

COMPANY POLICY 2

ASSOB: PECUNIARY INTEREST POLICY

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Version 2

This document may be referred to as Company Policy 2 (CP2)

Purpose of this Policy

ASSOB Pty Ltd (ACN 114 772 020) (**ASSOB**) operates a Business Introduction Service pursuant to the Australian Securities and Investment Commission (**ASIC**) *Class Order 02/273 – First Exemption (Class Order)*, namely the Australian Small Scale Offerings Board, through its website at www.assob.com.au (the **Board**).

In its capacity as Operator, ASSOB, its directors, managers and employees (**Associates**) are prohibited under the Class Order from having any pecuniary interest in the outcome of any investment decision by the users of its service other than the charging of a fee for providing its Introduction Service or the payment of an Introduction Commission.

The purpose of this Policy is to define who the Class Order applies to, outline what a pecuniary interest is and establish a procedure for managing and declaring a pecuniary interest.

Class Order Application

Issuers and potential investors have a right to expect that ASSOB handles their matter in a fair and unbiased manner, unaffected by considerations of self interest or personal gain. Consequently, it is essential that ASSOB acts independently and openly with integrity without any potential for personal profit or loss.

ASIC considers it important that the introduction service operator and its associates not be in a position to actively promote or influence the outcome of an introduction of a particular business opportunity that is published in the relevant service.

ASSOB relies upon the Class Order exemption to undertake its business operations and consequently, to ensure that ASSOB remains exempt, it is ASSOB Policy that this Class Order requirement applies to the following persons:

- ✚ Employees, directors and officers of ASSOB;
- ✚ Independent or non-executive directors of ASSOB;
- ✚ ASSOB agents or representatives, namely associated Sponsors;

Collectively referred to as ASSOB.

And, other related parties such as:

- ✚ The domestic partner or spouse or immediate family members of the persons listed above or a company controlled by such persons;
- ✚ A company controlled by ASSOB; or

- ✚ A person or entity that is capable of controlling, or of exerting significant influence over another person or entity;

Collectively referred to as Related Parties.

Definition of Pecuniary Interest

Direct Pecuniary Interest

A direct pecuniary interest is any interest attributable to ASSOB directly and capable of being measured monetarily. It arises wherever there is a potential for ASSOB to gain financially however, the interest may even be to ASSOB's detriment.

As a guide, it should be considered whether as a result of any acts of ASSOB, an Issuer's financial position or financial prospects will or may be better or worse than they were before the act was made.

Examples of direct pecuniary interest are:

- ✚ ASSOB investing in an Issuer's offer of securities;
- ✚ ASSOB or its directors/officers/associates being appointed as a director or employee of the Issuer prior to, during or after the capital raising period (where agreements have been made prior);
- ✚ ASSOB obtaining additional financial gains (e.g. bonuses and other forms of monetary benefits) save for the fees or commissions, upon completion of the capital raising;
- ✚ ASSOB being provided equity in the Issuer company, irrespective of any consideration paid;
- ✚ ASSOB being provided with other forms of monetary or non-monetary benefits from the Issuer or potential investor (with the exclusion of fees for service);
- ✚ ASSOB promoting a company on the Australian Small Scale Offerings Board, of which ASSOB has a control of the company intending to be promoted through the Board; or
- ✚ Any other benefits gained as a result of the outcome of the investment decisions (e.g. free holidays and other non-monetary benefits once a target is reached in relation to the Issuer matter).

Note that the above is not an exhaustive list.

Indirect Pecuniary Interest

An indirect pecuniary interest arises where ASSOB obtains other benefits through a Related Party or other intermediary.

This may include situations such as an ASSOB employee, director, non-executive or independent director, or Consultant, or their domestic partner, spouse or immediate family members:

- ✚ Holding shares in the Issuer's company;
- ✚ Being appointed as a director or employee in the Issuer's company;
- ✚ Entering into a contract to receive shares for nil consideration or in lieu of payment for services; or
- ✚ A company controlled by the Related Party holds shares in the Issuer's company.

Pecuniary Interest & Disclosure Documents

In the event an Issuer elects to raise funds under full disclosure (i.e. through a Prospectus, Offer Information Statement or Product Disclosure Document) and seeks to utilise the services of the Australian Small Scale

Offerings Board to assist with promotion of the fundraising disclosure document, an Issuer may use such services on the basis that its promotional material will be included with Class Order published advertising.

Notwithstanding the fact that promotion of a disclosure document is authorised pursuant to *section 734* of the *Corporations Act 2001 (Cth)* (the **Act**), on the basis that the disclosure document will be promoted in conjunction with Class Order published advertising and that the Issuer's shareholders may be seeking to use the Australian Small Scale Offerings Board for the purposes of secondary sales once the disclosure document has closed, the persons listed above should not have a pecuniary interest in the outcome of any investment decision by Issuers, potential investors or other users of the business introduction service whilst conducting the business introduction or matching services, other than charging a fee or payment of a commission even if the Issuer's investment offer is made under full disclosure.

Exemptions to Pecuniary Interest & Disclosure Documents

In consideration of the fact that a disclosure document is held to a higher standard than an offer pursuant to *section 708* of the Act, a person listed above may apply to ASSOB Pty Ltd for an exemption to this Policy when such a person has acquired a pecuniary interest in the Issuer separate from the Class Order and the Issuer elects to promote an investment offer prepared under full disclosure and lodged with ASIC.

Usually a successful ruling by ASSOB Pty Ltd would require a person listed above to adhere to the following covenants:

- ✚ If a pecuniary interest is held prior to the Issuer electing to raise capital through a disclosure document, the pecuniary interest of the person must be clearly disclosed in the Prospectus and state how, when and why the pecuniary interest was obtained;
- ✚ If a pecuniary interest is obtained through equity being issued for financial consideration as part of the disclosure document issue then the person must not divest the interest for one year after the disclosure document closing date and must enter into a shareholder agreement reflecting such terms; and
- ✚ If a pecuniary interest is obtained in consideration for services, then the pecuniary interest of the above person must be fully disclosed in the disclosure document and the person must not divest the interest for one year after the disclosure document closing date and must enter into a shareholder agreement reflecting such terms.

Each application will be judged on its own merits and the granting of an exemption to one person listed above does not presuppose that every application is approved.

Reporting Procedures

In the event a person subject to this Policy is made aware that a pecuniary interest exists or there is a potential for pecuniary interest to exist, the Compliance Officer must be notified at compliance@assob.com.au or at 1300 722 954 to determine the appropriate action to be taken.

Queries

For any queries in relation to this Policy, contact the Compliance Offer at the above contact details.