. There is no guarantee that you will receive the number of any Additional New Shares applied for under the Top Up Facility, or any. Additional New Shares will only be allocated to Eligible Retail Shareholders if available and then only if and to the extent that Toxfree so determines, in its absolute discretion. Any Additional New Shares will rank equally in all respects with existing Shares.

If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for any Additional New Shares under the Top Up Facility

See Sections 9.3 and 9.15 of this Retail Offer Booklet for information on restrictions on participation.

6.3 If You Wish to Take Up All Of or Part of Your Entitlement

If you wish to take up your Entitlement in full or in part, there are two different ways you can submit your Application and Application Monies.

a. Payment via BPAY®

To apply and pay via BPAY®, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary. If you have not yet received your Entitlement and Acceptance Form, you can view your Entitlement and Acceptance Form online at www.investorcentre.com; and
- make your payment of the amount of the full Application Monies via BPAY® for the number of New Shares and any Additional New Shares you wish to apply for (being the Offer Price of \$2.30 per New Share and any Additional New Shares multiplied by the number of New Shares you are applying for).

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution. In making your BPAY® payment, you will need to refer to your BPAY® customer reference number set out on your personalised Entitlement and Acceptance Form.

If you choose to pay via BPAY® you are not required to submit the Entitlement and

Acceptance Form but are taken to make the statements on that form and declarations set out in Section 6.9.

You will need to ensure that your payment of the Application Monies is received by 5:00PM (Melbourne time) on the Retail Closing Date. Your payment of the Application Monies will not be accepted if it is received after that time on the Retail Closing Date and no New Shares or any Additional New Shares will be issued to you in respect of that Application and your Application Monies submitted will be refunded (without interest).

You should be aware that your financial institution may implement earlier cut-off times for electronic payment and you should take this into consideration when making your payment. Please note that the maximum amount that can be received by BPAY® is \$500,000.00. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

If you have multiple holdings you will have multiple BPAY® customer reference numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares and any Additional New Shares that you wish to apply for in respect of those holdings.

Toxfree will treat you as applying for such whole number of New Shares and any Additional New Shares as your BPAY® payment will pay for up to your Entitlement. Any Application Monies received in excess of your final allocation of New Shares and any Additional New Shares will be refunded (without interest).

b. Submit your complete Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies

To apply and pay by cheque, bank draft or money order, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- complete the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Shares and any Additional New Shares you wish to apply for; and
- return the form to the Registry (address details below) together with a cheque, bank draft or money order which must be:
 - for an amount equal to the full Application Monies (being the Offer Price of \$2.30 multiplied by the number of New Shares and any Additional New Shares you are applying for);
 - in Australian currency drawn on an Australian branch of a financial institution; and
 - made payable to “Tox Free Solutions Limited” and crossed “Not Negotiable”.

You should ensure that sufficient funds are held in any relevant account(s) to cover the full Application Monies.

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

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reach the Registry by 5:00PM (Melbourne time) on Friday, 18 November 2016, at the following address:

Mailing address:

Tox Free Solutions Limited
c/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Retail Closing Date and no New Shares or any Additional New Shares will be issued to you in respect of that Application (and your Application Monies submitted will be refunded as soon as practicable without interest).

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at Toxfree's registered or corporate offices, or other offices of the Registry.

For the convenience of Eligible Retail Shareholders, an Australian reply paid envelope addressed to the Registry has been enclosed with this Retail Offer Booklet.

Note that if you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

If the amount of Application Monies received is insufficient to pay in full for the number of New Shares and any Additional New Shares you applied for, Toxfree will treat you as applying for such lower whole number of New Shares and any Additional New Shares as is covered in full by your Application Monies received or, alternatively, your Application will not be accepted.

If the amount of Application Monies received is greater than the number of New Shares and any Additional New Shares that you indicate on your Entitlement and Acceptance Form that you wish to apply for, Toxfree will treat you as applying for such whole number of New Shares and any Additional New Shares as is covered in full by your Application Monies up to your Entitlement.

Amounts received by Toxfree in excess of the Offer Price multiplied by your Entitlement, your payment may be treated as an Application to apply for as many Additional New Shares as your Application Monies will pay for in full.

If you apply to take up all of your Entitlement, you may also apply for any Additional New Shares under the Top Up Facility. For further details on the Top Up Facility, please see Section 6.7 of this Retail Offer Booklet.

If you apply for any Additional New Shares under the Top Up Facility and if your Application is successful (in whole or in part), your Additional New Shares will be issued to you at the same time that other New Shares are issued under the Retail Entitlement Offer. Additional New Shares will only be allocated to Eligible Retail Shareholders if available. If you apply for any Additional New Shares, there is no guarantee that you will be allocated any Additional New Shares.

6.4 Application Monies

Application Monies will be held by Toxfree for the benefit of applicants until the New Shares and any Additional New Shares are issued or, if the New Shares and any Additional New Shares are not issued, until the Application Monies are returned to the applicants.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, Toxfree and will be retained by Toxfree whether or not the allotment and issue of New Shares and any Additional New Shares takes place.

If the New Shares and any Additional New Shares are not issued, all Application Monies will be refunded as soon as practicable, without interest, and Entitlements will cease to have any value.

6.5 If You Wish to Do Nothing

If you are an Eligible Retail Shareholder and you do nothing, then New Shares representing your Entitlement will lapse and not be issued.

6.6 Consequences of Not Accepting All or Part of Your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by Eligible Retail Shareholders who have applied for any Additional New Shares through the Top Up Facility.

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 and you will not receive any value for your Entitlement. Your interest in Toxfree will also be further diluted as a result of the Entitlement Offer.

6.7 Top Up Facility

Eligible Retail Shareholders may also apply for any Additional New Shares in excess of their Entitlement at the same Offer Price of \$2.30 per New Share, up to a maximum of 50% of their Entitlement, and subject to pro rata scale-back at Toxfree's discretion under a Top Up Facility.

Additional New Shares will be drawn from New Shares that relate to Entitlements which have not been taken up under the Entitlement Offer.

There is no guarantee regarding the number of Additional New Shares (if any) that will be available to Eligible Retail Shareholders under the Top Up Facility, in addition to their Entitlement under the Retail Entitlement Offer. This will depend on how many Entitlements are taken up. If all Entitlements are taken up under the Retail Entitlement Offer then there will be no Additional New Shares available.

An Eligible Retail Shareholder will not be issued any Additional New Shares under the Top Up Facility if the issue of such Additional New Shares would cause Toxfree or that Eligible Retail Shareholder to breach any applicable law, including section 606 of the Corporations Act.

In the event that demand for Additional New Shares under the Top Up Facility exceeds the number of any Additional New Shares that are available then, subject to the above, the number of Additional New Shares issued to Eligible Retail Shareholders under the Top Up Facility will be scaled back on a pro-rata basis.

Decisions regarding the operation of the Top Up Facility (including the issue of any Additional New Shares) and any necessary scale back will be made by the Directors in their absolute discretion.

If there is any shortfall under the Retail Entitlement Offer (following the issue of New Shares and any Additional New Shares), subject to the Corporations Act and the ASX Listing Rules, the Directors reserve the right to issue New Shares under that shortfall to any other parties in their absolute discretion.

6.8 Ineligible Retail Shareholders

Toxfree has decided that it is unreasonable to make offers under the Retail Entitlement Offer to holders of Existing Shares who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Retail Entitlement Offer is not being made in the United States or to any person acting for the account or benefit of persons in the United States.

6.9 Eligible Retail Shareholder Declarations

By returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares and any Additional New Shares via BPAY®, you will be deemed to have made the following declarations to Toxfree – namely, that you:

- acknowledge that you have read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer;
- authorise Toxfree to register you as the holder of the New Shares and any Additional New Shares allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

- acknowledge that once Toxfree receives the Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw it;
- agree to apply for the number of New Shares and any Additional New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share and any Additional New Share;
- agree to be issued the number of New Shares and any Additional New Shares that you apply for;
- authorise Toxfree, the Underwriter, the Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares and any Additional New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are the current registered holder of Existing Shares and are a resident of Australia or New Zealand (or other jurisdiction approved by Toxfree);
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares and any Additional New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Toxfree and is given in the context of Toxfree's past and ongoing continuous disclosure announcements to ASX;
- represent and warrant that the law of any jurisdiction outside of Australia and New Zealand does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and any Additional New Shares;
- acknowledge the statement of risks in the "Risks" set out in section 7 of the Investor Presentation included in Section 8.2 of this Retail Offer Booklet, and that investments in Toxfree are subject to investment risk;
- acknowledge that none of Toxfree, the Underwriter, their respective related bodies corporate and affiliates and their respective directors, officers, employees, agents consultants or advisors guarantees the performance of Toxfree, nor do they guarantee the repayment of capital;
- represent and warrant (for the benefit of Toxfree, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that the Entitlements and the New Shares and any Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions of the United States, or in any other jurisdiction outside Australia and New Zealand and, accordingly, the Entitlements may not be taken up by persons in the United States or by any person acting for the account or benefit of a person in the United States, and the New Shares and any Additional New Shares may not be offered, sold or resold in the United States or to any person acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares and any Additional New Shares have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are purchasing New Shares and any Additional New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act;
- represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States;
- agree not to send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or any person acting for the account or benefit of a person in the United States, or to any person in any other jurisdiction other than Australia and New Zealand;
- are an Eligible Retail Shareholder and have read and understood this Retail Offer Booklet and the Entitlement and Acceptance Form and that you acknowledge the matter, and make the warranties and representations and agreements contained in this Retail Offer Booklet and Entitlement and Acceptance Form;
- agree that if in the future you decide to sell or otherwise transfer the New Shares and any Additional New Shares you will only do so in "regular way" transactions on 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, in the United States or acting for the account or benefit of a person in the United States;

- 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 and will not send, the Retail Offer Booklet, the Entitlement and Acceptance Form or any information related to the Entitlement Offer to any such person; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and, should you choose to do so, the Top Up Facility, and of your holding of Existing Shares on the Record Date.

6.10 Enquiries

This Retail Offer Booklet and the accompanying personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer and require your immediate attention. You should read them carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

If you are in doubt as to the course you should follow, you should consult your stockbroker, accountant or other independent professional adviser before deciding whether to take up your Entitlement.

If you:

- have questions in relation to the Existing Shares upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30AM to 5:00PM (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

7. Taxation

7.1 General

Set out below is a general summary of the Australian income tax, goods and services tax (“**GST**”) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders.

Neither Toxfree nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this Section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes;
- are either an individual, a company or a complying superannuation entity; and
- hold your Existing Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- acquired, or were taken to acquire, your Shares before 20 September 1985; or
- hold your Existing Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are subject to the Taxation of Financial Arrangement (“**TOFA**”) provisions contained in Division 230 of the Income Tax Assessment Act 1997; or
- acquired your Existing Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this Retail Offer Booklet. It does not take into account any financial objectives, tax positions or investment needs of Eligible Retail Shareholders. As the taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances, you should seek and rely upon your own professional tax advice before concluding on the particular taxation treatment that will apply to you.

7.2 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.

7.3 Expiration or Lapse of Entitlements

The Entitlements of Eligible Retail Shareholders who do not take up their Entitlement to acquire New Shares will lapse. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

7.4 Exercise of Retail Entitlements

Eligible Retail Shareholders should not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares and any Additional New Shares.

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. For capital gains tax (“**CGT**”) purposes, the cost base of each New Share and any Additional New Share will be equal to the Offer Price payable for each New Share and any Additional New Share, plus certain non-deductible incidental costs incurred by the Eligible Retail Shareholder in acquiring the New Share or any Additional New Share.

7.5 Taxation in respect of dividends on New Shares and any Additional New Shares

Any future dividends or other distributions made in respect of the New Shares and any Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

7.6 Disposal of New Shares

On any future disposal of New Shares and any Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares and any Additional New Shares. The cost base of those New Shares and any Additional New Shares is described above.

Eligible Retail Shareholders that are individuals or complying superannuation entities that have held their New Shares and any Additional New Shares for 12 months or more at the time of disposal should be entitled to apply the CGT discount to reduce a capital gain (after offsetting any capital losses). The CGT discount is 50% for individuals and 33.33% for complying superannuation entities.

New Shares and any Additional New Shares will be treated as having been acquired for CGT purposes when the Eligible Retail Shareholder exercised the Entitlement to subscribe for the New Shares and any Additional New Shares. Accordingly, in order to benefit from the CGT discount in respect of a disposal of New Shares and any Additional New Shares, the New Shares and any Additional New Shares must have been held for at least 12 months dates since the exercise of the Entitlement (not including the date of acquisition and the date of disposal).

7.7 Taxation of Financial Arrangements

The TOFA provisions operate to make assessable, or deductible, gains or losses arising from certain “financial arrangements” (importantly, the CGT discount is not available for any gain that is subject to the TOFA provisions).

Shareholders who are subject to TOFA should obtain their own tax advice as the precise implications under TOFA (if any) will depend on their specific facts and circumstances and in particular what elections they may have made.

7.8 GST

Australian GST should not be payable in respect of the taking up of the New Shares and any Additional New Shares under the Retail Entitlement Offer. Eligible Retail Shareholders may be restricted in their ability to claim input tax credits for any GST incurred on costs associated with the acquisition of New Shares depending on their particular circumstances.

7.9 Stamp duty

Stamp duty will not be payable in respect of the taking up of New Shares and any Additional New Shares on the assumption that no Shareholder, together with any associated person(s), will hold an interest of 90% or more in Toxfree.

8. ASX Announcement and Investor Presentation

8.1 ASX Announcement - 26 October 2016

toxfree

ASX ANNOUNCEMENT

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

26 October 2016

Strategic Acquisition of Daniels Health Australia and Entitlement Offer

Highlights

- Tox Free Solutions Limited (“Toxfree”) today announces that it has signed a binding agreement under which Toxfree will acquire 100% of the shares and related assets of Daniels Health Pty Ltd and Daniels Manufacturing Pty Ltd (together “Daniels”) for an enterprise value of \$186 million from entities associated with the vendor, Dan Daniels (“Seller”) (the “Acquisition”)
- Daniels is the market leading provider of medical waste solutions, collections and treatments in Australia with a strong history of growth. In addition, Daniels holds the intellectual property rights to various collector systems, including the “Sharpsmart” and “Clinismart” series of reusable sharps and clinical waste containers
- Daniels has approximately 300 employees in Australia across 17 sites, including two incineration facilities in Sydney and Melbourne, as well as three joint venture managed sites in New Zealand
- The Acquisition is consistent with Toxfree’s strategy of focusing on specialist waste streams and is highly complementary to Toxfree’s brand and culture. In addition to providing a new pillar of growth for Toxfree in the attractive and growing healthcare segment, the combination is expected to deliver complementary waste handling, treatment and distribution capabilities, potentially delivering meaningful future cost synergy benefits
- Daniels features a large customer base, including long term relationships with public and private hospitals, medical centres and aged care facilities across the country. A future opportunity exists to cross-sell Toxfree’s industrial and total waste management solutions across Daniels’ customer base
- Toxfree intends to fund the Acquisition through a combination of equity, cash and increased debt facilities, including approximately \$85 million via a fully underwritten pro-rata accelerated non-renounceable entitlement offer (“Entitlement Offer”), \$29 million through a placement of Toxfree shares to the Seller (“Placement”), \$67 million from increased debt facilities arranged with Toxfree’s existing lenders, and \$14 million cash from the completion of a proposed sale and leaseback transaction

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- **The Entitlement Offer will be structured as a 1 for 3.9 pro-rata non-renounceable entitlement offer priced at \$2.30 per share (“Offer Price”), representing a 5.8% discount to the theoretical ex-rights price (“TERP”) of \$2.44 per share.⁽¹⁾ The Entitlement Offer is fully underwritten. The Placement to the Seller will be made at the Offer Price on completion of the Acquisition**
- **Subject to the satisfaction of certain customary conditions precedent, the Acquisition is scheduled to complete on 1 December 2016, and contains customary working capital adjustments. Toxfree has agreed to defer \$10 million of consideration payable to 31 March 2017, which is payable in cash and/or a further issue of Toxfree shares, at the election of Toxfree**
- **The Acquisition represents a strategic expansion of Toxfree’s operations into the healthcare sector and also strengthens its position in the Australian waste management industry. The Acquisition is expected to deliver approximately 16% EPS accretion in FY2017 on a full year pro forma basis, excluding synergies⁽²⁾**

Overview

Toxfree today announces that it has executed a Share and Asset Sale and Purchase Deed to acquire 100% of Daniels for an enterprise value of \$186 million, on a cash free and debt free basis.

Daniels was founded in 1986 and is the leading player in medical waste services in Australia.⁽³⁾ The business provides a range of waste management solutions, including medical waste collection and treatment, proprietary reusable sharps containers and safety devices, point-of-use disposal technology, recycling, gateway, waste stream auditing, controlled substance destruction, secure shredding, training, compliance and education. Daniels has approximately 300 employees in Australia across 17 locations, including two incineration facilities in Sydney and Melbourne, as well as three joint venture managed sites in New Zealand. Daniels generated pro forma revenue of \$83.4 million and pro forma EBITDA of \$20.7 million in the year ended 30 June 2016.⁽⁴⁾

The Acquisition is highly complementary to Toxfree’s existing business and culture, and further expands Toxfree’s ambitions to be the leader in specialist waste streams in Australia. In addition, medical waste is an attractive and growing market segment, with increases in compliance and disposal regulations contributing to increased growth and high customer retention. The business is the leading player in medical waste services in Australia with long-term contracts with hospitals and large medical centres, with specialist intellectual property and know-how, and has grown significantly over the last three years. The segment also provides a new pillar of growth for Toxfree, along with increased diversification by industry and geography. In addition, Toxfree is targeting to deliver synergies of over \$4 million p.a. (on a full run-rate basis and before implementation costs) within two years of ownership.

¹ The theoretical ex-rights price (“TERP”) is the theoretical price at which Toxfree shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Toxfree shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Toxfree’s closing price of \$2.49 on 25 October 2016

² Toxfree financials based on estimates for the 12 months ended 30 June 2017, and assumes that there is no significant change to material contracts. Daniels financials based on Toxfree’s estimation of Daniels’ pro forma earnings for the 12 months ended 30 June 2017. EPS accretion is based on estimated FY2017 NPAT of Toxfree and excludes expensing of transaction costs and amortisation of identifiable intangibles acquired, and includes the impact of a proposed sale and leaseback transaction. Standalone EPS used in EPS accretion calculation incorporates an adjustment factor to account for the bonus element in the Entitlement Offer and assumes the Seller receives the maximum amount of consideration in Toxfree shares as provided in the sale agreement. The EPS accretion calculation assumes that the transaction, the Entitlement Offer and Toxfree shares issued to the Seller all occurred on 1 July 2016. Refer also to Section 7 (Key Risks) of the Investor Presentation lodged with ASX on the date of this release

³ By pro forma FY2016 revenue. Other equivalent references to Daniels’ market position are also based on pro forma FY2016 revenue

⁴ Refer to page 52 of the Investor Presentation lodged with ASX on the date of this release for Basis of Preparation



Daniels' local management team has a long history of involvement in the medical and waste sectors in Australia, and existing operational staff will become employees of the Toxfree group. In addition, Dan Daniels, the founder of Daniels, has agreed to be retained as an advisor to the Daniels business and will assist Toxfree on strategic development and operational management of the business. The Seller has also agreed to subscribe for approximately 12.6 million Toxfree shares as part of the consideration for the Acquisition, and will therefore be a shareholder in Toxfree on Completion. These shares will be subject to voluntary escrow until the release of Toxfree's financial results for the year ended 30 June 2017.⁽⁵⁾ Toxfree has agreed to defer \$10 million of consideration payable to 31 March 2017, which is payable in cash and/or a further issue of Toxfree shares, at the election of Toxfree.

Commenting on the transaction, Toxfree's Managing Director, Steve Gostlow, stated:

"The Acquisition of Daniels is an exciting opportunity for Toxfree that will position us as a leader in specialist waste streams in Australia. Medical waste is highly complementary to our existing capabilities and focus, and Daniels provides Toxfree with a new set of capabilities and technology that we did not have before. In addition, the Acquisition helps to improve Toxfree's overall diversity from an operational and geographic perspective, and provides the business with a new pillar of growth into the healthcare sector. We are also very happy to welcome Dan Daniels, the founder of Daniels, as an advisor to the business and look forward to working together with him in the future."

Acquisition Funding

The acquisition of Daniels, along with associated transaction fees, will be fully funded via a combination of equity, cash and increased debt facilities, as discussed below.

Entitlement Offer and Placement

The Acquisition will be partly funded by approximately \$114 million of new equity funding, comprising a pro-rata accelerated non-renounceable Entitlement Offer of approximately \$85 million and a \$29 million Placement of new ordinary shares in Toxfree to the Seller ("**New Shares**"). The Placement will be undertaken on completion of the Acquisition, expected by 1 December 2016.

The Entitlement Offer will be structured as a 1 for 3.9 pro-rata accelerated non-renounceable Entitlement Offer priced at \$2.30 per share. The Entitlement Offer is fully underwritten, and comprises a pro-rata Institutional Entitlement Offer of approximately \$59 million and Retail Entitlement Offer of approximately \$26 million.

Eligible shareholders will be entitled to subscribe for 1 New Share for every 3.9 Toxfree shares held as at 7:00pm (Melbourne time) on Friday, 28 October 2016. The offer price of \$2.30 per New Share represents a 7.6% discount to the closing price of Toxfree shares on 25 October 2016 (being the last trading day before announcement of the Acquisition and Entitlement Offer) and a discount of 5.8% to the TERP of \$2.44.⁽⁶⁾ Approximately 25.5 million New Shares are expected to be issued in Toxfree under the Institutional Entitlement Offer and 11.5 million New Shares are expected to be issued in Toxfree under the Retail Entitlement Offer.

All Toxfree directors and senior executive management who hold shares in Toxfree have stated that they intend to participate in the Entitlement Offer for some or all of their respective pro-rata Entitlements to the extent that their financial circumstances permit.

⁵ Escrow subject to customary early release events

⁶ Refer to note 1



Toxfree will conduct a Placement to the Seller for approximately \$29 million, who has elected to rollover a portion of its Daniels shares into Toxfree shares as part consideration for the Acquisition. The Placement will be made at a share price equal to the Offer Price, resulting in the issue of approximately 12.6 million New Shares. The New Shares issued under the Placement will be subject to voluntary escrow conditions until the release of Toxfree's financial results for the year ended 30 June 2017.⁽⁷⁾

The New Shares to be issued under the Entitlement Offer and the Placement will rank equally with existing Toxfree shares.

Debt Financing

Toxfree has amended and increased its existing debt facilities from its relationship banks to provide funding capacity for the Acquisition, including any potential shortfall in the Retail Entitlement Offer, and for ongoing growth initiatives in the business. The increased debt facilities will provide additional funding capacity of up to \$95 million to support the Acquisition, and Toxfree expects to have approximately \$159 million of net debt upon Completion (assuming a drawdown of \$67 million to fund the Acquisition). Drawdown under the amended debt facility is subject to various conditions precedent, including the execution of a long form deed of amendment and other conditions, which are usual for a facility of this sort.

Existing Cash and Facilities

Toxfree intends to contribute \$14 million in cash from a proposed sale and leaseback transaction, or otherwise from existing debt facilities.

Trading Update and Guidance

Toxfree today also announced that it has recently been successful in the award of a number of new contracts and opportunities, including:

- Qenos NSW, for hydrocarbon waste collection, treatment and recycling;
- Halliburton Australia, a total waste management contract for operations in Papua New Guinea and Australia;
- Retention of Origin Energy's total waste management contract for APLNG upstream; and
- A new Memorandum of Understanding with BMT International to form a Joint Venture in Australia for the purposes of managing and treating mercury related waste streams from the oil and gas sector.

As at the end of 1Q FY2017, Toxfree is trading in-line with Toxfree and market expectations. Toxfree expects underlying FY2017 EBITDA to be in the lower half of its previous guidance range of 5-10% higher than FY2016 underlying EBITDA,⁽⁸⁾ excluding any impact from the Acquisition and related Acquisition costs.

Further details on Toxfree's trading update are contained in the Investor Presentation that was lodged with the ASX concurrent with this document.

⁷ Escrow subject to customary early release events

⁸ Assumes that there is no significant change to material contracts



Entitlement Offer Timetable ⁽⁹⁾

Institutional Entitlement Offer and Institutional Shortfall Bookbuild

The Institutional Entitlement Offer will be open from 10.00am (Melbourne time) on Wednesday 26 October, 2016 to 4:00pm (Melbourne time) Thursday 27 October, 2016. Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. New Shares equivalent in number to the New Shares not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer, and New Shares that would have been offered to ineligible institutional shareholders had they been entitled to participate, will be sold to institutional investors through the Institutional Shortfall Bookbuild to be conducted on Thursday, 27 October 2016. Toxfree shares have been placed in trading halt whilst the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

Retail Entitlement Offer

The Retail Entitlement Offer will be open from Thursday, 3 November 2016 to Friday, 18 November 2016. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Thursday, 3 November 2016.

Indicative Timetable

Event	Date
Announcement of Acquisition, Entitlement Offer and Trading Halt	Wednesday, 26 October 2016
Institutional Entitlement Offer opens	Wednesday, 26 October 2016
Institutional Entitlement Offer closes	Thursday, 27 October 2016
Institutional Shortfall Bookbuild (opens and closes)	Thursday, 27 October 2016
Trading Halt lifted	Friday, 28 October 2016
Record date for eligibility under the Entitlement Offer (7:00pm Melbourne time)	Friday, 28 October 2016
Retail Entitlement Offer opens	Thursday, 3 November 2016
Despatch of Retail Offer booklet and personalised entitlement forms	Thursday, 3 November 2016
Settlement of the Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Monday, 7 November 2016
Issue of New Shares issued under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild and commencement of trading on the ASX	Tuesday, 8 November 2016
Retail Entitlement Offer closes (5:00pm Melbourne time)	Friday, 18 November 2016
Announcement of results of Retail Entitlement Offer	Wednesday, 23 November 2016
Settlement of the Retail Entitlement Offer	Friday, 25 November 2016
New Shares issued under the Retail Entitlement Offer	Monday, 28 November 2016
New Shares issued under the Retail Entitlement Offer commence trading on the ASX	Tuesday, 29 November 2016
Despatch of Holding Statements	Tuesday, 29 November 2016

⁹ Dates and times are indicative only and are subject to change



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Further Information

For further details regarding the Acquisition of Daniels and the Entitlement Offer, shareholders are advised to refer to the Investor Presentation released to the ASX on Wednesday, 26 October 2016.

Morgan Stanley and Acacia Partners are acting as financial advisers to Toxfree on the transaction. Morgan Stanley is acting as sole bookrunner and lead manager of the Entitlement Offer and sole underwriter of the Institutional Entitlement Offer, and Evans & Partners is acting as co-lead manager of the Entitlement Offer. Clayton Utz is acting as legal adviser to Toxfree. PwCS acted as accounting and taxation adviser to Toxfree.

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8.2 Investor Presentation




toxfree

Strategic Acquisition of Daniels Health Australia and Entitlement Offer

26 October 2016

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Financial Data

All dollar values are in Australian dollars ("A\$") and financial data is presented as at 30 June 2016 unless otherwise stated.

Investors should note that this Presentation contains pro forma financial information. Pro forma financial information has been prepared based on Toxfree's financial statements and Daniels' financial information. Daniels' financial information is based on an aggregation of financial information extracted from the audited statutory financial statements of Daniels Health Pty Ltd for the respective periods presented, as well as financial information related to Daniels Manufacturing Australia Pty Ltd, Daniels FMD Pty Ltd, and the 50% share in Sharpsmart NZ Ltd, which has been extracted from unaudited management accounts for the respective periods presented. It includes adjustments relating to the acquisition of Redlam Waste Services, removal of corporate and other recharges to reflect the business on a standalone basis and the removal of one-off and abnormal items.

The Pro forma historical combined income statement and pro forma balance sheet has been prepared based on Toxfree's financial information for the year ended 30 June 2016 and Daniels' financial information for the year ended 30 June 2016. Financial information included in this Presentation includes pro forma adjustments. Refer to page 52 for Basis of Preparation.

Investors should also note that this Presentation does not include financial statements of Daniels. The pro forma historical financial information has been prepared by Toxfree in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and accounting interpretations. Investors should also note that the pro forma historical financial information does not purport to be in compliance with Article 11 of Regulation S-X of the Rules of the U.S. Securities and Exchange Commission.

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This Presentation includes certain financial measures that are "non-IFRS financial information". These measures include: underlying EBITDA, underlying EBIT, underlying NPAT, EBITDA and EBIT, cash EPS and TERP. This financial information is unaudited.

Effect of Rounding

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- 2 Overview of Daniels
- 3 Strategic Rationale for Transaction
- 4 Impact of Transaction on Toxfree
- 5 Acquisition Funding and Pro Forma Financials
- 6 Trading Update and Outlook
- 8 Entitlement Offer Summary
- 7 Key Risks
- A Appendix – Additional Information

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1 Transaction Overview

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Key Highlights of the Transaction



- ✓ Agreement to acquire 100% of Daniels Health Pty Ltd and Daniels Manufacturing Australia Pty Ltd (“Daniels”), the leading provider of medical waste solutions, collection and treatment in the Australian healthcare sector, for an enterprise value of \$186 million (“Acquisition”) from entities associated with the vendor, Dan Daniels (“Seller”)
- ✓ Daniels has a 30 year operating history and approximately 20% market share in Australia,⁽¹⁾ with approximately 300 employees, 80 trucks and 17 locations, including two incineration facilities
- ✓ Toxfree will acquire innovative waste management technologies and intellectual property in Australia and New Zealand as part of the transaction, including the “Sharpsmart” and “Clinismart” series of reusable medical waste containers and its supporting robotic washline technology
- ✓ Exciting, growing and defensive industry with competitive advantages for existing participants, supported by growth in hospital visits, an ageing population and increased regulatory pressures
- ✓ The Acquisition is consistent with Toxfree’s focus on specialist waste streams; highly complementary brand and culture
- ✓ Provides further diversification of Toxfree’s business, including a new pillar of growth for the business, greater exposure to Australia’s east coast markets and an entry into New Zealand
- ✓ Continuation of a highly experienced management team, with ongoing support from the founder of the business (Dan Daniels), with the Seller subscribing for shares in Toxfree on completion of the Acquisition (“Completion”) as part of the transaction
- ✓ Expected to be EPS accretive for Toxfree shareholders (excluding synergies)⁽²⁾
- ✓ Transaction funded via an Entitlement Offer to existing Toxfree shareholders, cash, debt funding and a share placement to the Seller



Notes

1. By pro forma FY2016 revenue. Further equivalent references to Daniels’ market position are also based on pro forma FY2016 revenue
2. Refer to note 3, page 9

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Transaction Overview



Acquisition of Daniels

- Toxfree has entered into a Share and Asset Sale and Purchase Deed for the acquisition of 100% of Daniels and certain assets for an enterprise value of \$186 million on a cash free and debt free basis
 - Consideration will be paid in cash and the issue of approximately 12.6 million Toxfree shares to the Seller on Completion at the Offer Price
 - Toxfree has agreed to defer \$10 million of consideration payable to 31 March 2017, which is payable in cash and/or a further issue of Toxfree shares, at the election of Toxfree
 - Completion is subject to certain customary conditions precedent and agreement contains customary working capital adjustments
- The Acquisition represents a strategic expansion into the healthcare and medical waste sectors, delivering further geographic and operational diversification to Toxfree, and providing a new pillar of growth for the business
- The founder of Daniels, Dan Daniels, has agreed to be retained as an advisor to the Daniels business. Shares issued to the Seller will be subject to a voluntary escrow until the release of Toxfree’s FY2017 financial results⁽¹⁾
- Transaction Completion is expected by 1 December 2016

Overview of Daniels Australia and New Zealand

- Daniels was founded in 1986 and is the leading player in medical waste services in Australia. The business provides a range of waste management solutions, including medical waste collection and treatment, proprietary reusable sharps containers and safety devices, point-of-use disposal technology, recycling, gatewaste, waste stream auditing, controlled substance destruction, secure shredding, training, compliance and education
- The business has approximately 300 employees in Australia across 17 locations, including two incineration facilities in Sydney and Melbourne, as well as three joint venture managed sites in New Zealand
- Daniels’ flagship product, the “Sharpsmart” system, was designed in 1999 to safely collect and contain used sharps
 - Following the success of this system, Daniels has leveraged this proprietary technology to develop a range of waste container product lines that cater for the disposal of clinical sharps, cytotoxic and pharmaceutical waste
 - Daniels brings specialist intellectual property and know-how to the Toxfree business
- Daniels generated pro forma revenue of \$83.4m and pro forma EBITDA of \$20.7m in the year ended 30 June 2016⁽²⁾

Notes

1. Escrow subject to customary early release events
2. Refer to page 52 for Basis of Preparation

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Transaction Overview (cont'd)



Compelling strategic rationale	<ul style="list-style-type: none"> A market leading business in a growth industry experiencing positive market dynamics from increasing hospital visits and medical care events, an ageing population and increased regulatory and compliance pressures on customers A new pillar of growth for the Toxfree business, providing increased diversification by industry and by geography, with increased focus on the east coast of Australia An established, profitable business with strong EBITDA margins and high cash flow conversion Addition of new intellectual property and know-how to the Toxfree business A successful local management team who will continue running the business post-transaction
Funding	<ul style="list-style-type: none"> Transaction to be funded, in part, by an Entitlement Offer to existing Toxfree shareholders at a price of \$2.30 per share ("Offer Price"), representing a 7.6% discount to the current share price and a 5.8% discount to the theoretical ex-rights price ("TERP") of \$2.44⁽¹⁾ Toxfree has increased the limits of its existing debt facilities to provide debt funding capacity of up to \$95 million, and a further \$14 million available following the completion of a proposed sale and leaseback transaction The Seller will also receive a placement of approximately 12.6 million Toxfree shares at the Offer Price of \$2.30 per share Toxfree has agreed to defer \$10 million of consideration payable to 31 March 2017, which is payable in cash and/or a further issue of Toxfree shares
Synergy potential	<ul style="list-style-type: none"> Targeted synergy potential of \$4.2 million within two years of ownership,⁽²⁾ driven by overhead savings, site rationalisation, improved procurement terms, and treatment of Toxfree waste streams through Daniels' facilities Potential for revenue synergies above this amount from total waste management cross-selling activities
Expected financial impact	<ul style="list-style-type: none"> Approximately 16% EPS accretion in FY2017 on a full year pro forma basis, excluding synergies⁽³⁾ Toxfree intends to maintain a conservative capital structure, with a pro forma net debt / equity ratio of approximately 42% on Completion⁽⁴⁾
Support of Dan Daniels	<ul style="list-style-type: none"> In addition to the placement of Toxfree shares, Dan Daniels has agreed to be retained as an advisor to the Daniels business, and will assist Toxfree on strategic development and operational management of the business

Notes

- Refer to page 38 for more information on the Entitlement Offer. The theoretical ex-rights price ("TERP") is the theoretical price at which Toxfree shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Toxfree shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Toxfree's closing price of \$2.49 on 25 October 2016
- Synergy estimates exclude one-off implementation costs
- Toxfree financials based on estimates for the 12 months ended 30 June 2017, and assumes that there is no significant change to material contracts. Daniels financials based on Toxfree's estimation of Daniels' pro forma earnings for the 12 months ended 30 June 2017. EPS accretion is based on estimated FY2017 NPAT of Toxfree and excludes expensing of transaction costs and amortisation of identifiable intangibles acquired, and includes the impact of the proposed sale and leaseback transaction. Standalone EPS used in EPS accretion calculation incorporates an adjustment factor to account for the bonus element in the Entitlement Offer and assumes the Seller receives the maximum amount of consideration in Toxfree shares as provided in the sale agreement. The EPS accretion calculation assumes that the transaction, the Entitlement Offer and Toxfree shares issued to the Seller all occurred on 1 July 2016. Refer also to Section 7 (Key Risks)
- Pro forma net debt / equity based on Toxfree's balance sheet at 30 June 2016 and Daniels' pro forma balance sheet as at 30 June 2016, adjusted for the expansion of existing debt facilities as part of the transaction and includes the impact of the proposed sale and leaseback transaction

Creating a More Diversified Toxfree with Four Core Operating Segments








	Toxfree			
	Technical and Environmental Services	Industrial Services	Waste Services	Healthcare Services
Overview of operations	The collection, recycling, treatment and disposal of liquid and hazardous wastes	Asset maintenance, high pressure water jetting, vacuum loading, tank cleaning and industrial waste collection	Primarily the collection, recovery, recycling and disposal of solid industrial wastes	In-facility management, collection and treatment of healthcare waste, supported by proprietary product lines for the safe disposal of medical and sharps waste
FY2016 underlying EBITDA (\$ million)	21.2 ⁽¹⁾	16.8 ⁽¹⁾	59.2 ⁽¹⁾	20.7 ⁽²⁾
Target sectors	All industry sectors, including government, utilities, commercial and industrial sectors	Natural resources, utilities, municipal, civil infrastructure and heavy manufacturing	Natural resources and general industrials	Healthcare (e.g. hospitals, medical centres, dental surgeries, pathology clinics, pharmacies, veterinary clinics)
Target geographies	Australia	Australia	Australia	Australia and New Zealand
Growth prospects	Expansion into new waste streams (e.g., e-waste management)	Expansion of service offering, cross-selling across production assets in Australia	New major contracts with large clients and growth of East-coast business	Increased revenue and market share in Australia and New Zealand; cross-selling of total waste management services

Notes

- FY2016 underlying EBITDA excludes corporate costs. Underlying EBITDA is a non-IFRS financial measure which has been calculated by normalising for \$10.2m of non-operational adjustments: acquisition, integration and rebranding costs (\$4.7m), impairment losses related to the Port Hedland facility (\$2.6m), asset write-offs (\$1.0m), redundancy and restructuring costs (\$4.4m), site closure costs (\$1.4m), reduction in contingent consideration (-\$1.1m) and income tax expense (-\$3.0m)
- Refer to page 52 for Basis of Preparation.

Alignment with Toxfree's Strategic Growth Plan

- | | | |
|--|---|---|
| <p>1 Further focus on treatment of specialist waste streams</p> | <ul style="list-style-type: none"> • Further expansion of Toxfree's ambitions to be the leader in specialist waste solutions in Australia • Daniels provides a complementary set of waste streams for Toxfree • Increased opportunities for in-house treatment of existing and new waste streams |  |
| <p>2 New markets and geographies</p> | <ul style="list-style-type: none"> • Medical waste is a growing and attractive market segment • Entry into the New Zealand market through Daniels joint venture business |  |
| <p>3 Increased market share – large, long-term contracts</p> | <ul style="list-style-type: none"> • Daniels is a market leading provider of medical waste solutions, collections and treatments in Australia • Long-term contracts with hospitals and large medical centre clients across Australia |  |
| <p>4 High margin, high quality business</p> | <ul style="list-style-type: none"> • Strong history of growth with high and improving margins driven by leverage over cost base • Help to grow our total waste management focus |  |
| <p>5 'Can Do' Culture: safe.reliable.sustainable</p> | <ul style="list-style-type: none"> • A customer centric culture with a focus on excellence and safety, emphasised by strong customer relationships and innovative products and services • Reusable clinical and related waste and sharps disposal containers have significant environmental benefits vs. disposable solutions |  |

Medical waste represents a set of specialist waste streams with specialised technology and processing capabilities, competitive advantages for existing sector participants, and is highly complementary to the Toxfree strategy, brand and culture



2 Overview of Daniels

Daniels Australia and New Zealand

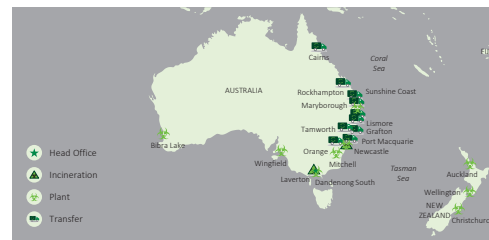


Daniels is the leading provider of medical waste collection, transport and treatment solutions to the Australian and New Zealand healthcare market

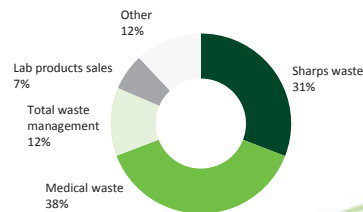
Daniels business overview

- Daniels was founded in Australia in 1986 by Dan Daniels and is a vertically integrated provider of healthcare waste products and services, including the collection, transport and treatment of sharps, clinical and related wastes
- Leading player in Australia, with an operating joint venture in New Zealand
 - Approximately 20% market share in Australia
 - 17 locations in Australia, incorporating: ⁽¹⁾
 - 10 transfer stations
 - Four autoclaves
 - Two incinerators
 - Five robotic washlines
 - 80 trucks
 - Three joint venture managed sites in New Zealand, each with collector washing facilities ⁽¹⁾
 - Approximately 300 employees ⁽¹⁾
- The business features diverse revenue streams, with ~38% relating to medical waste collection and treatment, and ~31% relating to sharps waste

Daniels geographic footprint ⁽¹⁾



Daniels pro forma revenue by product and service % FY2016 pro forma revenue



Notes

1. Number of sites, transfer stations, autoclaves, incinerators, collector washers and trucks as at 30 June 2016

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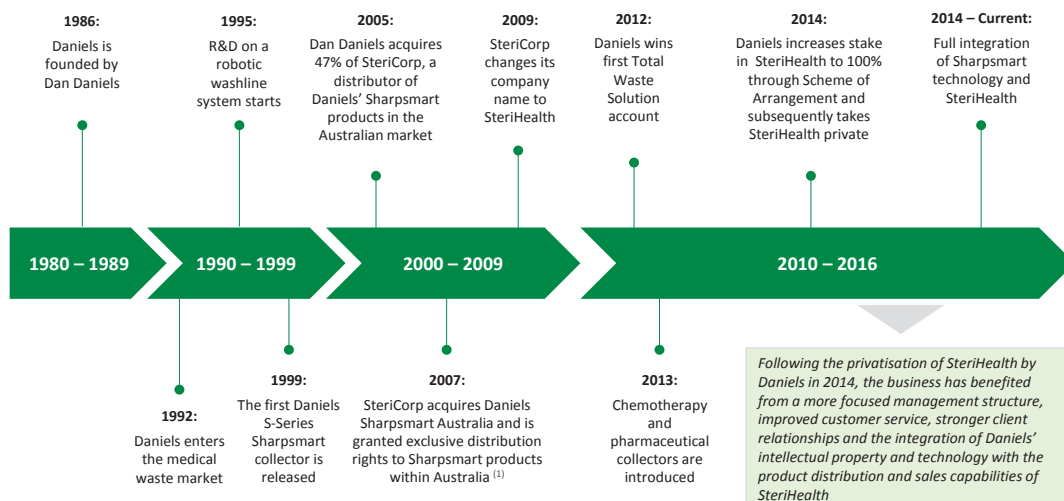
History of Daniels



Daniels was founded in Australia in 1986, and has since evolved into the leading player in medical waste services in Australia with joint venture operations in New Zealand

Daniels key milestones

1986 – 2016



Notes

1. In December 2007, SteriCorp Sharpsmart Pty Ltd entered into a transaction to acquire a 50% shareholding in Daniels Sharpsmart Australia Pty Ltd ("DSA") and other certain rights from Catilina Nominees Pty Ltd. SteriCorp Sharpsmart was a wholly owned subsidiary of SteriCorp Limited ("SteriCorp"). Around the same time SteriCorp also transferred the shares in DSA held by SteriCorp Clinical Waste Pty Ltd to SteriCorp Sharpsmart, so that DSA became a wholly owned subsidiary of SteriCorp Sharpsmart






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Key Products and Competitive Strengths



	 Sharpsmart	 Clinismart	 Total waste solutions	 Laboratory products	 Accessories
Description	<ul style="list-style-type: none"> Collection system for sharps Sharpsmart Collectors come with an automatic safety tray, which reduces injury and overfilling 	<ul style="list-style-type: none"> Collection system for clinical waste The Clinismart collection system is designed to mitigate infection risk by reducing decanting of and hand contact with clinical waste 	<ul style="list-style-type: none"> Service consolidates healthcare waste products under a single Daniels contract Services include shredding, recycling and waste stream auditing 	<ul style="list-style-type: none"> Includes protective apparel, microbiology supplies, specimen kits, histology consumables and other safety products Proprietary product lines include a surgical sharps transfer tray, a line of disposable sharps containers and a range of spill kits 	<ul style="list-style-type: none"> Daniels accessories are designed to enhance the position and movement of Daniels collectors Includes mounting brackets, floor stands, bag holders, trolleys, wall mounts and bulk delivery carts
Revenue model	<ul style="list-style-type: none"> Revenue charged on a per collector turn basis 	<ul style="list-style-type: none"> Revenue charged on a per collector turn basis, as well as volumes processed through Daniels' facilities 	<ul style="list-style-type: none"> Revenue based on volume, frequency and complexity of service provided 	<ul style="list-style-type: none"> Products sold individually to customers on a per unit price basis 	<ul style="list-style-type: none"> Products sold to customers as required on a per unit price basis
Competitive strengths of Daniels	<ul style="list-style-type: none"> Reusable solutions which are safer and environmentally responsible vs. disposable solutions A total waste system...not just products: significant investment required to replicate the Daniels system 		<ul style="list-style-type: none"> Leverage existing clinical relationships to negotiate total waste contracts Understand and operate in healthcare environments 	<ul style="list-style-type: none"> Direct access to hospitals and other medical facilities assists Daniels to effectively cross-sell adjacent products and services 	<ul style="list-style-type: none"> Accessories are only compatible with Sharpsmart and Clinismart systems; promotes use of Daniels products

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Key Products



Sharpsmart



- Easy access**
Swing-action Safety Tray provides a large opening while restricting hand access
- Can't be re-opened**
Side locks are tamper-proof when engaged
- No leaks**
Leakproof seal eliminates leakage
- Eliminates overfilling**
Safety Tray automatically stays upright when collector is full
- Check content levels**
Clear-view window shows fill level while concealing messy contents



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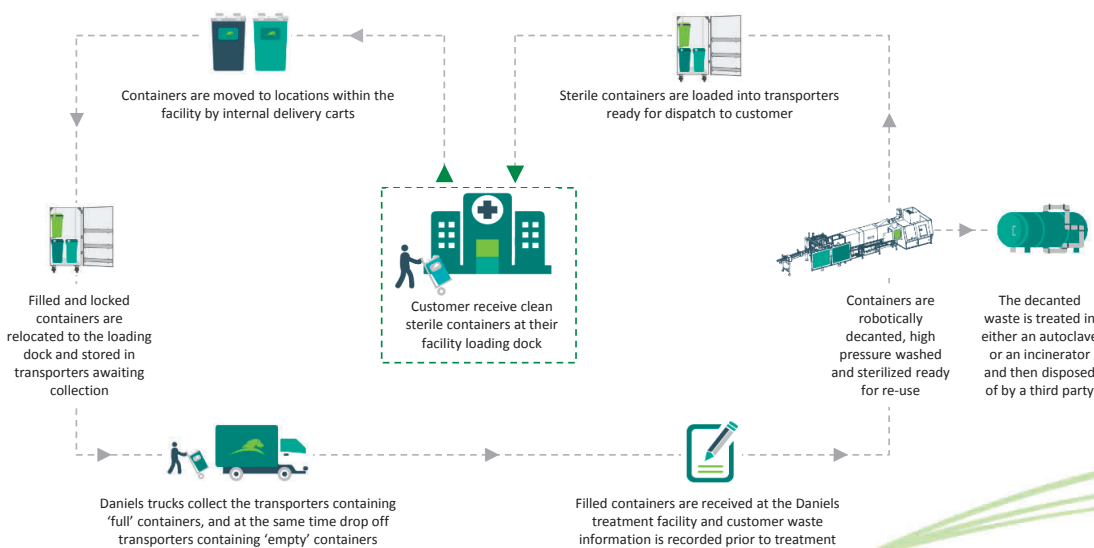
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Daniels Business and Operational Model



Daniels has a customer-centric business model which is designed to handle healthcare-generated waste from the point of generation through to final treatment, supported by a vast infrastructure of technology, trucks, plants and waste treatment equipment

Daniels business model and customer touch points



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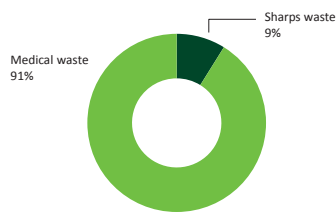
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Daniels Waste Streams and Treatment Processes



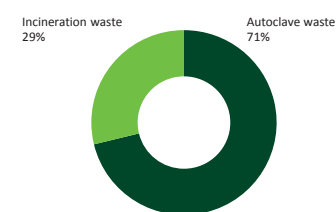
Waste streams by type

%, Based on FY2016 volumes by weight



Waste streams by treatment method

%, Based on FY2016 volumes by weight



Overview of treatment technologies

Washsmart system	<ul style="list-style-type: none"> Daniels operates five robotic washing facilities across Australia that are based on Daniels' proprietary Washsmart system The Washsmart system is a fully automated, robotic system used for decanting, washing, sanitising and drying of Sharpsmart collectors Key features of the Washsmart system include: <ul style="list-style-type: none"> Daniels' proprietary SMARTGUARD technology – an anti-stick coating that allows containers to easily shed adhesives and fluids Hygiene levels – sterilisation is higher than required by the CDC⁽¹⁾ in the United States
Incinerator technology	<ul style="list-style-type: none"> Daniels operates two incinerators in Australia with the largest based in Sydney The Melbourne incinerator is strategically located and licensed to treat a broad range of waste streams. Key features of the incineration technology and plant include: <ul style="list-style-type: none"> Fitted with thermal and air emissions treatment technology from Germany
Autoclaves	<ul style="list-style-type: none"> Daniels operates four facilities that are outfitted with Bondtech full vacuum steam autoclaves (heated, pressurised containers for sterilisation) The autoclaves accept up to six large carts per treatment cycle and heat the contents to over 300°C and reduce waste contents by more than 50% of the original volume

¹ Centers for Disease Control and Prevention ("CDC")

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Large Customer Base with Low Attrition



Customer commentary

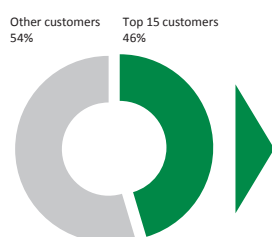
- Daniels focuses on large public and private hospital systems, including state run healthcare facilities and both “for-profit” and “not-for-profit” systems
- Daniels’ customer base is characterised by high retention and moderate concentration
 - A total of approximately 7,000 customers
 - 98% customer retention over the last 10 years, with some contracts extending back over 20 years
 - Top 15 customers account for ~46% of total revenue, with the largest customer representing ~8% ⁽¹⁾
 - Daniels provides services to over 95% of all hospitals in Victoria
- Significant potential to grow the customer base in document shredding services, hazardous waste, liquid waste, laboratory products, recall management and product destruction

Sales function overview

- Daniels sales team is organised at a regional level, with sales managers across NSW (including ACT and South Australia), Victoria, Queensland and Western Australia; larger accounts are typically supported by regional or senior management representatives
- Sales leads are generated through customer referrals, website leads, digital sales campaigns, appointments and healthcare network leads
- Sales staff are appropriately incentivised based on new customer revenue contribution

Top 15 customers

%, Based on FY2016 revenue ⁽¹⁾



Daniels top 15 customers are a mix of large, Australian State-based health services providers, privately held hospital and healthcare service providers, with a focus on the Victorian, NSW and Queensland markets

Notes

¹ Based on Daniels pro forma revenue for the financial year ended 30 June 2016; excludes Daniels Manufacturing Australia Pty Limited and Redlam Waste Services

Strong Management Team with a Long History with the Business



- The Daniels local management team has a long history of involvement in the healthcare and waste sectors in Australia
- Existing operational staff will become employees of the Toxfree group
 - Selected key employees are subject to retention arrangements
- Daniels is a strong cultural fit for the Toxfree business
- Dan Daniels, the founder of Daniels, has agreed to be retained as an advisor to the Daniels business, and will assist Toxfree during the business integration process
 - The Seller has agreed to subscribe for approximately 12.6 million Toxfree shares as part of the transaction, and will therefore be a shareholder in Toxfree on Completion
 - These shares will be subject to voluntary escrow until the release of Toxfree’s financial results for the year ended 30 June 2017 ⁽¹⁾
 - Depending on Toxfree’s structuring of the deferred consideration payment, the Seller may receive additional Toxfree shares on 31 March 2017

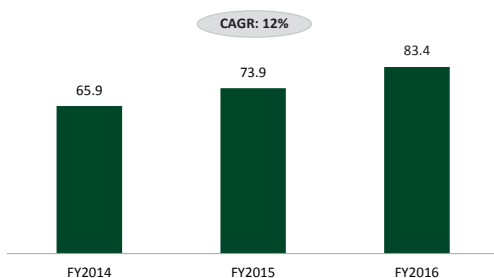
Notes

¹ Escrow subject to customary early release events

Historical Financial Performance

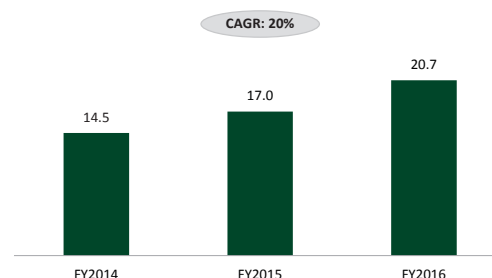


Daniels historical pro forma revenue ⁽¹⁾
\$ million, FY2014–2016



- Over the last three years, pro forma revenue grew at a CAGR of 12% p.a. from \$65.9m in FY2014 to \$83.4m in FY2016
- Revenue growth has been driven by a combination of increased waste volumes and collector turns and some increases in customer pricing, as well as an expanded product and service offering (e.g. total waste management)

Daniels historical pro forma EBITDA ⁽²⁾
\$ million, FY2014–2016



- Over the last three years, pro forma EBITDA grew at a CAGR of 20% p.a. from \$14.5m in FY2014 to \$20.7m in FY2016
- Over the same period, pro forma EBITDA margins expanded from 22% to 25%, reflecting increased operating leverage and sales of higher margin services

Notes

1. Daniels' pro forma revenue includes adjustments relating to the acquisition of Redlam Waste Services and the elimination of intercompany sales
2. Refer to page 52 for Basis of Preparation

Strategic Growth Initiatives



Toxfree's strategic growth initiatives following Completion include:

- Leverage Toxfree's existing solid and industrial waste capabilities for total waste management contracts with hospitals, medical centres and aged care facilities which use Daniels products
 - Daniels' existing solutions are highly valued by customers, which has resulted in strong, long-term relationships
 - Significant upside in auditing and compliance functions, given increasing customer and regulator focus on waste disposal standards, avoiding needlestick injuries, and procuring complete waste management solutions from single vendors
- Use of Daniels' processing facilities (incinerators) in Sydney and Melbourne to process existing Toxfree waste streams and to open up new areas of waste treatment for the Toxfree business (e.g. laboratory products, product recalls and destruction, document shredding and destruction)
- Focus on securing new small quantity generators such as medical centres, clinics and general practitioner offices, and growing with their businesses
- Investigation and rollout of medical device reprocessing, through which single use medical devices can be sorted, treated and re-packaged and made available for resale (known as device mining)
- Toxfree rolling out its strong operational, safety and environmental capabilities across the Daniels business



3 Strategic Rationale for Transaction

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Compelling Strategic Rationale for Toxfree



The Acquisition is strategically compelling for Toxfree and provides a diversified growth platform for the business going forward

Market leading healthcare waste business

- Daniels is the leading player in the medical waste services market in Australia, and has been in operation since 1986
- Significant footprint with 17 locations across six States, with four autoclave and two incineration facilities
- Approximately 20% market share in Australia

Highly attractive industry with growth potential

- Healthcare is an attractive, defensive and growing industry, and the medical waste management market is expected to continue to grow
- Increasing episodes of care or procedures, hospital and medical centre visits, an ageing population and increases in compliance and disposal regulations have all contributed to significant growth
- First step into the New Zealand market through Daniels joint venture business
- Over 1,300 hospitals in Australia, increasing numbers of hospital admittances, and over 100,000 medical practitioners

Opportunity to leverage IP and know-how

- Daniels has intellectual property in the manufacture, supply and cleaning of clinical and sharps waste containers, pioneered by the well recognised and industry leading “Sharpsmart” and “Clinismart” systems
- Sharing of know-how in terms of waste handling, treatment and distribution activities could have applications across the broader Toxfree hazardous waste business

Expansion and diversification of earnings

- Daniels contributes 18% to Toxfree’s pro forma EBITDA ⁽¹⁾ for FY2016, further diversifying the business from the resources sector and providing stronger earnings growth potential
- On a pro forma basis, the Acquisition is expected to increase Toxfree’s exposure to eastern Australia markets relative to western Australia markets

Financially compelling acquisition

- Expected 16% EPS accretion in FY2017 on a full year pro forma adjusted basis, excluding synergies ⁽²⁾
- Toxfree intends to maintain a conservative capital structure, with a pro forma net debt / equity ratio of approximately 42% on Completion ⁽³⁾

Notes
 1. Refer to page 52 for Basis of Preparation
 2. Refer to note 3, page 9
 3. Refer to note 4, page 9

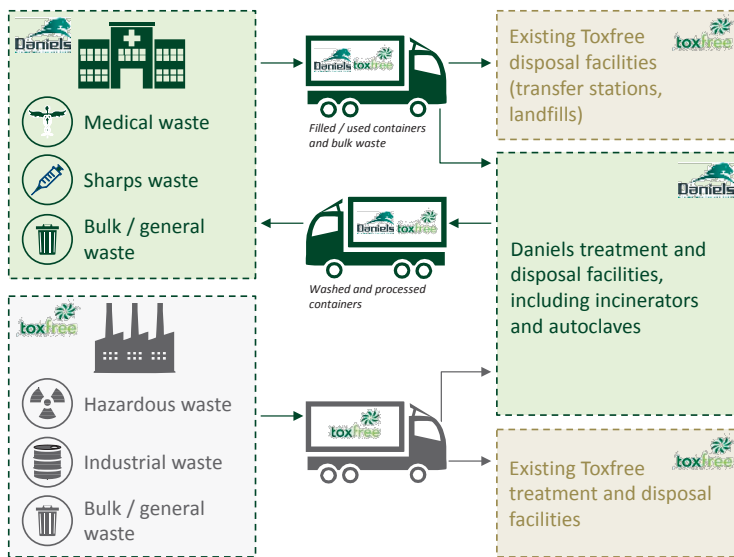
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Complementary Waste Handling, Treatment and Distribution Capabilities



Daniels operational system and Toxfree points of interaction ⁽¹⁾



Key benefits for Toxfree

- ✓ Single collections of medical, sharps and general bulk waste streams for clients; no need to outsource TWM
- ✓ Route density benefits from overlapping collection schedules in both metropolitan and regional areas
- ✓ Owned treatment facilities for existing Toxfree industrial and hazardous waste streams, using Daniels' existing incineration and autoclave facilities
- ✓ Operating leverage and procurement benefits from increased fleet size

Notes
1. Subject to transition and integration of the Toxfree and Daniels businesses

Key Potential Benefits for Daniels from Toxfree Ownership



- ✓ Expanded geographic reach for both businesses, with additional points of presence across Australia and New Zealand (through Daniels' joint venture operations)
- ✓ Reduction in under-utilised incinerator and autoclave capacity (and improvement in operating margins) for Daniels' facilities from the processing of Toxfree volumes at both locations
- ✓ Operating cost synergies from removal of duplication and head office functions within both businesses, in particular across information technology, finance, marketing, human resources and administration
- ✓ Stronger total waste management sales proposition for Daniels, with a cross-selling opportunity to existing Daniels and Toxfree customers
- ✓ Potential for knowledge and intellectual property sharing between businesses
- ✓ Potential for significant operational synergies from improvements in route density, collection frequency and truck utilisation, particularly in markets where Toxfree has existing collection networks



4 Impact of Transaction on Toxfree

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Expected Impact of the Acquisition on Toxfree

- The transaction is expected to result in 16% EPS accretion in FY2017 on a full year pro forma adjusted basis, excluding synergies ⁽¹⁾
- Toxfree will continue to maintain a conservative capital structure
 - \$114.0m of new equity funding, comprising \$85.1m from the Entitlement Offer and \$28.9m in new shares issued to the Seller as part consideration for the transaction
 - Total debt facilities increased by up to \$95m, with approximately \$159m of net debt upon Completion (assuming \$67m drawdown of these increased facilities)
 - Increased debt facilities have a 2 year term
 - Results in a pro forma net debt / equity ratio of approximately 42% on Completion,⁽²⁾ which is within the preferred parameters of the Toxfree Board
- No change to Toxfree's dividend policy as a result of the Acquisition: Toxfree intends to maintain a payout ratio of 50-60% of net profit after tax, consistent with that of FY2016

Notes

1. Refer to note 3, page 9
2. Refer to note 4, page 9

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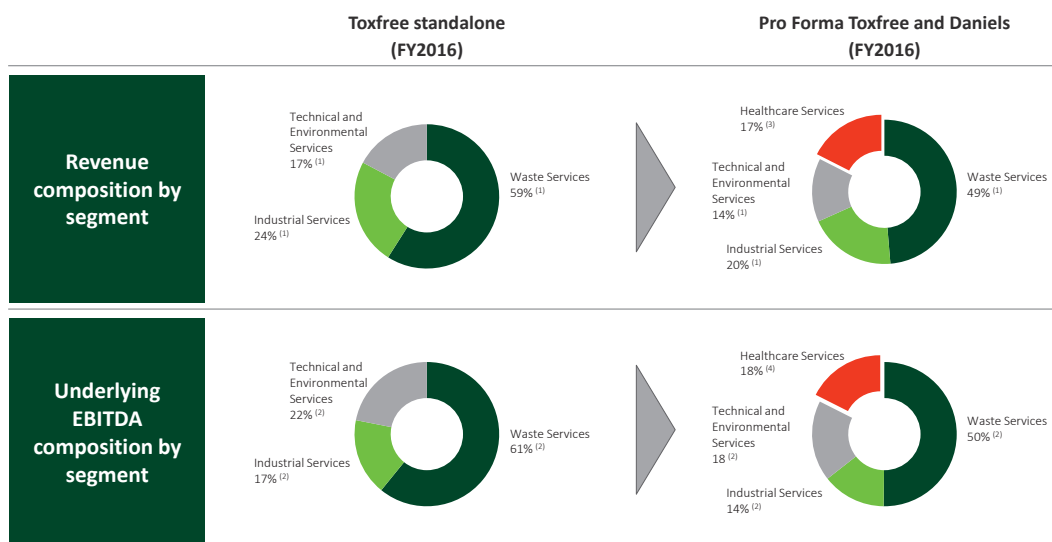
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Increased Financial Diversification



The acquired Healthcare Services business contributes approximately 17% to Toxfree's FY2016 pro forma revenue, and approximately 18% to Toxfree's FY2016 pro forma EBITDA



Notes
 1. Excludes intersegment revenue
 2. Refer to note 1, page 10
 3. Daniels' pro forma revenue includes adjustments relating to the acquisition of Redlam Waste Services and the elimination of intercompany sales
 4. Refer to page 52 for Basis of Preparation

Targeting Meaningful Synergy Benefits



Toxfree is targeting to deliver synergies of \$4.2 million per annum (on a full run-rate basis) within two years of ownership. One-off implementation costs are expected to be approximately \$3.3–4.1 million, likely to be incurred within the first 12 months of ownership

Description of targeted synergies	
Waste treatment	<ul style="list-style-type: none"> Utilisation of Daniels' incineration facilities for Toxfree waste streams Opportunity to provide a complementary waste treatment technology for existing customers
Support functions	<ul style="list-style-type: none"> Opportunities to realise support function efficiencies and the sharing of capabilities over time using Toxfree ERP and shared services functions
Premises	<ul style="list-style-type: none"> Potential termination of leases for specific sites where existing Toxfree facilities can be utilised by Daniels Rationalisation of multiple facilities across Australia
Procurement	<ul style="list-style-type: none"> Improved procurement terms for fuel and maintenance services Lower disposal fees paid to landfills (tipping)
Transport	<ul style="list-style-type: none"> Potential for improved route density and elimination of overlapping collection routes Increased fleet efficiency for the Daniels business
One-off implementation costs	
Implementation costs	<ul style="list-style-type: none"> One-off costs incurred with the implementation of Toxfree's 12 month integration plan Costs associated with transition of Daniels operations to Toxfree's systems Re-branding costs



5 Acquisition Funding and Pro Forma Financials

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Acquisition Structure and Funding Sources



Transaction funding structure

Entitlement Offer	<ul style="list-style-type: none"> A 1 for 3.9 pro-rata accelerated non-renounceable Entitlement Offer to raise gross proceeds of up to \$85 million <ul style="list-style-type: none"> ~\$59 million underwritten Institutional Entitlement Offer ~\$26 million underwritten Retail Entitlement Offer Offer Price of \$2.30 per share, representing a 5.8% discount to the theoretical ex-rights price ("TERP") of \$2.44⁽¹⁾
Acquisition debt	<ul style="list-style-type: none"> Toxfree has arranged for increased debt facilities from its relationship banks in Australia to support the Acquisition Toxfree has increased the limits of its existing debt facilities to provide additional funding capacity of up to \$95 million Drawdown under the amended debt facility is subject to various conditions precedent, including the execution of a long form deed of amendment and other conditions, which are usual for a facility of this sort Pro forma leverage levels expected to be ~42% net debt / equity and ~1.7x net debt / underlying EBITDA on an FY2016 basis⁽²⁾
Cash	<ul style="list-style-type: none"> Toxfree also intends to contribute \$14 million in cash from a proposed sale and leaseback transaction, or otherwise from existing debt facilities
Scrip issue to the Seller	<ul style="list-style-type: none"> Approximately 12.6 million Toxfree shares will be issued to the Seller at the Offer Price (which will be subject to voluntary escrow until the release of Toxfree's FY2017 financial results) Toxfree has agreed to defer \$10 million of consideration payable to 31 March 2017, which is payable in cash and/or a further issue of Toxfree shares, at the election of Toxfree Dan Daniels has agreed to be retained by Toxfree as an advisor to the Daniels business. He will also assist Toxfree in integration and planning activities

Notes

- Refer to note 1, page 9
- Pro forma net debt / equity and net debt / underlying EBITDA based on Toxfree's balance sheet and income statement as at 30 June 2016 and Daniels' pro forma balance sheet and income statement as at 30 June 2016, adjusted for the expansion of existing debt facilities as part of the transaction and includes the impact of the proposed sale and leaseback transaction. For description of underlying EBITDA refer to Note 1, page 10
- Assumes that Toxfree elects to pay the deferred consideration to the Seller in cash on 31 March 2017
- Transaction costs include costs relating to the Entitlement Offer, the new debt facilities and the Acquisition of Daniels

Transaction sources and uses⁽³⁾

\$ million

Sources	
Entitlement offer	85.1
Acquisition debt	67.5
Cash from proposed sale and leaseback	14.0
Toxfree shares issued to the Seller	28.9
Total sources	195.5
Uses	
Upfront transaction consideration ⁽³⁾	176.0
Deferred transaction consideration ⁽³⁾	10.0
Transaction costs ⁽⁴⁾	9.5
Total uses	195.5

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Pro Forma Historical Income Statement



Pro forma historical income statement and capital expenditure ⁽¹⁾

Excludes synergies and one-off costs associated with the Acquisition, \$ million, year end 30 June

	Toxfree FY2016	Daniels pro forma FY2016	Pro forma adjustments ⁽⁵⁾	Pro forma combined Toxfree and Daniels FY2016
Sales	393.4	83.4	-	476.8
Underlying EBITDA	72.9 ⁽²⁾	20.7	(1.1)	92.5
% Underlying EBITDA Margin	18.5%	24.8%	-	19.4%
Underlying EBIT	39.4 ⁽²⁾	15.6	(4.2)	50.7
% Underlying EBIT Margin	10.0%	18.7%	-	10.6%
Underlying NPAT	23.3	10.9 ⁽³⁾	(4.6)	29.5
Net Capital Expenditure	(23.4)	(4.7) ⁽⁴⁾	-	(28.1)

Notes

1. Refer to page 52 for Basis of Preparation
2. See note 1, page 10
3. Assumes no net interest expense and an income tax rate of 30% for Daniels
4. Capital expenditure adjusted for transfer price arrangements between Daniels Australia and New Zealand and Daniels International (-\$5.5m)
5. Reflects adjustments for the post-tax impact of a proposed sale and leaseback transaction (-\$0.7m), estimated interest expense on new debt to fund the acquisition (-\$1.7m), and amortisation charge on separately identified intangible assets arising as a result of the acquisition (-\$2.2m). Amortisation of identifiable intangible assets acquired is based on an illustrative purchase price allocation exercise. Toxfree will undertake a formal allocation of its acquisition after Completion. Accordingly, that allocation may give rise to material differences in values allocated to the balance sheet line items and the related amortisation charge

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Pro Forma Historical Balance Sheet



Pro forma historical balance sheet ⁽¹⁾

\$ million, year end 30 June

	Toxfree FY2016 ⁽²⁾	Daniels FY2016	Adjustments for Acquisition and funding ⁽³⁾	Pro forma combined Toxfree and Daniels
Cash	32.0	3.8	6.3	42.1
Receivables	90.9	12.6	-	103.5
Inventories	0.6	2.6	-	3.2
PP&E	175.9	32.4	(22.0)	186.4
Goodwill and intangibles	180.2	65.6	92.4	338.2
Other assets	11.4	5.1	-	16.5
Total assets	491.0	122.0	76.7	689.8
Trade and other payables	(53.2)	(21.3)	16.1	(58.4)
Borrowings	(133.9)	-	(67.5)	(201.4)
Other liabilities	(27.6)	(48.6)	27.1	(49.1)
Total liabilities	(214.6)	(69.8)	(24.1)	(308.9)
Equity attributable to owners of Toxfree	273.4	52.2	52.4	377.9
Non-controlling interests	3.0	-	-	3.0
Total equity	276.4	52.2	52.4	380.9

Notes

1. Refer to page 52 for Basis of Preparation
2. Toxfree as reported at 30 June 2016
3. Adjustments include the impact of a proposed sale and leaseback transaction of \$14.0m, entitlement offer of \$85.1m, acquisition financing of \$67.5m, Seller scrip issue of \$28.9m, cash payment of \$156.6m (including transaction costs of \$9.5m), deferred consideration of \$10.0m and a preliminary assessment of the purchase price allocation

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6 Trading Update and Outlook

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Trading Update and Outlook



- Toxfree has recently been successful in the award of a number of new contracts and opportunities, including:
 - Qenos NSW, for hydrocarbon waste collection, treatment and recycling;
 - Halliburton Australia, a total waste management contract for operations in Papua New Guinea and Australia;
 - Retention of Origin Energy's total waste management contract for APLNG upstream; and
 - A new Memorandum of Understanding with BMT International to form a Joint Venture in Australia for the purposes of managing and treating mercury related waste streams from the oil and gas sector
- Toxfree's business development pipeline remains strong, with over \$100 million of total contract value pending. The company's historical tender conversion rate is high, and we remain confident of further contract wins
- Conditions in east coast markets remain strong. Our existing services to production based clients within the iron ore and alumina sector remain stable, however west coast services to the oil and gas sector continue to remain subdued
 - Underlying volumes of waste from construction related projects continue to decline as these facilities complete construction. Over the medium term, the LNG market will grow as new LNG production facilities come online
- Household hazardous waste volumes and e-waste volumes are increasing, supported by regulatory frameworks and community sustainability (Toxfree was recently awarded a contract with the ANZRP relating to e-waste recycling in NSW, which underpins Toxfree's future NSW blue box e-Waste expansion strategy)
- As at the end of 1Q FY2017, Toxfree is trading in-line with Toxfree and market expectations. Toxfree expects underlying FY2017 EBITDA to be in the lower half of its previous guidance range of 5-10% higher than FY2016 underlying EBITDA,⁽¹⁾ excluding any impact from the Daniels Acquisition and related Acquisition costs
- The Board expects to maintain a dividend payout ratio in the range of 50-60% for FY2017

Notes

1. Assumes that there is no significant change to material contracts

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7 Entitlement Offer Summary

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Overview of the Entitlement Offer ⁽¹⁾



Offer size and structure	<ul style="list-style-type: none"> • 1 for 3.9 pro-rata accelerated non-renounceable Entitlement Offer, to raise gross proceeds of up to \$85 million • Up to approximately 37.0 million New Shares to be issued (equal to approximately 26% of existing shares on issue)
Offer price	<ul style="list-style-type: none"> • \$2.30 per New Share (the “Offer Price”), representing: <ul style="list-style-type: none"> – 5.8% discount to the TERP of \$2.44 on 25 October 2016 ⁽²⁾ – 7.6% discount to the last closing price of \$2.49 on 25 October 2016
Offer structure	<ul style="list-style-type: none"> • ~\$59 million Institutional Entitlement Offer to existing institutional shareholders <ul style="list-style-type: none"> – Institutional Entitlement Offer is fully underwritten – The Institutional Entitlement Offer will be conducted from Wednesday, 26 October 2016 to Thursday, 27 October 2016 – New Shares equivalent to the number of New Shares not taken up and those that would have been offered to ineligible shareholders will be placed into an institutional shortfall bookbuild • ~\$26 million Retail Entitlement Offer to existing retail shareholders <ul style="list-style-type: none"> – Retail Entitlement Offer is fully underwritten – Eligible retail shareholders may also apply for additional New Shares beyond their entitlement, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet
Director commitments	<ul style="list-style-type: none"> • Toxfree directors who hold shares in Toxfree have stated that they intend to participate in the Entitlement Offer for some or all of their respective pro-rata entitlements to the extent that their financial circumstances permit
Record date	<ul style="list-style-type: none"> • Record date is 7:00pm (Melbourne time) on Friday, 28 October 2016
Ranking of new shares	<ul style="list-style-type: none"> • New Shares will rank equally with existing Toxfree shares

Notes

1. Dates and times are indicative only and are subject to change. See note 1 of page 39
2. The theoretical ex-rights price (“TERP”) is the theoretical price at which Toxfree shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Toxfree shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Toxfree’s closing price of \$2.49 on 25 October 2016

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Entitlement Offer Timetable ⁽¹⁾



Event	Date
Announcement of Acquisition, Entitlement Offer and Trading Halt	Wednesday, 26 October 2016
Institutional Entitlement Offer opens	Wednesday, 26 October 2016
Institutional Entitlement Offer closes	Thursday, 27 October 2016
Institutional Shortfall Bookbuild (opens and closes)	Thursday, 27 October 2016
Trading Halt lifted	Friday, 28 October 2016
Record date for eligibility under the Entitlement Offer (7:00PM Melbourne time)	Friday, 28 October 2016
Retail Entitlement Offer opens	Thursday, 3 November 2016
Despatch of Retail Offer booklet and personalised entitlement forms	Thursday, 3 November 2016
Settlement of the Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Monday, 7 November 2016
Issue of New Shares issued under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild and commencement of trading on the ASX	Tuesday, 8 November 2016
Retail Entitlement Offer closes (5:00PM Melbourne time)	Friday, 18 November 2016
Announcement of results of Retail Entitlement Offer	Wednesday, 23 November 2016
Settlement of the Retail Entitlement Offer	Friday, 25 November 2016
New Shares issued under the Retail Entitlement Offer	Monday, 28 November 2016
New Shares issued under the Retail Entitlement Offer commence trading on the ASX	Tuesday, 29 November 2016
Despatch of Holding Statements	Tuesday, 29 November 2016

Notes

1. The above timetable is indicative only and subject to change without notice. The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Toxfree, with the consent of the Lead Manager, reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, without notice

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8 Key Risks

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Key Risks



There are a number of factors, specific to Toxfree, specific to the Acquisition and of a general nature, which may affect the future operating and financial performance of Toxfree, Daniels and the industry in which they operate and the outcome of an investment in Toxfree.

This section describes some, but not all, of the key risks associated with an investment in Toxfree which potential investors should consider together with publicly available information (including this Presentation) concerning Toxfree before making an investment decision.

Operational Risks

Activity in the Waste Management Industry

The continued performance and future growth of Toxfree is dependent on continued activity and expansion in the Australian waste management industry, and also in the geographical markets in which Toxfree operates. The level of activity in the waste management industry may vary and be affected by prevailing or predicted economic activity. There can be no assurance that the current levels of activity in the waste management industry will be maintained in the future or that customers of Toxfree will not reduce their activities, capital expenditure and requirements for waste management services in the future. Any prolonged period of low growth in the waste management industry would be likely to have an adverse effect on the business, financial condition and profitability of Toxfree.

In particular, Toxfree does have exposure to clients in the offshore oil and gas exploration and natural resources sector, particularly in the north-west of Australia. The level of activity in the offshore oil and gas industry and the natural resources industry may also vary and be affected by prevailing or predicted future commodities prices. A number of other factors also affect these industries, including economic growth, energy demand, the cost and availability of other energy sources (including clean energy), and global demand for natural resources and commodities. There can be no assurance that the current levels of offshore oil and gas and mining activity will be maintained in the future or that companies operating in these sectors, some of which may be customers of Toxfree, will not reduce their activities and capital expenditure. Any prolonged period of low oil and gas or natural resources exploration activity would be likely to have an adverse effect on the business, financial condition and profits of Toxfree.

Business Operating Risks

In the performance of its business, Toxfree may be subject to conditions beyond Toxfree's control that can reduce sales of its services and/or increase costs of both current and future operations. These conditions include, but are not limited to: changes in legislative requirements, abnormal or severe weather or climatic conditions, natural disasters, unexpected maintenance or technical problems, new technology failures and industrial disruption. An inability to secure ongoing supply of such goods and services at prices assumed within production targets could potentially impact the results of Toxfree's operations.

Key Risks (cont'd)



Operational Risks (cont'd)

Outsourcing Risk

The level of activity undertaken by Toxfree depends to a large extent on the continuation of the current trend towards the outsourcing of non-core functions by potential clients. If this trend does not continue or reverses, it may impact Toxfree's prospects for growth.

Reliance on Key Customers and Customer Concentration

Toxfree's businesses rely on a number of business relationships and contracted revenue with clients. If these clients amend or terminate the relationship, this may have an adverse effect on the financial performance and/or financial position of Toxfree. In addition, Toxfree may generate its revenue from the provision of services to customers under other agreements. There is potential that Toxfree will not receive payments for the provision of its services if a customer becomes insolvent or fails to provide payment in accordance with its agreement with Toxfree.

From time to time, Toxfree may be asked to submit responses to competitive tender situations for new contracts that Toxfree wishes to win, or for existing contracts that come up for renewal. There can be no guarantee that Toxfree will be successful in winning such competitive tender situations, whether they be in relation to work which is already undertaken by Toxfree or for work which is new to Toxfree. The ability for Toxfree to be competitive and win such tenders may have a material impact on the future financial performance of Toxfree.

Customer Preferences

Toxfree's products and services are subject to changes in customers' preferences, and therefore market share and pricing competitiveness may vary depending on the popularity of Toxfree's products and services.

Competition

A number of entities compete with Toxfree in the industrial services and hazardous waste industries, and while Toxfree is the largest supplier of some specific services, in overall size, some of these competitors may have or develop competitive advantages over Toxfree and may be larger on an international or regional basis and have greater access to capital and other resources. The market share of Toxfree's competitors may increase or decrease as a result of various factors such as securing major new contracts, developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices Toxfree is able to charge for its services and products or reduce Toxfree's activity levels, both of which would negatively impact the financial performance of Toxfree and could materially affect Toxfree's financial performance or cash flows.

Key Risks (cont'd)



Operational Risks (cont'd)

Capital and Operating Costs

Toxfree's forecasts are based on the best available information at the time, and certain assumptions in relation to the level of capital expenditure required to maintain their assets. Any significant unforeseen increases in the capital and operating costs associated with Toxfree's operations would impact Toxfree's future cash flow and profitability.

Sustainability of Growth and Margins

Toxfree has historically achieved growth in revenue and profits. The sustainability of this growth and the level of profit margins from operations are dependent on a number of factors outside of Toxfree's control. Industry margins in the sectors in which Toxfree operates are likely to be subject to continuing but varying margin pressures. There is no assurance that the historical performance of Toxfree is indicative of future operating results. However, Toxfree's business strategies and its diversification across a range of sectors assist in reducing the short term pressures that can occur as new entrants attempt to secure positions in an individual industry sector.

Reliance on Key Personnel

The responsibility of overseeing day-to-day operations the strategic management of Toxfree is currently, and after the Acquisition, will be concentrated amongst a number of key employees. While it is not currently anticipated, one or any number of these key employees may cease employment with Toxfree. The loss of any such key employees of Toxfree could have the potential to have a detrimental impact on Toxfree until the skills that are lost are adequately replaced.

Industrial Disputes

Industrial disputes may arise from claims for higher wages and/or better working conditions in the industry in which Toxfree operates. This could disrupt operations and impact earnings.

Regulatory Risks

Toxfree is exposed to any changes in the regulatory conditions under which it operates in Australia and New Zealand post Acquisition. Such regulatory changes can include, for instance, changes in: taxation laws and policies, accounting laws, policies, standards and practices, environmental laws and regulations that may impact upon the operations and processes of Toxfree, and employment laws and regulations, including laws and regulations relating to occupational health and safety.

Key Risks (cont'd)



Operational Risks (cont'd)

Occupational Health and Safety

Toxfree manages certain risks associated with the occupational health and safety of its employees. Toxfree takes out insurance to cover these risks within certain parameters, however it is possible for injuries and/or incidents to occur which may result in expenses in excess of the amount insured or provided for with a resultant impact on Toxfree's earnings.

Access to Capital

Toxfree relies on both equity capital and debt funding. The ability of Toxfree to raise funds on favourable terms depends on a number of factors including general economic, capital market and credit market conditions. An inability to obtain the necessary funding for Toxfree or a material increase in the cost of funding (e.g. through an increase in interest rates or increased costs of capital) may have an adverse impact on Toxfree's financial performance and financial position, its ability to refinance debt, its ability to grow and diversify, or its ability to pay dividends to investors.

Information Technology

Toxfree is dependent on technology for the delivery of various services made available to customers. Toxfree has invested in the development of management information and other information technology systems designed to maximise the efficiency of Toxfree's operations. Should these systems not be adequately maintained, secured or updated, system failures may negatively impact on Toxfree's performance. Key systems are operated under licences and the licence costs may increase. Licences may be terminated or not renewed. The suppliers may be subject to events, such as insolvency or technical failures, leading to temporary or permanent loss of services and systems.

Product Liability

Toxfree's business exposes it to potential product liability risks that are inherent in the marketing and use of its services. Regardless of merit or eventual outcome, liability claims may result in: (i) decreased demand for Toxfree's services; (ii) injury to Toxfree's reputation; (iii) litigation; (iv) substantial monetary awards to customers and others; and (v) loss of revenues. Toxfree may not be able to maintain insurance coverage at a reasonable cost nor obtain suitable or reasonable insurance coverage in respect of any liability that may arise and any claim for damages could be substantial.

Key Risks (cont'd)



Operational Risks (cont'd)

Intellectual Property

Toxfree's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. Intellectual property that is important to Toxfree includes, but is not limited to, patents, designs, trademarks, service marks, domain names, its website, business names and logos. Such intellectual property may not be capable of being legally protected. It may be subject of unauthorised disclosure or unlawfully infringed, or Toxfree may incur substantial costs in asserting or defending its intellectual property rights.

Key Risks (cont'd)



Acquisition and Offer Risks

Acquisition Completion Risk

Completion of the Acquisition is subject to a number of conditions, including the underwriting agreement for the institutional component of the Entitlement Offer not being terminated by the Lead Manager on or before the completion of the Entitlement Offer due to limited market fall and market disruption termination events. If the Entitlement Offer does not raise sufficient funds by the closing date, or Toxfree is unable to drawdown its acquisition debt facility and Toxfree is unable to negotiate an extension of the closing date or terminate the acquisition agreement in reliance on the above limited equity funding condition precedent, Toxfree would be required to seek alternative funding under a different funding structure. There is no guarantee that alternative funding could be sourced, either at all, or on satisfactory terms and conditions.

In the event the Acquisition does not proceed for any reason, the funds raised will be used for growth and general working capital purposes of Toxfree and/or capital management initiatives.

Reliance on Information Provided

Toxfree undertook a due diligence process in respect of Daniels, which relied mostly on the review of financial and other information provided by the vendor of Daniels. Toxfree has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Toxfree has prepared (and made assumptions in the preparation of) the financial information relating to Daniels included in this Presentation in reliance on limited financial information and other information provided by the vendor of Daniels. If any of the data or information provided to and relied upon by Toxfree in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Toxfree and Daniels may be materially different to the financial position and performance expected by Toxfree and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Toxfree.

Toxfree has sought to mitigate the risks associated with the information provided during due diligence by seeking certain warranties and indemnities from the vendor, and by putting into place Warranty & Indemnity insurance in relation to the transaction.

Retention of Key Staff

There are a number of key staff involved in the Daniels business who will be important for the integration and ongoing operation of the business after Completion of the transaction. While it is not currently anticipated, one or any number of these key employees may cease employment with Daniels. The loss of any such key employees of Daniels could have the potential to have a detrimental impact on Daniels until the skills that are lost are adequately replaced.

Key Risks (cont'd)



Acquisition and Offer Risks (cont'd)

Analysis of Acquisition Opportunity

Toxfree has undertaken financial, business and other analyses of Daniels in order to determine its attractiveness to Toxfree and whether to pursue the transaction. It is possible that such analyses, and the best estimate assumptions made by Toxfree, draw conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by Daniels are different than those indicated by Toxfree's analysis, there is a risk that the profitability and future earnings of the operations of Toxfree may be materially different from the profitability and earnings expected as reflected in this Presentation.

Debt Facilities and Funding Risk

Toxfree intends to enter into financing arrangements pursuant to which financiers agree to provide debt financing for the transaction by extending Toxfree's existing facilities, subject to the terms and conditions of a debt financing agreement. If final documentation is not agreed, or certain conditions are not satisfied or certain events occur, the financiers may elect not to enter into or terminate the debt financing extension arrangements, which would have an adverse impact on Toxfree's sources of funding for the transaction. Whilst it is not currently anticipated, should Toxfree not be able to enter into final documentation or satisfy the conditions of drawdown under its debt facilities, Toxfree will need to source funding from alternative sources.

Integration Risk

The Acquisition involves the integration of Daniels, which has previously operated independently to Toxfree. As a result, there is a risk that the integration of Daniels may be more complex than currently anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or does not deliver the expected benefits and this may affect Toxfree's operating and financial performance. Further, the integration of Daniels' accounting functions may lead to revisions, which may impact on Toxfree's reported financial results.

Achievement of Synergies

A key determinant of the long-term benefits Toxfree expects to derive from the Acquisition is the achievement of expected synergies. There is a risk that the realisation of synergies or benefits described in this Presentation may not be achieved in a timely manner, at all or to the extent envisaged, or that the costs associated with achieving them may be higher than anticipated. Potential issues and complications influencing the achievement of targeted benefits include experiencing lower than expected cost savings, experiencing lower than expected productivity improvements, unintended losses of key employees, and changes in market conditions.

Key Risks (cont'd)



Acquisition and Offer Risks (cont'd)

Risks Associated With Not Taking Up New Shares Under the Entitlement Offer

Entitlements cannot be traded on ASX or privately transferred. You should also note that if you do not take all or part of your entitlement, then your percentage shareholding in Toxfree will be diluted by not participating to the full extent in the Entitlement Offer, and you will not be exposed to future increases or decreases in Toxfree's share price in respect of the New Shares which would have been issued to you had you taken up your full entitlement.

Any New Shares which are not subscribed for by eligible retail shareholders pursuant to their entitlements will be available for other retail shareholders who have elected to subscribe for additional New Shares in excess of their entitlement at the Offer Price as part of the Top Up Facility, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet. To the extent that eligible retail shareholders elect to receive additional New Shares under the Top Up Facility, this may result in further dilution of your percentage shareholding in Toxfree.

Before deciding whether to take up New Shares under the Entitlement Offer, you should seek independent tax advice.

Key Risks (cont'd)



General Risks

Risks Associated With Investment in Equity Capital

There are risks associated with any investment in a company listed on the ASX. The value of shares may rise above or below the current share price depending on the financial and operating performance of Toxfree and external factors over which Toxfree and the Directors have no control. These external factors include: economic conditions in Australia and overseas which may have a negative impact on equity capital markets; changing investor sentiment in the local and international stock markets; changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which Toxfree proposes to operate and which may impact on the future value and pricing of shares. No assurances can be given that the New Shares will trade at or above the Offer Price. None of Toxfree, its Board or any other person guarantees the market performance of the New Shares.

Liquidity and Realisation Risk

There may be few or many potential buyers or sellers of Toxfree Shares on the ASX at any time. This may affect the volatility of the market price of Toxfree's shares. It may also affect the prevailing market price at which shareholders are able to sell their Toxfree shares that is less or more than the implied share price.

Major Shareholder Risk

Toxfree currently has a number of substantial shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause the price of Toxfree shares to decline.

Risk of Dividends Not Being Paid

The payment of dividends is announced at the time of release of Toxfree half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of Toxfree's businesses. While Toxfree has a stated dividend policy, circumstances may arise where Toxfree is required to reduce or cease paying dividends for a period of time.

Taxation

Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in Toxfree shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Toxfree operates, may impact the future tax liabilities and performance of Toxfree. Any changes to the current rates of income tax apply to individuals and trusts will similarly impact on shareholder returns.

Key Risks (cont'd)



General Risks (cont'd)

General Economic Conditions

Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, national and international economic conditions and employment rates amongst others are outside Toxfree's control and have the potential to have an adverse impact on Toxfree and its operations.

Litigation

Toxfree is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities, which may result in Toxfree incurring additional costs or liabilities.

Environmental Risks

Extensive Federal, State and local environmental laws and regulations in Australia affect the activities and operations of Toxfree. The laws and regulations set standards which regulate certain aspects of health and environmental quality (including damage caused by previous owners of property acquired by Toxfree), provide penalties or other remedies for any violation of standards and, in certain circumstances, impose obligations to undertake remedial action in current locations where business is conducted. Toxfree will be subject to all the hazards and risks normally incidental to the waste, manufacturing and the industrial solutions industries. Toxfree will be responsible for past and future environmental liabilities relating to both Toxfree and Daniels, including liabilities presently unforeseen or unquantifiable. Compliance or non-compliance with environmental laws or regulations may require Toxfree to incur significant costs and may have a significant material impact on Toxfree's reputation and capability to secure additional work, impacting its financial performance and cash flows. Toxfree minimises these risks by having processes in place to manage compliance with environmental laws and regulations in Australia, and maintains an appropriate level of insurances in relation to environmental risks that the company is exposed to.



A Additional Information

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Basis of Preparation of Financial Information



Financial information included in this Presentation includes pro forma adjustments.

Daniels' financial information is based on an aggregation of financial information extracted from the audited statutory financial statements of Daniels Health Pty Ltd, as well as financial information related to Daniels Manufacturing Australia Pty Ltd, Daniels FMD Pty Ltd, and the 50% share in Sharpsmart NZ Ltd, which has been extracted from unaudited management accounts. It includes adjustments to incorporate pre-acquisition financial information of Redlam Waste Services, and remove corporate and other recharges to reflect the business on a standalone basis and other one-off and abnormal items.

Toxfree FY2016: The "Toxfree FY2016" financial information is based on the audited statutory financial statements of Tox Free Solutions Limited with certain normalisations described in Toxfree's announcements to the ASX on 23 August 2016 and in this Presentation.

Pro Forma combined Toxfree and Daniels: Pro Forma combined Toxfree and Daniels has been prepared by aggregating Toxfree FY2016 financial information and Daniels financial information. Pro forma adjustments have been made to reflect the impact of a proposed sale and leaseback transaction, the Offer and the funding structure of the Acquisition, depreciation and amortisation charges of a preliminary purchase price allocation as if these events had occurred on 1 July 2015, and to Toxfree's balance sheet as if the Acquisition occurred on 30 June 2016.

Specific assumptions are described below:

- (a) No interest expense in Daniels;
- (b) 30% effective tax rate, in line with Toxfree's standalone pro forma effective tax rate;
- (c) Completion of a proposed sale of land worth \$14m and leaseback at a rental yield of 7.5% p.a. (i.e. \$1.1m p.a.). The sale and leaseback is not contingent on the Acquisition;
- (d) Interest on debt raised to finance the acquisition at a rate of 1.80% above an estimated BBSW rate; and
- (e) Assumes that the Entitlement Offer is fully subscribed and that Toxfree pays the deferred consideration to the Seller in cash

After Completion, a formal purchase price allocation will be performed which may give rise to changes in the fair value of identifiable assets and liabilities and associated impacts on depreciation and amortisation. Hence the final fair value assessment may be different from the preliminary fair value assessment and may have a consequential earnings impact.

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Summary of Underwriting Agreement



Toxfree has entered into an underwriting agreement dated 26 October 2016 (“**Underwriting Agreement**”) with Morgan Stanley Australia Securities Limited (“**Lead Manager**”) under which the Lead Manager has agreed to arrange, manage and underwrite the Entitlement Offer. The obligations of the Lead Manager are subject to the satisfaction of certain customary conditions precedent. The Lead Manager will receive a fee and be reimbursed for reasonable cost and expenses for acting in this capacity.

The Lead Manager may terminate the Underwriting Agreement and be released from its obligations under it if certain events occur, including (but not limited to) if:

- a statement contained in the Offer documents or publicly disclosed information, or the due diligence materials, is or becomes misleading or deceptive or is likely to mislead or deceive in a material respect;
- the cleansing notice is or becomes defective;
- Toxfree is prevented from allotting and issuing the new shares under the ASX Listing Rules, any applicable law, an order of a court of competent jurisdiction or by a government agency;
- at any time in the period from and including the Institutional Opening Date until and including the Business Day prior to the Institutional Settlement Date, the S&P/ASX 200 Index closes for 2 consecutive Business Days at a level which is 10% or more below its level at market close on the Business Day immediately prior to the Institutional Opening Date;
- Toxfree or any of its subsidiaries becomes insolvent, or Toxfree ceases to be admitted to the official list of ASX or its shares are suspended from trading on ASX or ASX refuses to grant quotation to the new shares;
- a change in the Managing Director, Chief Financial Officer or the board of directors of Toxfree is announced or occurs;
- ASIC takes certain actions in relation to the Offer or the offer documents, or Toxfree withdraws an offer document, the Entitlement Offer or any part of the Entitlement Offer;
- there are any delays in the timetable (except where such delay is approved by the Lead Manager); or
- the Acquisition agreement is terminated, rescinded, withdrawn or revoked, or if Toxfree is in material breach of, or default under, any provision in the Acquisition agreement, or if the Acquisition agreement has been amended or varied in any material respect without the prior written consent of the Lead Manager.

The Lead Manager may also terminate the Underwriting Agreement if, in the reasonable opinion of the Lead Manager, certain events including (but not limited to) the events listed below: (a) has, or could reasonably be expected to have, a material adverse effect on the settlement of the Offer or the willingness of investors to subscribe for Offer Shares at the Offer Price, or the price at which Shares are sold on ASX; or has given or could reasonably be expected to give rise to a liability of the Lead Manager (or one of its Affiliates) under the Corporations Act or any other applicable law:

- a new circumstance arises after the lodgement of the Offer documents that would have been required to be included in those documents if it had arisen prior to lodgement;
- there is an application to a government agency for any order, declaration or other remedy, or any Government agency commences any public action against, Toxfree or any of its directors (in their capacity as a director of Toxfree);
- a director of Toxfree is charged with an indictable offence, is disqualified from managing a corporation or Toxfree, its directors or officers engage in fraudulent conduct;
- there is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects or forecasts of Toxfree;
- a change of law or government policy is announced or introduced in Australia, New Zealand or any State or Territory in Australia or New Zealand;
- there is a disruption to commercial banking activities, an adverse effect on the financial markets, or any adverse change in political, financial or economic conditions in certain jurisdictions (including but not limited to Australia, the United States, the United Kingdom and members of the European Union); or
- there is an outbreak or major escalation of hostilities in any part of the world involving a number of specific countries, or if there is a major act of terrorism anywhere in the world.

Subject to certain exclusions relating to, among other things, gross negligence, recklessness, fraud or wilful misconduct by an indemnified party, Toxfree agrees to keep the Lead Manager and certain affiliated parties indemnified from losses suffered in connection with the Offer. The Underwriting Agreement also contains certain customary representations, warranties and undertakings by Toxfree to the Lead Manager.

International Offer Restrictions



This document does not constitute an offer of new ordinary shares (“**New Shares**”) of Toxfree (the “**Issuer**”) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the 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 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 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 and Registration 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 Shares or the offering of 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 Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the 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 Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Issuer 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 Issuer or its directors or officers. All or a substantial portion of the assets of the Issuer and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Issuer 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.

International Offer Restrictions (cont'd)



Canada (British Columbia, Ontario and Quebec provinces) (cont'd)

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 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 Issuer 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 Issuer. 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 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 Issuer, provided that (a) the Issuer will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation; (b) in an action for damages, the Issuer is not liable for all or any portion of the damages that the Issuer proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the 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 Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the 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 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.*

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 *et seq.* of the General Regulation of the French Autorité des marchés financiers ("AMF"). The Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

International Offer 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 Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the 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 Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted 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 offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Netherlands

The information in this document has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in the Netherlands, from the requirement to publish a prospectus for offers of securities.

An offer to the public of Shares has not been made, and may not be made, in the Netherlands except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Netherlands:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

International Offer Restrictions (cont'd)



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 Entitlements and the New Shares in the entitlement offer 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 transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

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.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the 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 Shares, may not be issued, circulated or distributed, nor may the 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 Issuer's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of 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 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 Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International Offer Restrictions (cont'd)



Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA").

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in 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 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 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 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 Issuer.

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 invitation, 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 does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 and applicable U.S. state securities laws.



Questions:

Steve Gostlow

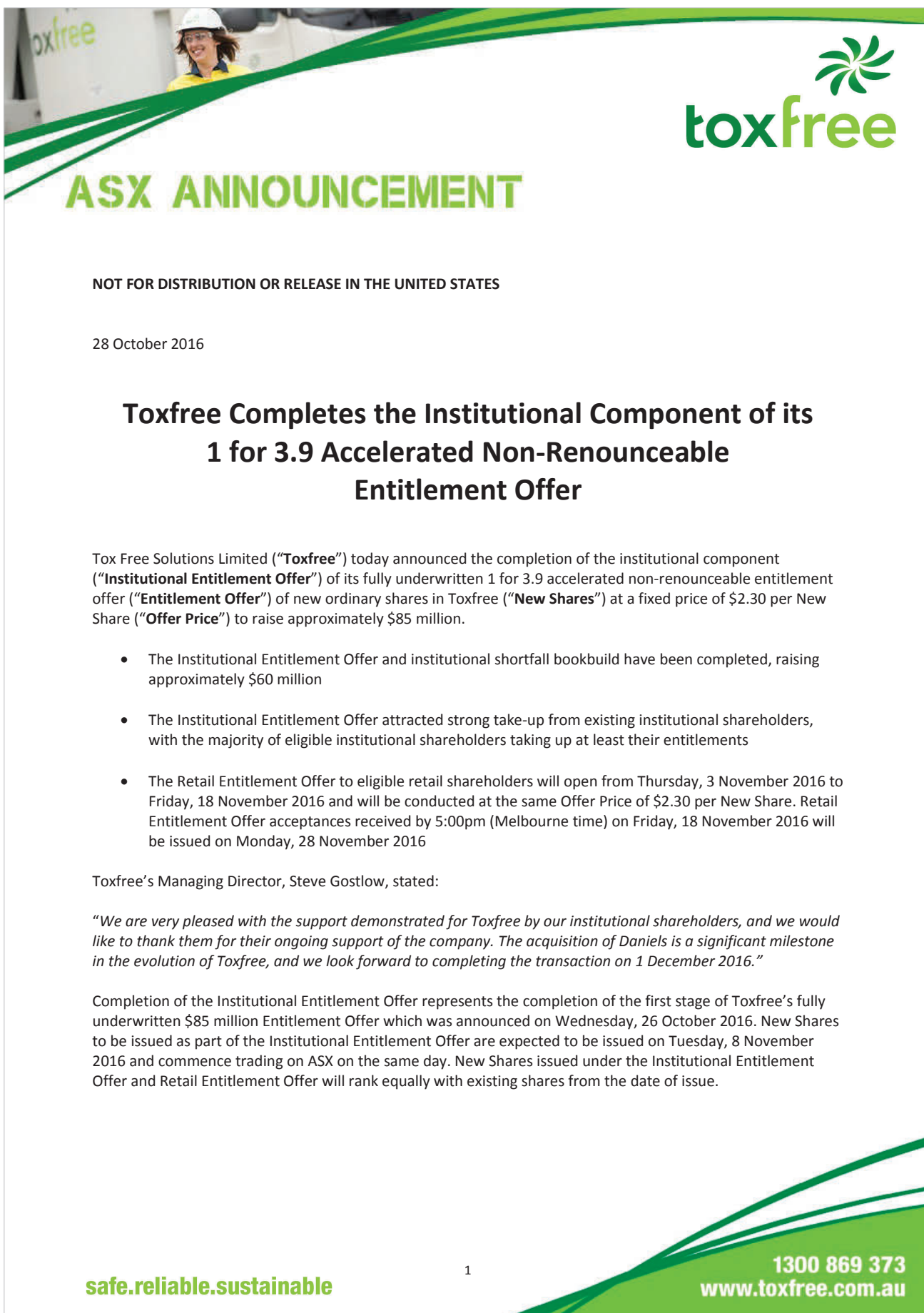
Managing Director

Email: s.gostlow@toxfree.com.au

Tel: +61 8 6216 7000

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The slide features a header with a photograph of a woman in a yellow safety vest and white hard hat on the left, and the Toxfree logo on the right. The logo consists of a green stylized plant icon above the word 'toxfree' in a lowercase, green, sans-serif font. Below the header, the text 'ASX ANNOUNCEMENT' is written in large, bold, green, uppercase letters. The main body of the slide is white with black text. It includes a disclaimer, the date, a title, a paragraph of introductory text, a bulleted list of three points, a quote from the Managing Director, and a final paragraph. At the bottom, there is a green footer area with the slogan 'safe.reliable.sustainable', the page number '1', and the contact information '1300 869 373' and 'www.toxfree.com.au'.

ASX ANNOUNCEMENT

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

28 October 2016

Toxfree Completes the Institutional Component of its 1 for 3.9 Accelerated Non-Renounceable Entitlement Offer

Tox Free Solutions Limited (“**Toxfree**”) today announced the completion of the institutional component (“**Institutional Entitlement Offer**”) of its fully underwritten 1 for 3.9 accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) of new ordinary shares in Toxfree (“**New Shares**”) at a fixed price of \$2.30 per New Share (“**Offer Price**”) to raise approximately \$85 million.

- The Institutional Entitlement Offer and institutional shortfall bookbuild have been completed, raising approximately \$60 million
- The Institutional Entitlement Offer attracted strong take-up from existing institutional shareholders, with the majority of eligible institutional shareholders taking up at least their entitlements
- The Retail Entitlement Offer to eligible retail shareholders will open from Thursday, 3 November 2016 to Friday, 18 November 2016 and will be conducted at the same Offer Price of \$2.30 per New Share. Retail Entitlement Offer acceptances received by 5:00pm (Melbourne time) on Friday, 18 November 2016 will be issued on Monday, 28 November 2016

Toxfree’s Managing Director, Steve Gostlow, stated:

“We are very pleased with the support demonstrated for Toxfree by our institutional shareholders, and we would like to thank them for their ongoing support of the company. The acquisition of Daniels is a significant milestone in the evolution of Toxfree, and we look forward to completing the transaction on 1 December 2016.”

Completion of the Institutional Entitlement Offer represents the completion of the first stage of Toxfree’s fully underwritten \$85 million Entitlement Offer which was announced on Wednesday, 26 October 2016. New Shares to be issued as part of the Institutional Entitlement Offer are expected to be issued on Tuesday, 8 November 2016 and commence trading on ASX on the same day. New Shares issued under the Institutional Entitlement Offer and Retail Entitlement Offer will rank equally with existing shares from the date of issue.

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1

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Retail Entitlement Offer

The retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) is expected to raise approximately \$25 million. The Retail Entitlement Offer will open on Thursday, 3 November 2016 and close at 5:00pm (Melbourne time) on Friday, 18 November 2016. Retail investors who hold Toxfree shares as at 7:00pm (Melbourne time) on Friday, 28 October 2016 and have a registered address in Australia and New Zealand (“**Eligible Retail Shareholders**”) are being offered the opportunity to participate in the Retail Entitlement Offer at the same Offer Price, and at the same offer ratio (of 1 for 3.9) as offered under the Institutional Entitlement Offer. Existing Eligible Retail Shareholders will also have the opportunity to apply for additional securities above their entitlement as part of the Retail Entitlement Offer up to a maximum of 50% of their entitlement at the same Offer Price.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and complete an accompanying personalised entitlement and acceptance form which are expected to be despatched on Thursday, 3 November 2016. Copies of the retail offer booklet will be available on the ASX website and our website at www.toxfree.com.au from this date.

Toxfree shares are expected to resume trading from market open today.

For further information, please contact:

Steve Gostlow
Managing Director
Tox Free Solutions Limited
+61 8 6216 7000



Important Notices

This announcement is not a financial product or investment advice, a recommendation to acquire New Shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Toxfree is not licensed to provide financial product advice in respect of an investment in shares.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement was 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 the solicitation of an offer to buy, any securities in the United States or to persons acting for the account or benefit of persons in the United States. Any securities described in this announcement have not been, and will be, registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”), or the securities laws of any state or other jurisdiction of the United States and accordingly, may not be offered or sold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Toxfree, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Toxfree as of the date of this announcement. Except as required by law or regulation (including ASX Listing Rules), Toxfree undertakes no obligation to update these forward-looking statements.

Neither Lead Manager and Underwriter nor any of its, or Toxfree’s, advisers or their respective related bodies corporate, affiliates, directors, officers, partners, employees, agents and associates (“**Parties**”) have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this announcement, make or purport to make any statement in this announcement and there is no statement in this announcement which is based on any statement by any of them. The Parties, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations or warranties (express or implied) as to the currency, accuracy, reliability or completeness of the information in this announcement, and with regard to Morgan Stanley and its advisors, related bodies corporate, affiliates, directors, officers, partners, employees, agents and associates, take no responsibility for, any part of this announcement or the Entitlement Offer. No Party guarantees the repayment of capital or any particular rate of income or capital return on an investment in Toxfree.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Statements in this announcement are made only as at the date of this announcement.

9. Important Additional Information

9.1 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated Thursday, 3 November 2016.

Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. Toxfree is not responsible for updating this Retail Offer Booklet.

The ASX Announcement and Investor Presentation set out in Section 8 are current as at Wednesday, 26 October 2016. There may be additional announcements that are made by Toxfree after Wednesday, 26 October 2016 and throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Toxfree before submitting an application.

9.2 Trading of New Shares and any Additional New Shares

Holding statements in respect of New Shares and any Additional New Shares allotted under the Retail Entitlement Offer are expected to be dispatched to Eligible Retail Shareholders on Tuesday, 29 November 2016. It is the responsibility of each applicant to confirm their holding before trading in New Shares and any Additional New Shares. Any applicant who sells New Shares and any Additional New Shares before receiving written confirmation of their holding will do so at their own risk.

Toxfree, the Underwriter and Lead Manager and the Co-Lead Manager disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares and any Additional New Shares before receiving their holding statement, whether on the basis of confirmation of the allocation provided by Toxfree, the Registry, the Underwriter and Lead Manager or the Co-Lead Manager.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other independent professional adviser.

9.3 Eligible Retail Shareholder – Definition

The Retail Entitlement Offer is available only to Eligible Retail Shareholders. An Eligible Retail Shareholder is a person who is registered as the holder of Existing Shares on the Record Date (being 7.00PM (Melbourne time) on Friday, 28 October 2016), and:

- whose registered address on the Toxfree register of members is in Australia or New Zealand;
- who is not in the United States and is not acting for the account or benefit of a person in the United States;
- who is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; and
- who is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligible Retail Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement, which accompanies this Retail Offer Booklet.

The Retail Entitlement Offer is not being made in the United States or to any person acting for the account or benefit of a person in the United States. Accordingly, Eligible Retail Shareholders (including nominees) who hold Shares on behalf of persons in the United States cannot take up their Entitlements or subscribe for New Shares and any Additional New Shares on behalf of such persons, and may not send to such persons this Retail Offer Booklet or any other documents relating to the Entitlement Offer.

9.4 Ranking of New Shares and any Additional New Shares

New Shares and any Additional New Shares will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares and any Additional New Shares are set out in Toxfree's constitution, a copy of which is available at www.toxfree.com.au.

9.5 Risks

The Investor Presentation set out in Section 8.2 of this Retail Offer Booklet details important factors and risks that could affect the financial and operating performance of Toxfree. Please refer to section 7 (Key Risks) set out in this Investor Presentation. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

9.6 Reconciliation

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date. This results in reconciliation issues. If reconciliation issues occur, it is possible that Toxfree may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders receive their full Entitlement. The price at which these New Shares would be issued is the Offer Price.

Toxfree also reserves the right to reduce the number of New Shares and any Additional New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

9.7 No Cooling Off Rights

Cooling off rights do not apply to an investment in New Shares and any Additional New Shares. You cannot, in most circumstances, withdraw your Application once it has been lodged.

9.8 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares and any Additional New Shares.

9.9 Nominees and Custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders.

Nominees with a registered address in Australia or New Zealand, irrespective of whether they participate in the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Shares as nominees and custodians will have received, or will shortly receive, a letter from Toxfree. Nominees and custodians should carefully consider the contents of that letter and note in particular that the Retail Entitlement Offer is not available to beneficiaries on whose behalf they hold Existing Shares who:

- would not satisfy the criteria for an Eligible Retail Shareholder;
- are Eligible Institutional Shareholders and received an offer to participate in the Institutional Entitlement Offer (whether they took up their Entitlement or not);
- were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer; or
- are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Toxfree is not required to determine whether or not any registered holder of Shares is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any registered holder of Existing Shares 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. Toxfree is not able to advise on any foreign laws. Persons acting as nominees for other persons may not take up Entitlements on behalf of, nor send any documents relating to the Retail Entitlement Offer, to any person in the United States or other jurisdiction outside Australia or New Zealand except to beneficial shareholders who are institutional or professional investors in the countries (excluding the United States) listed in, and to the extent permitted under, the "International Offer Restrictions" section of the Investor Presentation included in Section 8.2 of this Retail Offer Booklet.

Any person in the United States or any person that is acting for the account or benefit of a person in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer, and such a nominee must not take up any Entitlement on behalf of such a person or send any materials relating to the Entitlement Offer into the United States.

9.10 Not Investment Advice

The information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs, and should not be considered to be comprehensive or to comprise all the information which a Shareholder may require in order to determine whether or not to subscribe for New Shares and any Additional New Shares. Toxfree is not licensed to provide financial product advice in relation to the Retail Entitlement Offer. If you are in doubt as to the course you should follow, you should consult your stockbroker, accountant or other independent professional adviser before deciding whether to take up your Entitlement.

Prospective investors should conduct their own independent investigation and assessment of the Retail Entitlement Offer and the information contained in, or referred to in, this Retail Offer Booklet. An investment in Toxfree is subject to investment risk including possible loss of income and principal invested. You should read the entire the ASX Announcement and Investor Presentation set out in Section 8 (including the “Key Risks” set out in the Investor Presentation in Section 8.2 of this Retail Offer Booklet) and other materials sent to you in relation to the Retail Entitlement Offer and any relevant materials lodged with ASX, consider all of the risk factors that could affect the performance of Toxfree (including the “Key Risks” set out in the Investor Presentation in Section 8.2 of this Retail Offer Booklet) in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and consult your stockbroker, accountant or other independent professional adviser before deciding whether to take up your Entitlement.

9.11 No Prospectus

This Retail Offer Booklet (including the ASX Announcement and Investor Presentation set out in Section 8 of this Retail Offer Booklet) is issued by Toxfree. This Retail Offer Booklet and the Entitlement and Acceptance Form are important documents and require your immediate attention. You should read these documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional rights Issue) Instrument 2016/84. Accordingly, neither this Retail Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC 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 a possible investment in Toxfree. They do not and are not required to contain all of the information which would be required to be disclosed in a Prospectus.

9.12 Quotation and Trading

Toxfree has applied to ASX for the official quotation of the New Shares and any Additional New Shares in accordance with ASX Listing Rule requirements.

Subject to approval being granted, it is expected that normal trading of New Shares and any Additional New Shares issued under the Retail Entitlement Offer will commence on Tuesday, 29 November 2016.

9.13 Availability of Retail Offer Booklet

Shareholders with registered addresses in Australia or New Zealand can obtain a copy of this Retail Offer Booklet during the Retail Entitlement Offer Period by calling the Toxfree Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30AM to 5.00PM (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

Eligible Retail Shareholders with registered addresses in Australia or New Zealand will be sent a copy of this Retail Offer Booklet and their personalised Entitlement and Acceptance Form.

9.14 Continuous Disclosure

Toxfree is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Toxfree is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, Toxfree has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Toxfree. These documents may be obtained from, or inspected at, an ASIC office.

9.15 Foreign Jurisdictions – Restrictions and Limitations

The New Shares and any Additional New Shares in this Entitlement Offer are not being offered to the public in New Zealand other than to existing shareholders of Toxfree with registered addresses in New Zealand to whom the offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

The Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Offer Booklet is not a disclosure document 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.

It is a term of the Retail Entitlement Offer that the offer of New Shares and any Additional New Shares is made in compliance with the law of the country, state, territory or province in which ASX is situated and any code, rules, or other requirements relating to the Entitlement Offer that apply in that country, state, territory, or province.

This Retail Offer 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 Retail Entitlement Offer, the Entitlements or the New Shares and any Additional New Shares, or otherwise permit the public offering of the New Shares and any Additional New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet or the Entitlement and Acceptance Form outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail Offer Booklet or the Entitlement and Acceptance Form you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

This Retail Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. None of this Retail Offer Booklet, the ASX Announcement and Investor Presentation reproduced in it nor the Entitlement and Acceptance Form may be distributed to or released in the United States or to any person in the United States.

The Entitlements and the New Shares and any Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are acting for the account or benefit of a person in the United States, and the New Shares and any Additional New Shares may not be offered, sold or resold in the United States or to any person acting for the account or benefit of a person in the United States, unless such securities have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares and any Additional New Shares offered in the Retail Entitlement Offer may only be offered and sold outside the United States to persons that are not acting for the account or benefit of a person in the United States in “offshore transactions” (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

In addition, the New Shares and any Additional New Shares may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of Toxfree that has been or may be established until 40 days following the completion of the Retail Entitlement Offer.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by Toxfree to constitute a representation that there has been no breach of such laws.

See also the “International Offer Restrictions” section of the Investor Presentation set out in Section 8.2 of this Retail Offer Booklet for more information.

9.16 Underwriting

The Entitlement Offer is fully underwritten by the Underwriter and Lead Manager. Toxfree has entered into the Underwriting Agreement under which it has been agreed that the Underwriter and Lead Manager will act as lead manager and underwriter in respect of the Entitlement Offer. Further details regarding the terms of the Underwriting Agreement (including termination events and fees payable to the Underwriter) are contained in the “Underwriting Agreement” section of the Investor Presentation in Section 8.2 of this Retail Offer Booklet.

9.17 Governing Law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in Victoria, Australia. Each Shareholder who applies for New Shares and any Additional New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

9.18 Authorisations and Disclaimers

This Retail Offer Booklet is issued by, and is the sole responsibility of, Toxfree.

None of the parties referred to in the Corporate Directory of this Retail Offer Booklet (other than Toxfree), has:

- authorised or caused the issue of this Retail Offer Booklet; or
- made or authorised the making of any statement that is included in this Retail Offer Booklet or any statement on which a statement in this Retail Offer Booklet is based.

To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Retail Offer Booklet (other than Toxfree) expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet.

The information contained in this Retail Offer Booklet is of general nature and has been prepared by Toxfree in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation not so contained may not be relied upon as being authorised by Toxfree or any person associated with it in connection with the Retail Entitlement Offer.

9.19 Withdrawal of the Retail Entitlement Offer

Toxfree reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares and any Additional New Shares, in which case Toxfree will refund any Application Monies (as soon as practicable and without interest).

9.20 Privacy

As a Shareholder, Toxfree and the Registry have already collected certain personal information from you. If you apply for New Shares and any Additional New Shares, Toxfree and the Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares and any Additional New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Toxfree and the Registry may disclose your personal information for purposes related to your shareholder to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares and any Additional New Shares, the Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of Shareholder information and for handing of mail, or as otherwise under the Privacy Act 1988 (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Toxfree or the Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by visiting the Registry's website at www.computershare.com/au/privacy-policies for a copy of the Registry's condensed privacy statement.

10. Glossary

In this Retail Offer Booklet the following terms have the following meanings:

Term	Definition
\$ or dollars	Australian dollars
Acquisition	the proposed 100% acquisition of Daniels
Additional New Shares	means New Shares which Eligible Retail Shareholders are able to apply for in excess of their Entitlement under the Top Up Facility.
Application	an application to subscribe for New Shares and any Additional New Shares under the Retail Entitlement Offer
Application Monies	monies received from applicants in respect of their Applications
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) of the financial products market operated by that entity known as the Australian Securities Exchange
ASX Announcement	the announcement released to ASX on Wednesday, 26 October 2016 in connection with the Entitlement Offer, a copy of which is set out in Section 8.1 of this Retail Offer Booklet
ASX Listing Rules	the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of Toxfree by ASX
CGT	capital gains tax
Co-Lead Manager	Evans and Partners Pty Limited (ABN 85 125 338 785)
Corporations Act	Corporations Act 2001 (Cth)
Daniels	Daniels Health Pty Limited (ACN 060 871 249) and Daniels Manufacturing Australia Pty Limited (ACN 603 568 172)
Eligible Institutional Shareholder	means a person who: <ul style="list-style-type: none"> ▪ was identified as an Institutional Shareholder by Toxfree; ▪ has a registered address (as listed on the Toxfree register of members) in Australia, New Zealand, the United States or certain other jurisdictions disclosed in the Investor Presentation; ▪ is eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and ▪ who has successfully received an offer under the Institutional Entitlement Offer
Eligible Retail Shareholder	is defined in Section 9.3 of this Retail Offer Booklet
Eligible Shareholder	a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
Entitlement	the entitlement to subscribe for 1 New Share for every 3.9 Existing Shares held on the Record Date by Eligible Shareholders
Entitlement and Acceptance Form	the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made
Entitlement Offer	the offer of approximately 37.0 million New Shares to Eligible Shareholders in the proportion of 1 New Share for every 3.9 Existing Shares held on the Record Date by Eligible Shareholders, comprising the Institutional Entitlement Offer, the Institutional Shortfall Bookbuild and the Retail Entitlement Offer
Existing Share	a Share on issue on the Record Date
GST	Australian Goods and Services Tax (currently 10%)

Term	Definition
Ineligible Institutional Shareholder	means an Institutional Shareholder who is not an Eligible Institutional Shareholder
Ineligible Retail Shareholder	a Shareholder that is not an Eligible Retail Shareholder, an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder
Institutional Entitlement Offer	the offer of New Shares to Eligible Institutional Shareholders as part of the Entitlement Offer as described in Section 5.3 of this Retail Offer Booklet
Institutional Investor	a person: <ul style="list-style-type: none"> ▪ in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an “exempt investor” as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Class Order [CO 08/35]); or ▪ in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which Toxfree, at its absolute discretion, is willing to comply with such requirements)
Institutional Shareholder	a Shareholder on the Record Date who is an Institutional Investor
Institutional Shortfall Bookbuild	the bookbuild sale process conducted after completion of the Institutional Entitlement Offer, as described in Section 5.3
Investor Presentation	the presentation released to ASX on Wednesday, 26 October 2016 in connection with the Entitlement Offer, a copy of which is set out in Section 8.2 of this Retail Offer Booklet
New Shares	the Shares offered by Toxfree under the Entitlement Offer (but excludes any Additional New Shares offered pursuant to the Top Up Facility)
Offer Price	in respect of a New Share, means \$2.30 per New Share
Placement	an approximate \$29 million placement of Shares to entities associated with the vendor of Daniels
Registry	Computershare Investor Services Pty Limited (ACN 078 279 277)
Retail Closing Date	5:00PM (Melbourne time) on Friday, 18 November 2016. This is the final date that Eligible Retail Shareholders can take up some or all of their Entitlement
Retail Entitlement Offer	the offer of New Shares to Eligible Retail Shareholders as part of the Entitlement Offer as described in Section 5.2
Retail Entitlement Offer Period	the period commencing on the opening date of the Retail Entitlement Offer, as specified in the “Key Dates for the Retail Entitlement Offer” in Section 2 of this Retail Offer Booklet, and ending on the Retail Closing Date
Retail Offer Booklet	this booklet dated Thursday, 3 November 2016, including (for the avoidance of doubt) the ASX Announcement and the Investor Presentation set out in Section 8 of this Retail Offer Booklet
Section	a section of this Retail Offer Booklet
Share	a fully paid ordinary Toxfree share
Shareholder	the registered holder of an Existing Share
TERP	the theoretical price at which Toxfree shares should trade at immediately after the ex-date for the Entitlement Offer

Term	Definition
Top Up Facility	means the facility described in Section 6.7 of this Retail Offer Booklet under which certain Eligible Retail Shareholders may apply for Additional New Shares in excess of their Entitlement, up to a maximum of 50% of their Entitlement.
Toxfree	Tox Free Solutions Limited (ABN 27 058 596 124)
U.S. or United States	United States of America, its territories and possessions, any state of the United States and the District of Columbia
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter and Lead Manager	Morgan Stanley Australia Securities Limited (ABN 55 078 652 276), the underwriter and bookrunner for the Entitlement Offer
Underwriting Agreement	the underwriting agreement dated 26 October 2016, between Toxfree and the Underwriter, as described in Section 9.16 of this Retail Offer Booklet

Corporate Directory

Issuer

Tox Free Solutions Limited
24 Sangiorgio Court
Osborne Park WA 6017
www.toxfree.com.au

Toxfree Shareholder Information Line

1300 557 010 (within Australia) or
+61 3 9415 4000 (outside Australia)
Open 8:30AM to 5:00PM (Melbourne time)
Monday to Friday (excluding public holidays)
during the Retail Entitlement Offer Period

Registry

Computershare Investor Services Pty Limited
Level 11
172 St George's Terrace
Perth WA 6000

Underwriter and Lead Manager

Morgan Stanley Australia Securities Limited
Level 39
2 Chifley Square
Sydney NSW 2000

Co-Lead Manager

Evans and Partners Pty Limited
171 Collins Street
Melbourne VIC 3000

Australian Legal Adviser to the Issuer

Clayton Utz
Level 27
250 St George's Terrace
Perth WA 6000





For all enquiries:

Phone:

(within Australia) 1300 557 010


(outside Australia) +61 3 9415 4000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Retail Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (Melbourne time) on Friday, 18 November 2016**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

This form relates to a 1 for 3.9 accelerated non-renounceable entitlement offer of Tox Free Solutions Limited ("Toxfree") ordinary fully paid shares at an offer price of A\$2.30 per New Share ("Offer"), which is being made to Eligible Retail Shareholders. Capitalised terms used in this form have the same meaning as in the retail offer booklet dated 3 November 2016 accompanying this form ("Retail Offer Booklet") unless otherwise defined.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept all your entitlement, you may also apply for additional New Shares ("Additional New Shares") in excess of your Entitlement, at the Offer Price ("Top Up Facility"). You may apply for a maximum of 50% of your Entitlement under the Top Up Facility. Toxfree retains the flexibility to scale back Applications for any Additional New Shares at its discretion. Enter the number of New Shares and any Additional New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you have read and understood the Retail Offer Booklet and you make and agree to be subject to all the representations, declarations, warranties and agreements in the Retail Offer Booklet, and that you agree to all of the terms and conditions as detailed in the Retail Offer Booklet.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Tox Free Solutions Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.


Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Existing shares entitled to participate as at
7.00pm (Melbourne time) on Friday, 28 October 2016 (Record Date):

Entitlement to New Shares on a 1 for 3.9 basis:

Amount payable on full acceptance at A\$2.30 per New Share:

STEP 2

Make Your Payment



Billers Code: 206615
Ref No:

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Tox Free Solutions Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Tox Free Solutions Limited
C/- Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and any Additional New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (Melbourne time) on Friday, 18 November 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited ("CIS") nor Toxfree accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (Melbourne time) on Friday, 18 November 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Toxfree accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuers administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Tox Free Solutions Limited Acceptance Payment Details

Entitlement taken up:

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Number of Additional New Shares applied for under the
Top-Up Facility (being not more than 50% of your
Entitlement):

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Amount enclosed at A\$2.30 per New Share:

A\$

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Entitlement No:

Payment must be received by 5:00pm (Melbourne time) on Friday, 18 November 2016

Contact Details

Contact
Name

Daytime

Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

Not for release or distribution in the United States

3 November 2016

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder,

LETTER TO INELIGIBLE SHAREHOLDERS – \$85 MILLION ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER

On 26 October 2016, Tox Free Solutions Limited (“**Toxfree**”) announced that it was conducting an A\$85 million fully underwritten pro-rata accelerated non-renounceable entitlement offer, to eligible shareholders, to subscribe for 1 new ordinary Toxfree share (“**New Shares**”) for every 3.9 existing Toxfree shares (“**Existing Shares**”) held at the Record Date of 7:00pm (Melbourne time) on Friday, 28 October 2016 (the “**Entitlement Offer**”). New Shares will be issued at an offer price of \$2.30 per New Share.

The Entitlement Offer comprises an institutional component (the “**Institutional Entitlement Offer**”) and a retail component (the “**Retail Entitlement Offer**”). The Entitlement Offer is being made by Toxfree in accordance with sections 708AA of the Corporations Act 2001 (Cth) (as modified by, amongst other instruments, ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73)) (the “**Act**”), meaning that no prospectus needs to be prepared by Toxfree in relation to the Entitlement Offer.

The Institutional Entitlement Offer and Retail Entitlement Offer are fully underwritten by Morgan Stanley Australia Securities Limited (the “**Underwriter**”).

The Institutional Entitlement Offer has already closed and raised approximately \$60 million. The Retail Entitlement Offer is expected to raise approximately \$25 million.

The Entitlement Offer proceeds will be used to part fund the acquisition of 100% of Daniels Health Pty Ltd and Daniels Manufacturing Australia Pty Ltd, and related assets.

Documents relating to the Entitlement Offer were lodged with ASX on 26 October 2016. The Retail Offer Booklet will be despatched to Eligible Retail Shareholders (defined below), along with a personalised Entitlement and Acceptance Form. The Retail Offer Booklet sets out further details in respect of the Entitlement Offer, particularly in respect of Retail Shareholders. Unless otherwise specified, capitalised terms used in this letter have the same meaning as given in the Retail Offer Booklet.

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares.

You are not required to do anything in response to this letter.

The Retail Entitlement Offer is only available to Eligible Retail Shareholders. An Eligible Retail Shareholder is a person who:

- is registered as a holder of Existing Shares on the Record Date of 7.00pm (Melbourne time) on Friday, 28 October 2016;
- has a registered address on the register of members that is in Australia or New Zealand;
- is not in the United States, and is not acting for the account or benefit of a person in the United States;
- was not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Toxfree of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those other countries, the relatively small number of existing Toxfree shares they hold and the relatively low value of New Shares to which those shareholders would otherwise have been entitled. Accordingly, Toxfree has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Act, that in relation to the Retail Entitlement Offer, it would be unreasonable to make or extend offers to Toxfree shareholders in countries with registered addresses outside Australia and New Zealand.

According to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder as set out above and Toxfree is unfortunately unable to extend to you the opportunity to participate in the Retail Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Entitlement Offer and as such, will not be offered any New Shares under the Entitlement Offer.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have otherwise been offered to you if you were eligible to participate in the Retail Entitlement Offer.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. This is consistent with the non-renounceable nature of the Entitlement Offer.

If you have any queries, please contact the Toxfree Shareholder Information Line on 1300 557 010 (local call cost within Australia) or + 61 3 9415 4000 (from outside Australia).

Yours faithfully,



David McArthur
Company Secretary

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

Important Information

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit an offering of New Shares in any jurisdiction outside Australia or New Zealand. In particular, the New Shares have not been, nor will be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.