



**This Replacement Prospectus is issued by Reclaim Industries Limited (ACN 090 671 819) (to be renamed Rision Limited)**

A Public Offer of 200,000,000 New Shares at an issue price of \$0.02 per Share to raise a minimum of \$4,000,000 before expenses, with provision to accept oversubscriptions of up to a further 200,000,000 New Shares at an issue price of \$0.02 per New Share to raise up to a total of \$8,000,000.

The Offers are not underwritten.

This is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The Offers are subject to conditions. See Section 6.5 for further details.

This Replacement Prospectus also contains a separate offer to the Vendors as part of the acquisition of Rision Pty Ltd (formerly Employment Management Systems Pty Limited ACN 076 549 945) and a separate offer to Trident Capital Pty Ltd (ACN 100 561 733) and Strategic Capital Management Pty Ltd (ACN 092 936 902). Please refer to Section 6.4 for further details.

**IMPORTANT NOTICE**

This is an important document and investors should read this document in its entirety and are advised to consult their professional advisers before deciding whether to apply for securities pursuant to this Replacement Prospectus. Any investment in the Company under this Replacement Prospectus should be considered speculative.

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## 1. IMPORTANT INFORMATION

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### 1.1 CHANGE IN NATURE AND SCALE OF ACTIVITIES AND RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

As announced on ASX on 23 September 2014, the Company entered into the Rision Share Sale Agreement pursuant to which the Company has agreed, subject to Shareholder approval and satisfaction of certain conditions, to acquire all of the issued capital in Rision.

The Company's proposed acquisition of Rision will involve a significant change in the nature and scale of the Company's activities which requires Shareholder approval under Chapter 11 of the ASX Listing Rules. At the General Meeting, the Shareholders will be asked to approve, amongst other things, the change of nature and scale of the Company's activities and the change of the Company's name from "Reclaim Industries Limited" to "Rision Limited".

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company in re-complying with Chapters 1 and 2 of the ASX Listing Rules. The Offers are conditional upon, amongst other things, the Company's successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules. Please refer to Section 6.6 for further details.

The Company will be suspended from Official Quotation from the time of the General Meeting on 30 June 2015 and will not be re-instated until ASX confirms that it has successfully re-complied with Chapters 1 and 2 of the ASX Listing Rules. There is a risk that the Company may not meet ASX's requirements for re-instatement to the Official List.

**In the event the Company does not receive conditional approval for re-quotations on ASX, then the Company will not proceed with the Offers and will refund all Application Monies received without interest. Should this occur, then the change in nature and scale of the Company's activities, the Rision Acquisition, the Offers and change of name will not eventuate and the Shares may remain suspended from the Official List.**

### 1.2 IMPORTANT NOTICE

This Replacement Prospectus is dated 25 June 2015 and was lodged with ASIC on that date. It replaces an earlier prospectus dated 11 June 2015. Neither ASIC nor ASX nor their respective officers take responsibility for the contents of this Prospectus or the merits of any investment to which this Prospectus relates.

The expiry date of this Prospectus is at 5:00pm (WST) on the date which 13 months after the date this Prospectus was lodged with ASIC ("**Expiry Date**"). No Shares will be issued pursuant to this Prospectus after the Expiry Date.

Within seven days of the date of this Prospectus, the Company will apply for Official Quotation of the Shares the subject of the Public Offer.

Persons wishing to apply for Shares pursuant to the Public Offer must do so using the Application Forms attached to or accompanying this Prospectus. Before applying for Securities potential investors should carefully read the Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Securities, the assets and liabilities of the Company, the Company's financial position and performance, profits and losses, and prospects. Investors should carefully consider these factors in light of their own personal financial and taxation circumstances and should obtain professional advice from an accountant, stockbroker, lawyer or other advisor before deciding whether to invest.

Any investment in the Company should be considered speculative. Please refer to Section 12 for details relating to risk factors.

### 1.3 FOREIGN JURISDICTIONS

An Offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the Offer. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

### 1.4 WEBSITE - ELECTRONIC PROSPECTUS

This Prospectus is also available on the Company's website at [www.reclaimindustries.com.au](http://www.reclaimindustries.com.au) and Rision's website at [www.rision.com](http://www.rision.com). Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on (08) 6211 5099.

The Company reserves its right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic version of the Application Form, it was not provided with the electronic version of this Prospectus and the relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### 1.5 EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications within the seven day period after the date this Prospectus is lodged with ASIC ("**Exposure Period**"). This Exposure Period may be extended by ASIC for a further seven days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. Preference will not be conferred upon Applications received during the Exposure Period.

### 1.6 DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offers, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or any other person in connection with the Offers. Potential investors should rely only on information in this Prospectus.



## **1.7 FORWARD LOOKING STATEMENTS**

This Prospectus contains forward-looking statements which are identified by words such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects' and other similar words that involve risks and uncertainties. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events that are expected to take place, as at the date of this Prospectus. There is no guarantee that any such events will occur as anticipated or at all given that many of these events are outside the control of the Company, the Directors and management of the Company.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 12. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements contained in this Prospectus.

Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## **1.8 RISKS**

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues).

The Securities offered under this Prospectus should be considered speculative. There is no guarantee that the Securities offered under this Prospectus will make a return on the capital invested, that dividends will be paid on the Securities or that there will be an increase in the value of the Shares in the future. Please refer to Section 12 for details relating to risk factors.

## **1.9 PHOTOGRAPHS AND DIAGRAMS**

Photographs and diagrams used in this Prospectus are for illustration only and may not be to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

## **1.10 DEFINED TERMS**

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 15.

## 2. CORPORATE DIRECTORY

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### DIRECTORS

Stephen John Hewitt-Dutton  
*Director*

KC Dennis Ong  
*Non-Executive Director*

David Scoggin  
*Non-Executive Director*

### PROPOSED DIRECTORS

Dr Kate Cornick  
*Managing Director*

Robert John Day  
*Executive Chairman*

Graham Steer  
*Non-Executive Director*

Anthony Francis Dixon  
*Non-Executive Director*

Ron Howard  
*Non-Executive Director*

### COMPANY SECRETARY

Deborah Ho

### REGISTERED OFFICE

c/- Trident Capital Pty Ltd  
Level 24, St Martins Centre  
44 St Georges Terrace  
Perth, Western Australia

### SHARE REGISTRY\*

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross, Western Australia

### CORPORATE ADVISOR

Trident Capital Pty Ltd  
Level 24, St Martins Centre  
44 St Georges Terrace  
Perth, Western Australia

### SOLICITORS

Price Sierakowski Corporate  
Level 24, St Martins Centre  
44 St Georges Terrace  
Perth, Western Australia

### AUDITOR\*

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco, Western Australia

### INVESTIGATING ACCOUNTANTS

BDO Corporate Finance (WA) Pty Ltd  
38 Station Street  
Subiaco, Western Australia

### INTELLECTUAL PROPERTY EXPERT

Molins & Co Pty Ltd  
Level 6  
139 Macquarie Street  
Sydney NSW 2000

### ASX CODE

RCM (to be changed to "RNL")

\*These entities are included for information purposes only and have not been involved in the preparation of this Prospectus.

### 3. CHAIRMAN'S LETTER

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Dear Investor

On behalf of the Directors of Reclaim Industries Limited (**Company**), I am pleased to present this Prospectus to you and invite you to participate in the offer of 200,000,000 Shares at an offer price of \$0.02 each to raise \$4,000,000 before costs, with provision to accept oversubscriptions of up to a further 200,000,000 Shares to raise up to a total of \$8,000,000.

The Company is proposing to change its activities from a rubber recycler and manufacturer to a cloud-based Software as a Service (**SAAS**) provider via the acquisition of Rision Pty Ltd (**Rision**). Rision has developed a platform that enables candidates to find and manage their work, and businesses to identify, employ and roster staff, and manage timesheets transparently and efficiently.

Upon completion of the Rision Acquisition, the Company will change its name to "Rision Limited" and the Board and management of the Company will change to reflect the new direction of the Company.

The Company is seeking to raise at least \$4,000,000 before costs under this Prospectus. Funds raised will be used towards, amongst other things, the development and advancement of the Rision Business through sales and marketing activities, funding the cost of additional technology development and to pay the costs of the Offers and the Rision Acquisition.

The Offers are subject to various conditions which are summarised in Section 6.5 of this Prospectus. Of particular note, the Company will convene a general meeting of Shareholders on 30 June 2015, at which the Company will, among other things, seek the approval of Shareholders to the Rision Acquisition.

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the ASX Listing Rules following a change to the nature and scale of the Company's activities.

An investment in the Company is subject to certain risks which are highlighted in Section 12. I encourage you to read this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

On behalf of the Board, I am pleased to present this Prospectus to you and invite you to take part in this exciting investment opportunity.

Yours faithfully



**Stephen Hewitt-Dutton**  
**Chairman**  
**25 June 2015**

## 4. INVESTMENT OVERVIEW

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### 4.1 IMPORTANT NOTICE

This Section 4 is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered under this Prospectus should be considered speculative and carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

### 4.2 INTRODUCTION

| Question                                | Response  | More info. |
|---|---|------------|
| Who is the issuer of this Prospectus?   | Reclaim Industries Limited (ACN 090 671 819) is an Australian public company listed on the Official List (current ASX Code: RCM).   | Section 7  |
| Who is the Company and what does it do? | <p>The Company intends to acquire 100% of the fully paid ordinary shares in Rision.</p> <p>The acquisition of Rision will result in a significant change in the nature and scale of the Company's activities. This requires Shareholder approval under Chapter 11 of the ASX Listing Rules and ASX confirming that the Company has re-complied with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules. Shareholder approval under Chapter 11 of the ASX Listing Rules will be sought at the General Meeting.</p>  | Section 7  |
| What is the Company's strategy?         | <p>Rision is currently focused on providing cloud-based human resourcing solutions for organisations that manage contingent workers and their employees.</p> <p>Following the completion of the Proposed Transaction, the Company will focus on growing Rision's business by prioritising sales and marketing activities to grow the number of business and candidate (job seekers and employees) users, with the aim of generating profits. The Company will consider opportunities to quickly scale the distribution of the Rision platform, including by entering into licensing, distribution and reseller agreements.</p> <p>The Company will also continue technology development to meet the needs of end users, and ensure the Rision platform is well placed as a potential leader in its class.</p> | Section 7  |

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| Question   | Response  | More info.         |
|--|---|--------------------|
| What are the key benefits associated with the Company's proposed new business? | <p>The Company's business model has historically been the business of rubber recycling and manufacturing.</p> <p>Following the acquisition of Rision, the Company's primary focus will be on the Rision business model. Rision is in the business of providing cloud based human resourcing solutions for organisations that manage contingent workers and their employees. Rision's platform is designed for use by job seekers, businesses and their employees, and human resources professionals. The platform enables candidates to find and manage their work, and businesses to identify, employ and roster staff, and manage timesheets transparently and efficiently. The platform leverages Rision's patented three-way system of connectivity between the employer, the employee and human resources professionals.</p> | Section 7          |
| Who are the Directors?   | <p>The existing Directors of the Company are:</p> <ul style="list-style-type: none"> <li>• Stephen Hewitt-Dutton (Director)</li> <li>• David Scoggin (Director)</li> <li>• KC Ong (Non-Executive Director)</li> </ul> <p>The Company intends to appoint the following persons as Directors of the Company upon completion of the Rision Acquisition, at which time the existing Directors will resign:</p> <ul style="list-style-type: none"> <li>• Dr Kate Cornick (Managing Director)</li> <li>• Robert Day (Executive Chairman)</li> <li>• Graham Steer (Non-Executive Director)</li> <li>• Ron Howard (Non-Executive Director)</li> <li>• Anthony Dixon (Non-Executive Director)</li> </ul>   | Section 8          |
| What is the Company's financial position?                                      | <p>The Company is currently listed on ASX and its Annual Report for the year ended June 2014 is available from its website (<a href="http://www.reclaimindustries.com.au">www.reclaimindustries.com.au</a>).</p>  | Sections 10 and 12 |



| Question  | Response  | More info.                |
|---|---|---------------------------|
|   | <p>Rision was incorporated on 27 November 1996 and as at 31 December 2014, Rision' financial position is as follows:</p> <ul style="list-style-type: none"> <li>• Cash balance of \$23,329;</li> <li>• Total assets of \$2,873,919;</li> <li>• Net assets of \$1,227,075; and</li> <li>• Shareholders' equity of \$1,227,075.</li> </ul> <p>The above financial information for the 6-month period ended 31 December 2014 is based on the audited financial statements of Rision for the period ended on that date.</p> <p>Further financial information regarding the Company is set out in Section 9 and is considered in the Investigating Accountant's Report in Section 10.</p>  | <p>Sections 10 and 12</p> |
| <p>What benefits are being paid to the Directors?</p> | <p>The Directors will be paid directors' fees for operating the Company following the successful reinstatement to Official Quotation.</p> <ul style="list-style-type: none"> <li>• As a Director, Mr Day will be paid \$40,000 per annum including superannuation in addition to a salary.</li> <li>• As a Director, Dr Cornick will be paid \$40,000 per annum including superannuation in addition to a salary.</li> <li>• As a Director, Mr Steer will be paid \$40,000 per annum including superannuation.</li> <li>• As a Director, Mr Dixon will be paid \$40,000 per annum including superannuation.</li> <li>• As a Director, Mr Howard will be paid \$40,000 per annum, and no superannuation is payable.</li> </ul> | <p>Section 14.1</p>       |
| <p>What benefits are being paid to other persons?</p> | <p>The Company will pay various service providers who have assisted with the preparation of the documentation required to enable the Company to issue this Prospectus. These persons will include accountants, solicitors and corporate advisors.</p>   | <p>Section 14.3</p>       |

| Question   | Response   | More info.  |
|--|--|-------------|
| To what extent will the Company follow the corporate governance recommendations set by the ASX Corporate Governance Council? | A statement disclosing the extent to which the Company intends to follow the corporate governance recommendations set by the ASX Corporate Governance Council is included at Section 8.4.  |             |
| How will the Company comply with the Corporations Act and other corporate governance policies?                               | The Directors collectively have experience in the management and administration of listed companies and have a general working knowledge of the laws and regulations affecting public companies in Australia.  | Section 8.4 |
| What important contracts has the Company entered into?   | <p>The Company has entered into the following material contracts:</p> <ul style="list-style-type: none"> <li>• Rision Share Sale Agreement;</li> <li>• Trident Mandate;</li> <li>• Loan Agreement; and</li> <li>• Deeds of Access, Indemnity &amp; Insurance.</li> </ul> <p>Rision and/or Skills Connect are parties to the following material contracts:</p> <ul style="list-style-type: none"> <li>• Rision Share Sale Agreement;</li> <li>• Loan Agreement;</li> <li>• Robert Day Employment Agreement;</li> <li>• Kate Cornick Employment Agreement;</li> <li>• Bartek Mayshak Employment Agreement;</li> <li>• Endeavour Technologies Vendor Development Agreement;</li> <li>• Global Access Advisors Contractor Agreement;</li> <li>• Global Payout Inc. Joint Venture Agreement; and</li> <li>• SCM Mandate.</li> </ul> <p>For information on the Directors' interests in the material contracts, please refer to Section 14.1.</p> | Section 9   |

| Question  | Response  | More info.            |
|---|---|-----------------------|
| What is the effect of the Proposed Transaction and the Offers on the Company? | <p>The Proposed Transaction will provide the Company with cash and reserves with which to grow a business providing cloud based human resourcing solutions for organisations that manage contingent workers and their employees through a patented three way system of connectivity between the employer, the employee and a human resources professional.</p> <p>The capital structure of the Company will be impacted by the number of Shares issued pursuant to the Offers. Existing Shareholders will hold 50.3% of the total Shares on issue if \$4,000,000 is raised under this Prospectus and 43.3% if \$8,000,000 is raised under this Prospectus (assuming that they do not participate in the Public Offer). Accordingly, the issue of Shares under this Prospectus will have a significant dilutionary effect on the Company's existing Shareholders, including subscribers under the Prospectus.</p> <p>The future of the Company will be dependent on many things, some of which are outside of the control of the Company. Specifically in relation to the funds raised under the Prospectus, the future growth of the Company will be dependent on the Company's ability to sell its cloud based human resourcing solutions to organisations that manage contingent workers.</p> | Sections 6 and 7      |
| Will the Company pay dividends?   | <p>Any payment of dividends will be at the Directors' discretion and will depend on the availability of the Company's distributable earnings, operating results and financial condition. There is no guarantee that dividends will be paid on the Securities.</p> <p>The Company does not expect to pay dividends in the near future.</p>   | Sections 1.8 and 14.7 |
| Where will the Shares be quoted?  | An application will be made to the ASX for re-admission of the Company to the Official List of ASX and for Official Quotation of the Shares being offered pursuant to this Prospectus.  | Section 6.6           |
| Will any Shares be escrowed?  | Subject to the Company being re-admitted to the Official List, certain Shares on issue following completion of the Proposed Transaction will be classified by ASX as Restricted Securities and will be required to be held in escrow.   | Section 6.19          |

| Question   | Response   | More info.   |
|--|--|--------------|
| When will I know if my Application was successful? | A holding statement confirming your allocation under the Public Offer will be sent to you if your Application is successful. Holding statements are expected to be issued on or about 16 July 2015.          | Section 5.2  |
| How can I obtain further advice?                   | You can speak to your accountant, stockbroker, lawyer or other professional advisor.<br><br>If you require assistance or additional copies of this Prospectus, please contact the Company on (08) 6211 5099. | Section 6.27 |
| Contact Details                                    | See the Corporate Directory at the beginning of this Prospectus.   | Section 2    |

## 4.3 THE OFFERS

| Question             | Response   | More info. |
|----------------------|--|------------|
| What are the Offers? | <p>By this Prospectus, the Company is undertaking three conditional offers of securities as follows:</p> <ol style="list-style-type: none"><li>1. Public Offer - an offer to the general public of 200,000,000 New Shares at an issue price of \$0.02 per Share to raise a minimum of \$4,000,000 before expenses of the Offers, with provision that oversubscriptions of up to a further 200,000,000 New Shares at an issue price of \$0.02 per New Share to raise up to a total of \$8,000,000 may be accepted at the Directors' discretion. The maximum amount that may be raised under the Public Offer (assuming Maximum Subscription) is \$8,000,000;</li><li>2. The Vendor Offer is an offer of the following Securities to the Vendors as part of the consideration for the Rision Acquisition:<ul style="list-style-type: none"><li>• 400,000,000 Consideration Shares to the Vendors;</li><li>• 10,000 Class A Performance Shares (the terms of which are set out in Section 11.2); and</li><li>• 10,000 Class B Performance Shares (the terms of which are set out in Section 11.2).</li></ul>No funds will be raised from the Vendor Offer.</li><li>3. The Facilitation Offer is an offer of 20,000,000 Facilitation Shares as the facilitation fee payable to the Facilitators in respect of the Rision Acquisition, made up as follows:<ul style="list-style-type: none"><li>• 10,000,000 Facilitation Shares to Trident Capital; and</li><li>• 10,000,000 Facilitation Shares to SCM.</li></ul>No funds will be raised from the Facilitation Offer.</li></ol> | Section 5  |



| Question  | Response  | More info.   |
|---|---|--------------|
| How will funds raised under the Offers be used? | <p>The Company intends to use the funds raised from the Public Offer (before costs and expenses):</p> <ul style="list-style-type: none"> <li>• towards the development and advancement of the Rision Business through sales and marketing activities;</li> <li>• to fund the cost of additional technology development;</li> <li>• to fund the costs and expenses for re-complying with Chapters 1 and 2 of the ASX Listing Rules;</li> <li>• towards payment of the costs and expenses associated with the Offers;</li> <li>• towards the repayment of loans and deferred payments; and</li> <li>• towards administration costs and as additional general working capital.</li> </ul> <p>The Consideration Shares, the Class A Performance Shares and the Class B Performance Shares will be issued for nil cash consideration as they are being issued as part of the consideration for the acquisition of 100% of the issued share capital of Rision. Accordingly no funds will be raised from the Vendor Offer.</p> <p>The Facilitation Shares will be issued for nil cash consideration as they are being issued as the facilitation fees payable to Trident Capital and SCM in respect of the Rision Acquisition. Accordingly, no funds will be raised from the Facilitation Offer.</p> | Section 6.12 |
| Is the Public Offer underwritten?               | <p>No, the Public Offer is not underwritten. However, the Company has reserved the right to pay a fee of up to 6% of the value of the Shares to the holders of an AFS (Australian Financial Services) licence in respect of Shares placed to their clients under the Public Offer.</p>  | Section 6.9  |

| Question  | Response  | More info.           |
|---|---|----------------------|
| What are the key dates of the Public Offer?                           | <p>Lodgement of this Prospectus with ASIC: 25 June 2015</p> <p>Opening Date for Public Offer: 26 June 2015</p> <p>Closing Date for Public Offer: 10 July 2015</p> <p>Dispatch of holding statements: 16 July 2015</p> <p>Expected date for Shares to re-commence trading on ASX: 29 July 2015</p> <p>The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Public Offer early without notice.</p>   | Section 5.2          |
| What is the Offer Price?  | <p>The Public Offer Price is \$0.02 per Share.</p> <p>On 30 September 2014, ASX released an updated version of Guidance Note 12 to the ASX Listing Rules which, amongst other things, adopted a new policy on the application of the “20 cent rule” to re-compliance listings.</p> <p>On 23 April 2015, ASX granted the Company waiver from ASX Listing Rule 2.1 condition 2, to the extent necessary to permit the issue price for the Shares under the Public Offer to be not less than \$0.02 per Share, subject to Shareholder approval at a General Meeting.</p> <p>No price is payable to subscribe for Shares under the Vendor Offer, or the Facilitation Offer.</p> | Sections 5.1 and 6.2 |
| What rights and liabilities are attached to the Shares being offered? | <p>All Shares issued under the Offers will rank equally with Existing Shares on issue on the terms set out in Section 11.1.</p> <p>A summary of the rights and liabilities attaching to the Shares is set out at Section 11.1.</p>  | Section 11           |
| How do I apply for Shares under the Public Offer?                     | <p>All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the Application being \$0.02 per Share.</p> <p>Cheques must be made payable to “Reclaim Industries Limited” and should be crossed “Not Negotiable”.</p>   | Sections 6.14 and 16 |

| Question  | Response   | More info.           |
|---|--|----------------------|
| Where do I send the Application Form?             | <p>Application Forms should be sent to Trident Capital at PO Box Z5183, Perth WA 6831.</p> <p>Completed Application Forms and cheques must be received by the Company before 5:00 (WST) on the Closing Date.</p>   | Sections 6.14 and 16 |
| Can I speak to a representative about the Offers? | <p>Questions relating to the Offers can be directed to the Company on (08) 6211 5099. Questions relating to the completion of the Application Form can be directed to the Share Registry, Security Transfer Registrars Pty Ltd on (08) 9315 2333 within Australia and +61 8 9315 2333 outside Australia.</p> | Section 6.27         |

## 4.4 KEY RISK FACTORS

| Question  | Response  | More info.      |
|---|---|-----------------|
| What are the key risks of investing in Shares in the Company? | <p>The list below is a summary of some of the key risks associated with investing in the Company. A more comprehensive list of risks is set out in Section 12.</p>  | Section 12      |
|   | <p><b>Commercialisation Risk</b></p> <p>Rision is now in the process of commercialising its products, including JobMatch, TimeSheet, Roster and LastMinute. There is a risk that Rision will not be able to successfully commercialise its products, including by not being able to commercialise its products, or by being unable to attract sufficient customers.</p>   | Section 12.4(a) |
|   | <p><b>Competition and New Technologies</b></p> <p>The industry in which Rision is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. Rision will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of Rision's projects and business.</p>  | Section 12.4(b) |
|   | <p><b>Limited Trading History</b></p> <p>The business is yet to be fully commercialised and its funding to date has been as a result of equity raisings and loans. Further, Rision's efforts in the past have been significantly focused towards the research and development of its product. There is therefore greater uncertainty in relation to the business and investors should consider Rision's prospects in light of its limited financial history.</p>  | Section 12.4(e) |
|   | <p><b>Protection of Intellectual Property Rights</b></p> <p>Rision believes that its intellectual property rights such as trademarks and patents are important to its success and competitive position and recognises the importance of registering patents and trademarks related to its product and brand. Rision is not aware of any material violations or infringements of its intellectual property rights. Rision may not always be successful in securing protection for its intellectual property rights, in preventing the production and sale of counterfeit products or preventing other infringements of its intellectual property rights.</p> | Section 12.4(f) |

| Question | Response  | More info.             |
|----------|---|------------------------|
|          | <p><b>Reliance on Key Personnel</b></p> <p>The recent development of the Rision Business has been in large part due to the talent, effort, experience and leadership of its senior management team, in particular the leadership of Rision founder Robert Day and Managing Director Kate Cornick. There is no assurance that such contracts will not be terminated or will be renewed on the expiry of their term.</p>  | <p>Section 12.4(g)</p> |
|          | <p><b>Change in nature and scale of activities and conditionality of the Offers</b></p> <p>There is a risk that the Company may not be able to meet the requirements of ASX of re-complying with Chapters 1 and 2 of the Listing Rules for re-quotations on the ASX. If the conditions of the Offers are not satisfied or the Company does not receive conditional approval for re-quotations on the ASX then the Company will not proceed with the Offers.</p> | <p>Section 12.2</p>    |

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## 4.5 OFFER STATISTICS

| Offer Price  | \$0.02 per Share (for the Public Offer) |                                    |                       |
|--|---|------------------------------------|-----------------------|
|  | Minimum Subscription (\$4,000,000)      | Maximum Subscription (\$8,000,000) | More Info.            |
| Number of Existing Shares  | 626,699,469                             | 626,699,469                        | Section 6.13          |
| Number of Shares available under the Prospectus                                    | 200,000,000                             | 400,000,000                        | Sections 5.1 and 6.2  |
| Number of Consideration Shares available under the Vendor Offer                    | 400,000,000                             | 400,000,000                        | Sections 5.1 and 6.3  |
| Number of Facilitation Shares available under the Facilitation Offer               | 20,000,000                              | 20,000,000                         | Sections 5.1 and 6.4  |
| Total number of Shares on issue following the Offers                               | 1,246,699,469                           | 1,446,699,469                      | Sections 5.1 and 6.13 |
| Number of Class A Performance Shares available under the Vendor Offer <sup>1</sup> | 10,000                                  | 10,000                             | Sections 5.1 and 6.3  |
| Number of Class B Performance Shares available under the Vendor Offer <sup>2</sup> | 10,000                                  | 10,000                             | Sections 5.1 and 6.3  |
| Total of proceeds from the Offers (before costs and expenses)                      | \$4,000,000                             | \$8,000,000                        | Sections 5.1 and 6.12 |

1 The 10,000 Class A Performance Shares will convert into to 350,000,000 Shares upon the Class A Milestone being achieved. See Section 11.2 for more information.

2 The 10,000 Class B Performance Shares will convert into 300,000,000 Shares upon the Class B Milestone being achieved. See Section 11.2 for more information.

## 5. KEY OFFER DETAILS

### 5.1 KEY FINANCIAL DATA RELATING TO THE OFFERS

| <b>Public Offer</b>   |   |
|---|---|
| Offer Price   | \$0.02 per Share  |
| New Shares to be offered under the Public Offer   |   |
| • Assuming Minimum Subscription   | 200,000,000   |
| • Assuming Maximum Subscription   | 400,000,000   |
| Cash proceeds of the Public Offer   |   |
| • Assuming Minimum Subscription   | \$4,000,000   |
| • Assuming Maximum Subscription   | \$8,000,000   |
| <b>Vendor Offer</b>   |   |
| Consideration Shares to be offered under the Vendor Offer                                   | 400,000,000   |
| Class A Performance Shares to be offered under the Vendor Offer                             | 10,000  |
| Class B Performance Shares to be offered under the Vendor Offer                             | 10,000  |
| Cash proceeds of the Vendor Offer   | Nil<br>(Consideration Shares to be issued for nil cash consideration) |
| <b>Facilitation Offer</b>   |   |
| Facilitation Shares to be offered under the Facilitation Offer (assuming full subscription) | 20,000,000  |
| Cash proceeds of the Facilitation Offer (assuming full subscription)                        | Nil   |
| <b>Total of Existing Shares on issue before the Offers</b>                                  | 626,699,469   |
| <b>Total Number of Shares on issue following the Offers</b>                                 |   |
| • Assuming Minimum Subscription   | 1,246,699,469   |
| • Assuming Maximum Subscription   | 1,446,669,469   |
| Number of Class A Performance Shares on issue <sup>1</sup>                                  | 10,000  |
| Number of Class B Performance Shares on issue <sup>2</sup>                                  | 10,000  |

1 The 10,000 Class A Performance Shares will convert into to 350,000,000 Shares upon the Class A Milestone being achieved. See Section 11.2 for more information.

2 The 10,000 Class B Performance Shares will convert into 300,000,000 Shares upon the Class B Milestone being achieved. See Section 11.2 for more information.

## 5.2 INDICATIVE TIMETABLE

Dates shown in the table below are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. **Applicants are therefore urged to lodge their Application Forms as soon as possible.**

| INDICATIVE TIMETABLE                                   |              |
|--|--------------|
| Lodgement of this Prospectus with ASIC                 | 25 June 2015 |
| Opening Date for Public Offer                          | 26 June 2015 |
| Closing Date for Public Offer                          | 10 July 2015 |
| Dispatch of Holding Statements                         | 16 July 2015 |
| Expected date for Shares to re-commence trading on ASX | 29 July 2015 |

## 6. DETAILS OF THE OFFERS

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The Offers consists of:

- (a) the Public Offer, which is open to general public;
- (b) the Vendor Offer, which is only made to the Vendors; and
- (c) the Facilitation Offer, which is only made to the Facilitators.

Completion of the Offers are conditional on ASX confirming the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules. If this is not met, the Application Monies will be returned to the Applicants (without interest).

The rights and liabilities attaching to Securities issued under this Prospectus are further described in Section 11.

Persons wishing to apply for Shares under the Public Offer should refer to Section 16 for further details and instructions.

### 6.2 THE PUBLIC OFFER

By this Prospectus, the Company offers 200,000,000 New Shares at an Offer Price of \$0.02 per Share to raise a minimum of \$4,000,000 with provision to accept oversubscriptions of up to a further 200,000,000 New Shares to raise up to a total of \$8,000,000.

Under the Public Offer, members of the general public may apply for Shares pursuant to this Prospectus.

The Shares issued under the Public Offer will be fully paid ordinary shares and will rank equally in all respects with the Existing Shares. The rights and liabilities attaching to the Shares are described in Section 11.

Applications for Shares under the Public Offer can only be made on the Public Offer Application Form contained at section 16 of this Prospectus. The Public Offer Application Form should be completed in accordance with the instructions set out on the back of the Public Offer Application Form.

Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000) and then in increments of 10,000 Shares (\$200). No brokerage, stamp duty or other costs are payable by Applicants. Refer to Section 6.14 below for payment and lodgement details.

### 6.3 VENDOR OFFER

By this Prospectus, the Company offers to the Vendors, 400,000,000 Shares, 10,000 Class A Performance Shares and 10,000 Class B Performance Shares.

As detailed in Section 9.1, the Company and the Vendors entered into the Rision Share Sale Agreement on 22 September 2014. Upon completion of the Rision Acquisition, the Company will hold 100% of the issued share capital of Rision and will be the ultimate beneficial owner of Skills Connect.

Part of the consideration payable by the Company under the Rision Share Sale Agreement is the issue of the Consideration Shares, the Class A Performance Shares and the Class B Performance Shares to the Vendors at completion of the Rision Acquisition.

Section 706 of the Corporations Act provides that an offer of securities for issue needs disclosure to investors unless the investor is a person exempt from disclosure or an exemption in sections 708 or 708A of the Corporations Act applies.

None of the exemptions in sections 708 and 708A apply in respect of the Vendor Offer. Accordingly, this Prospectus seeks to satisfy the requirement in section 706 of the Corporations Act by containing an offer of the Consideration Shares, the Class A Performance Shares and the Class B Performance Shares to the Vendors.

The Vendor Offer is made only to the Vendors.

The Consideration Shares offered to the Vendors under this Prospectus are of the same class and will rank equally in all respects with the then issued Shares. The rights and liabilities attaching to Consideration Shares are further described in Section 11.1.

All or part of the Consideration Shares may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 24 months. Please see Section 6.19 for further information.

Please refer to Section 11 for a summary of the rights and liabilities attached to the Class A Performance Shares and Class B Performance Shares issued under this Prospectus. The Shares to be issued upon conversion of the Class A Performance Shares and the Class B Performance Shares will be of the same class and will rank equally in all respects with the then issued Shares of the Company. The rights and liabilities attaching to Existing Shares are further described in Section 11.

#### **6.4 FACILITATION OFFER**

By this Prospectus, the Company offers 20,000,000 Facilitation Shares to the Facilitators, made up as follows:

- (a) 10,000,000 Facilitation Shares to Trident Capital; and
- (b) 10,000,000 Facilitation Shares to SCM.

Under the Rision Share Sale Agreement, the Company agreed to issue to the Facilitators 20,000,000 Facilitation Shares as the facilitation fee payable in respect of the Rision Acquisition.

Section 706 of the Corporations Act provides that an offer of securities for issue needs disclosure to investors unless the investor is a person exempt from disclosure or an exemption in sections 708 or 708A of the Corporations Act applies.

None of the exemptions in sections 708 and 708A apply in respect of the Facilitation Offer. Accordingly, this Prospectus seeks to satisfy the requirement in section 706 of the Corporations Act by containing an offer of the Facilitation Shares to the Facilitators.

Additionally, this Prospectus is also being issued to facilitate secondary trading of the Facilitation Shares (for the purposes of sections 707(3) and 707(4) of the Corporations Act).



The Facilitation Offer is made only to the Facilitators.

The Facilitation Shares offered to the Facilitators under this Prospectus are of the same class and will rank equally in all respects with the then issued Shares. The rights and liabilities attaching to Facilitation Shares are further described in Section 11.

All or part of the Facilitation Shares may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 24 months. Please see Section 6.19 for further information.

## **6.5 CONDITIONAL OFFERS**

The Offers under this Prospectus are conditional upon a number of events occurring, including:

- (i) the Minimum Subscription under the Prospectus being achieved;
- (ii) all Resolutions receiving Shareholder approval at the General Meeting;
- (iii) ASX providing the Company with a list of conditions which, when satisfied, will result in ASX reinstating the Shares to Official Quotation on ASX upon satisfaction of Chapters 1 and 2 of the Listing Rules and such conditions being reasonable acceptable to the Company and the Vendors; and
- (iv) completion taking place under the Rision Share Sale Agreement. A summary of the Rision Share Sale Agreement and a description of the conditions precedent to completion under the Rision Share Sale Agreement are set out in Section 9.1 of this Prospectus.

If the conditions above are not satisfied, the Offers will not proceed and investors will be refunded their Application Monies without interest.

## **6.6 RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE LISTING RULES**

At the General Meeting, the Company will seek Shareholder approval for, amongst other things, a change in nature and scale of its activities. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

In accordance with Chapter 11 of the ASX Listing Rules, the Company's Shares will be suspended from Official Quotation from the time of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX approving the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

On 23 September 2014, the Company announced that it would undertake the Consolidation in accordance with Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11. The Company has since applied for and received a waiver from the ASX from compliance with Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11 to allow the Company offer Securities for 2 cents. Accordingly the Company will not be conducting the Consolidation.

There is a risk that the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received without interest.

The Company will apply to ASX no later than seven (7) days from the date of this Prospectus for ASX to grant Official Quotation to the Shares issued pursuant to this Prospectus.

If the Shares are not admitted to Official Quotation within three (3) months after the date of this Prospectus, no Shares will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

## **6.7 MINIMUM SUBSCRIPTION**

The Minimum Subscription for the Public Offer is \$4,000,000. No Shares will be allotted or issued until the Public Offer has reached the Minimum Subscription. If the Minimum Subscription is not achieved within four months after the date of this Prospectus, all Application Monies will be refunded (without interest) in accordance with the Corporations Act.

## **6.8 OVERSUBSCRIPTIONS**

Oversubscriptions of up to a further 200,000,000 New Shares (making a total of 400,000,000) at an issue price of \$0.02 per New Share to raise up to a total of \$8,000,000 may be accepted at the Directors' discretion. The maximum amount that may be raised under the Public Offer (assuming Maximum Subscription) is \$8,000,000.

## **6.9 UNDERWRITING**

None of the Offers are underwritten.

## **6.10 PURPOSE OF THE PROSPECTUS**

The purpose of this Prospectus is to:

- (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules;
- (b) raise up to approximately \$4,000,000 (before costs and expenses) pursuant to the Public Offer; and
- (c) satisfy the requirements of section 706 of the Corporations Act in respect of the issue of the:
  - (i) Consideration Shares, Class A Performance Shares and Class B Performance Shares to the Vendors; and
  - (ii) Facilitation Shares to Trident Capital and SCM,  
for whom a disclosure document is required.

## 6.11 PURPOSE OF THE OFFERS

The purpose of the Offers is to:

- (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules;
- (b) assist completion of the Rision Acquisition;
- (c) develop and advance the Rision Business; and
- (d) provide funds for project generation and the assessment of further potential acquisitions.

## 6.12 PROPOSED APPLICATION OF FUNDS RAISED

Funds raised from the Public Offer are intended to be applied as follows:

| PROPOSED APPLICATION OF FUNDS RAISED                                |                                       |             |                                       |             |
|---|---------------------------------------|-------------|---------------------------------------|-------------|
|   | Minimum Subscription<br>(\$4,000,000) |             | Maximum Subscription<br>(\$8,000,000) |             |
|   | Amount (\$)                           | %           | Amount (\$)                           | %           |
| Expenses of the Capital Raising<br>(including capital raising fees) | 440,000.00                            | 11%         | 720,000.00                            | 9%          |
| Sales and marketing of Rision<br>products                           | 1,131,000.00                          | 28%         | 2,766,000.00                          | 35%         |
| Ongoing technology development                                      | 650,000.00                            | 16%         | 1,114,000.00                          | 14%         |
| Corporate and administration  | 465,000.00                            | 12%         | 793,000.00                            | 10%         |
| Repayment of loans and deferred<br>payments                         | 350,000.00                            | 9%          | 350,000.00                            | 4%          |
| Working capital (including<br>salaries)                             | 964,000.00                            | 24%         | 2,257,000.00                          | 28%         |
| <b>Total Funds Allocated</b>  | <b>\$4,000,000.00</b>                 | <b>100%</b> | <b>\$8,000,000.00</b>                 | <b>100%</b> |

**The Directors are satisfied that upon completion of the Offers, the Company will have sufficient capital to meet its stated objectives.**

The use of further equity funding or share placements will be considered by the Directors where it is appropriate to accelerate a specific project as detailed in this Prospectus.

It should be noted that the above activities and budgets will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities as they are carried out.

Due to market conditions, the development of new opportunities or any number of other factors (including the risk factors set out in Section 12) actual expenditure levels may differ significantly to the above estimates.

The Company intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in these estimates. It is possible that future acquisitions that may be contemplated may exceed the current or projected financial

resources of the Company and it is expected that these acquisitions would be funded by project finance and/or equity issues (subject to Shareholder approvals).

### 6.13 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offers and the Rision Acquisition.

|  | Minimum Subscription     | Maximum Subscription     | Number of Performance Shares                                   |
|--|--------------------------|--------------------------|--|
| Number currently on issue  | 626,699,469              | 626,699,469              |  |
| To be issued to the Vendors pursuant to the Rision Share Sale Agreement        | 400,000,000 <sup>1</sup> | 400,000,000 <sup>1</sup> | Class A – 10,000 <sup>2</sup><br>Class B – 10,000 <sup>3</sup> |
| To be issued to Trident Capital pursuant to the Rision Share Sale Agreement    | 10,000,000 <sup>1</sup>  | 10,000,000 <sup>1</sup>  |  |
| To be issued to SCM pursuant to the Rision Share Sale Agreement                | 10,000,000 <sup>1</sup>  | 10,000,000 <sup>1</sup>  |  |
| To be issued under the Public Offer  | 200,000,000              | 400,000,000              |  |
| <b>Balance after completion of the Public Offer and the Rision Acquisition</b> | <b>1,246,699,469</b>     | <b>1,446,699,469</b>     |  |

Notes:

1. A number of these Shares are expected to be treated as Restricted Securities by ASX and will be subject to escrow. Please refer to Section 6.19.
2. Each Class A Performance Share converts into 35,000 Shares on terms and conditions set out in Section 11.2(a).
3. Each Class B Performance Share converts into 30,000 Shares on terms and conditions set out in Section 11.2(b).

### 6.14 PAYMENT AND LODGEMENT DETAILS

The details provided in this Section 6.14 relate to the Application Form.

All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the Application being \$0.02 per Share. Cheques must be made payable to "Reclaim Industries Limited" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and cheques must be received by the Share Registry before 5.00pm WST on the Closing Date.

**Applicants are urged to lodge their Application Forms as soon as possible, as the Public Offer may close early without notice.**

**Delivered to:**

Trident Capital Pty Ltd  
 Level 24, St Martins Centre  
 44 St Georges Terrace  
 Perth, Western Australia

**Mailed to:**

Trident Capital Pty Ltd  
 PO Box Z5183  
 PERTH WA 6831

An original, completed and lodged Application Form together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final. However an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

**6.15 SUBSTANTIAL SHAREHOLDERS**

The Shareholders holding a relevant interest in 5% or more of the Shares are as follows:

|                         | As at the date of this Prospectus |       | Following completion of the Offers and the Rision Acquisition |        | Following completion of the Offers and the Rision Acquisition |        |
|-------------------------|-----------------------------------|-------|---|--------|---|--------|
|                         | Shares <sup>1</sup>               | %     | Shares <sup>2</sup>   | %      | Shares <sup>3</sup>   | %      |
| Trident Capital Pty Ltd | 43,500,000                        | 6.94% | 53,500,000  | 4.29%  | 53,500,000  | 3.70%  |
| Pebtilly Pty Ltd        | -                                 | -     | 259,119,922   | 20.75% | 259,119,922   | 17.74% |

Notes:

1. Based on the total number of 626,699,496 Existing Shares on issue as at the date of this Prospectus.
2. Assumes subscription for 200,000,000 Shares under the Public Offer and no Class A or Class B Performance Shares are converted into Shares.
3. Assumes subscription for 400,000,000 Shares under the Public Offer and no Class A or Class B Performance Shares are converted into Shares.

**6.16 ALLOCATION AND ALLOTMENT OF SHARES**

The Directors will determine the allottee of all the Shares in their discretion. The Directors reserve the right to reject any Application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

Subject to the Company being satisfied that it will meet the requirements of Chapters 1 and 2 of the ASX Listing Rules, the allotment of Shares issued pursuant to the Public Offer will

occur as soon as practicable after the Closing Date. All Shares issued pursuant to the Public Offer will rank pari passu in all respects with the Existing Shares of the Company. Statements of shareholdings will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their statement of shareholding will do so at their own risk.

#### **6.17 APPLICATION MONIES TO BE HELD IN TRUST**

The Application Monies will be held in a separate bank account on behalf of Applicants until the Shares are allotted. If the Minimum Subscription is not achieved within four months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and no Shares will be allotted pursuant to this Prospectus. All interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

#### **6.18 ASX LISTING**

The Company will be suspended from Official Quotation from the time of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX confirms the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within seven days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of three months after the date of this Prospectus (or such other period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies for the Shares within the time prescribed by the Corporations Act, without interest.

Neither ASX nor ASIC nor their respective officers take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Securities offered under this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Securities offered under this Prospectus.

#### **6.19 RESTRICTED SECURITIES**

Pursuant to the Listing Rules, securities issued to promoters, seed capitalists and vendors of classified assets may have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period. At this stage it is expected that a total of 269,310,499 Shares on issue as at the completion of the Offers under this Prospectus are expected to be subject to the restricted securities provisions as follows:

- (a) 7,447,207 Shares issued to Vendors will be classified as restricted securities for a period of 12 months from the date of original issue of the Rision shares to which they relate under paragraph 2 of Appendix 9B of the Listing Rules;
- (b) 241,863,292 Shares issued to Vendors who are related parties and promoters of Rision will be classified as restricted securities for a period of 24 months from the date of Official Quotation of the securities of the Company under paragraph 1 of Appendix 9B of the Listing Rules; and

- (c) 20,000,000 Shares to be issued to the Facilitators will be classified as restricted securities for a period of 24 months from the date of Official Quotation of the securities of the Company under paragraph 7 of Appendix 9B of the Listing Rules.

ASX may determine further escrow restrictions once the Company lodges its application for quotation of the Shares. The Company will announce to the ASX full details (number and duration) of the Shares required to be held in escrow prior to the Shares re-commencing trading on ASX.

## **6.20 CHESS AND ISSUER SPONSORSHIP**

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have a sponsoring broker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The statement will also advise the holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **6.21 RISKS**

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 12. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

## **6.22 RESTRICTIONS ON DISTRIBUTION OF THIS PROSPECTUS**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit the Offers to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Securities offered pursuant to this Prospectus.



## 6.23 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use such personal information to assess Applications, to provide facilities and services to Shareholders, and to carry out various administrative functions.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Access to the personal information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws.

You may access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

## 6.24 EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications during the Exposure Period. This Exposure Period may be extended by ASIC for a further seven days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. Preference will not be conferred upon Applications received during the Exposure Period.

## 6.25 ELECTRONIC PROSPECTUS

This Prospectus is also available on the Company's website at [www.reclaimindustries.com.au](http://www.reclaimindustries.com.au) and Rision's website at [www.rision.com](http://www.rision.com). Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on (08) 6211 5099.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic version of the Application Form, it was not provided together with the electronic version of this Prospectus and the relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.



## **6.26 WITHDRAWAL**

The Directors may at any time decide to withdraw this Prospectus and the Public Offer in which case the Company will return all Application Monies (without interest).

## **6.27 ENQUIRIES**

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay.

Questions relating to the Offers can be directed to the Company on (08) 6211 5099.

Questions relating to the completion of the Application Forms can be directed to the Share Registry on (08) 9315 2333.

## 7. COMPANY OVERVIEW

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The information provided in this Section 7 is summary form only. Investors should read the remainder of this Prospectus which contains more detailed information before making a decision to invest in the Company.

### 7.1 OVERVIEW OF RISION



Rision Pty Ltd is an unlisted private company that was originally funded by private investment from its five shareholders. The company is focused on providing human resourcing solutions for organisations that manage contingent workers and their employees. Rision addresses the changing employment landscape that is witnessing a global move to a contingent workforce, and the subsequent rise in the number of people working multiple part-time jobs.

Founded in 2001, under the name Employment Management Solutions Pty Ltd, the company designed and developed a system that enabled businesses to control their contingent workforce hiring processes. Intellectual property was developed, as described below, enabling business to connect and transact with multiple suppliers of contingent employees. In 2009 the company was rebranded as Skills Connect.

In September 2014 the company entered into the Rision Share Sale Agreement with Reclaim Industries Limited in order to access funding to further develop the platform into a fully integrated mobile and HTML 5 solution. The redevelopment enables employees, business managers and human resources professionals to connect, streamlining the hiring and management of staff for businesses while providing increased transparency for employees. The redevelopment of the platform will enable access to broader markets through a Software-as-a-Service ("**SaaS**") offering.

The company name was changed to Rision Pty Ltd, reflecting the fact that Rision helps employees to rise up through their work to achieve their financial and career aspirations, while enabling businesses to rise above their human resourcing challenges to identify, employ and manage staff.

Rision's mobile and HTML 5 product is currently completing development, with expected completion of the first version of the mobile product by the end of the second quarter of 2015. It will be available and ready for use by small, medium and large organisations during the second quarter of 2015 in English. Spanish translations have also been commissioned with delivery expected before the end of the third quarter of 2015.

Appointment of administration, sales and marketing support will follow the Proposed Transaction and will scale with company growth over time. Rollout of programs and projects relating to sales and marketing will commence during the third quarter of 2015 and be ongoing.

## Rision's Intellectual Property

Rision has a granted patent in Australia and New Zealand and pending patent applications in the USA, for a transaction based process connecting business to multiple suppliers of contingent employees, from hire to payroll:

- United States Patent Application No. 11/817,024; entitled: Transactional Engine Linking Businesses to Multiple Recruitment Companies for Engagement & Management of Labour;
- Australian Complete Patent No. 2006218253; entitled: Transactional Engine Linking Businesses to Multiple Recruitment Companies for Engagement & Management of Labour; and
- New Zealand Complete Patent No, NZ 560974; entitled: Transactional Engine Linking Businesses to Multiple Recruitment Companies for Engagement & Management of Labour.

For more information on Rision's patent applications, please see the Intellectual Property Expert's Report at Section 13.

In addition Rision has a portfolio of registered domain names, and has lodged the following trademark applications for the Rision logo in both Australia and the USA:

- Australian Application No. 1682137: RISION (Word and Logo);
- Australian Application No. 1682136: RISION (Logo);
- U.S. Trade Mark Application No. 86/577420: RISION (Word and Logo); and
- U.S. Trade Mark Application No. 86/577468: RISION (Logo).

Rision has received official confirmation from IP Australia that the two Australian trademark applications listed above ("**Australian Applications**") have cleared the examination stage of the registration process. The Australian Applications will be advertised as accepted in the Official Journal of Trade Marks, to give third parties an opportunity to oppose one or both of the Australian Applications during a formal two-month opposition period.

## Rision's Products and Services

Rision's platform is designed for use by job seekers, businesses and their employees, and human resources professionals. The platform enables transparent, efficient connectivity to help drive improved work practices and productivity.

Job seekers use Rision to find work, without having to submit multiple job applications. Job seekers register with Rision and provide basic personal, employment and education information as well as their availability. Once registered, the platform matches their skill set to job offers for contingent work, and job seekers can view, decline or accept job offers from their smartphone.

Businesses can use Rision to manage their contingent workforce, enabling fast hiring and scheduling of staff, and improved management of hours worked. Businesses register with Rision, and can use the platform to identify, employ and roster staff, and manage timesheets at a competitive price point.

Rision's initial product offering includes:



JobMatch

This product leverages Rision's network to match employees and employers, simplifying the employment process. Job seekers do not have to write job applications, and the burden of reviewing CVs is reduced for businesses. Managers are provided with a shortlist of job seekers from the Rision network that best match their needs, including being available when needed. Candidates get notified when they are chosen and can accept or decline job interviews and offers on their smartphone.



Roster

This product provides an intuitive interface to manage rostering of staff quickly and efficiently, including providing shift notifications to employees via their mobile phone.



LastMinute

This product helps managers to fill shifts at the last minute, for example when staff members call in sick, from known candidates with the required availability, skills and expertise.



TimeSheet

This product enables online completion and approvals of hours worked via a mobile timesheet. The information is passed to the payroll system to enhance the efficiency of remuneration processes while significantly lowering management costs.

Additionally, Rision is developing business intelligence product offerings that provide businesses with tools to make informed HR decisions to benefit their company and its employees.

Rision is also developing a mobile wallet product that will enable employees to be paid directly on their mobile phone, through integrations with white-labelled mobile wallet companies.

### Target Market

Rision is commercialising its products in dynamic, large scale employment industries that use contingent workers. Rision has already attracted business users in restaurant, fast food, cleaning and catering industries. Additionally, Rision's products are applicable to industries including but not limited to hospitality; event management; hotels; security services; high street retail; and health and aged care.

Rision intends to appoint a direct sales force to drive business adoption of its products that are currently available for use including JobMatch, Roster, LastMinute and TimeSheet. Additionally, Rision will also drive licensing, distribution and reseller agreements. Channel partnerships will be sought with synergistic companies including mobility channel integrators and accounting firms. Integration opportunities will be sought with synergistic businesses including payroll companies. Rision also intends to work with advocates, such as industry associations and chambers of commerce. The intent of this approach is to

enable the company to scale at speed to become a significant provider of employment management systems.

Rision will drive candidate adoption of its platform through attracting business customers and through a consumer campaign. Candidates acquired through business customer acquisition will be able to manage their workload with their employer including accepting shifts, completing timesheets and communicating with managers. The consumer acquisition campaign will be targeted at job seekers, who will be able to register with the platform in order to find work. Once employed, they will continue to use Rision to manage their workload with their new employer.

Rision is available in Australia and the USA, and the company plans to explore additional markets including in Asia and the Americas.

## Pricing

Rision is free to candidates, who can register online through a web interface or download a free application (iOS or Android).

Rision charges businesses for the ongoing use of its products and its preliminary go to market rates are as follows.

| Revenue Type                                     | Standard Rate <sup>1</sup>   |
|--|------------------------------|
| JobMatch   | \$40 per search/hire         |
| Roster   | \$1.50 per employee per week |
| LastMinute                                       | Free                         |
| TimeSheet  | \$1.50 per employee per week |
| Payment <sup>2</sup>                             | Per transaction              |
| Report <sup>2</sup>                              | Per report                   |
| Targeted advertising to job seekers <sup>2</sup> | Per advertisement            |

<sup>1</sup> Rates shown are preliminary rates as at 23 June 2015. The Company reserves the right to amend the rates without notice. Rision may also change the services for which it charges or introduce new charges not currently contemplated. Actual rates charged to clients who contract to use the Rision services are subject to negotiation and may differ, including with volume discounts, geographic locations and strategic partnerships.

<sup>2</sup> Future potential revenue lines.

## Key Strengths

Rision's key strengths include:

- A unique product offering: to the best of Rision's directors' knowledge Rision offers an underserved demographic a user-friendly, low cost HR technology. It supports hiring, scheduling, and management of staff. By bringing together these components into a single integrated platform Rision can enable greater efficiencies in end-to-end human capital management.
- A large target customer base, across a number of industry verticals.

- Strong growth prospects through its sales and marketing strategy and continuing technology development that meets end user (both business and candidate) needs. This includes Rision's enterprise grade mobile solution.

## 7.2 COMPANY BACKGROUND

On 19 May 2014 the Company announced that it had entered into a Heads of Agreement (which agreement was subject to a formal share sale agreement being entered into between the Company and the Vendors) to acquire Employment Management Systems Pty Ltd, the 100% owner of Skills Connect Pty Ltd (the **Subsidiary**). On 26 November 2015 Employment Management Systems Pty Ltd changed its company name to Rision Pty Ltd.

On 22 September 2014, the Company entered into a Share Sale Agreement, which replaced the Heads of Agreement (**Share Sale Agreement**). The Share Sale Agreement was varied by agreements on 30 December 2014, 11 February 2015 and 9 April 2015 (together with the Share Sale Agreement, the "**Rision Share Sale Agreement**"). For further details regarding the Rision Share Sale Agreement please refer to Section 9.1.

The terms of the Rision Share Sale Agreement are as follows:

- (a) **Conditions precedent:** completion of the Rision Acquisition under the Rision Share Sale Agreement is subject to and conditional upon (amongst other things):
- (i) The Company being satisfied with its due diligence enquiries in respect of Rision;
  - (ii) The Vendors being satisfied with their due diligence enquiries in respect of the Company;
  - (iii) Termination of the following agreements with effect from Completion:
    - (A) The Services Agreement between the Company and Trident Management Services dated 13 March 2012; and
    - (B) The Engagement Agreement between the Company and Trident dated 15 November 2013;
  - (iv) The Company obtaining all required regulatory and Shareholder approvals;
  - (v) The Company completing a capital raising of at least \$2,500,000; and
  - (vi) As the Company is required by ASX to re-comply with Chapters 1 and 2 of the Listing Rules, ASX providing the Company with a list of conditions reasonably acceptable to the Vendors and the Company which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX,

(together, the "**Rision Sale Conditions**").

The Company must use all reasonable endeavours to procure the satisfaction of conditions (i), (iv), (v) and (vi) above. The Vendors must use all reasonable endeavours to procure the satisfaction of conditions (iii), (iv), (v) and (vi) above.

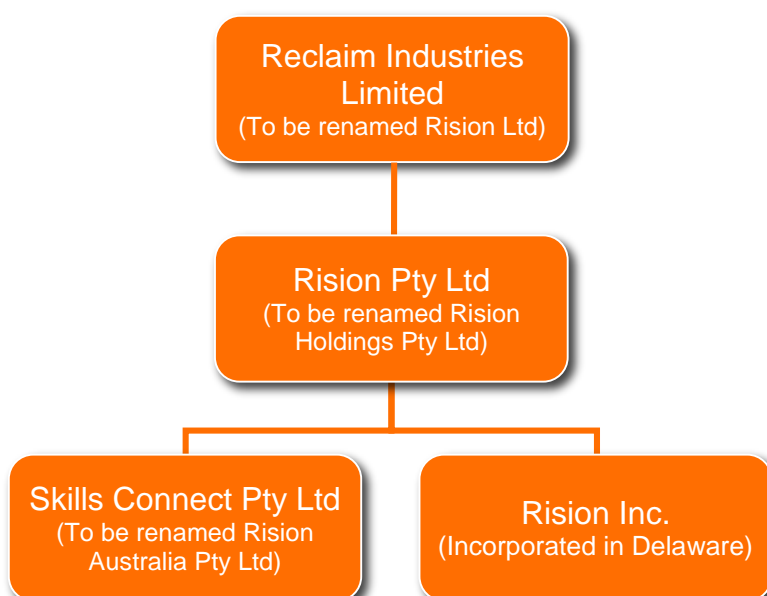
If the Rision Sale Conditions are not satisfied (or waived to the extent that any Rision Sale Condition is capable of waiver) by 30 June 2015 (or such other date as

may be agreed by the parties in writing), the Rision Share Sale Agreement will terminate immediately.

- (b) **Consideration:** The total consideration payable by the Company under the Rision Share Sale Agreement is (pre-Consolidation) up to 1,050,000,000 Shares in the Company at a deemed issue price of \$0.02 per Share to be issued to the Vendors, subject to consolidation in the same ratio which applies to the Consolidation.
- (c) **Completion:** Completion of the Rision Acquisition under the Rision Share Sale Agreement is to occur on 30 June 2015. At Completion of the Rision Share Sale Agreement, the Company has agreed to issue Shares to the Vendors, and Facilitation Shares to the Facilitators pursuant to the Facilitation Offer under this Prospectus. In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Messrs Hewitt-Dutton, Ong and Scoggin will resign as Directors.
- (d) **Warranties and indemnities:** The Rision Share Sale Agreement contains additional provisions, including warranties and indemnities in respect of the status of Rision and the Company, which are considered standard for agreements of this kind.
- (e) **Other:** The Rision Share Sale Agreement otherwise contains standard clauses typical for an agreement of this nature.

At a General Meeting to be held on 30 June 2015 the Company will seek Shareholder approval for, amongst other things, a change to the nature and scale of its business to a business intelligence solution for multi-sourced human capital.

### 7.3 CORPORATE STRUCTURE



Following completion of the Offers and the Rision Acquisition, the Company will control the Rision Business and the Company's corporate structure will be as follows:

The Rision Group comprises Rision Pty Ltd, the parent company, which has developed the Rision products and holds the patents over the intellectual property.

Skills Connect is 100% owned by Rision Pty Ltd, and will be the company through which commercialisation of Rision products will be undertaken in the Australia Asia Pacific region. Rision Inc. is the 100% Rision owned subsidiary, established to commercialise Rision's products in North America.

## 7.4 OBJECTIVES AND STRATEGIES

The Company's main objectives in undertaking the Public Offer are to:

- (a) assist the Company to meet the ASX requirements and re-comply with Chapters 1 and 2 of the ASX Listing Rules;
- (b) raise funds to be applied towards completion of the Rision Share Sale Agreement and the development and advancement of the Rision Business; and
- (c) provide funds for project generation, the assessment of further potential acquisitions general working capital and costs and expenses of the Offers.

On completion of the Public Offer, the Board believes that the Company will have sufficient working capital to achieve these objectives.



## 8. BOARD AND MANAGEMENT

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The Directors of the Company collectively have significant experience in the corporate sectors. Brief summaries of the Directors' profiles are set out below.

### 8.1 COMPOSITION OF THE BOARD OF DIRECTORS FOLLOWING RE-ADMISSION

Upon completion of the Rision Acquisition the Board of the Company will be made up of:

- Dr Kate Cornick as Managing Director;
- Robert John Day as Executive Chairman;
- Graham Steer as Non-Executive Director;
- Ron Howard as Non-Executive Director; and
- Anthony Francis Dixon as Non-Executive Director.

### 8.2 EXISTING DIRECTORS

#### **Stephen Hewitt-Dutton – Non-Executive Chairman**

Mr Hewitt-Dutton has over 20 years' experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants.

Mr Hewitt-Dutton is currently a director of ASX listed 3D Medical Limited and Flexiroam Limited which has made application to list on ASX.

Mr Hewitt-Dutton will resign following the appointment of the Proposed Directors.

#### **KC Dennis Ong – Non-Executive Director**

Mr Ong is a director of Trident Management Services. He is an alumni from Deakin University, Victoria, holding a Bachelor of Commerce degree and is a Certified Practising Accountant. Mr Ong has over 25 years of diverse experience in financial management and business advisory to corporations in Australia and South-East Asia.

Mr Ong is currently a director of ASX listed CAQ Holdings Limited (Non-Executive Director).

Mr Ong will resign following the appointment of the Proposed Directors.

#### **David Scoggin – Non-Executive Director**

Mr Scoggin is an 18 year veteran of the international finance industry. He began his career as a proprietary trader for ING Baring and Credit Agricole Indosuez. In 2001 he began working for Susquehanna International Group and as a hedge fund manager. In 2005 he joined Evolution Capital's Global Opportunities Fund, and has spent the past seven years specialising in the Australian natural resource sector.

Mr Scoggin will resign following the appointment of the Proposed Directors.

## 8.3 PROPOSED DIRECTORS

### **Dr Kate Cornick – Managing Director**

Kate Cornick is an experienced technologist with experience working across university, government and private sectors. Prior to joining Rision she held roles including Director of Industry Engagement and Innovation at the University of Melbourne; General Manager, Health and Education at NBN Co, the company rolling out the National Broadband Network in Australia; Executive Director of the Institute for a Broadband-Enabled Society (IBES) - an interdisciplinary research institute established at the focused on broadband applications; and the General Manager of the Centre for Energy-Efficient Telecommunications, a joint venture between the University of Melbourne, Victorian State Government and Alcatel-Lucent. Kate has also worked as Senior Telecommunications Adviser and Deputy Chief of Staff to Senator Stephen Conroy, the Australian Government Minister for Broadband, Communications and the Digital Economy. Her roles included advising on the National Broadband Network policy, consumer issues and regional telecommunications. Kate undertook her PhD in optical telecommunications at the University of Melbourne.

### **Robert John Day – Executive Chairman**

Robert Day is a recruitment executive, with proficiencies across a range of industries including manufacturing, transport, farming, hospitality, oil & gas and construction. Robert Day founded Rision Pty Ltd, formerly Employment Management Systems Pty Ltd, in 2000, recognising the ability to better manage contingent employees through technology solutions. Prior to founding Rision, Robert Day established and managed a successful recruitment business for casual workers, servicing large clients across construction, transport and manufacturing industries. Previously, he gained 15 years' experience working for Shell Chemicals/LPG in a variety of positions including Regional Manager and has also managed his own hospitality business.

### **Anthony Francis Dixon – Non-Executive Director**

Anthony Dixon has held senior roles in investment banking and corporate finance with Macquarie Bank, Cushman & Wakefield, Mirvac and JB Were Goldman Sachs, specialising in advising REITs invested in markets including the United States, Australia and Japan. Tony has also assumed positions in asset management, capital transactions and is the Responsible Officer for a fund. Spending his early childhood in New York, Tony is a graduate of New York University and holds a Bachelor of Business Administration.

### **Graham Steer – Non-Executive Director**

Graham Steer started Spencer Steer in 1996 after 24 successful years as a chartered accountant in other firms. His specialisation lies in corporate advisory, strategically guiding clients as they navigate through complex financial matters. Graham is frequently invited to board positions and holds permanent advisory roles within many organisations, where he provides advice throughout negotiation processes, mergers and acquisitions, share and asset restructuring and other transaction matters.

### **Ron Howard – Non-Executive Director**

Mr Howard serves as Principal of Equity Partners International, Incorporated, a private equity firm with offices in Washington, D.C., Annapolis, Maryland and Los Angeles, California. Mr Howard also served as Gate Gourmet International, Incorporated's Vice Chairman, Division Americas. Mr Howard joined Gate Gourmet International, Incorporated

from Continental Airlines, Incorporated, where he was a key Corporate Officer, a member of the Airline's Operating Committee, and the Chief Executive Officer of its Chelsea Food Services Division and Corporate VP of the In-Flight and Food Services Divisions. Prior to joining Continental Airlines, he held Senior Executive positions in hospitality services and food industries, including Marriott International Corporation, and McCormick & Company, Incorporated.

## 8.4 CORPORATE GOVERNANCE

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 8.4. In establishing its corporate governance framework, the Board has referred to the 3<sup>rd</sup> edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement set out in this Section 8.4 discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company's securities to Official Quotation on ASX. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at [www.reclaimindustries.com.au](http://www.reclaimindustries.com.au), under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Diversity Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communications Policy; and
- (i) Risk Management Policy.

## **Principle 1: Lay solid foundations for management and oversight**

### ***Recommendation 1.1***

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing strategic direction and planning;
- (b) reviewing financial and operational performance;
- (c) identifying principal risks and reviewing risk management strategies; and
- (d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

Currently the business operations of the Company are conducted by the Board. Following completion, the responsibility for the business operations of the Company will be delegated to the Managing Director and the management team. The management team, led by the Managing Director is accountable to the Board.

### ***Recommendation 1.2***

The Company undertakes appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election as a director and provides Shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to Shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

### ***Recommendation 1.3***

The Company has a written agreement with each of the existing Directors, the Proposed Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company has entered into with its Managing Director, any of its directors, and any other person or entity who is a related party of the Managing Director or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

### ***Recommendation 1.4***

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;
- (b) monitoring policies and procedures of the Board;
- (c) advising the Board through the Chairman of corporate governance policies; and
- (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

***Recommendation 1.5***

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity, which will be disclosed in the Company's corporate governance statement for the financial year ended 30 June 2015, and will review the effectiveness and relevance of these measurable objectives on an annual basis.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation will be disclosed by the Company in each corporate governance statement.

***Recommendation 1.6***

The Managing Director will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Managing Director in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Company will report on whether an evaluation of its Managing Director and senior executives has taken place in the relevant reporting period in each of its corporate governance statements.

***Recommendation 1.7***

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;

- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

The Company will report on whether an evaluation of the Board, its committees and individual directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements.

## **Principle 2: Structure the board to add value**

### ***Recommendation 2.1***

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a Remuneration and Nomination Committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Remuneration and Nomination Committee and is disclosed on the Company's website.

### ***Recommendation 2.2***

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- (a) a broad range of business experience;
- (b) technical expertise and skills required to discharge duties; and
- (c) an understanding of the capital markets and the regulatory requirements for an ASX listed Company.

### ***Recommendation 2.3***

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Stephen Hewitt-Dutton (Independent Chairman);

- (b) KC Dennis Ong (Independent Non-Executive Director); and
- (c) David Scoggin (Independent Non-Executive Director).

Messrs Hewitt-Dutton, Ong and Scoggin will resign following the Company's reinstatement to the Official List and Mr Day will be appointed as Executive Chairman, Dr Cornick will be appointed as Managing Director and Messrs Steer, Dixon and Howard, all of whom are non-executive directors, will be appointed to the Board.

Messrs Hewitt-Dutton and Ong have been directors of the Company since 13 March 2012. Mr Scoggin has been a director of the Company since 5 March 2014.

#### ***Recommendation 2.4***

The Board currently has a majority of independent directors. Following reinstatement, the Company will have a majority of independent directors with Messrs Steer, Dixon and Howard being independent directors.

#### ***Recommendation 2.5***

Mr Day will be Executive Chairman. Mr Day is considered to be the most appropriate person to chair the Board because of his experience and knowledge of the Rision products having been involved in their development.

#### ***Recommendation 2.6***

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

### **Principle 3: Act ethically and responsibly**

#### ***Recommendation 3.1***

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

### **Principle 4: Safeguard integrity in corporate reporting**

#### ***Recommendation 4.1***

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

#### ***Recommendation 4.2***

Before the Board approves the Company financial statements for each financial period it will receive from the Managing Director and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### ***Recommendation 4.3***

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and must arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.



## **Principle 5: Make timely and balanced disclosure**

### ***Recommendation 5.1***

The Company is committed to:

- (a) ensuring that Shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the Disclosure Policy. The Disclosure Policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

## **Principle 6: Respect the rights of security holders**

### ***Recommendation 6.1***

The Company provides information about itself and its governance to investors via its website at [www.reclaimindustries.com.au](http://www.reclaimindustries.com.au). The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's Shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.

### ***Recommendation 6.2***

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Company website.

This Shareholder Communication and Investor Relations Policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

### ***Recommendation 6.3***

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of Shareholders to be appropriate at this stage.

### ***Recommendation 6.4***

Shareholders are given the option to receive communications from, and send communications to, the Company and its Share Registry electronically. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

## **Principle 7: Recognise and manage risk**

### ***Recommendation 7.1***

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

#### ***Recommendation 7.2***

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared.

#### ***Recommendation 7.3***

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

#### ***Recommendation 7.4***

Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks. These are outlined in detail in Section 12 of this Prospectus.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.

## **Principle 8: Remunerate fairly and responsibly**

### ***Recommendation 8.1***

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

### ***Recommendation 8.2***

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

### ***Recommendation 8.3***

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in an equity-based remuneration scheme.

## **Security Trading Policy**

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's Securities;
- (b) trading in the Company's Securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

## 9. MATERIAL CONTRACTS

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Set out below is a summary of the contracts to which the Company is a party that may be material or otherwise may be relevant to a potential investor in the Company. The whole of the provisions of the contracts are not repeated in this Prospectus and any potential investor who wishes to gain a full knowledge of the content of the contracts should inspect the same at the registered office of the Company.

### 9.1 RISION SHARE SALE AGREEMENT

On 22 September 2014, the Company entered into a Share Sale Agreement, which replaced the Heads of Agreement (**Share Sale Agreement**). The Share Sale Agreement was varied by agreements on 30 December 2014, 11 February 2015 and 9 April 2015 (together with the Share Sale Agreement, the "**Rision Share Sale Agreement**").

The material terms of the Rision Share Sale Agreement are as follows:

- (a) **Conditions Precedent:** completion of the Rision Acquisition under the Rision Share Sale Agreement is subject to and conditional upon (amongst other things):
- (i) The Company being satisfied with its due diligence enquiries in respect of Rision;
  - (ii) The Vendors being satisfied with their due diligence enquiries in respect of the Company;
  - (iii) Termination of the following agreements with effect from Completion:
    - (A) The Services Agreement between the Company and Trident Management Services dated 13 March 2012; and
    - (B) The Engagement Agreement between the Company and Trident dated 15 November 2013;
  - (iv) The Company obtaining all required regulatory and Shareholder approvals;
  - (v) The Company completing a capital raising of at least \$2,500,000; and
  - (vi) As the Company is required by ASX to re-comply with Chapters 1 and 2 of the Listing Rules, ASX providing the Company with a list of conditions reasonably acceptable to the Vendors and the Company which, when satisfied, will result in ASX reinstating the Shares to Official Quotation on ASX and subject to those conditions having been satisfied,

(together, the "**Rision Sale Conditions**").

The Company must use best endeavours to procure the satisfaction of conditions (i), (iv), (v) and (vi) above. The Vendors must use best endeavours to procure the satisfaction of conditions (iii), (iv), (v) and (vi) above.

If the Rision Sale Conditions are not satisfied (or waived to the extent that any Rision Sale Condition is capable of waiver) by 30 June 2015 (or such other date as may be agreed by the parties in writing), the Rision Share Sale Agreement will terminate immediately.

- (b) **Consideration:** The total consideration payable by the Company under the Rision Share Sale Agreement is (pre-Consolidation) up to 1,050,000,000 Shares in the Company at a deemed issue price of \$0.02 per Share to be issued to the Vendors, subject to consolidation in the same ratio which applies to the Consolidation.
- (c) **Completion:** Completion of the Rision Acquisition under the Rision Share Sale Agreement is to occur on 30 June 2015. At Completion of the Rision Share Sale Agreement, the Company has agreed to issue Shares to the Vendors, and Facilitation Shares to the Facilitators pursuant to the Facilitation Offer under this Prospectus. In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Messrs Hewitt-Dutton, Ong and Scoggin and will resign as Directors.
- (d) **Warranties and indemnities:** The Rision Share Sale Agreement contains additional provisions, including warranties and indemnities in respect of the status of Rision and the Company, which are considered standard for agreements of this kind.
- (e) **Other:** The Rision Share Sale Agreement otherwise contains standard clauses typical for an agreement of this nature.

## 9.2 TRIDENT MANDATE

The Company has entered into an agreement with Trident Capital whereby Trident Capital will receive, amongst other fees, the payment of a facilitation fee in relation to the Proposed Transaction by way of the issue of Shares (which Shareholders approved at the General Meeting). The agreement with Trident Capital is for the provision of corporate advisory services by Trident Capital to the Company, such as corporate advice and restructuring, document preparation, engaging consultants and assisting with capital raising activities.

The Company has agreed to pay Trident Capital a corporate advisory fee of \$15,000 plus GST per month (which commenced from 1 February 2015 and will proceed for a 6 month period, unless extended by agreement between both parties), capital raising fees of 5% of the funds raised directly by Trident Capital for any future capital raisings, a management fee of 1% on all capital raised, a facilitation fee of 5% of the value of any additional asset or project introduced by Trident Capital that is acquired by the Company, and all reasonable out-of-pocket expenses. The facilitation fee is to be satisfied in full via the issue of Shares to Trident Capital pursuant to the Facilitation Offer.

## 9.3 DEEDS OF ACCESS, INDEMNITY & INSURANCE

The Company has entered into deeds of access, indemnity and insurance with each of the existing Directors (**Indemnity Deeds**). Upon the appointment of the Proposed Directors to the Board, the Company intends to also enter into Indemnity Deeds with the Proposed Directors.

Pursuant to these Indemnity Deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Director's right of access to Company records.

## 9.4 LOAN AGREEMENT

On 28 May 2014, the Company entered into a Loan Agreement with Skills Connect, which the Company considers to be on arm's-length terms. Accordingly, Shareholder approval for the Loan Agreement was not sought.

The loan from the Company to Skills Connect under the Loan Agreement was for the amount of \$500,000 (**Initial Advance**). Interest of 7% per annum on the Initial Advance accrued monthly and was calculated on the last day of each calendar month following the date on which the Loan Agreement was signed. The Initial Advance was repayable by 31 October 2014.

The Loan Agreement was varied by agreement dated 21 July 2014 to the effect that the Company agreed to make a further advance of \$900,000 to Skills Connect at a time agreed between the parties (**Further Advance**).

The Loan Agreement was varied further by agreement between the parties dated 22 January 2015 to the effect that the Company would make another advance of \$1,200,000 to Skills Connect, on top of the Initial Advance and the Further Advance, at a time agreed between the parties.

The Loan Agreement was again varied by agreement between the parties dated 8 June 2015 to extend the loan period.

The Loan Agreement contains additional provisions considered standard in agreements of this nature.

## 9.5 SCM MANDATE

SCM entered into a mandate agreement with Skills Connect on 8 April 2014, pursuant to which SCM acts as corporate advisor to Skills Connect in connection with its funding and strategic requirements and to attain the appropriate level of capital to allow Skills Connect to fully implement their 'go to market' strategy (**Assignment**).

The mandate is for a six month period, unless SCM's engagement is terminated or the Assignment is successfully completed.

As compensation for SCM's services under the Assignment, Skills Connect agreed to pay SCM as follows:

### Stage 1

SCM charges a monthly mandate fee of \$15,000 plus GST during the six month period (**Mandate Fee**).

### Stage 2

SCM will charge a 6% (plus GST) capital raising fee (**Capital Raising Fee**) on the raising of all capital for Skills Connect by SCM under the mandate. Any fees raised through SCM that are payable to any third party organisations are not in addition to the amount and fees required for third party disbursements will come from the existing 6% fee.

Travel and any out of pocket expenses must be approved by the Subsidiary in advance for amounts over \$2,000.00. All pre-approved expenses will be reimbursed within 30 days of request.

SCM's engagement under the mandate may be terminated at any time, with or without cause, by either Skills Connect or SCM upon written notice. In the event of any termination of SCM's engagement under the mandate, SCM will continue to be entitled to the fees and expenses that become payable under the mandate prior to termination.

If Skills Connect completes a \$3 million capital raising within 3 months after early termination, then Skills Connect must pay SCM the Mandate Fee and the Capital Raising Fee unless at the time of termination SCM suffers an insolvency event or has failed to carry out, or breached its obligations under the mandate agreement.

SCM and Skills Connect mutually indemnify each other (and their directors, officers, employees and associated parties) against certain losses arising out of their performance of the mandate which occur as a result of a material breach of the mandate by the other party, except in the case of fraud, gross negligence or breach of the mandate by the indemnified parties. The indemnity remains in force until the earlier of the engagement's completion, or 18 months from 8 April 2014. SCM's liability under the mandate is limited to the amount of fees received by SCM pursuant to the mandate. Neither SCM nor Skills Connect may settle any action or judgement concerning an indemnity unless with the prior written consent of the other party or otherwise where such settlement includes an unconditional release of any person entitled to be indemnified from any losses arising out of any such action or judgement.

The mandate contains additional provisions considered standard in agreements of this nature.

## 9.6 EMPLOYMENT AGREEMENT - ROBERT DAY

Mr Robert Day will be engaged as the Company's Expert Advisor pursuant to an employment agreement between the Company and Mr Day (**Employment Agreement**).

The total annual remuneration payable to Mr Day under his employment agreement is AUD\$84,000 per annum plus employer superannuation contributions.

Mr Day's Employment Agreement commenced on 1 July 2014 (**Commencement Date**). The term of the Employment Agreement is 2 years from the Commencement Date, unless otherwise terminated in accordance with the Employment Agreement (**Term**). During the Term, the Employment Agreement may be terminated by the Company if at any time Mr Day:

- (a) is or becomes permanently disabled or prevented by illness, injury, accident or any other circumstances beyond his control from discharging his duties under the Employment Agreement for an aggregate period of 3 months in any 12 consecutive calendar months;
- (b) commits any material or persistent breach of the terms of the Employment Agreement;
- (c) is or becomes guilty of any serious misconduct or wilful neglect in the discharge of his duties under the Employment Agreement;



- (d) is accused of breaching the Company's charter or code of conduct on moral or ethical issues; or
- (e) is or becomes bankrupt or mentally ill.

Otherwise, the Employment Agreement may be terminated by either Party at any time without cause by giving not less than 3 months' notice in writing.

As Expert Advisor, Mr Day shall (amongst other things):

- (a) be engaged as a full-time employee of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote the whole of his time, attention and skill to the duties of his position and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct;
- (b) perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- (c) obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Inventions, discoveries, designs, improvements, developments, copyright work or circuit layout (**Inventions**) relating to or capable of being used in the business of the Company or any of its related corporations which are made by Mr Day during his employment by the Company will be the property of the Company, and Mr Day is obligated to promptly disclose full details of any such Invention.

Mr Day is also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Employment Agreement contains additional provisions considered standard for agreements of this nature.

## 9.7 EMPLOYMENT AGREEMENT - KATE CORNICK

Dr Kate Cornick will be engaged as the Company's Managing Director and Chief Executive Officer pursuant to an employment agreement between the Company and Dr Cornick (**Employment Agreement**).

The total annual remuneration payable to Dr Cornick under her employment agreement is AUD\$250,000 per annum (and proportionately for any lesser period or less than full time basis).

Dr Cornick's Employment Agreement commenced on 8 September 2014 (**Commencement Date**). The term of the Employment Agreement is 2 years from the Commencement Date, unless otherwise terminated in accordance with the Employment Agreement (**Term**). During

the Term, the Employment Agreement may be terminated by the Company if at any time Dr Cornick:

- (a) is or becomes permanently disabled or prevented by illness, injury, accident or any other circumstances beyond her control from discharging his duties under the Employment Agreement for an aggregate period of 3 months in any 12 consecutive calendar months;
- (b) commits any material or persistent breach of the terms of the Employment Agreement;
- (c) is or becomes guilty of any serious misconduct or wilful neglect in the discharge of her duties under the Employment Agreement;
- (d) is accused of breaching the Company's charter or code of conduct on moral or ethical issues; or
- (e) is or becomes bankrupt or mentally ill.

Otherwise, the Employment Agreement may be terminated by either Party at any time without cause by giving not less than 3 months' notice in writing.

As Managing Director and Chief Executive Officer, Dr Cornick shall (amongst other things):

- (a) assume and exercise the powers and perform the duties from time to time vested in or assigned to her by the Board or any officer authorised by the Board on its behalf and in all respects comply with all lawful directions and regulations given or made by the Board and/or any such officer;
- (b) well and faithfully serve the Company and use her talents and best endeavours to promote the Company's interests and welfare;
- (c) in the discharge of her duties conform to, observe and comply with the Constitution and all relevant laws; and
- (d) confirm to such hours of work as the Company may from time to time reasonably require of Dr Cornick.

Inventions, discoveries, designs, improvements, developments, copyright work or circuit layout (**Inventions**) relating to or capable of being used in the business of the Company or any of its related corporations which are made by Dr Cornick during her employment by the Company will be the property of the Company, and Dr Cornick is obligated to promptly disclose full details of any such Invention.

Dr Cornick is also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information after her employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of her employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Employment Agreement contains additional provisions considered standard for agreements of this nature.

## 9.8 EMPLOYMENT AGREEMENT - BARTEK MAYSHAK

Mr Bartek Mayshak will be engaged as the Company's Chief Technology Officer pursuant to an employment agreement between the Company and Mr Mayshak (**Employment Agreement**).

The total annual remuneration payable to Mr Mayshak under his employment agreement is AUD\$137,000 per annum (and proportionately for any lesser period or less than full time basis).

Mr Mayshak's Employment Agreement commenced on 5 January 2015 (**Commencement Date**). The term of the Employment Agreement is 2 years from the Commencement Date, unless otherwise terminated in accordance with the Employment Agreement (**Term**). During the Term, the Employment Agreement may be terminated by the Company if at any time Mr Mayshak:

- (a) is or becomes permanently disabled or prevented by illness, injury, accident or any other circumstances beyond his control from discharging his duties under the Employment Agreement for an aggregate period of 3 months in any 12 consecutive calendar months;
- (b) commits any material or persistent breach of the terms of the Employment Agreement;
- (c) is or becomes guilty of any serious misconduct or wilful neglect in the discharge of his duties under the Employment Agreement;
- (d) is accused of breaching the Company's charter or code of conduct on moral or ethical issues; or
- (e) is or becomes bankrupt or mentally ill.

Otherwise, the Employment Agreement may be terminated by either Party at any time without cause by giving not less than 3 months' notice in writing.

As Chief Technology Officer, Mr Mayshak shall (amongst other things):

- (a) assume and exercise the powers and perform the duties from time to time vested in or assigned to him by the Board or any officer authorised by the Board on its behalf and in all respects comply with all lawful directions and regulations given or made by the Board and/or any such officer;
- (b) well and faithfully serve the Company and use his talents and best endeavours to promote the Company's interests and welfare;
- (c) in the discharge of his duties conform to, observe and comply with the Constitution and all relevant laws; and
- (d) conform to such hours of work as the Company may from time to time reasonably require of Mr Mayshak.

Inventions, discoveries, designs, improvements, developments, copyright work or circuit layout (**Inventions**) relating to or capable of being used in the business of the Company or any of its related corporations which are made by Mr Mayshak during his employment by

the Company will be the property of the Company, and Mr Mayshak is obligated to promptly disclose full details of any such Invention.

Mr Mayshak is also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information after his employment with the Company ceases and being directly or indirectly involved in a competing business during the continuance of his employment with the Company, on terms which are otherwise considered standard for agreements of this nature.

The Employment Agreement contains additional provisions considered standard for agreements of this nature.

## 9.9 ENDEAVOUR TECHNOLOGIES VENDOR DEVELOPMENT AGREEMENT

On 3 June 2014, Endeavour Software Technologies, Inc. (**Endeavour**) and Skills Connect entered into a Statement of Work (**SOW**) for Endeavour to provide consultation services to Skills Connect (**Services**). The scope of the SOW is to provide Services in terms of use case identification, analysis and recommendation of third party APIs, phase wise distribution of requirements and arriving at the cost and schedule for implementing each of these phases. Endeavour's personnel will work on activities under the joint direction of project managers from Skills Connect and Endeavour.

As compensation for Endeavour's Services provided under the SOW, Skills Connect agreed to pay Endeavour US\$13,880. This amount is comprised of a US\$6,940 advance payment and a US\$6,940 final payment.

On 27 June 2014, Endeavour and Skills Connect entered into a Statement of Work (**Second SOW**) for Endeavour to develop Skills Connect's mobile and web application for Apple's iOS operating system, Android operating system and HTML5. Endeavour's personnel will work on activities under the joint direction of project managers from Skills Connect and Endeavour. The predicted budget for the SOW was US\$449,280 and the expected end date for the contract was 6 months from the date on which the SOW was entered into.

On 3 February 2015, the Second SOW was amended to allow for a budget of US\$687,105, to enable additional functionality and redesign of the original platform.

The SOW work has now been functionally completed, but the typical user testing and debugging is ongoing.

## 9.10 GLOBAL ACCESS ADVISORS CONTRACTOR AGREEMENT

On 15 December 2013, Skills Connect and Global Access Advisors Inc. (**Global Access Advisors**) entered into a consultancy agreement to assist Skills Connect to gain market entry into the USA and other markets including, Canada, Latin America, the Caribbean and Israel (**Consultancy Agreement**). Under the Consultancy Agreement, Global Access Advisors agreed to act as a consultant in connection with introducing to Skills Connect key persons who have the ability to bring a product into a particular market (**Contacts**).

Under the Consultancy Agreement, Global Access Advisors agreed to assist Skills Connect by generating ideas and implementing strategies to achieve the objectives of identified opportunities. This involved Global Access Advisors identifying Contacts and introducing Skills Connect to these Contacts during an official visit to the USA with the aim of leveraging opportunities.

The engagement commenced on 15 December 2013 and would continue for a minimum period of 90 working days (**Term**). At the conclusion of the Term, the engagement would renew on a month-to-month basis unless notice was given by one party to the other. The Consultancy Agreement is still in place and has not yet been terminated.

In consideration for the services provided under the Consultancy Agreement, Skills Connect agreed to pay Global Access Advisors advisory fees, commissions and expenses.

## 9.11 GLOBAL PAYOUT INC. JOINT VENTURE AGREEMENT

On 9 June 2015, Rision entered into a joint venture agreement (**Joint Venture Agreement**) with Global Payout Inc. (**Global Payout**), being an interim agreement to facilitate the negotiation of a definitive agreement (**Definitive Agreement**). Global Payout provides off-the-shelf and customized payment options through a worldwide payment solutions platform tied to banks, card associations and payment processors.

Under the Joint Venture Agreement, the parties intend to develop the Definitive Agreement between Global Payout and Rision through which Global Payout's platform would be used as a means to provide mobile-enabled enhanced payroll solutions, loyalty programs and other Global Payout services including but not limited to Visa, Discover and/or MasterCard prepaid cards and co-branded or custom pre-paid cards.

In preparing the Definitive Agreement and evaluate the market, the parties will attempt to:

- (a) enter into a two-way Value Added Reseller (**VAR**) Agreement on or before 15 July 2015 under which each party can sell the jointly created product, with the share of revenue between Global Payout and Rision to be determined from the sale of each party's products;
- (b) create the pricing of the commercially available products to be incorporated into the VAR Agreement;
- (c) identify partners to whom both Global Payout and Rision can jointly promote and sell a product that incorporates Rision's HR platform and Global Payout's payment platform, which may include a Visa/Discover/MasterCard product, to provide a mobile-enabled enhanced payroll solution;
- (d) develop an integration plan to enable beta testing in the third quarter of 2015 and commercial deployments to begin in the fourth quarter of 2015;
- (e) explore opportunities to use data analytics to provide business intelligence product offerings to clients, including leveraging Global Payout's payment platform and Rision's HR business intelligence functionality;
- (f) explore opportunities to allow or facilitate Rision selling Global Payout products including but not limited to Visa, Discover and MasterCard prepaid cards, enhanced payroll solutions, loyalty reward programs, and other solutions; and
- (g) explore opportunities around incorporating Global Payout's loyalty reward program into the Rision HR platform.

Global Payout and Rision shall endeavour to complete a mutually acceptable form of Definitive Agreement by no later than 15 July 2015.

## 10. INVESTIGATING ACCOUNTANT'S REPORT

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PO Box 700 West Perth WA 6872  
Australia

10 June 2015

The Directors  
Reclaim Industries Limited  
Level 24, 44 St George's Terrace  
Perth, WA 6000

Dear Directors

## INVESTIGATING ACCOUNTANT'S REPORT

### 1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('**BDO**') has been engaged by Reclaim Industries Limited ('**Reclaim**' or '**the Company**') to prepare this Investigating Accountant's Report ('**Report**') in relation to certain financial information of Reclaim, for inclusion in the Prospectus. The Prospectus is required under Australian Securities Exchange ('**ASX**') requirements for complying with the admission requirements under Chapter 1 and 2 of the ASX Listing Rules, as a result of Reclaim signing a share sale agreement with Rision Pty Limited ('**Rision**') and the major shareholders of Rision for the acquisition by Reclaim of the entire issued share capital of Rision.

Broadly, the Prospectus will offer up to 400 million Shares at an issue price of \$0.02 each to raise up to \$8 million before costs ('**the Offer**'). The Offer is subject to a minimum subscription level of 200 million shares to raise \$4 million.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('**BDO**') holds an Australian Financial Services Licence (AFS Licence Number 316158).

The Company will hold a General Meeting, whereby, the proposed acquisition of Rision would be voted upon by the Shareholders of Reclaim. Additionally, at the said meeting, the Company will also propose to change its name from Reclaim Industries Limited to Rision Limited.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

### 2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements

applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Rision and Reclaim included in the Prospectus:

- the historical Statement of Comprehensive Income for the period ended 31 December 2014; and
- the historical Statement of Financial Position as at 31 December 2014.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Reclaim for the half year ended 31 December 2014, which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified review opinion on the financial report of Reclaim.

Todd Pratt Audit & Assurance Services issued an unqualified audit opinion on the financial report of Rision for the half year ended 31 December 2014, with an emphasis of matter in their audit report which stated *"We draw attention to Research and Development Expenditure which, is being carried at a written down value of \$1,476,250. Management has prepared a revenue projection model to December 2016 which is based on a number of assumptions. If those assumptions prove to be invalid or budgeted targets cannot be achieved then adjustments would be required to the carrying value of Research and Development Expenditure. The financial report does not include any adjustments that might be necessary should the assumptions prove to be invalid or budgeted targets are not achieved. Our opinion is not modified in respect of this matter.*

*We draw attention to the patents and trademarks carried at a director's valuation of \$1,000,000. The directors have had regard to an independent valuation that was prepared in August 2014 that supports the valuation adopted. Our opinion is not modified in respect of this matter."*

#### *Pro Forma Historical Financial Information*

You have requested BDO to review the following pro forma historical financial information (together the **'Pro Forma Historical Financial Information'**) of Reclaim included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2014.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Reclaim, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 7 of this Report, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Reclaim to illustrate the impact of the event(s) or transaction(s) described in Section 6 and Section 7 of the Report on Reclaim's financial position as at 31 December 2014. As part of this process, information about



Reclaim's financial position has been extracted from Reclaim's financial statements for the period ended 31 December 2014.

### **3. Director's responsibility**

The directors of Reclaim are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

### **4. Our responsibility**

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

### **5. Conclusion**

#### *Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Comprehensive Income of Reclaim and Rision for the period ended 31 December 2014; and
- the Statement of Financial Position of Reclaim and Rision as at 31 December 2014.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

#### *Pro Forma Historical Financial information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Reclaim as at 31 December 2014.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

## 6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2014:

- A capital raising by Reclaim completed on 27 January 2015 which involved an issue of 81.7 million shares at and raised 1.225 million before costs;
- The issue of 400 million shares under the share sale agreement with Rision;
- The issue of 20 million shares as a facilitation fee for the transaction; and
- The de-recognition of \$1,000,000 of intangibles which were previously recognised at directors valuation and does not meet the capitalisation policy of the Company.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Reclaim not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2014, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 200 million shares at an offer price of \$0.02 each to raise \$4 million before costs pursuant to the Prospectus, based on the minimum subscription;
- The issue of 400 million shares at an offer price of \$0.02 each to raise \$8 million before costs pursuant to the Prospectus, based on the maximum subscription;
- Costs of the Offer are estimated to be \$440,000 under the minimum subscription and \$720,000 under the maximum subscription which are to be offset against the contributed equity.

## 8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed Offer other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit (WA) Pty Ltd is the auditor of Reclaim and from time to time, BDO Corporate Finance (WA) Pty Ltd provides Reclaim with certain other professional services for which normal professional fees are received.

## 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Adam Myers', is positioned above the printed name.

**Adam Myers**

Director

**APPENDIX 1**  
**RECLAIM INDUSTRIES LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| Statement of Comprehensive Income                        | Reviewed<br>31-Dec-14<br>\$ |
|--|-----------------------------|
| <b>Revenue</b>   | -                           |
| <b>Other income</b>                                      | 2,158                       |
| <b>Expenses</b>  |                             |
| Director fees  | (60,000)                    |
| Share based payment                                      | -                           |
| Deed of Company Arrangement costs                        | -                           |
| Administration expenses                                  | (239,304)                   |
| Rent   | (12,000)                    |
| Finance costs  | (366)                       |
| <b>Loss from continuing operations before income tax</b> | (309,512)                   |
| Income tax expense                                       | -                           |
| <b>Loss from continuing operations after income tax</b>  | <b>(309,512)</b>            |
| <b>Total comprehensive loss for the year</b>             | <b>(309,512)</b>            |

**RISION PTY LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| Statement of Comprehensive Income                        | Audited<br>31-Dec-14<br>\$ |
|--|----------------------------|
| <b>Revenue</b>   |                            |
| Other income   | 56,274                     |
| <b>Expenses</b>  |                            |
| Software development                                     | (235,368)                  |
| Consulting fees  | (441,713)                  |
| Payroll expenses   | (315,684)                  |
| Accounting fees  | (36,135)                   |
| Other expenses   | (253,857)                  |
| <b>Loss from continuing operations before income tax</b> | (1,226,483)                |
| Income tax benefit/(expense)                             | -                          |
| <b>Loss from continuing operations after income tax</b>  | <b>(1,226,483)</b>         |
| <b>Total comprehensive gain/( loss) for the year</b>     | <b>(1,226,483)</b>         |

This consolidated statement of comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

**APPENDIX 2**  
**RECLAIM INDUSTRIES LIMITED**  
**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| Statement of financial position      | Note | Reclaim          |                  | Rision             |                       | Pro forma adjustments |                  | Pro forma         |    |
|--------------------------------------|------|------------------|------------------|--------------------|-----------------------|-----------------------|------------------|-------------------|----|
|                                      |      | Reviewed as at   | Audited as at    | Subsequent events  | Pro forma adjustments | Pro forma adjustments | Pro forma        | Pro forma         |    |
|                                      |      | 31-Dec-14        | 31-Dec-14        |                    | Minimum               | Maximum               | Minimum          | Maximum           |    |
|                                      |      | \$               | \$               | \$                 | \$                    | \$                    | \$               | \$                | \$ |
| <b>CURRENT ASSETS</b>                |      |                  |                  |                    |                       |                       |                  |                   |    |
| Cash assets                          | 2    | 87,828           | 59,002           | 1,158,098          | 3,560,000             | 7,280,000             | 4,864,928        | 8,584,928         |    |
| Trade and other receivables          |      | 55,268           | 56,884           | -                  | -                     | -                     | 112,152          | 112,152           |    |
| Other debtors, loans receivable      | 3    | 1,400,000        | 52,037           | (1,400,000)        | -                     | -                     | 52,037           | 52,037            |    |
| GST receivables                      |      | -                | 2,730            | -                  | -                     | -                     | 2,730            | 2,730             |    |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>1,543,096</b> | <b>170,653</b>   | <b>(241,903)</b>   | <b>3,560,000</b>      | <b>7,280,000</b>      | <b>5,031,847</b> | <b>8,751,847</b>  |    |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |                    |                       |                       |                  |                   |    |
| Intangible assets                    | 4    | -                | 2,476,250        | (864,083)          | -                     | -                     | 1,612,167        | 1,612,167         |    |
| Receivables                          |      | -                | 81,846           | -                  | -                     | -                     | 81,846           | 81,846            |    |
| PPBE                                 |      | -                | 1,405            | -                  | -                     | -                     | 1,405            | 1,405             |    |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>-</b>         | <b>2,559,501</b> | <b>(864,083)</b>   | <b>-</b>              | <b>-</b>              | <b>1,695,418</b> | <b>1,695,418</b>  |    |
| <b>NON-CURRENT INVESTMENTS</b>       |      |                  |                  |                    |                       |                       |                  |                   |    |
| Skills Connect Pty Limited           |      | -                | 100              | -                  | -                     | -                     | 100              | 100               |    |
| <b>TOTAL NON-CURRENT INVESTMENTS</b> |      | <b>-</b>         | <b>100</b>       | <b>-</b>           | <b>-</b>              | <b>-</b>              | <b>100</b>       | <b>100</b>        |    |
| <b>TOTAL ASSETS</b>                  |      | <b>1,543,096</b> | <b>2,730,254</b> | <b>(1,105,986)</b> | <b>3,560,000</b>      | <b>7,280,000</b>      | <b>6,727,365</b> | <b>10,447,365</b> |    |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |                    |                       |                       |                  |                   |    |
| Trade and other creditors            | 5    | 54,666           | 143,450          | 135,917            | -                     | -                     | 334,033          | 334,033           |    |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>54,666</b>    | <b>143,450</b>   | <b>135,917</b>     | <b>-</b>              | <b>-</b>              | <b>334,033</b>   | <b>334,033</b>    |    |
| <b>NON-CURRENT LIABILITIES</b>       |      |                  |                  |                    |                       |                       |                  |                   |    |
| Financial liabilities                |      | -                | 100,000          | -                  | -                     | -                     | 100,000          | 100,000           |    |
| Unsecured loans                      | 6    | -                | 1,400,000        | (1,400,000)        | -                     | -                     | -                | -                 |    |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>-</b>         | <b>1,500,000</b> | <b>(1,400,000)</b> | <b>-</b>              | <b>-</b>              | <b>100,000</b>   | <b>100,000</b>    |    |
| <b>TOTAL LIABILITIES</b>             |      | <b>54,666</b>    | <b>1,643,450</b> | <b>(1,264,083)</b> | <b>-</b>              | <b>-</b>              | <b>434,033</b>   | <b>434,033</b>    |    |
| <b>NET ASSETS</b>                    |      | <b>1,488,430</b> | <b>1,086,804</b> | <b>158,098</b>     | <b>3,560,000</b>      | <b>7,280,000</b>      | <b>6,293,332</b> | <b>10,013,332</b> |    |
| <b>EQUITY</b>                        |      |                  |                  |                    |                       |                       |                  |                   |    |
| Issued capital                       | 7    | 4,451,333        | 1,336,000        | (917,247)          | 3,960,000             | 7,680,000             | 8,830,087        | 12,550,087        |    |
| Asset revaluation reserve            | 8    | -                | 1,000,000        | (1,000,000)        | -                     | -                     | -                | -                 |    |
| Accumulated losses                   | 9    | (2,962,903)      | (1,249,196)      | 2,075,344          | (400,000)             | (400,000)             | (2,536,755)      | (2,536,755)       |    |
| <b>TOTAL UNIT HOLDERS EQUITY</b>     |      | <b>1,488,430</b> | <b>1,086,804</b> | <b>158,098</b>     | <b>3,560,000</b>      | <b>7,280,000</b>      | <b>6,293,332</b> | <b>10,013,332</b> |    |

*Note 1: The cash and cash equivalents balance above does not account for working capital spent during the period from 1 January 2015 to 31 May 2015. From 1 January 2015 to 31 May 2015, Reclaim has spent approximately \$187,000 towards working capital of the Company. During the same period, Rision has spent approximately \$900,000 towards its normal operating expenses which included software development. The estimated working capital requirement for Reclaim and Rision combined until completion of the Offer is estimated to be approximately \$160,000 per month.*

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.



**APPENDIX 3**  
**RECLAIM INDUSTRIES LIMITED**  
**NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

**Basis of preparation of historical financial information**

The historical financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted and rounded to the nearest dollar.

**Going Concern**

These financial statements have been prepared on the basis of a going concern. The Directors are of the opinion that the group has sufficient funds to meet its commitments as and when they fall due for a period of at least 12 months from the date of this report.

The ability of the Company to continue as a going concern is principally dependent upon the Company's ability to raise funds under the Prospectus.

The directors of the Company are confident that the entity will be able to continue its operations as a going concern. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

**Reporting Basis and Conventions**

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**a) Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purposes entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at either fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial

recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

#### **b) Income Tax**

##### **Current tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### **Deferred tax**

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

##### **Current and deferred tax for the period**

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### **c) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts, where drawn, are shown within borrowings in current liabilities in the statement of financial position.

#### **d) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment, once they become over due by more than 60 days. A separate account records the impairment.

An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debts. The criteria used to determine that there is objective evidence that an impairment loss has occurred include whether the Financial Asset is past due and whether there is any other information regarding increased credit risk associated with the Financial Asset. Bad debts which are known to be uncollectible are written off when identified.

#### **e) Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

#### **Interest revenue**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### **f) Trade and Other Payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

#### **g) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

#### **h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from the taxation authority is included as part of receivables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financial activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.



#### **i) Contributed Equity**

Ordinary share are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

#### **j) Financial Instruments**

##### **Debt and equity instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### **k) Financial assets**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

##### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

##### **Loans and receivables**

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment. Interest income is recognised by applying the effective interest rate method.

##### **Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

#### **l) Leased assets**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the assets. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **m) Segment Reporting**

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

#### **n) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

#### **o) Accounting estimates and judgements**

In the application of the Group's accounting policies, as set out below, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **p) Intangible assets**

##### **Internally generated intangible assets -Research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

##### *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately

#### **q) Acquisition accounting**

A summary of the details with respect to the Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 31 December 2014, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the Acquisition, Reclaim acquires all the shares in Rision by issuing the following shares:

- 400,000,000 fully paid ordinary Consideration Shares,
- 10,000 Class A and 10,000 Class B Performance Shares

The above consideration would result in Rision acquiring an interest of 55.8% (assuming a minimum capital raising of \$4 million and issuance of the performance shares) and 50.4% (assuming a maximum capital raising of \$8 million and issuance of the performance shares) in Reclaim, giving it a controlling interest in Reclaim and equating to a controlling interest in the combined entity following the Acquisition.

Rision has thus been deemed the acquirer for accounting purposes and the acquisition of Rision by Reclaim is not deemed to be a business combination, as Reclaim is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies is on the basis of the continuation of Rision with no fair value adjustments, whereby Rision is deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby Rision is deemed to have issued shares to Reclaim shareholders in exchange for the net assets held by Reclaim.

In this instance, the value of the Reclaim shares provided has been determined as the notional number of equity instruments that the shareholders of Rision would have had to issue to Reclaim to give the owners of Rision the same percentage ownership in the combined entity. We have deemed this to be \$2,375,989 based on the net assets of Rision and an independent valuation of the intangible assets as at 31 December 2014.

The pre-acquisition equity balances of Reclaim are eliminated against this increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of Reclaim, being \$887,559.

|   | Reviewed<br>31-Dec-14<br>\$ | Pro-forma<br>after Offer<br>\$ | Pro-forma<br>after Offer<br>\$ |
|---|-----------------------------|--------------------------------|--------------------------------|
| <b>NOTE 2. CASH AND CASH EQUIVALENTS</b>              |                             | <b>Minimum</b>                 | <b>Maximum</b>                 |
| Cash and cash equivalents                             | 87,828                      | 4,864,928                      | 8,584,928                      |
| <b>Adjustments to arise at the pro-forma balance:</b> |                             |                                |                                |
| Reviewed balance of Reclaim at 31 December 2014       |                             | 87,828                         | 87,828                         |
| <b>Subsequent events:</b>                             |                             |                                |                                |
| Acquisition of Rision                                 |                             | 59,002                         | 59,002                         |
| Placement post year end                               |                             | 1,225,500                      | 1,225,500                      |
| Placement costs                                       |                             | (67,403)                       | (67,403)                       |
|   |                             | 1,217,100                      | 1,217,100                      |
| <b>Pro-forma adjustments:</b>                         |                             |                                |                                |
| Proceeds from shares issued under this Prospectus     |                             | 4,000,000                      | 8,000,000                      |
| Costs of the Offer                                    |                             | (440,000)                      | (720,000)                      |
|   |                             | 3,560,000                      | 7,280,000                      |
| Pro-forma Balance                                     |                             | 4,864,928                      | 8,584,928                      |

|   | Reviewed  | Pro-forma   | Pro-forma   |
|---|-----------|-------------|-------------|
|   | 31-Dec-14 | after Offer | after Offer |
| NOTE 3. OTHER DEBTORS AND LOAN RECEIVABLE             | \$        | \$          | \$          |
|   |           | Minimum     | Maximum     |
| Other debtors and loan receivable                     | 1,400,000 | 52,037      | 52,037      |
| <i>Adjustments to arise at the pro-forma balance:</i> |           |             |             |
| Reviewed balance of Reclaim at 31 December 2014       |           | 1,400,000   | 1,400,000   |
| <i>Subsequent events:</i>                             |           |             |             |
| Acquisition of Rision                                 |           | 52,037      | 52,037      |
| Acquisition of elimination of intercompany loan       |           | (1,400,000) | (1,400,000) |
| Pro-forma Balance                                     |           | 52,037      | 52,037      |

|   | Reviewed  | Pro-forma   | Pro-forma   |
|---|-----------|-------------|-------------|
|   | 31-Dec-14 | after Offer | after Offer |
| NOTE 4. INTANGIBLE ASSETS   | \$        | \$          | \$          |
|   |           | Minimum     | Maximum     |
| Intangible Assets   | -         | 1,612,167   | 1,612,167   |
| <i>Adjustments to arise at the pro-forma balance:</i>   |           |             |             |
| Reviewed balance of Reclaim at 31 December 2014   |           | -           | -           |
| <i>Subsequent events:</i>   |           |             |             |
| Acquisition of Rision   |           | 2,476,250   | 2,476,250   |
| Derecognition of intangibles not recognised under the accounting policies of the merged group |           | (1,000,000) | (1,000,000) |
| Post 31 December software development expenses  |           | 135,917     | 135,917     |
| Pro-forma Balance   |           | 1,612,167   | 1,612,167   |

|   | Reviewed  | Pro-forma   | Pro-forma   |
|---|-----------|-------------|-------------|
|   | 31-Dec-14 | after Offer | after Offer |
| NOTE 5. TRADE AND OTHER CREDITORS                     | \$        | \$          | \$          |
|   |           | Minimum     | Maximum     |
| Trade and other creditors                             | 54,666    | 334,033     | 334,033     |
| <b>Adjustments to arise at the pro-forma balance:</b> |           |             |             |
| Reviewed balance of Reclaim at 31 December 2014       |           | 54,666      | 54,666      |
| <b>Subsequent events:</b>                             |           |             |             |
| Acquisition of Rision                                 |           | 143,450     | 143,450     |
| Post 31 December software development expenses        |           | 135,917     | 135,917     |
| Pro-forma Balance                                     |           | 334,033     | 334,033     |

|   | Reviewed  | Pro-forma   | Pro-forma   |
|---|-----------|-------------|-------------|
|   | 31-Dec-14 | after Offer | after Offer |
| NOTE 6. UNSECURED LOANS                               | \$        | \$          | \$          |
|   |           | Minimum     | Maximum     |
| Unsecured loans                                       | -         | -           | -           |
| <b>Adjustments to arise at the pro-forma balance:</b> |           |             |             |
| Reviewed balance of Reclaim at 31 December 2014       |           | -           | -           |
| <b>Subsequent events:</b>                             |           |             |             |
| Acquisition of Rision                                 |           | 1,400,000   | 1,400,000   |
| Acquisition of elimination of intercompany loan       |           | (1,400,000) | (1,400,000) |
| Pro-forma Balance                                     |           | -           | -           |

| NOTE 7. ISSUED CAPITAL  | Reviewed            | Pro-forma           | Pro-forma   |
|---|---------------------|---------------------|-------------|
|   | 31-Dec-14           | after Offer         | after Offer |
|   | \$                  | \$                  | \$          |
|   |                     | Minimum             | Maximum     |
| Issued and fully paid shares  | 4,451,333           | 8,830,087           | 12,550,087  |
|   | <b>Number of</b>    | <b>Number of</b>    | <b>\$</b>   |
|   | <b>shares (min)</b> | <b>shares (max)</b> | <b>\$</b>   |
| <i>Adjustments to arise at the pro-forma balance:</i>                 |                     |                     |             |
| Fully paid ordinary share capital at 31 December (post consolidation) | 544,999,469         | 544,999,469         | 4,451,333   |
| <i>Subsequent events:</i>   |                     |                     |             |
| <i>Elimination of Reclaim upon reverse acquisition</i>                | -                   | -                   | (4,451,333) |
| <i>Acquisition of Rision</i>  | -                   | -                   | 1,336,000   |
| Issue of shares to "acquire" Rision                                   | 400,000,000         | 400,000,000         | 2,375,989   |
| The issue of facilitation shares                                      | 20,000,000          | 20,000,000          | 400,000     |
| Issue of shares under Placement                                       | 81,700,000          | 81,700,000          | 1,225,500   |
| Placement Issue costs   | -                   | -                   | (67,403)    |
|   | 501,700,000         | 501,700,000         | 818,754     |
| <i>Pro-forma adjustments:</i>   |                     |                     |             |
| Shares issued under this Prospectus                                   | 200,000,000         | 400,000,000         | 4,000,000   |
| Costs of the Offer  | -                   | -                   | (440,000)   |
|   | 200,000,000         | 400,000,000         | 3,560,000   |
| Pro-forma Balance   | 1,246,699,469       | 1,446,699,469       | 8,830,087   |

Rision has been deemed the acquirer for accounting purposes and the acquisition of Rision by Reclaim is not deemed to be a business combination, as Reclaim is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies is on the basis of the continuation of Rision with no fair value adjustments, whereby Rision is deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction is to account for it under AASB 2 Share Based Payments, whereby Rision is deemed to have issued shares to Reclaim shareholders in exchange for the net assets held by Reclaim.

In this instance, the value of the Reclaim shares provided has been determined as the notional number of equity instruments that the shareholders of Rision would have had to issue to Reclaim to give the owners of Rision the same percentage ownership in the combined entity. We have deemed this to be \$2,375,989 based on the net assets of Rision and an independent valuation of the intangible assets as at 31 December 2014.

The pre-acquisition equity balances of Reclaim are eliminated against this increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of Reclaim, being \$887,559.



| NOTE 8. ASSET REVALUATION RESERVE   | Reviewed<br>31-Dec-14 | after Offer<br>\$<br>Minimum | after Offer<br>\$<br>Maximum |
|---|-----------------------|------------------------------|------------------------------|
| Asset revaluation reserve   | -                     | -                            | -                            |
| <b>Subsequent events:</b>   |                       |                              |                              |
| Acquisition of Rision   |                       | 1,000,000                    | 1,000,000                    |
| Derecognition of intangibles not recognised under the accounting policies of the merged group |                       | (1,000,000)                  | (1,000,000)                  |
| Pro-forma Balance   |                       | -                            | -                            |

| NOTE 9. ACCUMULATED LOSSES                            | Reviewed<br>31-Dec-14<br>\$ | Pro-forma<br>after Offer<br>\$<br>Minimum | Pro-forma<br>after Offer<br>\$<br>Maximum |
|---|-----------------------------|---|---|
| Accumulated losses                                    | (2,962,903)                 | (2,536,755)                               | (2,536,755)                               |
| <b>Adjustments to arise at the pro-forma balance:</b> |                             |   |   |
| Reviewed balance of Reclaim at 31 December 2014       |                             | (2,962,903)                               | (2,962,903)                               |
| <b>Pro-forma adjustments:</b>                         |                             |   |   |
| Transaction costs - issue of facilitation shares      |                             | (400,000)                                 | (400,000)                                 |
| <b>Subsequent events:</b>                             |                             |   |   |
| Acquisition of Rision                                 |                             | (1,249,196)                               | (1,249,196)                               |
| Elimination of Reclaim pre acquisition losses         |                             | 2,962,903                                 | 2,962,903                                 |
| Cost of listing                                       |                             | (887,559)                                 | (887,559)                                 |
| Pro-forma Balance                                     |                             | (2,536,755)                               | (2,536,755)                               |

**NOTE 10: RELATED PARTY DISCLOSURES**

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.



**APPENDIX 4**  
**RECLAIM INDUSTRIES LIMITED**  
**HISTORICAL FINANCIAL INFORMATION**

| Statement of Comprehensive Income                        | Audited<br>30-Jun-14 | Audited<br>30-Jun-13 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>Revenue</b>   | -                    | -                    |
| <b>Other income</b>                                      | 19,786               | 12,326               |
| <b>Expenses</b>  |                      |                      |
| Director fees  | (119,903)            | (70,000)             |
| Share based payment                                      | -                    | (245,610)            |
| Deed of Company Arrangement costs                        | -                    | (550,000)            |
| Administration expenses                                  | (407,397)            | (560,019)            |
| Rent   | (24,000)             | (24,000)             |
| Finance costs  | (599)                | (545)                |
| <b>Loss from continuing operations before income tax</b> | <u>(532,113)</u>     | <u>(1,437,848)</u>   |
| Income tax expense                                       | -                    | -                    |
| <b>Loss from continuing operations after income tax</b>  | <u>(532,113)</u>     | <u>(1,437,848)</u>   |
| <b>Total comprehensive loss for the year</b>             | <u>(532,113)</u>     | <u>(1,437,848)</u>   |

| Statement of Financial Position  | Audited as at<br>30-Jun-14 | Reviewed as at<br>31-Dec-13 |
|----------------------------------|----------------------------|-----------------------------|
|                                  | \$                         | \$                          |
| <b>CURRENT ASSETS</b>            |                            |                             |
| Cash assets                      | 437,085                    | 573,600                     |
| Trade and other receivables      | 43,625                     | 51,862                      |
| Other financial asset            | 500,000                    | -                           |
| <b>TOTAL CURRENT ASSETS</b>      | <u>980,710</u>             | <u>625,462</u>              |
| <b>TOTAL ASSETS</b>              | <u>980,710</u>             | <u>625,462</u>              |
| <b>CURRENT LIABILITIES</b>       |                            |                             |
| Trade and other payables         | 376,224                    | 37,410                      |
| <b>TOTAL CURRENT LIABILITIES</b> | <u>376,224</u>             | <u>37,410</u>               |
| <b>TOTAL LIABILITIES</b>         | <u>376,224</u>             | <u>37,410</u>               |
| <b>NET ASSETS</b>                | <u>604,486</u>             | <u>588,052</u>              |
| <b>EQUITY</b>                    |                            |                             |
| Issued capital                   | 3,257,877                  | 2,951,341                   |
| Accumulated losses               | (2,653,391)                | (2,363,289)                 |
| <b>TOTAL EQUITY</b>              | <u>604,486</u>             | <u>588,052</u>              |

**RISION PTY LIMITED**

| Statement of Comprehensive Income                        | Audited<br>30-Jun-14<br>\$ |
|--|----------------------------|
| <b>Revenue</b>   |                            |
| Other income   | 15,032                     |
| <b>Expenses</b>  |                            |
| Software development                                     | -                          |
| Amortisation   | (92,803)                   |
| Consulting fees  | -                          |
| Payroll expenses   | -                          |
| Accounting fees  | -                          |
| Other expenses   | (9,265)                    |
| <b>Loss from continuing operations before income tax</b> | (87,036)                   |
| Income tax benefit/ (expense)                            | 212,964                    |
| <b>Loss from continuing operations after income tax</b>  | <b>125,928</b>             |
| <b>Total comprehensive gain/( loss) for the year</b>     | <b>125,928</b>             |

| Statement of financial position      |  | Audited as at    |
|--------------------------------------|--|------------------|
|                                      |  | 30-Jun-14        |
|                                      |  | \$               |
| <b>CURRENT ASSETS</b>                |  |                  |
| Cash assets                          |  | 101,769          |
| Refundable tax offsets               |  | 212,963          |
| Other debtors                        |  | 1,971            |
| Other current assets                 |  | -                |
| GST receivables                      |  | -                |
| <b>TOTAL CURRENT ASSETS</b>          |  | <b>316,703</b>   |
| <b>NON-CURRENT ASSETS</b>            |  |                  |
| R&D Expenditure                      |  | 1,476,250        |
| Intangible assets                    |  | 1,000,000        |
| Receivables                          |  | -                |
| PP&E                                 |  | -                |
| <b>TOTAL NON-CURRENT ASSETS</b>      |  | <b>2,476,250</b> |
| <b>NON-CURRENT INVESTMENTS</b>       |  |                  |
| Skills Connect Pty Limited           |  | -                |
| <b>TOTAL NON-CURRENT INVESTMENTS</b> |  | <b>-</b>         |
| <b>TOTAL ASSETS</b>                  |  | <b>2,792,953</b> |
| <b>CURRENT LIABILITIES</b>           |  |                  |
| Creditors                            |  | 2,640            |
| Payroll liabilities                  |  | -                |
| <b>TOTAL CURRENT LIABILITIES</b>     |  | <b>2,640</b>     |
| <b>NON-CURRENT LIABILITIES</b>       |  |                  |
| Loans from directors                 |  | -                |
| Unsecured loans                      |  | 500,000          |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |  | <b>500,000</b>   |
| <b>TOTAL LIABILITIES</b>             |  | <b>502,640</b>   |
| <b>NET ASSETS</b>                    |  | <b>2,290,313</b> |
| <b>EQUITY</b>                        |  |                  |
| Issued capital                       |  | 1,336,000        |
| Asset revaluation reserve            |  | 1,000,000        |
| Accumulated losses                   |  | (45,687)         |
| <b>TOTAL EQUITY</b>                  |  | <b>2,290,313</b> |

## 11. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

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### 11.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. It is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### ***Ranking of Shares***

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with the Existing Shares.

#### ***General Meetings***

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

#### ***Voting Rights***

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, each Shareholder present has one vote;
- (c) where a Shareholder has appointed two persons as its proxy, neither proxy may vote on a show of hands;
- (d) on a poll, each Shareholder present has one vote for each fully paid Share and for each Share which is not fully paid, a fraction of a vote equivalent to the proportion which the amount paid up (but not credited as paid up) bears to the total amounts paid and payable (excluding amounts credited) on that Share.

#### ***Dividend Rights***

Subject to and in accordance with the Corporations Act, the ASX Listing Rules, the rights of any preference Shareholders and the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. The dividend is (subject to the rights of, or any restrictions on, the holders of shares created or raised under any special arrangement as to dividend) payable on all Shares pro rata to the total amount for

the time being paid (but not credited as paid) in respect of the Shares as a proportion of the total amounts then paid and payable (excluding amounts credited).

### ***Winding-Up***

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company:

- (a) divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders; and
- (b) vest any part of the assets of the Company in trustees upon any trusts for the benefit of all or any of the Shareholders as the liquidator thinks fit.

### ***Transfer of Shares***

Subject to the Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Company may refuse to register or prevent or interfere with the registration of the transfer of Shares in circumstances permitted or required by the ASX Listing Rules or ASX Settlement Operating Rules.

### ***Variation of Rights***

The rights attaching to the Shares may (whether or not the Company is being wound up and subject to the Listing Rules) only be varied by the written consent of Shareholders with at least 75% of the votes in the Shares, or with the sanction of a special resolution passed at a general meeting.

## **11.2 TERMS AND CONDITIONS OF PERFORMANCE SHARES**

### **Class A Performance Shares**

#### **1. Definitions**

In these terms and conditions, the following terms have the following meaning unless the context otherwise requires:

- (a) **“Company”** means Reclaim Industries Limited (ABN 47 090 671 819).
- (b) **“Subsidiary”** means Skills Connect Pty Ltd (ABN 80 140 523 379) a wholly owned subsidiary of the Company as at the date the Company is re-admitted to the Official List of the ASX following its recompliance with Chapters 1 and 2 of the Listing Rules.
- (c) **“Milestone”** means the Subsidiary achieving \$2,750,000 in revenue within 12 months of the Company advancing \$500,000 to the Subsidiary from the initial capital raising (the **“Loan”**) or the Subsidiary being sold for or valued at not less than \$150,000,000 within 18 months of the issue of the Class A Performance Shares.
- (d) **“Shareholders”** means the existing shareholders of the Company.

(e) “**Shares**” means an ordinary fully paid share in the capital of the Company.

2. Rights attaching to Class A Performance Shares

(a) Each Class A Performance Share shall be issued for nil consideration.

(b) Each Class A Performance Share is a fixed share in the capital of the Company.

(c) The Class A Performance Shares shall confer on a holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A holder has the right to attend general meetings of Shareholders.

(d) A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the circumstances specifically allowed for under the Corporations Act.

(e) The Class A Performance Shares do not entitle a holder to any dividends.

(f) The Class A Performance Shares do not confer on a holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.

(g) The Class A Performance Shares are not transferrable.

(h) If at any time the issued capital of the Company is reconstructed, consolidated or divided, or a return of capital, rights issue or bonus issue is made by the Company, all rights attaching to the Class A Performance Shares will be adjusted to the extent necessary:

(i) to avoid any adverse effect on the relative values of the Class A Performance Shares and the Company’s existing Shares; and

(ii) in any event, to comply with the Listing Rules, the Corporations Act and the Constitution.

(i) Class A Performance Shares will not be quoted on ASX. However, upon conversion of the Class A Performance Shares into Shares pursuant to section 3, the Company must apply for the Official Quotation of the Shares arising from the conversion on ASX in accordance with the Listing Rules. ASX may require that the fully paid ordinary shares arising from the conversion be escrowed and, subject to the Company making submissions to ASX for the purposes of reducing the application of escrow, the holders are required to enter into any agreement necessary to effect the escrow prior to the issue of the converted shares.

(j) The Class A Performance Shares do not confer on a holder any right other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

3. Conversion of Class A Performance Shares to Ordinary Shares
  - (a) The Class A Performance Shares will automatically convert to Shares on the basis of 35,000 pre-Consolidation Shares per Performance Share being converted on the Company achieving the Milestone.
  - (b) For the purposes of calculating the value of the Subsidiary for the determination of the Milestone, the value of \$150,000,000 is achieved if the market capitalisation of the Company is in excess of \$150,000,000 for ten consecutive business days. The daily market capitalisation is calculated by multiplying the number of Shares the Company has on issue on a given day by the volume weighted average price for Shares traded on the ASX on that day.
  - (c) If the Milestone has not occurred on or prior to 18 months of the issue of the Class A Performance Shares, every Class A Performance Share will convert into one (1) Share.
  - (d) The Shares issued on conversion of the Class A Performance Shares will rank pari passu in all respects with existing Shares.
4. Compliance with Corporations Act, ASX Listing Rules and Constitution
  - (a) Notwithstanding anything else contained in these terms and conditions, if the Listing Rules, the Corporations Act or the Constitution prohibits an act being done, that act shall not be done.
  - (b) Nothing contained in these terms and conditions prevents an act being done that any of the Listing Rules, the Corporations Act or the Constitution requires to be done.
  - (c) If any of the Listing Rules, the Corporations Act or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with any of the Listing Rules, the Corporations Act or the Constitution, the holders authorise the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to amending these terms and conditions.

### **Class B Performance Shares**

#### 1. Definitions

In these terms and conditions, the following terms have the following meaning unless the context otherwise requires:

- (a) “**Company**” means Reclaim Industries Limited (ABN 47 090 671 819).
- (b) “**Subsidiary**” means Skills Connect Pty Ltd (ABN 80 140 523 379) a wholly owned subsidiary of the Company as at the date the Company is re-admitted to the Official List of the ASX following its recompliance with Chapters 1 and 2 of the Listing Rules.
- (c) “**Milestone**” means the Subsidiary achieving \$20,000,000 in revenue within 18 months of the Company advancing \$500,000 to the Subsidiary from the

initial capital raising (the “**Loan**”) or the Subsidiary being sold for or valued at not less than \$150,000,000 within 18 months of the issue of the Class B Performance Shares.

- (d) “**Shareholders**” means the existing shareholders of the Company.
- (e) “**Shares**” means an ordinary fully paid share in the capital of the Company.

2. Rights attaching to Class B Performance Shares

- (a) Each Class B Performance Share shall be issued for nil consideration.
- (b) Each Class B Performance Share is a fixed share in the capital of the Company.
- (c) The Class B Performance Shares shall confer on a holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A holder has the right to attend general meetings of Shareholders.
- (d) A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the circumstances specifically allowed for under the Corporations Act.
- (e) The Class B Performance Shares do not entitle a holder to any dividends.
- (f) The Class B Performance Shares do not confer on a holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.
- (g) The Class B Performance Shares are not transferrable.
- (h) If at any time the issued capital of the Company is reconstructed, consolidated or divided, or a return of capital, rights issue or bonus issue is made by the Company, all rights attaching to the Class B Performance Shares will be adjusted to the extent necessary:
  - (i) to avoid any adverse effect on the relative values of the Class B Performance Shares and the Company’s existing Shares; and
  - (ii) in any event, to comply with the Listing Rules, the Corporations Act and the Constitution.
- (i) Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into Shares pursuant to section 3, the Company must apply for the Official Quotation of the Shares arising from the conversion on ASX in accordance with the Listing Rules. ASX may require that the fully paid ordinary shares arising from the conversion be escrowed and, subject to the Company making submissions to ASX for the purposes of reducing the application of escrow, the holders are required to enter into any agreement necessary to effect the escrow prior to the issue of the converted shares.



- (j) The Class B Performance Shares do not confer on a holder any right other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### 3. Conversion of Class B Performance Shares to Ordinary Shares

- (a) The Class B Performance Shares will automatically convert to Shares on the basis of 30,000 pre-Consolidation Shares per Performance Share being converted on the Company achieving the Milestone.
- (b) For the purposes of calculating the value of the Subsidiary for the determination of the Milestone, the value of \$150,000,000 is achieved if the market capitalisation of the Company is in excess of \$150,000,000 for ten consecutive business days. The daily market capitalisation is calculated by multiplying the number of Shares the Company has on issue on a given day by the volume weighted average price for Shares traded on the ASX on that day.
- (c) If the Milestone has not occurred on or prior to 18 months from the date of the issue of the Class B Performance Shares, every Class B Performance Share will convert into one (1) Share.
- (d) The Shares issued on conversion of the Class B Performance Shares will rank pari passu in all respects with existing Shares.

### 4. Compliance with Corporations Act, ASX Listing Rules and Constitution

- (a) Notwithstanding anything else contained in these terms and conditions, if the Listing Rules, the Corporations Act or the Constitution prohibits an act being done, that act shall not be done.
- (b) Nothing contained in these terms and conditions prevents an act being done that any of the Listing Rules, the Corporations Act or the Constitution requires to be done.
- (c) If any of the Listing Rules, the Corporations Act or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with any of the Listing Rules, the Corporations Act or the Constitution, the holders authorise the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to amending these terms and conditions.

## **12. RISK FACTORS**

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### **12.1 INTRODUCTION**

As with any share investment, there are risks involved. There are specific risks, which relate to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. This Section 12 identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisors before deciding whether to apply for Shares.

The Securities offered under this Prospectus are considered highly speculative.

### **12.2 CHANGE IN NATURE AND SCALE OF ACTIVITIES AND CONDITIONALITY OF OFFERS**

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company will be suspended from Official Quotation from the time of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX confirming the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotations on the ASX. In the event that the conditions of the Offers are not satisfied or the Company does not receive conditional approval for re-quotations on ASX then the Company will not proceed with the Offers and will repay all Application Monies received (without interest).

### **12.3 RISION SHARE SALE AGREEMENT**

The Company has entered into the Rision Share Sale Agreement pursuant to which the Vendors agreed to sell and the Company agreed to acquire, 100% of the issued capital of Rision. (Please refer to Section 9.1 for a summary of the material terms of the Rision Share Sale Agreement.)

Completion of the Rision Share Sale Agreement is conditional on the satisfaction of a number of conditions precedent. (Please refer to Section (a) for further details.) There is a risk that the Company may not be able to meet all the conditions precedent outlined in the Rision Share Sale Agreement. In the event that these conditions precedent and the conditions precedent to completion of Rision Acquisition are not met or waived then the Company will not proceed with the Offers and will repay all Application Monies (without interest).

### **12.4 SPECIFIC RISKS RELATING TO THE RISION BUSINESS**

The risk factors described in this Section 12.4 are both specific to the cloud based business intelligence solution for multi-sourced human capital, and also relate to the general business and economic environment in which the Company will operate upon completion of the Rision Acquisition.

(a) **Commercialisation Risk**

Rision is now in the process of commercialising its products, including JobMatch, TimeSheet, Roster and LastMinute. There is a risk that Rision will not be able to successfully commercialise its products, including by not being able to commercialise its products, or by being unable to attract sufficient customers.

(b) **Competition and New Technologies**

The industry in which Rision is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. Key competitors of Rision in the Australian market would include technology start-up company One-Shift (hiring) and Deputy (employee).

While Rision will undertake all reasonable due diligence in its business decisions and operations, Rision will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of Rision's projects and business. For instance, new technologies could overtake the advancements made by Rision's products. In that case, Rision's revenues and profitability could be adversely affected.

(c) **Special Reputational Risks**

Rision operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled customers posting negative comments about Rision in public forums may have a disproportionate effect on Rision's reputation and its ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on Rision's profitability.

(d) **Hosting Provider Disruption Risks**

Rision relies on its primary hosting provider, Amazon Web Services ("**Host**") to maintain continuous operation of its platform and mobile applications stores to maintain the mobile platforms (iOS and Android). Should the Host suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to the Rision platform may also be disrupted. If the Host ceases to offer its services to Rision and Rision is unable to obtain a replacement hosting provider quickly, this could also lead to disruption of services to the Rision platform.

Unavailability of the platform would lead to a loss of revenue while Rision is unable to provide its services. Further, particularly in the case of prolonged outages, such disruptions could have a material adverse impact on Rision's reputation. This could hinder Rision's ability to retain existing customers or attract new customers that would have a material adverse impact on Rision's growth.

(e) **Limited Trading History**

The Rision Business is yet to be fully commercialised and its funding to date has been as a result of equity raisings and loans. Further, Rision's efforts in the past have been significantly focused towards the research and development of its product. There is therefore greater uncertainty in relation to the business and

investors should consider Rision's prospects in light of its limited financial history. In addition, there is no guarantee that Rision will be able to successfully commercialise its products and if it is unable to do so it will not be able to realise significant revenues in the future.

(f) **Protection of Intellectual Property Rights**

Rision believes that its intellectual property rights such as trademarks and patents are important to its success and competitive position and recognises the importance of registering patents and trademarks related to its product and brand. Rision is not aware of any material violations or infringements of its intellectual property rights. However, third parties may in the future attempt to challenge the ownership and/or validity of Rision's intellectual property rights. In addition, the Rision Business is subject to the risks of third parties counterfeiting the "Rision" brand or otherwise infringing intellectual property rights. Such unauthorised use of the "Rision" brand in counterfeit products could not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities. Rision may not always be successful in securing protection for its intellectual property rights, in preventing the production and sale of counterfeit products or preventing other infringements of its intellectual property rights.

Protections offered by foreign jurisdictions in respect of intellectual property may not be as effective as in Australia. Rision may need to resort to litigation in the future to enforce its intellectual property rights. Any such litigation could result in substantial costs and a diversion of its resources. Rision's failure to protect and enforce its intellectual property rights could have a material adverse impact on its reputation, business and results of operation.

(g) **Reliance on Key Personnel**

The recent development of the Rision Business has been in large part due to the talent, effort, experience and leadership of its senior management team, in particular the leadership of Rision founder Robert Day and Managing Director Kate Cornick. Although Rision has entered into service contracts with Robert Day and Kate Cornick, there is no assurance that such contracts will not be terminated or will be renewed on the expiry of their term. In addition, there is no assurance that Messrs Day, Dixon, Howard, Steer and Cornick, or senior management will remain healthy and able to continue in their current roles. If such contracts were terminated or breached, or if the relevant employees were no longer to continue in their current roles, Rision would need to employ alternative staff, and Rision's operations and the Rision Business would be adversely affected.

(h) **Data Loss, Theft or Corruption**

Rision provides its services (exclusively) online through its platform, including HTML5 and native mobile applications. Hacking or exploitation of some unidentified vulnerability in its website could lead to a loss, theft or corruption of data.

Rision will collect sensitive data relating to employment information which could be attractive to hacking or exploitation.

This could render the platform unavailable for a period of time whilst data is restored. It could also lead to unauthorised disclosure of users' data with associated reputational damage, claims by users and regulatory scrutiny and fines. Although

Rision has strategies and protections in place to try to minimise security breaches and to protect data these strategies might not be successful. In that event, disruption to the platform and unauthorised disclosure of user data could negatively impact upon Rision's revenues and profitability.

(i) **Hacker Attacks**

To some extent, Rision relies upon the availability of its website to provide services to customers and attract new customers. Hackers could render the website unavailable through a disrupted denial of service or other disruptive attacks. Rision will collect sensitive data relating to employment information which could be attractive to hacking or exploitation.

Although Rision has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the website could lead to a loss of revenues whilst Rision is unable to provide its services. Further, it could hinder Rision's abilities to retain existing customers or attract new customers, which would have a material adverse impact on Rision's growth.

(j) **Domain Name Risk**

To some extent, the Rision Business depends on customers being attracted to its website. Rision has registered a domain name in Australia for the purposes of its website. However, should Rision not renew or otherwise lose control of its domain name, it would lose all website traffic direct to that domain. This would adversely affect Rision's revenue.

(k) **Attracting Customers to Rision's Website**

To some extent, Rision's revenues depend on sufficient customers being attracted to its website. The amount of visitors to its website directly affects its sales of the product. Various factors can affect the level of web traffic arriving at Rision's website including:

- (i) Marketing and promotions: if Rision's marketing and promotion efforts are not effective this will manifest itself as a lack of customers visiting the Rision website.
- (ii) Brand damage: should Rision suffer from reputational damage, web traffic could be affected.
- (iii) Search engine traffic: search engines such as Google, direct significant traffic to the Rision website. Should these search engines make changes to their algorithms and procedures that direct this traffic, Rision could see a substantial drop in customers visiting its website. For example, Google regularly updates the algorithms that determine the ranking of results it returns for any given search term. Rision attempts to follow Google's guidelines and online best practice to maintain the flow of traffic to its website, but such changes could adversely affect the traffic to its website.

A decline in traffic to Rision's website could lead to a decline in Rision's ability to attract customers. This could adversely affect Rision's revenue.

(l) **Customer Service Risk**

Customers may need to engage with Rision's customer service personnel in certain circumstances, such as if they have a question about the services or if there is a dispute between a customer and Rision. Rision needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If Rision loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied on by customer service personnel are disrupted by technological failures, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on Rision's revenue.

(m) **Risks Associated with the Regulatory Environment**

Rision's main operating entities are based in Australia and subject to Australian laws and regulations. For example, Rision is required to comply with the *Corporations Act* and the *Competition and Consumer Act 2010* (Cth). Rision also supports the Awards system in Australia. However Rision also intends to increase its operations in international jurisdictions such as the United States of America and across the Asia Pacific region. Users, competitors, members of the general public or regulators could allege breaches of the legislation in the relevant jurisdictions, for example, if they considered an advertisement to be misleading or deceptive. This could result in remedial action or litigation, which could potentially lead to Rision being required to pay compensation or a fine. Rision's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon Rision's profitability. In addition, if regulators took the view that Rision had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to Rision and consequent impact upon its revenue.

Rision intends to offer its products throughout the world. Regulatory changes could see Rision being required to hold a licence in some of these jurisdictions or otherwise comply with local regulations. This could preclude Rision from offering certain services in these jurisdictions until such a licence has been obtained, or may require Rision to comply with a range of regulatory requirements. Any such increase in the costs and resources associated with the regulatory compliance in these jurisdictions could impact upon Rision's profitability.

(n) **Foreign Exchange Risks**

Rision's costs and expenses in the United States of America are in US\$. Accordingly, the depreciation and/or the appreciation of the US\$ relative to the Australian currency could result in a translation loss on consolidation which is taken directly to Shareholder equity. Any depreciation of the US\$ relative to the Australian currency may result in lower than anticipated revenue, profit and earnings. Rision will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the US\$, and will have to monitor this risk on an ongoing basis.

(o) **Contractors and Contractual Disputes**

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such risks.

(p) **Liability Claims**

Rision's products are sold predominantly within Australia and the United States of America. Rision may be exposed to liability claims if the products provided are faulty and/or cause harm to its customers. As a result, Rision may have to expend significant financial and managerial resources to defend against such claims. Rision believes that such liability claim risks will increase as new technology is introduced to the market that competes with Rision's products. If a successful claim is made against Rision, Rision may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(q) **Change in nature and scale of activities and conditionality of the Offers**

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotations on the ASX. In the event that the Conditions of the Offers are not satisfied or the Company does not receive conditional approval for re-quotations on ASX then the Company will not proceed with the Offers and will replay all Application Monies received.

(r) **No profit to date**

Rision has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. Since the Company intends to continue investing in developing the Rision platform, the Directors anticipate making further losses in the foreseeable future.

While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(s) **Future capital needs**

Further funding of projects may be required by Rision to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of Rision and consequently its performance.

## 12.5 GENERAL RISKS

(a) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(b) **Liquidity and Dilution Risk**

There are currently 626,699,469 Shares on issue with between 16.0% and 27.6% of the total Shares on issue following requotation of the Company's Shares being offered to the public pursuant to the Prospectus. Upon requotation of the Company's Shares, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider that there is an increased liquidity risk as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months. For further information on potential restrictions to be imposed by ASX see Section 6.19.

The issue of the Consideration Shares to the Vendors under the Rision Share Sale Agreement will have a dilutionary effect on the Shareholders, including investors under this Prospectus. The total amount of Shares on issue following completion of the Proposed Transaction will be between 1,246,699,469 Shares (assuming Minimum Subscription) and 1,446,699,469 Shares (assuming Maximum Subscription).

On a fully diluted basis (assuming no conversion of any Class A or Class B Performance Shares issued under this Prospectus), the Company would currently have 1,446,699,469 Shares on issue (assuming Maximum Subscription) following completion of the Proposed Transaction. Existing Shareholders will retain 43.32% of the issued Shares of the Company, with the Vendors receiving approximately 27.65%, the Facilitators receiving a combined total of approximately 1.38%, and the investors under the Public Offer holding approximately 27.65% of the issued Shares in the Company.

Likewise, the issue of the Class A Performance Shares and the Class B Performance Shares and the subsequent issue of Shares upon the conversion of the Class A Performance Shares and the Class B Performance Shares (the terms and conditions of which are set out in Section 11.2) to the Vendors under the Rision Share Sale Agreement will have a dilutionary effect on the Shareholders, including investors under this Prospectus.



(c) **Insurance**

Rision faces various risks in connection with the Rision Business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Rision maintains insurance coverage for its employees (as required by law in Australia), travel liability and limited product liability insurance. However, Rision does not maintain business interruption insurance or third-party liability insurance against claims for property damage or other liabilities. If Rision incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its financials may be adversely affected.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

(d) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(e) **Share Market**

Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the Company.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect of the taxation consequences of subscribing for Shares under this Prospectus.

(h) **Environmental Risks**

The Company could potentially be liable for breaches of environmental laws or remediation costs arising from the Company's previous tyre-recycling business, however the Directors are not aware of any actual or alleged liability in this regard.

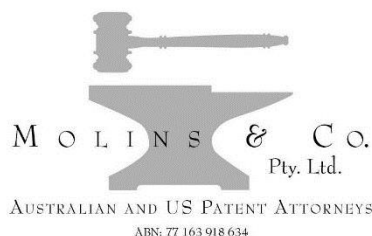
(i) **Investment Speculative**

The above list of risk factors is not an exhaustive list of risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

The Securities to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Securities. The prices at which an investor may be able to trade the Securities may be above or below the Offer Price or deemed issue price (as applicable). While the Directors commend the Offers, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

## 13. INTELLECTUAL PROPERTY EXPERT'S REPORT

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10 April 2015

The Directors  
Reclaim Industries Limited  
Level 24, 44 St George Terrace  
Perth WA 6000

**RE: EXPERT REPORT FOR PROSPECTUS – PATENT PORTFOLIO**

**Our Ref: DAY0000G**

Dear Sirs,

Molins & Co Pty Ltd is a firm that provides patent, trade mark and design services, and this report relates to patents in the name of **Rision Pty Ltd**. Molins & Co Pty Ltd has acted for Rision Pty Ltd, and predecessor in title, in regard to providing patent services since at least February 2006.

This report has been prepared at the request of the directors of Reclaim Industries Limited, with authorisation from Rision Pty Ltd, and Molins & Co Pty Ltd will be paid at commercial rates for the preparation of the report.

The attached schedule specifies patent properties in the name of Rision Pty Ltd that are currently maintained by Molins & Co Pty Ltd.

Information regarding the various patents has been sourced from records maintained by Molins & Co Pty Ltd as at the date of this report. The records maintained by Molins & Co Pty Ltd include information received from Australian and overseas patent offices. Molins & Co Pty Ltd has taken reasonable effort to ensure the accuracy of the details provided herein. However, as a consequence of the external nature of these sources of information, together with the fact that there are often delays in the recordal of data on various databases, it is possible that some of the data provided in the schedule is not accurate or up-to-date.

Generally, as long as the renewal fees are continued to be paid to the respective patent offices, granted patent can remain in force up to 20 years from the date on which the complete patent application was filed. However, Expiry dates are not always so simple to calculate as rules differ from country-to-country.

This report does not make any comment on the validity or otherwise of the patents identified in the attached schedule. Notably, no searching for prior art has been conducted by Molins & Co Pty Ltd. There will, however, be prior art recorded on the various public records of these patents maintained by the relevant patent offices. Further, there may be other, yet to be identified, prior art relevant to the validity of the patents. We are not aware of any third-party challenges to the validity of the patents identified in the attached schedule.

There are no assurances that there is already, or may be, unauthorised exploitation of granted or registered rights, or pending rights. It should be evident, after a review of this report, that due to at least the inherent inability to know of every item of relevant prior art and/or instance of prior rights, there are always uncertainties in the validity of any patent application or granted patent. Therefore, no granted patent can be guaranteed to be valid and enforceable. However, a granted patent (which has been subjected to examination by a patent office) has a presumptive validity based on the fact that it has been examined, accepted, and granted by a patent office, and the onus therefore lies with the infringer or challenger of a patent to prove the invalidity of any granted patent.

Molins & Co Pty Ltd consents to the inclusion of this report in the prospectus for Reclaim Industries Limited or Rision Pty Ltd, as necessary.

Yours faithfully



Dr. Anthony Place  
Patent Attorney  
Molins & Co. Pty Ltd

## Schedule 'A'

### PATENT PORTFOLIO

#### RISION PTY LTD

AS MAINTAINED BY MOLINS & CO PTY LTD AT 10 APRIL 2015

**TITLE:**

**Transactional Engine Linking Businesses to Multiple Recruitment Companies for  
Engagement & Management of Labour**

| <b>Patent Reference</b> | <b>Country/<br/>Jurisdiction</b> | <b>Status</b>   |
|-------------------------|----------------------------------|---|
| PCT/AU200600250         | WIPO                             | Filing Date 27 February 2006<br>COMPLETED<br>NATIONAL PHASE ENTERED AU, NZ & US   |
| AU 2006218253           | Australia                        | Effective Filing Date 27 February 2006<br>Date Granted 6 January 2011<br>GRANTED - IN FORCE<br>Next renewal due 27 February 2016. |
| NZ 560974               | New Zealand                      | Effective Filing Date 27 February 2006<br>Granted 8 April 2010<br>GRANTED - IN FORCE<br>Next renewal due 27 February 2016.        |
| US 11/817,024           | United States                    | Effective Filing Date 27 February 2006<br>PENDING – UNDER EXAMINATION   |

## 14. ADDITIONAL INFORMATION

### 14.1 INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus no Director has or has had, within two years before lodgement of this Prospectus with ASIC any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers, or in the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him to become, or to qualify him as a Director, or otherwise, for services rendered by him in connection with the formation or promotion of the Company or the Offers.

#### **Shareholding Qualifications**

The Directors are not required to hold any Shares under the Constitution.

#### **Existing Directors' Security Holdings**

As at the date of this Prospectus, the current and Proposed Directors have a relevant interest in the Securities, and have been paid remuneration (inclusive of superannuation) by the Company, as set out in the table below.

| Interests of the Directors and their related parties | Existing Shares           |                                   | Minimum Subscription         |                         | Maximum Subscription         |                         |
|--|---------------------------|-----------------------------------|------------------------------|-------------------------|------------------------------|-------------------------|
|  | Number of Existing Shares | % of Existing Shares <sup>1</sup> | Maximum number of New Shares | Maximum % of New Shares | Maximum number of New Shares | Maximum % of New Shares |
| Stephen Hewitt-Dutton <sup>3</sup>                   | 2,000,000                 | 0.3%                              | 2,000,000                    | 0.16%                   | 2,000,000                    | 0.14%                   |
| David Scoggin <sup>2</sup>                           | 10,450,000                | 1.7%                              | 10,450,000                   | 0.84%                   | 10,450,000                   | 0.72%                   |
| KC Ong   | -                         | 0%                                | -                            | 0%                      | -                            | 0%                      |
| <b>TOTAL</b>   | 12,450,000                | 2.0%                              | 12,450,000                   | 1.0%                    | 12,450,000                   | 0.86%                   |

1 Based on the total number of 626,699,469 Existing Shares of the Company.

2 David Scoggin is a principal trader for Evolution Global Opportunities Fund. The fund's shareholding is held by HSBC Custody Nominees Australia Limited.

3 Stephen Hewitt-Dutton holds these Existing Shares indirectly through SHD Nominees Pty Ltd <Hewitt-Dutton S/F A/C> of which he is a beneficiary.

| Interests of the Directors and their related parties | Existing Shares           |                                   | Minimum Subscription         |                         | Maximum Subscription         |                         |
|--|---------------------------|-----------------------------------|------------------------------|-------------------------|------------------------------|-------------------------|
|  | Number of Existing Shares | % of Existing Shares <sup>1</sup> | Maximum number of New Shares | Maximum % of New Shares | Maximum number of New Shares | Maximum % of New Shares |
| Robert Day   | -                         | 0%                                | 259,117,922 <sup>2</sup>     | 20.8%                   | 259,117,922                  | 19.9%                   |
| Dr Kate Cornick                                      | 420,000                   | 0.1%                              | 420,000                      | 0.03%                   | 420,000                      | 0.03%                   |
| Anthony Dixon  | -                         | 0%                                | 19,597,863 <sup>3</sup>      | 1.6%                    | 19,597,863                   | 1.4%                    |
| Graham Steer   | -                         | 0%                                | 22,447,507 <sup>4</sup>      | 1.8%                    | 22,447,507                   | 1.6%                    |
| Ron Howard   | -                         | 0%                                | 6,000,000 <sup>5</sup>       | 0.5%                    | 6,000,000                    | 0.4%                    |
| <b>TOTAL</b>   | 420,000                   | 0.1%                              | 307,583,292                  | 24.7%                   | 307,583,292                  | 21.3%                   |

1 Based on the total number of 626,699,469 Existing Shares of the Company.

2 Assumes the issue to Robert Day of 256,617,922 Shares under the Vendor Offer and 2,500,000 Shares under the Public Offer.

3 Assumes the issue to Anthony Dixon of 17,097,863 Shares under the Vendor Offer and 2,500,000 Shares under the Public Offer.

4 Assumes the issue to Graham Steer of 19,947,507 Shares under the Vendor Offer and 2,500,000 Shares under the Public Offer.

5 Assumes the issue of 6,000,000 Shares to Ron Howard under the Public Offer.

### **Directors Remuneration**

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all Non-Executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all Non-Executive Directors has been set at a maximum amount of \$250,000 per annum under clause 11.6 of the Company's Constitution. The Directors have resolved that Executive Director's fees will be \$40,000 per annum for the Chairman, inclusive of statutory superannuation contributions and \$40,000 per annum for Non-Executive Directors, inclusive of statutory superannuation contributions for Australian residents.

## **14.2 DIRECTOR'S DEEDS OF INDEMNITY**

The Company has entered into deeds of insurance, indemnity and access with each of its Directors ("**Indemnity Deeds**"), which are summarised in Section 9.3 of this Prospectus.

Pursuant to these Indemnity Deeds, the Company agrees to indemnify and keep indemnified each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Director's right of access to Board papers.

### 14.3 INTERESTS OF EXPERTS AND ADVISERS

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no expert promoter, underwriter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has or has, within two years before lodgement of this Prospectus with ASIC:

- (i) had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers or in the Offers; and
- (ii) has been paid or agreed to be paid and has received any benefits or agreed to receive any benefits for any services rendered in connection with the formation or promotion of the Company or the Offers.

(b) **Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report, which is included in Section 10. The Company estimates it has and will pay BDO Corporate Finance (WA) Pty Ltd a total of \$15,000 (excluding GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has received fees from the Company in the amount of \$20,400.60 (excluding GST).

(c) **Auditor**

BDO Audit (WA) Pty Ltd has been appointed as Auditor to the Company for which it will be paid usual commercial rates. During the two years preceding lodgement of this Prospectus with ASIC, BDO Audit (WA) Pty Ltd has received fees from the Company in the amount of \$49,901.98 (excluding GST).

(d) **Corporate Advisor**

Trident Capital has acted as corporate advisor to the Company. The Company estimates that it will pay Trident Capital \$50,000 (excluding GST) for corporate advisory services provided to the Company in relation to the Offers. During the two years preceding lodgement of this Prospectus with ASIC, Trident Capital has received fees from the Company in the amount of \$555,362.89 (excluding GST).

(e) **Legal Advisor**

Price Sierakowski Corporate has acted as the solicitors to the Offers and the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay Price Sierakowski Corporate \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the two years preceding lodgement of this Prospectus with ASIC, Price Sierakowski Corporate has received fees from the Company in the amount of \$113,049.89 (excluding GST).



(f) **Intellectual Property Expert**

Molins & Co Pty Ltd has prepared the Intellectual Property Expert's Report which is included at Section 13. Total fees payable to Molins & Co Pty Ltd for work done in relation to this Prospectus are approximately \$650 (excluding GST). During the 24 months preceding lodgement of this Prospectus, Molins & Co Pty Ltd has not received any other fees from the Company.

#### 14.4 CONSENTS

Each of the parties referred to in this Section 14.4:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section 14.4; and
- (b) to the maximum extent permitted by law, expressly disclaim, and take, no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 14.4.

The following written consents have been given in accordance with the Corporations Act with respect to the issue of this Prospectus in both paper and electronic form:

(a) **BDO Corporate Finance (WA) Pty Ltd**

BDO Corporate Finance (WA) Pty Ltd has given its written consent to:

- (i) being named in this Prospectus as Investigating Accountant in the form and context in which it is named, together with all references to it in this Prospectus; and
- (ii) the inclusion of the Investigating Accountant's Report in Section 10 in the form and context in which the report is included, and to the inclusion of those statements in this Prospectus attributable to it in the form and context in which they are included.

BDO Corporate Finance (WA) Pty Ltd] has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(b) **BDO Audit (WA) Pty Ltd**

BDO Audit (WA) Pty Ltd has given its written consent to being named in this Prospectus as Auditor to the Company in the form and context in which it is named, together with all references to it in this Prospectus. BDO Audit (WA) Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Auditor. BDO Audit (WA) Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(c) **Price Sierakowski Corporate**

Price Sierakowski Corporate has given its written consent to being named in this Prospectus as the Australian solicitors to the Company in relation to the Offers in the form and context in which it is named, together with all references to it in this Prospectus. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Price Sierakowski Corporate has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(d) **Trident Capital**

Trident Capital has given its written consent to be named in this Prospectus as the corporate advisor to the Company in the form and context in which it is named, together with all references to it in this Prospectus. Trident Capital has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Trident Capital has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(e) **Security Transfer Registrars Pty Ltd**

Security Transfer Registrars Pty Ltd has given its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Security Transfer Registrars Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Security Transfer Registrars Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it. Security Transfer Registrars Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(f) **Molins & Co Pty Ltd**

Molins & Co Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Intellectual Property Expert and to the inclusion of the Intellectual Property Expert's Report in Section 13 in the form and context in which it is included, together with all references to it and to that report in this Prospectus. Molins & Co Pty Ltd has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than its report and any references to it or its report

(g) **Others**

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## 14.5 EXPENSES OF THE OFFERS

The expenses of the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

| Items of Expenditure            | Minimum<br>Subscription<br>\$ | Maximum<br>Subscription<br>\$ |
|---------------------------------|-------------------------------|-------------------------------|
| ASX and ASIC Fees               | 60,000                        | 80,000                        |
| Investigating Accountant's fees | 15,000                        | 15,000                        |
| Legal fees                      | 100,000                       | 100,000                       |
| Broker Fees                     | 240,000                       | 480,000                       |
| Other Expenses                  | 25,000                        | 45,000                        |
| <b>Total</b>                    | <b>\$440,000</b>              | <b>\$720,000</b>              |

## 14.6 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic version of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.reclaimindustries.com.au](http://www.reclaimindustries.com.au) and Rision's website at [www.rision.com](http://www.rision.com). The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic version of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 14.7 FORECASTS

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of Rision's plans to develop and commercialise its business and the general nature of the industries in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period

cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

#### 14.8 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against or initiated by the Company.

#### 14.9 TAXATION

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

#### 14.10 CONTINUOUS DISCLOSURE OBLIGATIONS

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

#### 14.11 DIRECTORS' AUTHORISATION

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Reclaim Industries Limited.



**Stephen Hewitt-Dutton**  
**Non-Executive Chairman**  
**25 June 2015**

## 15. DEFINITIONS AND INTERPRETATION

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### 15.1 DEFINITIONS

In this Prospectus, the following words have the following meanings unless the context otherwise requires:

- (a) “**Applicant**” means a person who submits an Application Form;
- (b) “**Application**” means a valid application for Shares under the Public Offer made pursuant to an Application Form;
- (c) “**Application Monies**” means the application monies for Shares under the Public Offer received and banked by the Company pursuant to this Prospectus;
- (d) “**Application Forms**” means the Public Offer Application Form, the Vendor Offer Application Form and the Facilitation Offer Application Form, each of which are attached to, and form part of this Prospectus – see Sections 16, 17 and 18 of this Prospectus;
- (e) “**ASIC**” means Australian Securities and Investments Commission.
- (f) “**ASX**” means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as the context requires;
- (g) “**ASX Listing Rules**” means the official listing rules of ASX;
- (h) “**Board**” means the Board of Directors of the Company as constituted from time to time;
- (i) “**Business Day**” means a day which banks are generally open for business in Perth, Western Australia, except a Saturday, Sunday or a public holiday;
- (j) “**CHESS**” means Clearing House Electronic Sub-register System;
- (k) “**Class A Performance Shares**” means the proposed new class of shares in the capital of the Company with terms and conditions set out in Section 11.2, being 10,000 performance shares to be issued to the Vendors as part consideration for the Rision Acquisition in accordance with the terms and conditions of the Rision Share Sale Agreement;
- (l) “**Class A Milestone**” means the Milestone for the Class A Performance Shares, as defined in Section 11.2;
- (m) “**Class B Performance Shares**” means the proposed new class of shares in the capital of the Company with terms and conditions set out in Section 11.2, being 10,000 performance shares to be issued to the Vendors as part consideration for the Rision Acquisition in accordance with the terms and conditions of the Rision Share Sale Agreement;
- (n) “**Class B Milestone**” means the Milestone for the Class B Performance Shares, as defined in Section 11.2;

- (o) “**Closing Date**” means the closing date of the Public Offer as set out in the indicative timetable in Section 5.2, being 5:00pm WST on 10 July 2015 or other such date and time as the Directors determine;
- (p) “**Company**” means Reclaim Industries Limited (ACN 090 671 819) (to be renamed Rision Limited);
- (q) “**Consideration Shares**” means 400,000,000 Shares to be issued to the Vendors as part consideration for the Rision Acquisition in accordance with the terms and conditions of the Rision Share Sale Agreement;
- (r) “**Consolidation**” means the consolidation of all of the issued Securities in accordance with ASX Listing Rule 2.1 Condition 2 and Listing Rule 1.1 Condition 11;
- (s) “**Constitution**” means the constitution of the Company;
- (t) “**Corporations Act**” means the *Corporations Act 2001* (Cth);
- (u) “**Deeds of Access, Indemnity and Insurance**” means the deeds in favour of the existing Directors and the Proposed Directors entered into or to be entered into by the Company described in Section 9.3;
- (v) “**Directors**” means the current directors of the Company as at the date of this Prospectus and their replacements following completion of the Proposed Transaction, as the context requires;
- (w) “**Endeavour Technologies Vendor Development Agreement**” means the agreement entered into between Endeavour Software Technologies, Inc. and the Subsidiary on 3 June 2014;
- (x) “**Existing Shares**” means the 626,999,469 Shares in the Company on issue at the date of this Prospectus;
- (y) “**Expiry Date**” has the meaning given to it in Section 1.2;
- (z) “**Exposure Period**” has the meaning given to it in Section 1.5;
- (aa) “**Facilitation Offer**” means the offer of 20,000,000 Shares to the Facilitators as set out in this Prospectus;
- (bb) “**Facilitation Offer Application Form**” means the Facilitation Offer Application Form at Section 18;
- (cc) “**Facilitation Shares**” means 20,000,000 Shares to be issued to Trident Capital and SCM in the following proportions in accordance with the terms and conditions of the Rision Share Sale Agreement:
  - (i) Trident Capital – 10,000,000 Shares; and
  - (ii) SCM – 10,000,000 Shares;
- (dd) “**Facilitators**” means Trident Capital and SCM;
- (ee) “**General Meeting**” means the general meeting of Shareholders held on 30 June 2015 (and any adjournment of that meeting) to consider, amongst other things, a

change in nature and scale of the Company's activities, the issue of the Consideration Shares, the issue of the Class A Performance Shares and Class B Performance Shares, the issue of the Facilitation Shares and the issue of Shares the subject of the Offers;

- (ff) “**Global Access Advisors Contractor Agreement**” means the consultancy agreement entered into between the Subsidiary and Global Access Advisors Inc. on 15 December 2013;
- (gg) “**Host**” has the meaning given in Section 12.4;
- (hh) “**Listing Rules**” means the official rules of the ASX;
- (ii) “**Loan**” has the definition given in Section 7.1;
- (jj) “**Loan Agreement**” means the loan agreement entered into between the Company and Skills Connect on 28 May 2014, and as varied on 21 July 2014, 22 January 2015 and 8 June 2015;
- (kk) “**Maximum Subscription**” means the raising of \$8,000,000 by the issue of 400,000,000 New Shares at \$0.02 per Share pursuant to the Public Offer under this Prospectus;
- (ll) “**Minimum Subscription**” means the raising of \$4,000,000 by the issue acceptance of 200,000,000 New Shares at \$0.02 per Share pursuant to the Public Offer under this Prospectus;
- (mm) “**New Shares**” means Share to be issued pursuant to the Public Offer;
- (nn) “**Offer Price**” in relation to the Public Offer means \$0.02 cents per Share;
- (oo) “**Offers**” means collectively, the Public Offer, the Vendor Offer and the Facilitation Offer and “**Offer**” means any one of them as the context requires;
- (pp) “**Official List**” means the official list of ASX;
- (qq) “**Official Quotation**” means the official quotation by ASX in accordance with the ASX Listing Rules;
- (rr) “**Opening Date**” means the first date for receipt of completed Application Forms, being 9:00am WST on 26 June 2015 or other such date and time as the Directors determine;
- (ss) “**Proposed Director**” means a proposed Director of the Company following completion of the Rision Acquisition, further details of which are provided in Section 8.3;
- (tt) “**Proposed Transaction**” means the proposed acquisition of shares in Rision pursuant to the Rision Share Sale Agreement, and capital raising by the Company, as described in section 6;
- (uu) “**Prospectus**” or “**Replacement Prospectus**” means this replacement prospectus dated 25 June 2015;

- (vv) **“Public Offer”** means the offer of a minimum of 200,000,000 Shares and a maximum of 400,000,000 New Shares at \$0.02 per Share pursuant to this Prospectus;
- (ww) **“Public Offer Application Form”** means the Public Offer Application Form at Section 16;
- (xx) **“Recommendations”** has the meaning given to it in Section 8.4;
- (yy) **“Resolutions”** means the resolutions put to the Shareholders of the Company at the General Meeting to, amongst other things, approve the acquisition of all of the shares in Rision and the change in nature and scale of the activities of the Company;
- (zz) **“Restricted Securities”** means Shares classified by ASX as being subject to the restriction provision of the ASX Listing Rules;
- (aaa) **“Rision”** means Rision Pty Ltd, formerly Employment Management Systems Pty Limited (ACN 076 549 945);
- (bbb) **“Rision Acquisition”** means the Company’s acquisition of 100% of the issued shares in the capital of Rision from the Vendors pursuant to the Rision Share Sale Agreement;
- (ccc) **“Rision Business”** means the cloud based business that provides business intelligence solutions for multi-sourced human capital;
- (ddd) **“Rision Share Sale Agreement”** means the Share Sale Agreement dated 22 September 2014 between the Company and the Vendors in respect of the Rision Acquisition, as varied on 30 December 2014, 11 February 2015 and 9 April 2015;
- (eee) **“SCM”** means SCM Equities Pty Limited (ACN 124 553 224);
- (fff) **“SCM Mandate”** means the agreement in respect of corporate advisory services being provided by SCM to Skills Connect as described in Section 9.5;
- (ggg) **“Section”** means a section of this Prospectus;
- (hhh) **“Securities”** means a Share, option or other form of security issued or granted (as the case may be) by the Company;
- (iii) **“Share”** means fully paid ordinary share in the capital of the Company;
- (jjj) **“Shareholder”** means a holder of Shares;
- (kkk) **“Share Registry”** means Security Transfer Registrars Pty Ltd (ACN 008 894 488);
- (lll) **“SCM Mandate”** means the agreement in respect of corporate advisory services being provided by SCM to Rision as described in Section 9.5;
- (mmm) **“Skills Connect”** or **“Subsidiary”** means Skills Connect Pty Ltd (ACN 140 523 579);
- (nnn) **“Trident Capital”** means Trident Capital Pty Ltd (ACN 100 561 733);



- (ooo) “**Trident Management Services**” means Trident Management Services Pty Ltd (ACN 116 886 230);
- (ppp) “**Trident Mandate**” means that agreement in respect of corporate advisory services being provided by Trident Capital to the Company;
- (qqq) “**Vendors**” means collectively, the shareholders of Rision, being:
- (i) Apex Private Health Pty Ltd (ACN 138 571 383) – 253 shares (9.49%);
  - (ii) Anthony Dixon – 114 shares (4.27%);
  - (iii) Pebtilly Pty Ltd (ACN 148 826 967) – 1,711 shares (64.15%);
  - (iv) T & H Corby Pty Ltd (ACN 055 692 209) – 456 shares (17.10%); and
  - (v) Amabowl Pty Ltd (ACN 003 119 542) atf the Amabowl Family Trust – 133 shares (4.99%);
- (rrr) “**Vendor Offer**” means the offer of the Consideration Shares, the Class A Performance Shares and the Class B Performance Shares to the Vendors as detailed in Section 6.3;
- (sss) “**Vendor Offer Application Form**” means the Vendor Offer Application Form at Section 17; and
- (ttt) “**WST**” means Western Standard Time as observed in Perth, Western Australia.

## 15.2 INTERPRETATION

In this Prospectus, headings and words in bold are for convenience only and do not affect the interpretation of this Prospectus and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any regulatory authority;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(h) where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day;

(i) “**include**” and “**including**” are not words of limitation;

(j) “**\$**” is a reference to Australian currency; and

(k) where time is to be calculated by reference to a day or event, that day or the day of the event is included.



## Guide to the Application Form

This Application Form relates to the offer of Shares in Reclaim Industries Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Reclaim Industries Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 100,000 Shares and thereafter in multiples of 10,000 Shares.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by two cents (\$0.02).
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G Reclaim Industries Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.
- If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.
- H Please complete cheque details as requested.
- Make your cheque payable to "Reclaim Industries Limited" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Reclaim Industries Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Applications:** Return your completed Application Form with cheque(s) attached to:

|   |   |
|---|---|
| <b>Delivered to:</b><br>Reclaim Industries Limited<br>c/- Trident Capital<br>Level 24, St Martins Tower<br>44 St Georges Terrace<br>PERTH WA 6000 | <b>Posted to:</b><br>Reclaim Industries Limited<br>c/- Trident Capital<br>PO Box Z5183<br>St Georges Terrace<br>PERTH WA 6831 |
|---|---|

Application Forms must be received no later than 5.00pm on 10 July 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Reclaim Industries Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor  | Correct form of Registrable Title                            | Incorrect form of Registrable Title |
|---|--|-------------------------------------|
| Individual - Use Names in full, no initials   | Mr John Alfred Smith   | JA Smith                            |
| Minor ( a person under the age of 18)<br>Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith<br><Peter Smith>                           | Peter Smith                         |
| Company - Use Company title, not abbreviations  | ABC Pty Ltd  | ABC P/L<br>ABC Co                   |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust                                    | Mrs Sue Smith<br><Sue Smith Family A/C>                      | Sue Smith Family Trust              |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased                        | Ms Jane Smith<br><Est John Smith A/C>                        | Estate of Late John Smith           |
| Partnerships - Use partners personal names, do not use the name of the partnership                            | Mr John Smith & Mr Michael Smith<br><John Smith and Son A/C> | John Smith and Son                  |

# 17. VENDOR OFFER APPLICATION FORM

## Reclaim Industries Limited (ACN 090 671 819)

Please read all instructions on the reverse of this form

**A Number of Shares applied for**

**B Full name details, title, given name(s) (no initials) and surname or Company name**

**category**

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

**D Write Your Full Postal Address Here**

Number/Street

Number

Suburb/Town

**F Chess HIN (if applicable)**

**G** You should read the Replacement Prospectus dated 25 June 2015 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Reclaim Industries Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

**C Tax File Number(s)  
Or exemption**




**E Contact Details**

Contact Name

Contact daytime telephone

State/postcode

## Guide to the Vendor Offer Application Form

This Application Form relates to the offer of Shares in Reclaim Industries Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Reclaim Industries Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Reclaim Industries Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section F blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in Reclaim Industries Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Applications:** Return your completed Application Form with cheque(s) attached to:

|   |   |
|---|---|
| <b>Delivered to:</b><br>Reclaim Industries Limited<br>c/- Trident Capital<br>Level 24, St Martins Tower<br>44 St Georges Terrace<br>PERTH WA 6000 | <b>Posted to:</b><br>Reclaim Industries Limited<br>c/- Trident Capital<br>PO Box Z5183<br>St Georges Terrace<br>PERTH WA 6831 |
|---|---|

Application Forms must be received no later than 5.00pm on 10 July 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Reclaim Industries Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor  | Correct form of Registrable Title                            | Incorrect form of Registrable Title |
|---|--|-------------------------------------|
| Individual - Use Names in full, no initials   | Mr John Alfred Smith   | JA Smith                            |
| Minor ( a person under the age of 18)<br>Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith<br><Peter Smith>                           | Peter Smith                         |
| Company - Use Company title, not abbreviations  | ABC Pty Ltd  | ABC P/L<br>ABC Co                   |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust                                    | Mrs Sue Smith<br><Sue Smith Family A/C>                      | Sue Smith Family<br>Trust           |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased                        | Ms Jane Smith<br><Est John Smith A/C>                        | Estate of Late John<br>Smith        |
| Partnerships - Use partners personal names, do not use the name of the partnership                            | Mr John Smith & Mr Michael Smith<br><John Smith and Son A/C> | John Smith and Son                  |

# 18. FACILITATION OFFER APPLICATION FORM

## Reclaim Industries Limited (ACN 090 671 819)

Please read all instructions on the reverse of this form

**A Number of Shares applied for**

**B Full name details, title, given name(s) (no initials) and surname or Company name**

**category**

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

**D Write Your Full Postal Address Here**

Number/Street

Number

Suburb/Town

**F Chess HIN (if applicable)**

**G** You should read the Replacement Prospectus dated 25 June 2015 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Reclaim Industries Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

**C Tax File Number(s)  
Or exemption**




**E Contact Details**

Contact Name

Contact daytime telephone

State/postcode

## Guide to the Facilitation Offer Application Form

This Application Form relates to the offer of Shares in Reclaim Industries Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Reclaim Industries Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all the relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- F Reclaim Industries Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section F blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in Reclaim Industries Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Applications:** Return your completed Application Form with cheque(s) attached to:

|   |   |
|---|---|
| <p><b>Delivered to:</b><br/>Reclaim Industries Limited<br/>c/- Trident Capital<br/>Level 24, St Martins Tower<br/>44 St Georges Terrace<br/>PERTH WA 6000</p> | <p><b>Posted to:</b><br/>Reclaim Industries Limited<br/>c/- Trident Capital<br/>PO Box Z5183<br/>St Georges Terrace<br/>PERTH WA 6831</p> |
|---|---|

Application Forms must be received no later than 5.00pm on 10 July 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Reclaim Industries Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

| Type of Investor  | Correct form of Registrable Title                            | Incorrect form of Registrable Title |
|---|--|-------------------------------------|
| Individual - Use Names in full, no initials   | Mr John Alfred Smith   | JA Smith                            |
| Minor ( a person under the age of 18)<br>Use the name of a responsible adult, do not use the name of a minor. | John Alfred Smith<br><Peter Smith>                           | Peter Smith                         |
| Company - Use Company title, not abbreviations  | ABC Pty Ltd  | ABC P/L<br>ABC Co                   |
| Trusts - Use trustee(s) personal name(s), do not use the name of the trust                                    | Mrs Sue Smith<br><Sue Smith Family A/C>                      | Sue Smith Family<br>Trust           |
| Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased                        | Ms Jane Smith<br><Est John Smith A/C>                        | Estate of Late John<br>Smith        |
| Partnerships - Use partners personal names, do not use the name of the partnership                            | Mr John Smith & Mr Michael Smith<br><John Smith and Son A/C> | John Smith and Son                  |