

- (b) The Company must issue a Cleansing Statement on the day when Completion occurs, as soon as practicable after Completion. However, if Completion occurs after close of the ASX announcements platform on that day, the Company must instead issue a Cleansing Statement prior to the commencement of ASX trading on the next Business Day after the day when Completion occurs.

4.5 **Subscriber's obligation to Complete**

The Subscriber is not required to Complete at the Completion Time if:

- (a) the Condition Precedent remains unsatisfied and has not been waived in writing by the Subscriber;
- (b) an Insolvency Event has occurred in respect of the Company;
- (c) a Warranty given by the Company is not correct, or is misleading, in a material respect; or
- (d) trading in shares of the Company on ASX is suspended for more than three days between the date of this document and the Completion Time.

4.6 **Completion simultaneous**

In respect of Completion:

- (a) the obligations of the parties under this document are interdependent; and
- (b) all actions required to be performed will be taken to have occurred simultaneously on Completion.

4.7 **Dividends**

To the extent the Company declares any dividends after the date of this document and prior to the Completion Time, the Subscriber acknowledges and agrees that the Subscription Shares will not have any rights to receive those dividends.

5. **WARRANTIES**

5.1 **By each party generally**

Each party represents and warrants to the other party that each of the Warranties set out in Part 1 of Schedule 3 is true and correct at the date of this document and will be so at all times before and including the Completion Time.

5.2 **By the Company**

The Company represents and warrants to the Subscriber that each of the Warranties set out in Part 2 of Schedule 3 is true and correct at the date of this document and will be so at all times before and including the Completion Time.

5.3 **Separate Warranties**

Each Warranty is to be treated as a separate representation and warranty. The interpretation of any statement made may not be restricted by reference to or inference from any other statement.

5.4 **No extinguishment**

The Warranties are not extinguished or affected by any investigation made by or on behalf of the Subscriber into the affairs of the Company or by any other event or matter unless:

- (a) the Subscriber has given a specific written waiver or release;
- (b) the Claim relates to a matter which was fully and fairly disclosed in writing to the Subscriber before the date of this document; or
- (c) the Claim relates to a thing done or not done after the date of this document at the request in writing or with the approval in writing of the Subscriber.

5.5 **Inducement**

The Company acknowledges that:

- (a) it has given its Warranties with the intention of inducing the Subscriber to enter into this document; and
- (b) the Subscriber has entered into this document in full reliance on the Warranties given by the Company.

5.6 **Breach on or before Completion**

If any Warranty given by the Company is found to have been incorrect or misleading when made at or before the Completion Time the Subscriber may, by notice to the Company, terminate this document without prejudice to any other remedy available to it. If this document is so terminated then clause 7.2 applies with the necessary changes.

5.7 **Reduction in Subscription Price**

If payment is made to the Subscriber for a breach of any Warranty given by the Company, the payment is to be treated as an equal reduction in the Subscription Price for each Subscription Share.

6. **BOARD REPRESENTATION**

6.1 **Right of appointment**

- (a) Dawson Steven Lin shall be appointed as a new Director to the Board immediately after Completion, as contemplated in clause 4.3(c), and shall be treated as the initial C2 Capital Board Nominee for the purposes of the remainder of this clause 6. If Dawson Steve Lin ceases to be a director of the Company for any reason, for so long as the Subscriber holds 10% or more of the Shares in the Company (the **Relevant Period**), the Subscriber has the right to nominate, and the Company must appoint in accordance with this clause 6, 1 nominee Director to the Board (the **C2 Capital Board Nominee**), subject to the Company receiving a signed consent to act as Director from the C2 Capital Board Nominee.
- (b) After the appointment of the C2 Capital Board Nominee in accordance with clause 6.1(a), the Company must (and must procure that the Board does):
 - (i) ensure that the C2 Capital Board Nominee is proposed for election as Director at the next general meeting of the Company's shareholders convened after the appointment;
 - (ii) unanimously recommend the election of the C2 Capital Board Nominee to the Company's shareholders at the general meeting referred to in clause

6.1(b)(i) and do all things as may be reasonably necessary or expedient on its part to ensure that such resolution is passed by the requisite majority; and

- (iii) if the resolution to elect any C2 Capital Board Nominee as Director is not approved by shareholders at any general meeting of the Company, re-comply with clauses 6.1(b)(i) and 6.1(b)(ii) as many times as required during the Relevant Period until such election is made and the C2 Capital Board Nominee is appointed as Director.

(c) For the avoidance of doubt:

- (i) the C2 Capital Board Nominee shall have the right to appoint an alternate Director (subject to compliance with the Company's constitution, provided that if a majority of Directors do not approve the appointment of any alternative Director under this clause, the provisions of clause 6.1(c)(ii) will apply);
- (ii) the Company must (to the extent permitted by law, the ASX Listing Rules and the fiduciary duties of the Directors) continue to take all necessary steps to procure that any C2 Capital Board Nominee is appointed to the Board during the Relevant Period; and
- (iii) the Subscriber's right to make the election under clause 6.1(a):
 - (A) may be made at any time during the Relevant Period in respect of clause 6.1(a);
 - (B) is a continuing right of appointment;
 - (C) does not merge on Completion;
 - (D) does not cease after the first (or any subsequent) C2 Capital Board Nominee appointed under clause 6.1(a) ceases to be a director of the Company for any reason during the Relevant Period;
 - (E) is subject to the C2 Capital Board Nominee satisfying the eligibility requirements under the Constitution, Corporations Act and ASX Listing Rules for appointment or election as a director of the Company; and
 - (F) does not cease if any resolution to elect any C2 Capital Board Nominee is not approved by shareholders at any general meeting of the Company.

6.2 **Restriction of nomination right**

The Subscriber may not nominate a person as a C2 Capital Board Nominee if that person has been removed or, being a director of the Company retiring by rotation, is not re-elected by resolution of shareholders of the Company.

7. **TERMINATION**

7.1 **Termination of agreement**

This document may be terminated by the Subscriber:

- (a) in the circumstances described in clause 3.3 or clause 5.6 (as applicable); or

- (b) at any time before Completion if an event specified in clause 4.5 occurs; or
- (c) if the Deloraine SPA is terminated for any reason, or rescinded or varied in a material respect without the prior written consent of the Subscriber.

7.2 Effect of termination

If this document is terminated under clause 7.1 then, in addition to any other rights, powers or remedies provided by law:

- (a) each party is released from its obligations under this document other than in relation to clauses 8 ("Confidentiality") and 12.2 ("Liability for expenses"); and
- (b) each party retains the rights it has against the other party in connection with any breach or claim that has arisen before termination.

8. CONFIDENTIALITY

8.1 Confidential Information

The following definitions apply in this clause 8:

Confidential Information means information in any form or medium that:

- (a) relates to the business, assets or affairs of each of the parties and their related bodies corporate;
- (b) is made available by or on behalf of the disclosing party to the receiving party, or is otherwise obtained by or on behalf of the receiving party; and
- (c) is, by its nature, confidential or the receiving party knows, or ought to know, is confidential.

Confidential Information includes the existence and terms of this document.

Confidential Information may be made available or obtained directly or indirectly and before, on or after the date of this document.

disclosing party means a party to this document who makes information available.

Excluded Information means information the receiving party can establish:

- (a) is in or enters the public domain through no fault of the receiving party; or
- (b) is already known to the receiving party on a non-confidential basis or is disclosed to the receiving party from another source otherwise than in breach of this document.

receiving party means a party to this document who receives information.

Third Party Recipient means each related body corporate of the receiving party and each person who receives any Confidential Information in accordance with clause 8.2(a).

8.2 Disclosure of Confidential Information

All Confidential Information exchanged between the parties under this document or during the negotiations preceding this document is confidential to them and may not be disclosed to any person except:

- (a) employees, officers, legal advisers, auditors and other consultants of the party or its related bodies corporate requiring the information for the purposes of this document or any transaction contemplated by it;
- (b) with the written consent of the party who supplied the information which consent may be given or withheld in its absolute discretion;
- (c) if and to the extent a party is required to do so by law, a stock exchange or any Government Agency; or
- (d) if and to the extent a party is required to do so in connection with legal proceedings relating to this document.

8.3 Use of Confidential Information

A party must not use any Confidential Information, except for the purpose of performing its obligations under the document or as otherwise required by operation of law.

8.4 Excluded Information

Clauses 8.2 and 8.3 do not apply to the Excluded Information.

8.5 Return or destruction of Confidential Information

- (a) A party must immediately upon the written request of the other party:
 - (i) deliver to the other party all documents and other materials containing, recording or referring to Confidential Information which are in its possession, power or control;
 - (ii) ensure that any person who receives the Confidential Information by its authority returns the Confidential Information (in any form in which it is held) to the other party; and
 - (iii) erase or destroy all electronic and other intangible records containing, recording or referring to Confidential Information.
- (b) Nothing in this clause 8.5 requires the return or destruction of:
 - (i) any board or committee papers of the receiving party or any Third Party Recipient provided such papers contain a level of detail which is no greater than is customary for such documents;
 - (ii) Confidential Information which is stored electronically pursuant to an existing routine data back-up exercise on the servers or back-up sources of the receiving party or a Third Party Recipient, provided that the Confidential Information is deleted from local hard drives and no attempt is made to recover it from those servers or back-up sources by the receiving party or the Third Party Recipients other than as required by law or by any court, regulatory or supervisory authority or any Government Agency or for genuine compliance or professional standards purposes relevant to the holder;
 - (iii) Confidential Information which the receiving party or any Third Party Recipient is required by applicable law or regulation to retain or is required to retain in order not to prejudice coverage under any applicable insurance policy; or

- (iv) documents that are created by any legal advisers of the receiving party or any Third Party Recipient that are reasonably necessary to support any advice given to the receiving party or which are protected by legal professional privilege.

Any Confidential Information retained under the exceptions above must continue to be held in accordance with this document and may not be used for any purpose except as expressly noted above. This is a continuing obligation which survives termination of this document.

8.6 Survival of confidentiality obligations

Clause 8 will survive termination of this document irrespective of whether Completion has taken place or not.

9. ANNOUNCEMENTS

9.1 Public announcements

The Company and the Subscriber will consult with each other in relation to public releases in relation to the subscription for the Subscription Shares by the Subscriber and subject to clause 9.2 neither party may, before or after Completion, make or send any public statement, announcement or communication concerning the subscription for Subscription Shares unless it has first obtained the written consent of the other party, which consent must not be unreasonably withheld or delayed.

9.2 Public announcements required by law

Clause 9.1 does not apply to a public announcement or communication to the extent required by law or a regulation of a stock exchange, if the party required to make or send it has:

- (a) provided the other party with as much notice as reasonably possible to enable it to seek a protective order or other remedy;
- (b) provided all assistance and cooperation that the other party considers necessary to minimise that disclosure; and
- (c) consulted to the extent possible in the circumstances with the other party and its legal advisers.

10. NOTICES

10.1 How to give a notice

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it or any person acting as an officer or agent of that person;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent by email to that person's email address.

10.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is sent by mail:
 - (i) within Australia – three Business Days after posting; or
 - (ii) to or from a place outside Australia – seven Business Days after posting; and
- (b) if it is sent by email, at the earlier of:
 - (i) when the sender receives an automated message confirming delivery; and
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

10.3 Addresses for notices

For the purpose of this clause the address of a person is the address set out below or another address of which that person may give notice to each other person (however, if the intended recipient has notified a changed addressee, address or email address, then communications must be to that addressee, address or email address):

Subscriber:

Attention: Steve Lin
 Address: c/o Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands
 Email: steve.lin@c2capitalpartners.com

With a copy to each of:

Attention: Jonathan Grant
 Address: King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000
 Email: jonathan.grant@au.kwm.com

Attention: Shinong Wang
 Address: Debevoise & Plimpton, 21/F AIA Central, 1 Connaught Road Central, Hong Kong
 Email: swang@debevoise.com

Company:

Attention: Kristy-Lee Newland Carr, Chief Executive Officer
 Address: 2-4/6 Tilley Lane, Frenchs Forest NSW 2086
 Email: kristy@bubsaustralia.com

11. AMENDMENT AND ASSIGNMENT

11.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

11.2 Assignment

A party may only assign, encumber, declare a trust over or otherwise deal with its rights under this document with the written consent of the other party.

12. GENERAL

12.1 Governing law

- (a) This document is governed by the laws of the state of New South Wales.
- (b) Each party submits to the jurisdiction of the courts of that state and of any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

12.2 Liability for expenses

- (a) Subject to paragraph (b), each party must pay its own costs and expenses incurred in negotiating, preparing, executing and registering this document.
- (b) The Subscriber agrees to pay all stamp duty that is payable on or in relation to this document and the issue of Subscription Shares to the Subscriber.

12.3 Giving effect to this document

Each party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other party may reasonably require to give full effect to this document.

12.4 Operation of this document

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

12.5 No merger

No provision of this document merges on or by virtue of Completion.

12.6 Entire agreement

This document constitutes the entire agreement of the parties about its subject matter and supersedes all negotiations on that subject matter.

12.7 Counterparts

This document may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

SCHEDULE 1**Application for subscription shares**

To: BUBS Australia Limited (the **Company**)
2-4/6 Tilley Lane, Frenchs Forest NSW 2086

Attention: Company Secretary

[date]

Dear Sirs

Application for shares pursuant to the Subscription Agreement dated [date]

C2 Capital Global Export-to-China Fund, L.P. (the **Subscriber**):

1. applies, and agrees to subscribe, for 48,366,888 fully paid ordinary shares in the capital of the Company (the **Subscription Shares**);
2. agrees to pay the Subscription Price upon Completion in accordance with the Subscription Agreement; and
3. agrees to be bound by the terms of the constitution of the Company.

Capitalised terms which are used but not defined in this application have the meaning given to them (if any) in the Subscription Agreement.

Yours faithfully

SIGNED for and on behalf of **C2 CAPITAL GLOBAL EXPORT-TO-CHINA FUND, L.P.**

By: **C2 Capital Partners GP, L.P.**, its general partner

By: **C2 Capital Partners GP Limited**, its general partner

Signature: _____

Name: _____

Title: _____

SCHEDULE 2

Capital Structure

Class of Security	Number of Security
Fully paid ordinary shares	444,838,564
Options	2,511,545
Options with vesting conditions	4,771,810

SCHEDULE 3

Warranties

Part 1 – By each party generally

1. **(status)** If the party is an Australian corporation, it is a company limited by shares under the Corporations Act.
2. **(status)** If the party is a non-Australian corporation, it is duly incorporated and validly exists under the laws of the place of its incorporation.
3. **(power)** It has full legal capacity and power to:
 - (a) own its property and to carry on its business; and
 - (b) enter into this document and to carry out the transactions that it contemplates.
4. **(corporate authority)** If the party is a corporation, it has taken all corporate action that is necessary or desirable to authorise its entry into this document and to carry out the transactions contemplated by this document.
5. **(Authorisations)** It holds each Authorisation (and is complying with any conditions to which any Authorisation is subject) that is necessary or desirable to:
 - (a) enable it to properly execute this document and to carry out the transactions that it contemplates;
 - (b) ensure that this document is legal, valid, binding and admissible in evidence; or
 - (c) in respect of the Company only, enable it to properly carry on its business as it is now being conducted.
6. **(documents effective)** This document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditors' rights generally), subject to any necessary stamping or registration.
7. **(no contravention)** Neither its execution of this document nor the carrying out by it of the transactions that this document contemplates, does or will:
 - (a) contravene any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (b) contravene any Authorisation it holds;
 - (c) contravene any agreement binding on it or any of its property;
 - (d) if the party is a corporation, contravene its constitution; or
 - (e) require it to make any payment or delivery in respect of any financial accommodation before it would otherwise be obliged to do so.

8. **(not insolvent, no receiver)** An Insolvency Event has not occurred in respect of itself or its property.
9. **(not unenforceable)** There is no circumstance in respect of itself or its property which could make this document or any transaction contemplated by it void, voidable or unenforceable under any applicable law about insolvency.

Part 2 – By the Company

1. **(Subscription Shares)** The Company represents and warrants to the Subscriber that:
 - (a) **(capital structure)** the capital structure of the Company set out in Schedule 2 contains a true, complete and accurate description of all the issued shares, options and other Securities in the capital of the Company as at the date of this document and there has been no change to the capital structure since;
 - (b) **(rights of Subscription Shares)** on their allotment and issue at Completion, the Subscription Shares will rank on an equal footing in all respects with the then existing issued ordinary shares of the Company;
 - (c) **(no Encumbrance)** on allotment and issue of the Subscription Shares on Completion, the Subscriber will be the holder of the Subscription Shares free from any Encumbrance or third party interest; and
 - (d) **(no restriction)** there is no restriction on issue of the Subscription Shares to the Subscriber.
2. **(share issues)** Other than as fairly disclosed in writing to the Subscriber and to ASX prior to the date of this document, there are no agreements, arrangements or understandings in force or securities issued which call for the present or future issue of, or grant to any person the right to require the issue of, any shares or other securities in the Company.
3. **(compliance with Listing Rules)** The offer, issue and official quotation by ASX of the Subscription Shares (together with any other issuance of Shares contemplated to occur at or around the time of signing this document and Completion) will comply with the Corporations Act (including without limitation sections 111AS, 111AT, 340 and 341), Listing Rule 7.1, any other Listing Rule and any other obligations or agreements binding on the Company or its members, and will not breach any such obligations or agreements.
(purpose) The purpose of the Company in issuing of the Subscription Shares to the Subscriber is:
 - (a) for general corporate purposes including funding the Deloraine Acquisition; and
 - (b) not for the Subscriber to sell, transfer, grant, issue or transfer interests in, or options or warrants over, the Subscription Shares.

4. **(disclosure obligations)** The Company has complied with its obligations under Listing Rule 3.1 and there is no information to which Listing Rules 3.1A.1, 3.1A.2 or 3.1A.3 apply, other than information to be disclosed in the Cleansing Statement to be issued by the Company under clause 4.4.
5. **(on-sale)** There are no escrow or other provisions restricting the on-sale of all or any of the Subscription Shares by the Subscriber and the Subscriber will be able to rely on section 708A(5) of the Corporations Act.
6. **(conduct)** The Company has not engaged in, and will not engage in, conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the issue of the Subscription Shares to the Subscriber.
7. **(ASIC determination)** ASIC has not made a determination under section 708A(1)(c) or section 708A(2) of the Corporations Act in respect of any of either the Company or the Subscription Shares.
8. **(sale offer of quoted securities)** Each of the matters in section 708A(5) of the Corporations Act are satisfied such that disclosure to investors is not required in respect of the issue of the Subscription Shares.
9. **(Cleansing Statement)** The Company will provide a Cleansing Statement to ASX in accordance with the requirements of the Corporation Act.
10. **(no shareholder approval)** The approval of the holders of Shares is not required for the Company to allot and issue the Subscription Shares, or to complete the Deloraine Acquisition.
11. **(information)** No information provided by or on behalf of the Company to the Subscriber:
 - (a) in writing; or
 - (b) orally in the course of the following meetings or discussions:
 - (i) the legal due diligence Q&A interview on 13 March 2019; or
 - (ii) the conference calls and / or meetings held in confidence on the following dates: 28 February 2019, 1 March 2019, 6 March 2019, 7 March 2019, 12 March 2019, 15 March 2019, 19 March 2019, 20 March 2019, 21 March 2019, 23 March 2018, 24 March 2019 and 25 March 2019,

is false or misleading in any material respect.

SCHEDULE 4**Condition Precedent Satisfaction Notice**

To: Steve Lin
c/o Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1 – 1205 Cayman Islands

BY EMAIL: steve.lin@c2capitalpartners.com

With a copy to each of:

Jonathan Grant
King & Wood Mallesons
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

BY EMAIL: jonathan.grant@au.kwm.com

Shinong Wang
Debevoise & Plimpton
21/F AIA Central
1 Connaught Road Central, Hong Kong

BY EMAIL: swang@debevoise.com

[Date] 2019

Dear Sirs

Confirmation of satisfaction of Condition Precedent and waiver of termination right

We refer to the Share Subscription Agreement between C2 Capital Global Export-to-China Fund, L.P. (**Subscriber**) and Bubs Australia Limited (**the Company**) dated 31 March 2019 (**Subscription Agreement**) and the Deloraine SPA.

The Company hereby confirms that:

- (a) the Condition Precedent has been satisfied; and
- (b) the Company waives any right it has to terminate the Deloraine SPA prior to Deloraine Completion occurring.

Capitalised terms which are used but not defined in this notice have the meaning given to them (if any) in the Subscription Agreement.

Yours faithfully

**EXECUTED by BUBS AUSTRALIA
LIMITED:**

Signature of director

Signature of director/secretary

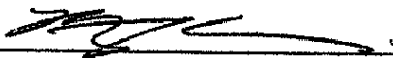
Name

Name

EXECUTED as an agreement.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by BUBS AUSTRALIA LIMITED:


Signature of director

KRISTY-LEE NEWLAND CARR
Name


Signature of director/~~secretary~~

DENNIS W LIN
Name

SIGNED for and on behalf of **C2 CAPITAL GLOBAL EXPORT-TO-CHINA FUND, L.P.**

By: **C2 Capital Partners GP, L.P.**, its general partner

By: **C2 Capital Partners GP Limited**, its general partner

Signature: _____

Name: _____

Title: _____

EXECUTED as an agreement.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

EXECUTED by BUBS AUSTRALIA LIMITED:

Signature of director

Signature of director/secretary

Name

Name

SIGNED for and on behalf of **C2 CAPITAL GLOBAL EXPORT-TO-CHINA FUND, L.P.**

By: **C2 Capital Partners GP, L.P.**, its general partner

By: **C2 Capital Partners GP Limited**, its general partner

Signature: _____



Name: Darren Riley

Title: Director