

ASX RELEASE

25 May 2016

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

P +61 (0)7 5631 2500
F +61 (0)7 5631 2995
Level 15, 50 Cavill Avenue
Surfers Paradise QLD 4217
PO Box 8016 Gold Coast MC QLD 9726
www.mantragroup.com.au
Mantra Group Limited
ACN 137 639 395
ABN 69 137 639 395

Dear Sir/Madam

MANTRA GROUP LIMITED – SHARE PURCHASE PLAN

Further to an announcement made by Mantra Group Limited (ASX: MTR) (the **Company**) on 18 May 2016, pursuant to Listing Rule 3.17.1, please find **attached** the following documents relating to the Company's share purchase plan (**SPP**):

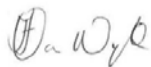
- (a) Chairman's letter; and
- (b) SPP Offer Booklet (including Key Information, FAQ, and Terms and Conditions).

The above documents will be dispatched to eligible shareholders of the Company today.

The SPP is open to all of the Company's shareholders who were entered on the Company's share register as holders of fully paid ordinary shares in the Company as at 7.00pm on Tuesday, 17 May 2016 (**Record Date**) and whose registered address is in Australia or New Zealand, subject to the SPP Terms and Conditions. Please refer to the SPP Offer Booklet for further information.

The offer to eligible shareholders under the SPP (as contained in the attached documentation) opens today and closes at 5.00pm (Sydney time) on Wednesday, 8 June 2016.

Yours faithfully



Fiona van Wyk
Company Secretary
Mantra Group Limited



Share Purchase Plan Booklet

Mantra Group Limited (ACN 137 639 395)

This document has been prepared by Mantra Group Limited (ACN 137 639 395) ("**Mantra Group**"). Mantra Group's Share Purchase Plan ("**SPP**") is an initiative that provides eligible existing Mantra Group shareholders in Australia and New Zealand with the opportunity to participate in Mantra Group's capital raising and to purchase additional shares to be issued by Mantra Group, without incurring brokerage and transaction costs.

This is an important document. Please read it carefully before deciding whether to subscribe for any shares under the SPP. This document does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider the appropriateness of participating in the SPP having regard to your objectives, financial situation and needs. You should also consider obtaining independent advice before making any financial decisions.

Questions relating to the SPP can be directed to the Mantra Group Limited SPP Offer Information Line on 1300 847 879 (within Australia) or +61 1300 847 879 (outside Australia), or to your broker or financial or other professional adviser.

Not for release or distribution in the United States



25 May 2016

Dear Shareholder,

Mantra Group Share Purchase Plan

On behalf of the Board of Directors (**Board**) of Mantra Group Limited (**Mantra Group**), I am pleased to offer you the opportunity to participate in Mantra Group's Share Purchase Plan (**SPP**), subject to you confirming your eligibility and complying with the **enclosed** Terms and Conditions.

The offer to participate in the SPP follows the successful completion of an approximately A\$107 million placement of Mantra Group shares to institutional investors at an issue price of A\$3.95 per share, the results of which were announced on Thursday, 19 May 2016. The placement price presented a 1.5% discount to Mantra Group's share price at market close on 17 May 2016.

We are undertaking this SPP to extend to eligible existing Mantra Group shareholders in Australia and New Zealand the opportunity to participate in the capital raising activities of Mantra Group. The proceeds raised from the SPP will be used, alongside the proceeds raised under the institutional placement, to fund Mantra Group's acquisition of ALM Management Services LLC (a limited liability company in Hawaii), which operates the Ala Moana Hotel in Honolulu, Hawaii (Ala Moana) and associated manager's lot real estate at Ala Moana, as announced on 18 May 2016, as well as providing Mantra Group with additional capital to fund pipeline opportunities that meet Mantra Group's key investment criteria.

Participating in the SPP will enable you to increase your Mantra Group shareholding by up to A\$15,000 (subject to Mantra Group's discretion to scaleback any SPP applications received), without incurring the fees that would normally apply if you acquired Mantra Group shares on the ASX.

The maximum price that shareholders will pay per share under the SPP is A\$3.95 (the same as the institutional placement). Should Mantra Group's share price be trading lower than this during the 5 trading day period up to, and including, the date on which the offer closes (8 June 2016), a 1% discount will be applied to the volume weighted average price (**VWAP**) of Mantra Group shares over that 5 trading day period. The issue price will then be the lesser of A\$3.95 or the price that is equal to a 1% discount to the 5 trading day VWAP described above.

Full details of the SPP and how to participate in the SPP are set out in the **enclosed** booklet and Application Form. I encourage you to read these documents carefully and in their entirety.

If you have any questions in relation to the SPP or how to complete the Application Form, please call the Mantra Group Limited SPP Offer Information Line, at any time between 8:30am to 5:30pm (AEST) Monday to Friday on 1300 847 879 (within Australia) or +61 1300 847 879 (outside Australia).

Your continued support of Mantra Group is appreciated and we hope that you consider taking up this offer as an opportunity to increase your shareholding in Mantra Group.

Yours sincerely,



Peter Bush
Chairman, Mantra Group Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

*This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities have not been and will not be registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities may not be offered, sold or resold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable United States state securities laws.*



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

MANTRA GROUP SHARE PURCHASE PLAN

KEY DATES

| Action | Date* |
|---|--|
| Record Date (for determining entitlement to participate in the offer) | Tuesday, 17 May 2016 (7.00pm, Sydney time) |
| SPP offer opens | Wednesday, 25 May 2016 |
| VWAP pricing period | Thursday 2 June 2016 to Wednesday, 8 June 2016 (inclusive) |
| SPP offer closes (Acceptance Slips or BPAY® ¹ payments must be received by the Registry no later than 5.00pm (Sydney time) on this date) | Wednesday, 8 June 2016 (5.00pm, Sydney time) (" Closing Date ") |
| Issue/allotment of New shares | Wednesday, 15 June 2016 |
| Dispatch of holding statements | Friday, 17 June 2016 |
| Commencement of trading of New shares issued under the SPP | Monday, 20 June 2016 |

* Mantra Group reserves the right, and has the absolute discretion, to vary the dates above (other than the Record Date).

OFFER DETAILS

| | |
|-------------------------------|--|
| Issue Price | <p>The lesser of:</p> <ul style="list-style-type: none"> (a) A\$3.95 per share; and (b) a 1% discount to the volume weighted average price of Mantra Group's shares over the five consecutive trading days on the Australian Securities Exchange ("ASX") up to, and including, the Closing Date (rounded to the nearest cent). <p>The price at which Mantra Group's shares trade on the ASX between the date of this offer and the date shares are allotted to participating shareholders under the SPP may rise or fall, therefore the issue price of shares under the SPP may exceed or be less than the market price of Mantra Group's shares at the date of acceptance of the offer or at the time of allotment of shares under the SPP to participating shareholders.</p> |
| Minimum Application Amount | A\$500* |
| Maximum Application Amount | A\$15,000* |
| Permitted Application Amounts | Any amount between the Minimum Application Amount and the Maximum Application Amount, in multiples of A\$500. |

* Mantra Group reserves the right, in its sole discretion, to scaleback applications.



¹ BPAY® Registered to BPAY Pty Ltd ABN 69 079 137 518.



IMPORTANT INFORMATION FOR SHAREHOLDERS IN NEW ZEALAND

The New Shares which are being offered by Mantra Group under the SPP are not being offered or sold to the public within New Zealand other than to existing eligible shareholders of Mantra Group (as at the record date of 7.00pm Tuesday, 17 May 2016 (Sydney time)) with registered addresses in New Zealand to whom the offer of shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

IMPORTANT INFORMATION FOR SHAREHOLDERS OUTSIDE AUSTRALIA AND NEW ZEALAND

To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, you may not distribute the SPP Terms and Conditions to such persons and may only purchase shares on behalf of them if you have investment discretion.

This document does not constitute an offer of securities in any place outside Australia or New Zealand. In particular, this document, the SPP Booklet and the SPP Terms and Conditions (whether considered separately or together) does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new Mantra Group shares to be issued under the SPP have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold, directly or indirectly in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

Because of these legal restrictions, you must not send copies of these documents, the SPP Booklet or the SPP Terms and Conditions or any other material relating to the SPP to any person resident in the United States or elsewhere outside Australia and New Zealand.

Frequently Asked Questions

- 1 *What is the Share Purchase Plan ("SPP")?*

The SPP is a way in which eligible shareholders of Mantra Group Limited ("**Mantra Group**") may acquire additional ordinary shares in Mantra Group at the lower of \$A3.95 per share and a discount to the volume weighted average price ("**VWAP**") of Mantra Group shares over a prescribed period, without incurring brokerage and other transaction costs (please see details of the issue price in question 6 below and the Terms and Conditions attached to this document).

- 2 *Why is Mantra Group issuing more shares?*

Mantra Group is issuing more shares as part of an equity capital raising announced on 18 May 2016 under which Mantra Group is raising funds to assist in funding Mantra Group's acquisition of ALM Management Services LLC (a limited liability company in Hawaii), which operates the Ala Moana Hotel in Honolulu, Hawaii (Ala Moana) and associated manager's lot real estate at Ala Moana, as well as providing Mantra Group with additional capital to fund pipeline opportunities.

- 3 *Who is eligible to participate in the SPP?*

Shareholders appearing in Mantra Group's share register as registered holders of Mantra Group shares at 7.00pm (Sydney time) on Tuesday, 17 May 2016 (the "**Record Date**"), with a registered address in Australia or New Zealand are eligible to participate in the SPP, subject to the Terms and Conditions ("**Eligible Shareholder**").

The SPP is also being extended to Eligible Shareholders who are trustees, nominees or custodians to participate in the SPP on behalf of eligible beneficiaries, provided that the trustee, nominee or custodian is a "custodian" as defined in the Australian Securities & Investments Commission ("**ASIC**") Class Order [CO 09/425], and complies with the SPP Terms and Conditions in relation to their participation in the SPP. Refer to question 11 for further information.

Eligible Shareholders who hold shares on behalf of persons who reside outside Australia or New Zealand, or in the United States, or are acting for the account or benefit of a person in the United States are not entitled to participate in the SPP on behalf of those persons.

- 4 *Do I have to participate in the SPP?*

No. Participation is optional. Before you apply for shares under the SPP we suggest you seek independent advice from your broker or financial or other professional adviser. If you do not participate, you will retain your existing holding of shares.

- 5 *How much will Mantra Group raise under the SPP?*

Mantra Group has not set an upper limit on the amount of capital to be raised under the SPP. However, Mantra Group reserves absolute discretion to determine the amount raised under the SPP and to scaleback applications under the SPP to the extent and in the manner that it sees fit. Refer to question 9 below for further details regarding scaleback of applications.

- 6 *What is the issue price?* The issue price of each share under the SPP is the lesser of:
- A\$3.95 per share (being the price at which shares in Mantra Group were issued under the recent institutional placement); and
 - a 1% discount to the VWAP of Mantra Group's shares over the five consecutive trading days on the ASX up to, and including, 8 June 2016 (rounded to the nearest cent).
- 7 *How much can I invest under the SPP?* The maximum investment under the SPP is A\$15,000. You may apply, in multiples of A\$500 worth of shares, for any amount between A\$500 and A\$15,000 worth of Mantra Group shares.
- This limitation also applies even if you receive more than one Application Form or you hold shares in more than one capacity. See question 10 below for more information on multiple applications.
- 8 *How many shares will I acquire if I apply for shares under the SPP?* The number of shares that you will receive under the SPP will be equal to the value of the parcel of shares you have applied for (i.e. between A\$500 and A\$15,000, in A\$500 multiples) divided by the Issue Price, subject to Mantra Group undertaking a scaleback.
- If the parcel of shares to be allotted to a participating shareholder does not equal a whole number of shares when the Issue Price has been determined, the value of the New Shares issued to you will be rounded down to the nearest share. Any difference after rounding will not be refunded to you. It will be paid to a charity as nominated by the Board.
- 9 *What is a scaleback?* Mantra Group reserves absolute discretion to determine the amount raised under the SPP and to scaleback applications under the SPP to the extent and in the manner that it sees fit.
- If Mantra Group undertakes a scaleback, you will receive the number of shares determined by Mantra Group in its absolute discretion, which may be less than you applied for. The difference between application monies received, and the number of shares allocated to you multiplied by the issue price, will be refunded to you by direct credit (to your nominated account as recorded on Mantra Group's share register), or by cheque, and without interest.

- 10 *What do I do if I receive more than one Application Form or hold shares in more than one capacity?* If you receive more than one Application Form or if you hold shares in more than one capacity, for example, if you are both a sole and a joint holder of shares, the maximum amount you may apply to invest under the SPP in any 12 month period is A\$15,000. This limitation is imposed by ASIC.
- Mantra Group reserves the right to reject applications where it appears that you are applying for more than A\$15,000 worth of shares.
- Single holders** – If you are the only registered holder of a holding of shares but you receive more than one offer under the SPP, you may only apply for one maximum parcel of shares.
- Joint holders** – If you are a joint holder of a holding of shares, that joint holding is considered to be a single registered holding for the purpose of the SPP and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP, the joint holders may only apply for one maximum parcel of New Shares.
- 11 *What if I hold Mantra Group shares on behalf of one or more other persons (for example, as a trustee, nominee or custodian)?* If you are expressly recorded on the Mantra Group share register (as at the Record Date) as holding shares for one or more named persons (each a **“Participating Beneficiary”**), and you are a “custodian” as defined in ASIC [CO 09/425] (**“Custodian”**), you may apply for up to a maximum of A\$15,000 worth of New Shares for a Participating Beneficiary upon receiving instructions from that Participating Beneficiary. Refer to the Terms and Conditions for further information on whether you are an eligible custodian.
- If you apply for New Shares as a Custodian you will be required to provide a Custodian certificate to the Company’s share registry, Link Market Services Limited, together with your application. You can request a Custodian certificate by calling the Mantra Group Limited SPP Offer Information Line on 1300 847 879 (within Australia) or +61 1300 847 879 (outside Australia).
- If you hold Shares as a trustee or nominee for another person, but are not a “Custodian” as defined above, you cannot participate for beneficiaries. In this case, the rules for multiple single holdings (described in question 10 above) applies.
- 12 *Can my offer under the SPP be transferred to a third party?* No. The offer is non-renounceable and cannot be transferred.
- 13 *What are the rights attached to shares acquired under the SPP?* New Shares acquired under the SPP will rank equally with existing fully paid ordinary shares in Mantra Group in all respects and will have the same entitlements for voting, dividends and other entitlements.
- 14 *How long is the offer period?* The offer period is from 25 May 2016 to 5.00pm (Sydney time) on 8 June 2016. Acceptance Slips or BPAY® payments must be received by Link Market Services Limited (the **“Registry”**) before 5.00pm (Sydney time) on 8 June 2016. Refer to question 15 below and the Application Form for further instructions on how to apply for shares under the SPP.

- 15 *How do I apply for shares under the SPP?* You can choose to make your application payment under the SPP by BPAY®, or by cheque, bank draft or money order.

Cheque, bank draft or money order

If you wish to participate in the SPP and pay by cheque, bank draft or money order:

- complete the Acceptance Slip in the enclosed Application Form; and
- make your cheque, bank draft or money order payable to “Mantra Group Limited” and crossed “**Not Negotiable**”; and
- send the Acceptance Slip with the cheque, bank draft or money order using the enclosed reply envelope so that it is received prior to 5.00pm (Sydney time) on 8 June 2016 by the Registry at the addresses stated in the Application Form.

Refer to the Terms and Conditions and enclosed Application Form for further information.

BPAY®

If you wish to pay using the BPAY® facility, follow the BPAY® instructions set out in the enclosed Application Form (and the Terms and Conditions) using the biller code and unique reference number stated on your Application Form.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. It is the responsibility of applicants to ensure that payments are received by the Registry before the close of the offer at 5.00pm (Sydney time) on 8 June 2016. If you make a BPAY® payment, your financial institution may impose a limit on the amount that you can transact on BPAY® and may have policies with respect to timing for processing BPAY® transactions.

If you are paying via BPAY® there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.

- 16 *When will I receive my shares under the SPP, and when can I sell my shares?* Shares acquired under the SPP will be allotted on or around Wednesday, 15 June 2016, and are expected to commence trading on Monday, 20 June 2016. Holding statements confirming the issue of the New Shares under the SPP are expected to be dispatched to participating shareholders on or around Friday, 17 June 2016. You should confirm your holding before trading any shares which you believe have been issued to you under the SPP.
- 17 *Where can I get more information on the SPP?* If you have any questions, please contact the Mantra Group Limited SPP Offer Information Line, as follows:

Telephone: 1300 847 879 (within Australia)

+61 1300 847 879 (outside Australia)



- 18 *What about privacy?* Personal information about you is held on the public register in accordance with Chapter 2C of the Corporations Act 2001 (*Cth*). For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.
- 19 *Do I have to pay for any brokerage or other transaction costs?* No. The only cost to you associated with the SPP is the payment of the aggregate Issue Price for the number of Mantra Group shares you wish to subscribe for under the SPP. Under the SPP you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire shares on market.

Mantra Group Limited Share Purchase Plan Terms and Conditions

IMPORTANT NOTICE: *if you apply to participate in the SPP by making a BPAY® payment or completing and returning the Application Form with any of a cheque, bank draft or money order, you are accepting the risk that the market price of Mantra Group shares may change between the date of this Offer, the date in which you send in an Application Form or make a BPAY® payment and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Mantra Group shares at a lower price than the issue price under the SPP. In determining whether to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice.*

Mantra Group Limited (**Mantra Group** or the **Company**) would like to offer Eligible Shareholders (as defined in paragraph 2 below) (the **Offer**) the opportunity to participate in the Mantra Group Share Purchase Plan (the **SPP**) and subscribe for new fully paid ordinary shares in Mantra Group (**New Shares**) on the terms and conditions set out below (the **Terms and Conditions**).

By applying for New Shares under this Offer, you will be taken to have accepted this Offer and agree to be bound by the Terms and Conditions of this Offer and the Constitution of the Company.

1. Class order [CO 09/425] issued by the Australian Securities and Investments Commission (ASIC)

The offer of New Shares under the SPP has been structured to comply with the Australian Securities and Investments Commission Class Order [CO 09/425] (as may be amended from time to time) (**ASIC Class Order 09/425**) to enable the Company to issue the New Shares under the SPP without a prospectus.

2. Participation by Eligible Shareholders

Shareholders appearing in Mantra Group's share register as registered holders of fully paid ordinary shares in Mantra Group at 7.00pm (Sydney time) on Tuesday, 17 May 2016 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholder**) will be eligible to participate in the SPP, unless they hold Mantra Group shares on behalf of another person who resides outside Australia or New Zealand.

The Offer to each Eligible Shareholder is voluntary and is made on the same terms and conditions, as set out in these Terms and Conditions. The Offer is non-renounceable. You cannot transfer your right to subscribe for New Shares under the Offer to anyone else.

3. Foreign offer restrictions

This document, the SPP Booklet and the SPP Terms and Conditions may not be released or distributed outside Australia and New Zealand.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* or the *Financial Market Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

4. **United States**

Shareholders who hold shares on behalf of persons who reside outside Australia or New Zealand, or in the United States, or are acting for the account or benefit of a person in the United States are not entitled to participate in the SPP on behalf of those persons. A trustee, nominee or custodian must not participate in the SPP on behalf of, nor distribute this document or any other document relating to the SPP to, any person in the United States. To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any application complies with all applicable foreign laws. Failure to comply with these restrictions may result in violations of applicable securities laws.

This document does not constitute an offer of securities in any place outside Australia or New Zealand. In particular, this document, the SPP Booklet and the SPP Terms and Conditions (whether considered separately or together) does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold, directly or indirectly in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

Because of these legal restrictions, you must not send copies of this document, the SPP Booklet, or the Terms and Conditions or any other material relating to the SPP to any person resident in the United States or elsewhere outside Australia and New Zealand.

5. **Issue price**

The issue price (**Issue Price**) of the New Shares to be issued by Mantra Group under the SPP is an amount equal to the lesser of:

- A\$3.95 per share; and
- a 1% discount to the volume weighted average price (**VWAP**) of Mantra Group shares over the five consecutive trading days on the Australian Securities Exchange (**ASX**) up to and including Monday, 8 June 2016 (the **Closing Date**) (rounded to the nearest cent).

After the Closing Date, and once the Issue Price has been determined, Mantra Group will make an announcement to the ASX confirming the Issue Price.

6. **Application size**

Subject to these Terms and Conditions, if you are eligible to participate in the SPP, you may apply for a parcel of New Shares in multiples of A\$500 worth of New Shares, and with a total value of between A\$500 and A\$15,000. The maximum investment is A\$15,000.00 worth of New Shares under the SPP or a similar arrangement in any consecutive 12 month period, which must be certified under paragraph 8 below. The A\$15,000 limit applies irrespective of the number of Mantra Group shares you hold on the Record Date.

The maximum of A\$15,000 applies to you even if you receive more than one Offer from the Company (see paragraph 10 below). For example, if you are both a sole and a joint shareholder of the Company as at the Record Date, you can only apply for New Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both.

No fractions of New Shares will be issued. The number of New Shares that you will receive under the SPP will be equal to the value of the parcel of shares you have applied for divided by the issue price, subject to Mantra Group undertaking a scaleback as set out in paragraph 6 below. If the parcel of shares does not equal a whole number of shares when the Issue Price has been determined, the value of the New Shares issued to you will be rounded down to the nearest share. The difference after rounding will not be refunded to you. It will be paid to a charity as nominated by the Board.

7. **Scaleback**

Mantra Group reserves absolute discretion to determine the amount raised under the SPP and to scaleback applications under the SPP to the extent and in the manner that it sees fit.

If Mantra Group undertakes a scaleback, you will receive the number of shares determined by Mantra Group in its absolute discretion which may be less than the parcel of shares for which you have applied. In this case, the difference between the application monies received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you by direct credit (to your nominated account as recorded on Mantra Group's share register) or cheque as soon as practicable, without interest.

8. **Shareholder certification**

Subject to paragraph 9, an Eligible Shareholder must, on application for New Shares pursuant to the Offer, certify to the Company that the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of the application under the SPP (ie. your Application Payment);
- (b) any other Shares issued to the Eligible Shareholder under the SPP or any similar arrangement in the 12 months before the application under the SPP;
- (c) any other Shares which the Eligible Shareholder has instructed a Custodian to acquire on their behalf under the SPP; and
- (d) any other Shares issued to a Custodian in the 12 months before the application under the SPP as a result of an instruction given by the Eligible Shareholder to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP.

9. **Custodian Certification**

If on the Record Date you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 (**Custodian**) and hold Mantra Group shares on behalf of one or more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of A\$15,000 worth of New Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company, together with your application for New Shares pursuant to the Offer, certifying the following:

- (a) either or both of the following:
 - (i) that the Custodian holds Shares on behalf of one or more other persons (**Participating Beneficiaries**) that are not Custodians; and

- (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one of more other persons (each a Participating Beneficiary), and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:
 - (iii) where paragraph 9(a)(i) applies - the Custodian; and
 - (iv) where paragraph 9(a)(ii) applies - the Downstream Custodian,
 to apply for New Shares on their behalf under the SPP;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
 - (i) where paragraph 9(a)(i) applies - the number of Shares that the Custodian holds on their behalf; and
 - (ii) where paragraph 9(a)(ii) applies - the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
 - (i) where paragraph 9(a)(i) applies - the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where paragraph 9(a)(ii) applies - the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) that there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the New Shares applied for by the Custodian on their behalf under the SPP with the instructions referred to in paragraph 8(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (g) that a copy of the SPP Offer Booklet (including these Terms and Conditions) was given to each Participating Beneficiary; and
- (h) where clause paragraph 9(a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the New Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph 9, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

For the purpose of ASIC Class Order [CO 09/425], you are a Custodian if you are a registered holder of Shares:

- (a) that holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service; or
 - (ii) covers the operation of an IDPS (as defined in ASIC Class Order [CO 13/763]); or
- (b) that is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (Cth) (**Regulations**); or
 - (ii) paragraph 7.6.01(1)(na) of the Regulations; or
 - (iii) ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001]; or
 - (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
 - (v) an individual instrument of relief granted by ASIC to a person in terms similar to one of the class orders referred to in subparagraph (iv); or
 - (vi) paragraph 911A(2)(h) of the Corporations Act 2001 (Cth); or
- (c) that is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust;
- (d) that is the responsible entity of an IDPS-like scheme; or
- (e) that is the registered holder of Mantra Group shares and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

If you hold Mantra Group shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 10 applies.

10. Multiple and joint holdings

Subject to paragraph 9 above, shareholders that receive more than one Application Form, for example due to multiple individual holdings or joint holdings, or who hold Mantra Group shares in more than one capacity, may only apply for a maximum of A\$15,000 worth of shares.

By applying for New Shares under the SPP, you certify to Mantra Group that you have not applied for Mantra Group shares with an aggregate application price in excess of A\$15,000 under the SPP (and any similar arrangement in the 12 months prior to your application), even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP.

Single holders

If you are the only registered holder of a holding of Mantra Group shares but you receive more than one offer under the SPP, you may only apply for one maximum parcel of shares.

Joint holders

If you are a joint holder of a holding of Mantra Group shares, that joint holding is considered to be a single registered holding for the purpose of the SPP and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP, the joint holders may only apply for one maximum parcel of shares. The certification as set out in paragraph 8 is taken to be a certification by all of the joint holders.

Mantra Group reserves the right to reject your application if it appears that you are applying for more than an aggregate of A\$15,000 of shares.

11. Acknowledgements

If you apply to participate in the SPP by completing and returning the Acceptance Slip in the enclosed Application Form or by making a BPAY® payment, you certify, acknowledge, warrant and represent the following as true:

- (a) you have read and accepted these Terms and Conditions in full and you irrevocably and unconditionally agree to these Terms and Conditions;
- (b) if you are applying on your own behalf (and not as a Custodian), you are not applying for New Shares with an aggregate application value, when aggregated with the application value of any Mantra Group shares issued to you or a Custodian on your behalf under this Offer or a similar arrangement in the previous 12 months, of more than A\$15,000 under this Offer (including by instructing a Custodian to acquire New Shares on your behalf under this Offer), and you comply with the limitations in paragraph 10 of these Terms and Conditions;
- (c) if you are applying on behalf of one or more other persons, you are a “custodian” as that term is defined in ASIC Class Order [CO 09/425] and you comply with, and have provided in writing to the Company, each of the certifications set out in paragraph 9;
- (d) all details and statements in your application (including your Acceptance Slip and Custodian certificate, if applicable); are true and correct and not misleading;
- (e) your application under the Terms and Conditions in this document (including your Acceptance Slip or Custodian certificate, if applicable) will be irrevocable and unconditional and cannot be withdrawn;
- (f) you are an Eligible Shareholder and you do not hold Mantra Group shares on behalf of another person who resides outside Australia or New Zealand, or is in the United States or acting for the account or benefit of a person in the United States;
- (g) if you have a registered address in New Zealand, you continued to hold Mantra Group shares as at the opening date of the Offer on 25 May 2016;
- (h) you and each person for whose account you are acting is not in the United States;
- (i) you acknowledge that the New Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly the new shares may not be offered, sold or resold, directly or indirectly in the United States except pursuant to an exemption

from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws;

- (j) you represent that you have not, and you agree that you will not, send any materials relating to the SPP to any person in the United States or to any person located in any other country outside Australia and New Zealand;
- (k) you may be offered New Shares pursuant to the SPP in accordance with applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;
- (l) you are responsible for any dishonour fees or other costs Mantra Group may incur in presenting a cheque for payment which is dishonoured;
- (m) you agree to be bound by the provisions in Mantra Group's Constitution (as may be amended from time to time);
- (n) you authorise Mantra Group (and its officers and agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details, and to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions;
- (o) you accept the risks associated with any refund that may be dispatched to your address or to your nominated bank account as shown on Mantra Group's share register;
- (p) you acknowledge that Mantra Group may at any time irrevocably determine that your Acceptance Slip is valid, in accordance with these Terms and Conditions, even if the Acceptance Slip is incomplete, contains errors or is otherwise defective; and
- (q) you acknowledge that Mantra Group is not liable for any exercise of its discretions referred to in these Terms and Conditions.

12. Costs of Participation

The only cost to you associated with the Offer is the aggregate Issue Price for the number of New Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply if you acquired Mantra Group shares on market.

13. Rights attaching to the New Shares

Once the New Shares are issued, they will rank equally with existing fully paid ordinary shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

14. Amendment or termination of the SPP

The SPP may be changed, suspended or terminated by the Company at any time. If the Company materially changes, suspends or terminates the SPP it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the SPP or the non-receipt of any such notice will not invalidate the change, suspension or termination. If the offer is terminated all application monies will be refunded to shareholders without interest.

15. Payment for New Shares

All amounts in this Offer are expressed in Australian dollars.

- (a) You can pay for the New Shares by cheque, bank draft or money order in Australian dollars, in accordance with the instructions contained in the Application Form. Please make your cheque, bank draft or money order payable to "Mantra Group Limited" and

cheques are crossed "**Not Negotiable**". Applicants must not forward cash. Receipts for Application Payments will not be issued.

Please post to:

Mantra Group Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney, NSW 2001

or by hand delivery to:

Mantra Group Limited
c/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes, NSW 2138

OR

- (b) You can pay for New Shares under the SPP using BPAY® in accordance with the instructions in your Application Form. If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Eligible Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form (which includes the specific biller code and your unique reference number). You will not need to return the Application Form.

If paying by BPAY®, please make sure to use the specific biller code and unique reference number on your Application Form. Subject to the below, if you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the unique reference number specific to each individual personalised Application Form that you receive.

The maximum investment any Eligible Shareholder may apply for is A\$15,000 even if that shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Please provide a cheque, bank draft or money order or make the BPAY® payment for the exact amount.

If the amount of your BPAY®, cheque, bank draft or money order is insufficient to pay for the amount that you have applied for via BPAY® or stated in your Acceptance Slip, you may be taken to have applied for such lower amount as your cleared application monies will pay for (and to have specified that amount in your application form). If you do not provide the exact Application Payment, the Company reserves the right to return your BPAY® payment or your Acceptance Slip and cheque, bank draft or money order. If the Company returns your BPAY® payment or Acceptance Slip and cheque, bank draft or money order, no New Shares will be allotted to you.

Mantra Group reserves the right to reject any application for shares under the SPP, which it believes does not comply with these Terms and Conditions, including where it appears that you are not an Eligible Shareholder or that you are applying to buy more than an aggregate of A\$15,000 worth of New Shares.

16. Director Participation

To the extent permitted by the ASX Listing Rules and applicable laws (including the *Corporations Act 2001* (Cth)), Mantra Group directors who are Eligible Shareholders may participate in the SPP. The Company reserves the right to reject any application made by a director if the Company determines, in its sole opinion, that the acceptance of such application may result in it being in breach of the ASX Listing Rules or any applicable laws.

17. Quotation of New Shares on the ASX

The Company will apply for the New Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

18. Dispute Resolution

Mantra Group may settle, in any manner it deems fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of this SPP whether generally or in relation to any participant, application or shares, and their decision shall be conclusive and binding on all participants and other persons to whom the determination relates.

Mantra Group reserves the right to waive strict compliance with any provision of these Terms and Conditions.

The powers of Mantra Group under these Terms and Conditions may be exercised by its directors or any delegate of the directors.

19. Governing law

These Terms and Conditions are governed by the laws in force in Queensland.