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Terms and Conditions of Advisor Options

The following are the terms and conditions of the 30,000,000 options to purchase ordinary shares in the Company issued on 30 March 2016 (**EAS Options**):

1. The EAS Options were issued in four (4) separate tranches:
 - (a) 7,500,000 EAS Options, each exercisable at \$0.07 but subject to the 10 day volume weighted average price of the Shares on ASX being not less than \$0.07 at the time of exercise.
 - (b) 7,500,000 EAS Options, each exercisable at \$0.09 but subject to the 10 day volume weighted average price of the Shares on ASX being not less than \$0.09 at the time of exercise.
 - (c) 7,500,000 EAS Options, each exercisable at \$0.11 but subject to the 10 day volume weighted average price of the Shares on ASX being not less than \$0.11 at the time of exercise.
 - (d) 7,500,000 EAS Options, each exercisable at \$0.13 but subject to the 10 day volume weighted average price of the Shares on ASX being not less than \$0.13 at the time of exercise.
2. Each EAS Option is exercisable on or before 24 months from the allotment date.
3. The EAS Options will be non-transferable in whole or in part.
4. Upon the valid exercise of the EAS Options and payment of the exercise price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares of the Company.
5. The Option holder will be permitted to participate in new issues of securities of the Company to Shareholders only on the prior exercise of the EAS Options, in which case the holders of the EAS Options will be afforded the minimum period of notice prescribed under the Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the EAS Options.
6. In all other respects the EAS Options shall have the same terms as existing listed options on issue in the Company which are as follows:
 - (a) the number of Options that may be exercised at one time must be not less than 25,000;
 - (b) option holders do not participate in any dividends unless the EAS Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend;

- (c) in the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- (1) the number of EAS Options, the exercise price of the EAS Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the EAS Options which are not conferred on Shareholders; and
 - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the EAS Options will remain unchanged;
- (d) if there is a pro rata issue (except a bonus issue), the exercise price of an EAS Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

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|-------|---|--|
| O^n | = | the new exercise price of the EAS Option; |
| O | = | the old exercise price of the EAS Option; |
| E | = | the number of underlying securities into which one EAS Option is exercisable; |
| P | = | the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date; |
| S | = | the subscription price for a security under the pro rata issue; |
| D | = | dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); |
| N | = | the number of securities with rights or entitlements that must be held to receive a right to one new security; |
- (e) if there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the EAS Option is exercisable may be increased by the number of Shares which the EAS Option holder would have received if the EAS Option had been exercised before the record date for the bonus issue;
- (f) the terms of the EAS Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the EAS Options shall not be changed to reduce the exercise price, increase the number of EAS Options or change any period for exercise of the EAS Options;
- (g) The EAS Options shall not be listed on the ASX; and
- (h) The Company shall apply for listing of the resultant Shares of the Company issued upon exercise of any Option.