

NOTICE OF CHANGE IN ISSUED CAPITAL – ISSUE OF OPTIONS TO ACQUIRE ORDINARY SHARES

Pursuant to Listing Rule 4.6.1 and Listing Rule 3.13.1

Company: Pacific Edge Limited ISIN NZPEBE0002S1

Date: 22 August 2018

Date of Issue: 22 August 2018

Issued Capital Prior To Issue (Previous Issued Capital – Listed): 511,381,538 ordinary shares and 10,328,912 options outstanding

Number of Financial Products issued:

- (1) The following options issued to certain employees of the Company and its subsidiaries (**Option Holders**) to acquire up to:
 - a. 3,620,000 Ordinary Shares in the Company to vest over a period of 3 years (**A Incentive Options**); and
 - b. 7,250,000 Ordinary Shares in the Company to vest over a period of 3 years (**B Incentive Options**),

on issue and otherwise on the Terms of Issue set out below (together referred to as the **Options**).

Issued Capital Subsequent To Issue (Total Issued Capital) excluding Treasury Stock: 511,381,538 ordinary shares and 21,198,912 options outstanding

Treasury Stock: Not applicable

Classes of Financial Products Issued:

- (1) Options to acquire Ordinary Shares.

Issue Price:

- (1) Not applicable. The A Incentive Options and the B Incentive Options have an exercise price of NZD\$0.23 per share payable in cash.

Payment in cash? Not applicable

Amount paid up (if not in full): Not applicable

Percentage Issued: If 100% of the options were to vest and be exercised on the date of this notice of allotment, it would represent 2.08% of the Ordinary Shares on issue.

Terms of Issue and Conversion:**A Incentive Options**

- a. Subject to the continuous employment of the relevant Option Holder with either the Company or a subsidiary of the Company, one third of the A Incentive Options available to the relevant Option Holder will vest in the Option Holder each year, on the first three anniversaries of their Date of Employment/Effective Date as recorded in the Schedule of the relevant Option Agreement. If the Option Holder's employment ceases then they will receive a fractional entitlement based on their length of service during the relevant year.
- b. The A Incentive Options may be exercised within a period of ten years from their vesting date.
- c. Consideration of NZD\$0.23 per share is payable in cash on the exercise of any of the A Incentive Options. Any shares issued pursuant to the A Incentive Options will rank pari passu with existing ordinary shares in the Company.

B Incentive Options

- a. Subject to the continuous employment of the relevant Option Holder with either the Company or a subsidiary of the Company, one third of the B Incentive Options available to the relevant Option Holder will vest in the Option Holder each year, on the first three anniversaries of their Date of Employment/Effective Date as recorded in the Schedule of the relevant Option Agreement. If the Option Holder's employment ceases (other than by reason of death or disability) they will receive a fractional entitlement based on their length of service during the relevant year. If the Option Holder dies or ceases employment with the Company or a subsidiary of the Company due to disability then all of the B Incentive Options that have not yet vested will immediately vest in the Option Holder as at the date of death or disability.
- b. The B Incentive Options may be exercised within a period of ten years from their vesting date.
- c. Consideration of NZD\$0.23 per share is payable in cash on the exercise of any of the B Incentive Options.
- d. Any shares issued pursuant to the B Incentive Options will rank pari passu with existing ordinary shares in the Company.

Specific Authority for the Issue: Resolution of Directors dated 22 August 2019 and Listing Rule 4.6.1.

Reason: Issue of options as part of Pacific Edge Limited's long term incentive plan for employees.

Chris Gallaher
Chairman
Pacific Edge Limited