

26 June 2018

Dear Shareholder,

Invitation to participate in Share Purchase Plan

On 22 June 2018, Holista Colltech Limited ACN 094 515 992 (**Company**) announced its intention to conduct a Share Purchase Plan (**Plan**) which will offer shareholders the chance to subscribe for up to \$15,000 worth of additional shares (**Shares**) in the Company.

The Company is now pleased to offer you the opportunity to participate in the Plan on the terms and conditions enclosed in this Plan booklet.

The offer under the Plan (**Offer**) aims to raise up to \$2,800,000 on the terms and conditions (**Terms and Conditions**) contained in this letter and is conditionally underwritten in part by each of Dr Rajen Manicka and Mr Chan Heng Fai (**Underwriters**).

As noted above, the Company is pleased to confirm Dr Rajen Manicka, the Company's Managing Director, and Mr Chan Heng Fai, a Non-Executive Director of the Company have respectively agreed to subscribe for the maximum number of Shares under the Plan and to each underwrite a portion of the Plan as follows:

- Dr Manicka has agreed to underwrite an amount of any Shortfall up to \$1,777,039, subject to his holding following completion of the Offer being no greater than 43.16% of the total number of Shares then on issue (**RM Underwritten Amount**); and
- Mr Chan has agreed to underwrite an amount of any Shortfall up to \$784,430, subject to his holding following completion of the Offer being no greater than 24.53% of the total number of Shares then on issue, (**CHF Underwritten Amount**).

As Dr Manicka and Mr Chan are both related parties of the Company, the Company is seeking shareholder approval for the part underwriting of the Plan by the Underwriters at a general meeting of the Company to be held on 30 July 2018.

No fees are payable to the Underwriters for their agreement to partially underwrite the Plan.

Dr Rajen Manicka is also a substantial shareholder in the Company, with a current voting power in the Company of approximately 38.8%. Six months prior to the date of this Plan, Dr Manicka's voting power in the Company was 40.16%. Following the completion of the issue of Shares under the Plan and the conditional underwriting, Dr Manicka's voting power in the Company may increase to a maximum of 43.16% if Dr Manicka is issued Shares under the Plan and Shares to fulfil his commitment to underwrite the full RM Underwritten Amount.

Mr Chan is also a substantial shareholder in the Company with a current voting power in the Company of approximately 23.7%. Six months prior to the date of this Plan, Mr Chan's relevant interest in the voting power in the Company was 24.53%. Following the completion of the issue of Shares under the Plan and the conditional underwriting, Mr Chan's voting power in the Company may increase to a maximum of 24.53% if Mr Chan is issued Shares under the Plan and Shares to fulfil his commitment to underwrite the full CHF Underwritten Amount.

Further details of the effect of the Plan and underwriting on the control of the Company are set out in this letter.

In addition, Dr Manicka is owed an amount of \$251,561 in respect of an interest free loan provided to the Company and \$111,100 in respect of unpaid director's fees, and Mr Chan is owed an amount of \$75,710 in respect of unpaid director's fees. Subject to the partial underwriting being approved by

shareholders, the Company intends to allow the Underwriters to offset part of their Underwritten Amounts against these amounts that are due and owing to the directors.

Importantly, while the Underwriters' partial underwriting of the Plan is conditional upon shareholder approval being obtained, the Plan is not conditional upon shareholder approval, and the Plan will proceed whether or not shareholder approval is obtained for the part underwriting by either or both of Dr Manicka and Mr Chan.

Shareholders eligible to participate

Participation in the Plan is entirely optional and is open to all shareholders who are registered as holders of Shares at 5.00 pm WST on Thursday 21 June 2018 (**Record Date**) and whose registered address is in Australia, New Zealand or Singapore (**Eligible Shareholders**).

Subscription price

Under the Plan, Eligible Shareholders, irrespective of the size of their shareholding, will be able to purchase up to \$15,000 worth of Shares at an issue price of \$0.07 per Share (**Price**) free of brokerage and commission. The Price represents a discount of 6.91% to the volume weighted average market price (**VWAP**) for the Shares over the last 15 trading days on which sales in the Shares were recorded before the day on which the Offer was announced (**Price**).

The VWAP of Shares traded on the ASX during the 15 trading days on which sales in the Shares were recorded immediately prior to the announcement date of the Offer was \$0.0752.

The directors of the Company who are Eligible Shareholders intend to participate under the Share Purchase Plan. An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply-paid envelope are included in this package.

Current activities

Details of the Company's current activities are set out in the announcements made by the Company to the Australian Securities Exchange (**ASX**) and are available from the ASX, or the Company's website at www.holistaco.com.

The funds raised under the Plan will be used for marketing of the Company's low GI noodle product in China and USA, product development, and working capital.

Subscriptions amounts

Under the Plan, Eligible Shareholders may only apply for a maximum of \$15,000 worth of Shares even if a 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).

Application procedure

Eligible Shareholders may participate in the Plan by making an application (in accordance with the application instructions below and subject to the Terms and Conditions) for Shares under the Plan.

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have paid by the price per Share (being \$0.07), rounded down.

Your application can be made either by:

- completing the enclosed Application Form and sending it together with your payment by cheque made payable to "Holista Colltech Limited" and drawn in Australian currency for the correct amount, to the Company's share registry, Computershare Investor Services Pty Ltd to be received no later than 5 pm WST on the **Closing Date of 27 July 2018**; or
- making a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY® Reference Numbers. To ensure you

receive your Shares under the Offer in respect of that holding (and subject to the restriction that you can only apply for a maximum of \$15,000 worth of Shares) you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. **If you make your payment using BPAY® you do not need to return your Application Form.** New Zealand and Singapore holders will not be able to make a payment using BPAY®. Payments made by BPAY® received after 5 pm **on the Closing Date of 27 July 2018** will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

No late applications will be accepted.

Applicants should not forward cash and direct bank transfers are not permitted.

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 27 July 2018**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- return your Application Form and/or payment and not allot any Shares to you; or
- allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a 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).

Unless you are a Custodian or Nominee (see below), by returning an Application Form or making payment via BPAY® in accordance with this Plan, you certify and represent to the Company that you have not applied for Shares with an aggregate application price in excess of \$15,000 under the Plan and any similar arrangement in the 12 months prior to your application (including by instructing a Custodian or Nominee to apply for Shares on your behalf), even though you may have received more than one Offer under the Plan or received Offers in more than one capacity under the Plan.

Custodians and nominees

Eligible Shareholders who hold Shares as custodian or nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of \$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia, New Zealand or Singapore, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Calculation of Price and acceptance of risks

The Price of Shares under the Offer is \$0.07, which represents a discount of 6.91% to the average market price of the Company's Shares on ASX during the 15 trading days immediately prior to the announcement date of the Offer, being \$0.0752.

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.067. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

Each Eligible Shareholder, in making an application under this Offer and applying for Shares under the Plan, will acknowledge that although the Price is at a discount, the Shares are a highly speculative investment and the price of Shares on ASX may change between the date of the Company announcing

its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that Eligible Shareholders should obtain their own financial advice in relation to the Offer and take into account price movements of Shares in the Company prior to making an application under this Offer.

Additional Information

The Offer of Shares under the Plan does not require a prospectus under Chapter 6D of the *Corporations Act 2001* (Cth), as it is made in accordance with ASIC Class Order 09/425.

The Offer is non-transferable and the Company reserves the right to reject, or scale back, any application in its discretion.

Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$2,800,000. However, subject to the ASX Listing Rules, the Company reserves absolute discretion regarding the final amount raised under the Plan.

If the Plan is oversubscribed the Company reserves the right to accept oversubscriptions and increase the amount raised or to scale back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia, New Zealand and Singapore. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand

The Shares offered under the Plan 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* (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.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing shareholder. If you are not an existing shareholder, please return this document immediately. This document is not to be forwarded or circulated to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Shortfall placement

If less than \$2,800,000 is applied for under the Plan, the resultant shortfall may be placed at the discretion of the directors and otherwise in accordance with the terms of the respective underwriting agreements with the Underwriters.

Underwriting

The Company has entered into conditional underwriting agreements with each of the Underwriters, Dr Manicka and Mr Chan.

Each of the Underwriters have agreed to underwrite a portion of the Plan as follows:

- Dr Manicka has agreed to underwrite an amount of any Shortfall up to \$1,777,039, subject to his holding following completion of the Offer being no greater than 43.16% of the total number of Shares then on issue (**RM Underwritten Amount**); and
- Mr Chan has agreed to underwrite an amount of any Shortfall up to \$784,430, subject to his holding following completion of the Offer being no greater than 24.53% of the total number of Shares then on issue, up to (**CH Underwritten Amount**).

As Dr Manicka is the Managing Director of the Company, and Mr Chan is a Non-Executive Director of the Company, both of the Underwriters are related parties of the Company, and the Company is required under the ASX Listing Rules to obtain shareholder approval for the issue of Shares to the Underwriters under the underwriting agreements. The Company is seeking the requisite shareholder approvals at its general meeting to be held on 30 July 2018.

No fee will be payable to the Underwriters in consideration of partially underwriting the Offer.

As is customary, either of the Underwriters may terminate their respective underwriting agreement on the occurrence of certain events, including (without limitation) where: (a) the ASX All Ordinaries Index or S&P/ASX300 Index falls by 10% or more from its position immediately prior to the date of this Offer; and (b) there is a material adverse change in relation to the financial position, prospects or operations of the Company.

The underwriting agreements are otherwise on standard commercial terms and conditions for agreements of this nature.

If shareholder approval is not obtained for the underwriting by the Underwriters, the underwriting agreements will be at an end and the underwriting arrangements will not proceed. The Plan is not conditional on shareholder approval being obtained and will proceed regardless of the outcome at the meeting.

Effect on control

As noted above, the Underwriters are, as well as being related parties, also substantial shareholders in the Company. Dr Manicka is the Managing Director of the Company and has a voting power in the Company of 38.8%. Mr Chan is a Non-Executive of the Company and holds a voting power in the Company of 23.7%.

Pursuant to section 606 of the Corporations Act, neither Dr Manicka or Mr Chan can increase their respective voting power by more than 3% of the voting power held six months prior to the issue of Shares under the Plan (as permitted under item 9 of section 611 of the Corporations Act). For the purposes of the Plan and the underwriting agreements, Dr Manicka's voting power six months before

the proposed issue of Shares under the Plan was 40.16% and Mr Chan's voting power six months before the proposed issue of Shares under the Plan was 24.53%.

As noted above, Dr Manicka is conditionally underwriting the RM Underwritten Amount under the Plan, and Mr Chan is conditionally underwriting the CHF Underwritten Amount under the Plan.

The potential effect that the Plan will have on the control of the Company is as follows:

- if all Eligible Shareholders take up New Shares under the Plan, there is likely to be minimal effect to the control of the Company;
- if not all Eligible Shareholders participate in the Plan on an equal basis (as not all Eligible Shareholders will apply for the maximum of \$15,000 worth of New Shares), it is likely that shareholders' interests in the Company will be diluted as a result of the issue of New Shares under the Plan;
- Dr Manicka has agreed to underwrite a portion of the Offer and intends to subscribe for Shares under the Plan to the maximum of \$15,000 worth of Shares. Dr Manicka's voting power at the date of the Plan is 38.8%. Six months prior to the date of this Plan, Dr Manicka's voting power was 40.16%. Under the underwriting agreement, Dr Manicka has committed to underwriting the Plan to \$1,777,039 worth of Shares, subject to the limitation that his voting power after completion of the Offer must not be greater than 43.16%. The number of Shares that this will equate could be between:
 - 21,380,832 (or \$1,496,658 worth of Shares), if no Eligible Shareholders other than the Underwriters were to take up New Shares under the Plan; and
 - 25,386,270 (or \$1,777,039 worth of Shares), if the total number of New Shares offered under the Plan were issued (taking the total number of Shares on issue to 230,539,087) and Dr Manicka's percentage holding increased to 43.16% of that number.

In these circumstances, Dr Manicka's shareholding in the Company would increase from 73,914,400 Shares to between 95,495,232 and 99,500,670 Shares, which in each case represents a potential increase in Dr Manicka's voting power to a maximum of 43.16%. The following table sets out examples of how Dr Manicka's voting power in the Company may change depending on the level of subscription for Shares under the Plan:

Number of Shares in the Company	Number of Shares held by Dr Manicka	Number of Shares applied for by Dr Manicka under Plan	Underwriting commitment of Dr Manicka	Number of Shares held by Dr Manicka on completion of Plan and Underwriting	Voting power of Dr Manicka
Number of Shares on issue in Company (current) 190,539,087	73,914,400	-	-	-	38.8%
Number of Shares on issue in Company on completion of Plan assuming 40,000,000 Shares are applied for with zero shortfall 230,539,087	73,914,400	200,000	-	74,114,400	32.15%

Number of Shares in the Company	Number of Shares held by Dr Manicka	Number of Shares applied for by Dr Manicka under Plan	Underwriting commitment of Dr Manicka	Number of Shares held by Dr Manicka on completion of Plan and Underwriting	Voting power of Dr Manicka
Number of Shares on completion of Plan assuming 20,000,000 Shares applied for with full underwriting commitment of 20,000,000 RM Underwritten Shares subscribed for 230,539,087	73,914,400	200,000	20,000,000	94,114,400	40.82%
Number of Shares on completion of Plan assuming 3,007,593 Shares applied for by shareholders other than Underwriters, with full underwriting commitment of 25,386,270 RM Underwritten Shares subscribed for 230,539,087	73,914,400	200,000	25,386,270	99,500,670	43.16%
Number of Shares on completion of Plan assuming <u>only</u> Dr Manicka and Mr Chan apply for Shares under the Plan with full underwriting commitment of each Underwriter subscribed for subject to maximum percentage limits applicable to each Underwriter 221,247,110	73,914,400	200,000	21,380,832	95,495,232	43.16%

- Mr Chan has agreed to underwrite a portion of the Offer and to subscribe for Shares under the Plan to the maximum of \$15,000 worth of Shares. Mr Chan's voting power at the date of the Plan is 23.7%. Six months prior to the date of this Plan, Mr Chan's voting power was 24.53%. Under the underwriting agreement, Mr Chan has committed to underwriting the Plan to \$784,430 worth of Shares, subject to the limitation that his voting power after completion of the Offer must not be greater than 24.53% (rather than 26.7% as permitted under item 9 of section 611 of the Corporations Act). Mr Chan's voting power after completion of the Offer must not be greater than 24.53% because Mr Chan has lodged certain filings in the US regarding his holdings and cannot increase his percentage holding in the Company beyond the interest

disclosed in those filings. In this case Mr Chan's percentage holding in the Company disclosed in the US filings was 24.53%. The number of Shares that this will equate could be between:

- 8,927,191 (or \$624,903 worth of Shares), if no Eligible Shareholders other than the Underwriters were to take up New Shares under the Plan; and
 - 11,206,137 (or \$784,430 worth of Shares), if the total number of New Shares offered under the Plan were issued (taking the total number of Shares on issue to 230,539,087) and Mr Chan's percentage holding increased to 24.53% of that number.
- In these circumstances, Mr Chan's shareholding in the Company would increase from 45,145,101 Shares to between 54,272,292 Shares and 56,551,238 Shares, which in each case represents a potential increase in Mr Chan's voting power to a maximum of 24.53%. The following table sets out examples of how Mr Chan's voting power in the Company may change depending on the level of subscription for Shares under the Plan:

Number of Shares in the Company	Number of Shares held by Mr Chan	Number of Shares applied for by Mr Chan under Plan	Underwriting commitment of Mr Chan	Number of Shares held by Mr Chan on completion of Plan and Underwriting	Voting power of Mr Chan
Number of Shares on issue in Company (current) 190,539,087	45,145,101	-	-	-	23.7%
Number of Shares on issue in Company on completion of Plan assuming 40,000,000 Shares are applied for, with zero shortfall 230,539,087	45,145,101	200,000	-	45,345,101	19.67%
Number of Shares on issue in Company on completion of Plan assuming 30,000,000 Shares are applied for, with full underwriting commitment of 10,000,000 CHF Underwritten shares subscribed for 230,539,087	45,145,101	200,000	10,000,000	55,345,101	24.01%
Number of Shares on completion of Plan assuming 3,007,593 Shares applied for by shareholders other than Underwriters, with full underwriting commitment of 11,206,137 CHF Underwritten Shares subscribed for 230,539,087	45,145,101	200,000	11,206,137	56,551,238	24.53%

Number of Shares in the Company	Number of Shares held by Mr Chan	Number of Shares applied for by Mr Chan under Plan	Underwriting commitment of Mr Chan	Number of Shares held by Mr Chan on completion of Plan and Underwriting	Voting power of Mr Chan
Number of Shares on completion of Plan assuming <u>only</u> Mr Chan and Dr Manicka apply for Shares under the Plan, with full underwriting commitment of each Underwriter subscribed for subject to maximum percentage limits applicable to each Underwriter 221,247,110	45,145,101	200,000	8,927,191	54,272,292	24.53%

Indicative Timetable

Below sets out the indicative timetable for the Plan.

Event	Date
Record Date for participation in the Share Purchase Plan.	21 June 2018
Announcement of Share Purchase Plan to ASX.	22 June 2018
Dispatch of Share Purchase Plan booklet to shareholders.	26 June 2018
Section 708A "Cleansing Notice" lodged with ASX.	26 June 2018
Share Purchase Plan opens.	26 June 2018
Share Purchase Plan closes.	27 July 2018
Shareholder meeting to approve issue of Underwritten Shares	30 July 2018
Issue of new Shares under the Share Purchase Plan and Appendix 3B lodged with ASX.	6 August 2018
New Shares issued under the Share Purchase Plan commence trading on the ASX.	10 August 2018

Note: These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, please contact the Joint Company Secretary, Brett Fraser, on 6141 3500.

Yours faithfully

Brett Fraser
Company Secretary

Holista Colltech Limited ACN 094 515 992
Share Purchase Plan – Terms and Conditions

Purpose

The purpose of the Share Purchase Plan (**Plan**) is to offer shareholders of Holista Colltech Limited (**Company**) the ability to acquire up to a maximum of \$15,000 worth of additional fully paid ordinary shares in the Company (**Shares**) (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan). The issue price under the Plan will be \$0.07 per Share which represents a discount of 6.91% to the volume weighted average market price for Shares over the last 15 trading days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the Plan was announced. Shares will be issued pursuant to the Plan without the need to pay brokerage costs, on terms and conditions that the Company in its discretion sees fit, without the need for the Company to issue a prospectus.

Shareholders eligible to participate

Holders of the Company's Shares that are registered with an address in Australia, New Zealand or Singapore at the Record Date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds Shares on behalf of another person who resides outside Australia, New Zealand or Singapore. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Eligible Shareholders may choose to, or choose not to, participate in the Plan, in their discretion and participation in the Plan is entirely voluntary. Participation in the Plan is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (meaning that Eligible Shareholders may not transfer their rights to apply for any Shares offered under the Plan).

The directors of the Company (**Directors**) may, in their discretion, make an offer under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000.

By applying for Shares under a Plan (whether by submitting the Application Form and payment by cheque or making a BPAY payment), each Eligible Shareholder:

- certifies and warrants that the aggregate of the application price paid by them for:
 - the Shares the subject of the Eligible Shareholder's application, or an application by a Custodian on the Eligible Shareholder's behalf, under the Plan; and
 - any other existing Shares, or interests in existing Shares, issued to the Eligible Shareholder or a Custodian as a result of an instruction given by you to apply for those Shares on your behalf in the 12 months before the application under an arrangement similar to the Plan,

does not exceed \$15,000 (unless you are applying as a Custodian for one or more Beneficiaries as described below). In relation to the above, the aggregate application price paid by you does not include the price of Shares applied for but not issued. The \$15,000 limit applies notwithstanding the number of Shares held on the Record Date by the Eligible Shareholder;

- represents that they are an Eligible Shareholder;
- agrees to be bound by the Company's constitution in respect of Shares issued under the Plan;
- acknowledges that the Shares have not, and will not be registered under the United States Securities Act of 1933 (as amended) (**Securities Act**) or the securities law of any state or other jurisdictions in the United States, and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other securities laws; and

- agrees that they will not send any materials relating to the Plan to any person in the United States or to any person that is considered to be, or is acting for the account or benefit of, a US Person (as defined in Regulation S under the Securities Act).

The Company may otherwise decide in its discretion the minimum amount for participation, the Shares to be issued under the Plan and the period the offer is available to Eligible Shareholders.

Multiple and joint holdings

As noted above, Eligible Shareholders may invest a maximum of \$15,000 under the Plan. If you are not a Custodian and you receive more than one offer to participate in the Plan (for example, because you hold more than one shareholding under separate share accounts), you can only apply for \$15,000 worth of Shares in all capacities.

If you hold Shares jointly with one or more other persons, that joint holding constitutes a single holding. Accordingly, joint holders are only entitled to participate in the Plan in respect of that single holding. Again, if you receive more than one offer under the Plan due to multiple holdings, the maximum that can be invested by you under the Plan in all capacities is \$15,000.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of \$15,000 worth of new Shares for each Beneficiary for whom you act as custodian provided you annexe to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Shares on behalf of one or more other persons who are resident in Australia, New Zealand or Singapore (each, a **Participating Beneficiary**) at the Record Date of 21 June 2018 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another Custodian, to apply for on their behalf;
- that the application price for Shares applied for under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as Custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each Beneficiary; and
- where you hold Shares on behalf of a Beneficiary indirectly, through one or more interposed Custodians, the name and address of each interposed Custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'Custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt under:
 - paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (**Regulations**);
 - paragraph 7.6.01(1)(na) of the Regulations;
 - ASIC Class Order CO 14/1000 or ASIC Class Order CO 14/1001;

- Schedule 2 to the *ASIC Corporations (Repeal and Transitional) Instrument 2016/396*;
- an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iia), or any ASIC Class Orders CO 03/1099, CO 03/1100, CO 03/1101, CO 03/1102, CO 03/1103, CO 04/829 or CO 04/1313 repealed by the legislative instrument referred to in sub-paragraph (iia); or
- paragraph 911A(2)(h) of the Act,

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service;

- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes; or
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons 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 (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Joint Company Secretary at any time from 8.30am to 5.00pm (Perth time) Monday to Friday during the Offer period.⁵

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with the requirements set out in these Terms and Conditions. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Shares

The price of Shares to be issued under the Plan will be \$0.07 which represents a discount of 6.91% to the volume weighted average market price for the Shares over the last 15 trading days on which sales in the Shares were recorded before the day on which the Offer under the Plan was announced.

Applications

The Company will send Eligible Shareholders a letter of offer and acceptance inviting them to subscribe for Shares under the Plan (**Offer Letter**). The Offer Letter will set out the offer and acceptance procedures and will be accompanied by these Terms and Conditions and an Application Form. Applications will not be accepted after the Closing Date of the Offer. Oversubscriptions may be refunded without interest at the discretion of the Company.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer will be placed at the discretion of the Company and otherwise in accordance with the terms of the underwriting agreements.

Issue of Shares

The Company will issue Shares under the Plan as soon as reasonably practicable after the Closing Date specified for the Offer. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan.

Shares issued under the Plan are fully paid ordinary shares in the Company and will accordingly rank equally in all respects with all other fully paid ordinary shares in the Company.

Modification and termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the ASX Listing Rules.

Target amount and scale-back

The Company seeks to raise a total amount of \$2,800,000. The Company reserves absolute discretion regarding the final amount raised under the Plan.

If at the Closing Date the Plan is oversubscribed, the Company may, in its absolute discretion, increase the amount to be raised or scale-back all applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Dispute resolution

If there is any dispute, anomaly or difficulty, whether generally or in relation to any specific participant, application or Shares, that becomes apparent or arises in respect to or because of the operation of the Plan, the Company may determine the resolution of such dispute, anomaly or difficulty in any manner it thinks fit. Any decision of the Company in this respect will be final and binding on all shareholders and other persons to whom that decision relates.

The Company reserves the right to waive in writing strict compliance with any provision of these Terms and Conditions. The powers of the Company under these Terms and Conditions may be exercised by the Directors of the Company or any properly authorised delegate of the Directors of the Company.

Questions and contact details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser, or Brett Fraser, Joint Company Secretary, on +61 8 6141 3500.