



Rights attaching to the Loyalty Options

The terms and conditions of the 90,909,090 Loyalty Options issued by Absolute Equity Performance Fund Limited (**Company**) under its replacement prospectus dated 23 November (**Prospectus**) are as follows:

Register

The Company will maintain a register of holders of Loyalty Options in accordance with Section 168(1)(b) of the Corporations Act.

Transfer / transmission

Until the Vesting Date, Loyalty Options will not be transferable and will not be quoted on ASX. Following the Vesting Date, Loyalty Options may be transferred or transmitted in any manner approved by the ASX.

Issue, Vesting and lapse

Loyalty Options issued to an Applicant will either Vest or lapse on the Vesting Date. The number of Loyalty Options held by an Applicant that will Vest on the Vesting Date will be equal to the number of Shares issued to that Applicant under this Prospectus that the Applicant holds on the Vesting Date.

Loyalty Options that do not Vest on the Vesting Date lapse with immediate effect on the Vesting Date and are of no further force or effect.

Exercise

On exercise, the Company will issue a Share for each Vested Loyalty Option exercised. A Vested Loyalty Option may be exercised by delivery to the Company of a duly completed Notice of Exercise of Vested Loyalty Options, signed by the registered holder of the Vested Loyalty Option, together with payment to the Company of \$1.10 per Vested Loyalty Option being exercised.

A Vested Loyalty Option may be exercised on any Business Day from the Vesting Date to 16 November 2017 but not thereafter.

A Notice of Exercise of Loyalty Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend entitlement

Loyalty Options do not carry any dividend entitlement. Shares issued on exercise of Vested Loyalty Options rank equally with other issued Shares of the Company on and from issue.

Participating rights

For determining entitlements to the issue, Loyalty Option holders may only participate in new issues of Securities to holders of Shares in the Company if the Loyalty Option has been exercised and Shares allotted in respect of the Loyalty Option before the record date. The

Company must give at least 6 business days' notice to Loyalty Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.

If, between the date of issue and the date of exercise of a Loyalty Option, the Company makes 1 or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue), the exercise price of Loyalty Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

where:

NE is the new exercise price of the Loyalty Option;

OE is the old exercise price of the Loyalty Option;

E is the number of underlying Shares into which 1 Loyalty Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);

S is the subscription price for a Share under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Loyalty Option is exercisable will be increased by the number of Shares which the holder of the Loyalty Option would have received if the Loyalty Option had been exercised before the record date for the bonus issue.

Reconstructions and alteration of capital

Any adjustment to the number of outstanding Loyalty Options and the exercise price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

ASX listing

Loyalty Options that have not Vested will not be listed for quotation on the ASX or any other financial market. Vested Loyalty Options are expected to be quoted on the ASX within 1 month of the Vesting Date.

The Company must make application for quotation of Shares issued on exercise of the Vested Loyalty Options on the ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company.