

CONFIRMATION OF RECEIPT OF ASX WAIVERS

Savcor Group Limited (ASX:SAV) (**the Company**) is pleased to advise that, following consultation with ASX, the Company has been granted various waivers of ASX Listing Rule 10.13.3 which will assist the Company in seeking to implement the acquisition of Emefcy Limited (**Transaction**).

Background

ASX Listing Rule 10.13.3 requires that securities issued with shareholder approval under ASX Listing Rule 10.11 must be issued within 1 month of the date of approval. The Company intends to seek approval under ASX Listing Rule 10.11 for the following proposed share and option issues at an upcoming general meeting:

- Approval for Peter Marks to participate in the capital raising to be conducted in connection with the Transaction by subscribing for up to 250,000 ordinary shares (\$50,000) and approval for Vincent Savage and Phillip Hains to participate in the capital raising by subscribing for up to 50,000 ordinary shares each (\$10,000 each) (**Director Participation Approvals**).
- Approval for the issue of 5 million options to various members of the proposed post-acquisition Board of the Company. Details of which are set out in the Company's Prospectus dated 8 October 2015 (**Option Approvals**).
- Approval for the issue of consideration shares and deferred consideration shares to Emefcy vendors who are associated with existing directors of Emefcy to whom ASX have determined ASX Listing Rule 10.11 ought to apply (**Emefcy Vendor Approvals**). The Emefcy Vendor Approvals comprise:
 - 54,743,303 ordinary shares to be issued to certain Emefcy vendors on completion (**Completion Shares**) as part of the consideration for the acquisition of Emefcy;
 - 19,888,178 ordinary shares (**Tranche 1 Shares**) to be issued to certain Emefcy vendors as part of the deferred consideration to be issued upon, and subject to, the Company being provided with evidence, to its satisfaction acting reasonably, that a module of the SABRE product have been delivered to the first customer's site on, or before, 6 months from completion of the Transaction (**Milestone 1**); and

- 21,316,864 ordinary shares (**Tranche 2 Shares**) to be issued to certain Emefcy vendors as part of the deferred consideration to be issued upon, and subject to, the Company being provided with evidence, to its satisfaction acting reasonably, that Emefcy has entered into firm contracts representing AUD\$2 million in revenue on a cumulative basis (including all associated grants and incentives) by a date which is not later than 24 months following completion of the Transaction (**Milestone 2**).

Waivers

The terms of the waivers will permit the notice of meeting convening the general meeting not to state that:

- the shares the subject of the Director Participation Approvals;
 - the options the subject of the Option Approvals;
 - the shares the subject of the Emefcy Vendor Approvals;
- will be issued within 1 month of the general meeting.

Conditions of Waiver

The waivers have been granted on the following conditions:

- Shareholders approving the relevant share and option issues at the general meeting and the Company releasing the terms of the waiver at the time of, or prior to, releasing the notice of meeting.
- The shares the subject of the Director Participation Approvals, the Completion Shares and the options the subject of the Option Approvals must be issued within 3 months of the date of the general meeting.
- The Tranche 1 Shares must be issued no later than 10 business days after the satisfaction of Milestone 1.
- The Tranche 2 Shares must be issue no later than 10 business days after the satisfaction of Milestone 2.
- The notice of meeting must set out the details of Milestone 1 and Milestone 2 and neither milestone may be varied.
- If the Company releases its annual report during a period in which the Tranche 1 or Tranche 2 shares are issued or remain to be issued, the annual report must disclose details of the extent to which the shares have been issued or are remaining to be issued.

The Company intends to release a notice of general meeting convening the meeting to which the waivers relate shortly.