

# Placement Offer Master Terms

## 1. Introduction

This document describes the terms and conditions and required actions for a Morgans Sophisticated Investor Placement Offer, whereby Morgans Corporate Limited will be the ("**Placement Agent**") to the Offer.

## 2. The Placement

An Offer in Placement Shares is not made by way of a disclosure document. As such, the Offer for Placement Shares have been made in accordance with Chapter 6D of the Corporations Act 2001 (Cth) ("**Corporations Act**") to sophisticated investors (in accordance with section 708(8) of the Corporations Act), experienced investors (in accordance with section 708(10) of the Corporations Act) and professional investors (in accordance with section 708(11) of the Corporations Act).

The Offer of Placement Shares in the Issuer is made to you as we are satisfied on reasonable grounds that you have previous experience investing in Securities that allows you to assess:

1. the merits of the Offer;
2. the value of the Placement Shares;
3. the risks involved in accepting the Offer;
4. your own information needs; and
5. the adequacy of the information given by the Issuer.

## 3. Allocation

The Offer is not a shares recommendation. Your decision to accept the allocation in the Offer and acquire the Placement Shares will be made on the basis of your own assessment of the Issuer, its prospects and your own assessment of the Placement Shares.

The allocation of Placement Shares was determined at the discretion of the Issuer, in consultation with the Placement Agent.

## 4. Offer Acceptance

To accept your allocation in an Offer, your Acceptance must be received by the Placement Agent by the indicated Acceptance date. An acceptance and allocation will represent a binding commitment to subscribe for the Placement Shares by the Settlement Date.

Until such time as you have confirmed the acceptance of the Offer of the Placement Shares in accordance with its terms to the Placement Agent, there is no agreement between you, the Issuer or the Placement Agent in connection with the Placement of Shares.

## 5. Timetable

Please note that any dates provided regarding the Placement Offer may change without consultation with you.

Any changes to the dates will not affect any rights or obligations you have as a result of accepting the Offer, however you will be notified of any changes to the Timetable.

Any times referred to are in Australian Eastern Standard Time (AEST or Brisbane time), unless otherwise stated.

## 6. Settlement

Cleared funds in payment of the Application Monies are required in your account/s **on or before the indicated** Settlement date.

**If paying by cheque, please make the cheque/s payable to “Morgans Financial Limited Trust A/C”.**

Settlement of the transaction (“**Settlement Date**”) to the Issuer is to be on the CHESSE settlement service scheduled to occur on the DvP Settlement in CHESSE date.

Please note that although the settlement of the Placement Shares is being undertaken via CHESSE, it is not covered by the National Guarantee Fund.

## 7. Placement Shares and Quotation

The Placement Shares will rank equally in all respects with existing issued Shares following allotment. Following the Placement, the Issuer will apply to the Australian Stock Exchange Limited (“**ASX**”) to obtain quotation of the Placement Shares. In accordance with the Listing Rules of the ASX (“**ASX Listing Rules**”), the Issuer will also make an announcement to the market at the time of completion of the Placement.

Official quotation of the Placement Shares is expected to occur on the Expected date of ASX quotation of Placement Shares provided in the Indicative Timetable in section 4. Participating Organisations (as defined in the ASX Business Rules) cannot trade in the Placement Shares either as principal or agent until official quotation is granted by the ASX in accordance with ASX Listing Rule 2.

## 8. Conditional Relief for Resale of the Placement Shares

The Issuer has warranted to the Placement Agent that it will provide a notice to ASX in accordance with section 708A(5) of the Corporations Act which complies with section 708A(6) of the Corporations Act. Section 708A(5) will only apply to an offer to sell or sale of the Placement Shares that occurs on a day after the day the notice referred to in clause 5 is lodged with ASX.

## 9. Reliance and Information

In managing the Placement, the Placement Agent has relied on reports it has received and representations made to it by the Issuer, together with any announcements the Issuer has made to the market in accordance with its continuous disclosure obligations in accordance with the Corporations Act and the ASX Listing Rules. The Placement Agent has not independently verified any material provided to it by the Issuer nor any public announcements made by the Issuer nor that the Issuer has and continues to comply with its continuous disclosure obligations pursuant to the ASX Listing Rules and the Corporations Act.

## 10. Offer Personal

The Offer and the agreement that will be entered into between you and the Placement Agent at the time of receipt of the Placement Acceptance Confirmation is personal. You may not assign, transfer or otherwise deal with your entitlement to the Placement Shares or your rights or obligations under the agreement without the prior written consent of the Placement Agent.

## 11. Representations, Warranties and Agreements

You represent and warrant, as at the date of acceptance of the Offer and at settlement, for the benefit of the Issuer, the Placement Agent and their related bodies corporate (as defined in the Corporations Act) that:

- You, and each person for whom you are acquiring the Placement Shares do not require a disclosure document pursuant to section 708 of the Corporations Act;
- If you are acquiring any Placement Shares for an account of one or more persons, you have the authority to acknowledge and make the representations, warranties and agreements contained in this clause on behalf of each such person and you will take reasonable steps to ensure that any such person will comply with its/his/her obligations as you have agreed to them;
- You confirm that you are in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Australian Foreign Acquisitions and Takeovers Act 1975) and will not cease to be in compliance if you accept the Offer;
- You are in compliance with the applicable selling restrictions of international jurisdictions. In particular you are not in the USA or acting for a USA person;
- You acknowledge that no disclosure document will be lodged with ASIC in connection with the Placement or Placement Shares ;
- In deciding to accept this Offer and acquire the Placement Shares you have relied on all information that you believe is necessary or appropriate to assess the Placement and in so doing you have made and relied entirely on your own assessment of, and have conducted your own independent investigation with respect to, the Issuer, its prospects and the Placement Shares;
- In deciding to accept this Offer you will obtain your own tax advice regarding the tax consequences in any jurisdiction of purchasing, owning or disposing of the Placement Shares and any consequences arising under the laws of any other taxing jurisdiction;
- You are aware that section 708A may not apply in the event that the Issuer does not satisfy the requirements under section 708A(5) or the notice given under section 708A(5)(e) does not comply with section 708A(6);
- You acknowledge that the Offer does not constitute a shares recommendation and that the Placement Agents have not had regard to your particular objectives, financial situation and needs;
- You acknowledge and agree that the Placement Agent or any of its respective related bodies corporate, or any directors, officers, employees or advisers of the Placement Agent, the Issuer, or any of their respective related bodies corporate, accept any responsibility in relation to the Placement;
- You are not a 'Related Party' (as defined in Chapter 2E of the Corporations Act) of the Issuer;
- You agree to accept the Placement Shares issued to you on the terms set out in the Offer and subject to the Issuer's constitution;
- You agree that the Issuer may disclose to ASIC your name or the name of the nominee or custodian into whose name your Placement Shares are issued and that the Issuer may give to ASIC any other information known to it which ASIC requests in writing in relation to the issue of your Placement Shares;
- You acknowledge the Issuer's statement that it is not issuing the Placement Shares for the purpose of you selling or transferring them or granting, issuing or transferring interests in, or options or warrants over, them and that it is the Issuer's preference and intention that you acquire the Placement Shares and remain a medium to long term holder of such Placement Shares;
- You acknowledge and agree that the Placement Agent is not responsible for the accuracy or completeness of, and has no obligation to enforce, any representations or warranties given by the Issuer as disclosed in the Offer;
- You confirm that it is your present intention to be an investor in the Placement Shares and to remain so in at least the medium term (i.e. longer than 12 months). This confirmation is understood to be a statement by you of your present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change;

- Except for any liability which cannot by law be excluded, you acknowledge that none of the Placement Agent, the Issuer or any of their related bodies corporate or affiliates, or any directors, officers, employees or advisers of any of them accept any liability in relation to the Placement. You agree to release the Placement Agent, the Issuer, any of their related bodies corporate or affiliates and any directors, officers, employees or advisers of any of them from all claims, demands and proceedings which you may have, or claim to have, against any of them. The Placement Agent and the Issuer (as applicable), hold the benefit of your acknowledgement and release for each of their related bodies corporate and affiliates and for any of their respective directors, officers, employees or advisers;
- You will at all times indemnify the Placement Agent, the Issuer, any of their related bodies corporate or affiliates and any directors, officers, employees or advisers of any of them (the "Indemnified Parties") against all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, fees, expenses or disbursements of any kind whatsoever (plus any goods and services tax in relation to them) which may be imposed on, incurred by or assessed against an Indemnified Party in any way relating to or arising out of any breach by you of your acknowledgements, representations, warranties and agreements under this Placement Letter. The Issuer and the Placement Agent respectively hold the benefit of your indemnity for each other Indemnified Party;
- You acknowledge that acceptance of the Offer involves a degree of risk;
- You acknowledge that the Issuer, the Placement Agent and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements; and
- You acknowledge that the Issuer, the Placement Agent and their respective related bodies corporate and affiliates are entitled to, and will, rely on the truth and accuracy of the acknowledgements, representations, warranties and agreements you have made.

## 12. Variation

Any amendment, modification or variation of this agreement that arises from acceptance of the Offer must be in writing and executed by the parties.

## 13. Governing Law and Jurisdiction

The agreement between us arising out of your acceptance of the Offer is governed by and must be construed in accordance with the laws of Queensland. The parties submit to the non-exclusive jurisdiction of the courts in Queensland and courts competent to hear appeals from such courts.

## 14. Entire Agreement

The terms of this Placement Letter and your completed Placement Acceptance Confirmation, constitute the entire agreement between the Issuer, the Placement Agent and you to the exclusion of all prior representations, understandings and agreements (whether oral or written, express or implied).

## 15. Confidentiality

Irrespective of whether you accept the allocations in an Offer, the information contained in the Offer is confidential. You must keep the existence and the terms of the Offer confidential unless:

- (a) the information is public knowledge (but not because of unauthorised disclosure by you of any of the terms of the Offer);
- (b) disclosure is required by law or a regulatory body (including a relevant stock exchange); or
- (c) disclosure is made to a person who must know for the purposes of the Offer being made.

## 16. Notices

Any notice to be given relating to an Offer or your acceptance of the allocation in an Offer must be sent by either email or facsimile and will be deemed to have been given on the successful transmission to the correct email address or facsimile number.