



Coventry Group Ltd

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3 October 2018

Dear Shareholder

Coventry Group Limited Entitlement Offer – Notification to Ineligible Retail Shareholders

On 26 September 2018, Coventry Group Limited (**Company**) announced a 1 for 5 accelerated non-renounceable entitlement offer of new fully paid shares in the Company (**New Shares**) at an offer price of \$1.15 per New Share (**Issue Price**) (**Entitlement Offer**).

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 Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Details of the Entitlement Offer

The Entitlement Offer is underwritten and comprises an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) (**Retail Entitlement Offer**).

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below) on the basis of 1 New Share for every 5 existing shares in the Company (**Existing Shares**) held at 7pm (Melbourne time) on 28 September 2018 (**Record Date**), at the Issue Price per New Share.

The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared with respect to the Entitlement Offer.

The Entitlement Offer is underwritten by Bell Potter Securities Limited (**Underwriter**).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on 28 September 2018 and are expected to be dispatched to Eligible Retail Shareholders on 3 October 2018.

Eligibility to participate in the Retail Entitlement Offer

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to shareholders in countries other than Australia or New Zealand in connection with the Retail Entitlement Offer, having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

An Eligible Retail Shareholder is a holder of Existing Shares who:

- (a) was a registered holder of Existing Shares as at 7pm (Melbourne time) on the Record Date;
- (b) has a registered address in Australia or New Zealand;
- (c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States);
- (d) is not an Eligible Institutional Shareholder (as defined in the Retail Entitlement Offer Booklet lodged with ASX on 28 September 2018) (other than a nominee to the extent that the nominee also holds Existing Shares on behalf of an Eligible Retail Shareholder); and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you are not an Eligible Retail Shareholder you are an **Ineligible Retail Shareholder**.

According to our records you do not satisfy the criteria for an Eligible Retail Shareholder, and therefore the Company is unable to extend to you the opportunity to participate in the Retail Entitlement Offer. If our records are incorrect on this matter, please contact the Company Offer Information Line on the details below.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by the Company with reference to a number of matters. The Underwriter and their affiliates and related bodies corporate and each of their directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Treatment of Ineligible Retail Shareholders

The Company has appointed Bell Potter Securities Limited as the nominee (**Nominee**) to conduct a foreign sale facility on behalf of Ineligible Retail Shareholders (**Foreign Sale Facility**). Under the Foreign Sale Facility, the Company will issue the Nominee with rights to apply for New Shares which would otherwise have been available for subscription by Ineligible Retail Shareholders had they been eligible to participate in the Rights Issue. If there is a viable market in the rights and a premium over the expenses of their sale can be made, the Nominee will arrange the sale of the rights which would have been offered to the Ineligible Retail Shareholders. The Nominee will arrange for the proceeds of sale (if any), net of expenses and withholding taxes (if any), to be distributed to Ineligible Retail Shareholders in proportion to the rights that would have otherwise been made available to them in respect of their shareholding at the Record Date.

There is no guarantee that you will receive any proceeds as a result of the Foreign Sale Facility. The ability to sell rights under the Foreign Sale Facility and the price that may be obtained for them will be dependent on various factors, including market conditions. To the maximum extent permitted by law, neither the Company, nor the Nominee, nor their respective agents or affiliates, will be liable for any failure to sell rights under the Foreign Sale Facility at a particular price or in a particular time frame.

You do not need to respond to this letter. If you have questions in relation to any of the matters described above, please contact the Company Offer Information Line on 1300 763 414 (from within Australia) or + 61 3 9415 4000 (from outside Australia) between 8:30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period (Wednesday, 3 October 2018 to Friday, 12 October 2018).

On behalf of the Board of the Company, we thank you for your continued support.

Yours faithfully

Mr Neil Cathie
Chairman
Coventry Group Limited

Important Notices

This letter does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in Coventry Group Limited and is not a prospectus or offering document under Australian law or any other law. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of New Shares in Coventry Group Limited. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares that will be offered and sold in the Entitlement Offer have not been, or will not be, registered under the U.S. Securities Act of 1933, as amended (the "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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States.