

COMPANY POLICY 4

ASSOB: SPONSOR ASSIGNMENT POLICY

Issuer Assignment of Sponsor

Issued 26/10/2011

Version 1

This document may be referred to as Company Policy 4 (CP4)

An **Issuer** is responsible to ASSOB Pty Ltd ACN 114 772 020 (**ASSOB**) for complying with the criteria as set out in the ASSOB Rules of Admission (**ASSOB Rules**) and the Issuer Admission: Terms & Conditions (**Terms**) herein. Issuer's seeking admission to the Australian Small Scale Offerings Board (**Board**) must appoint and retain an approved corporate advisor (**Sponsor**) who will support and guide the Issuer in understanding and executing its obligations in relation to the Board.

Purpose of the Policy

The purpose of this Policy is to outline the process for circumstances when an Issuer believes that a Sponsor, for which it has entered into a separate agreement for corporate advisory, is no longer appropriate to represent the Issuer, and that the Issuer be assigned to another Sponsor (if applicable).

These circumstances include, but are not limited to, instances whereby:

- ✦ The Sponsor is unable to adequately advise the Issuer in relation to its corporate or industry specific business and capital raising needs; and/or
- ✦ The Sponsor is unable to assist the Issuer in its admission to, and maintenance of, its listing on the Australian Small Scale Offerings Board; and/or
- ✦ The Issuer considers that the integrity or reputation of its business may be or may have been impaired as a result of the conduct or judgment of the Sponsor; and/or
- ✦ The Issuer and the Sponsor have agreed to mutually terminate their contract of engagement; and/or
- ✦ The Issuer and the Sponsor are not compatible business partners.

Procedure

An Issuer must remember that it has entered into a contractual agreement with the Sponsor to provide various services, independent of ASSOB and the Issuer's listing on the Board.

The process to be taken once an Issuer has elected to terminate its contractual relationship with a Sponsor is, as follows:

COMPANY POLICY 3

ASSOB: ISSUER ASSIGNMENT POLICY

Issuer Assignment of Sponsor

Continued:

- I. Where an Issuer desires to terminate its relationship with the Sponsor, it must inform ASSOB in writing as soon as possible and must include with that notification the reason why the Issuer desires to terminate its relationship with the Sponsor. Where applicable, ASSOB may be able to mediate between the parties to resolve any general misunderstandings that relate to the ASSOB listing.
- II. Generally, the Issuer is to finalise its contractual relationship with the Sponsor to ensure that the Issuer has no outstanding contractual obligations owed to the Sponsor. If there are remaining obligations (such as: fees or commissions owed, investor meetings scheduled, etc.) the Issuer is to advise ASSOB of these terms. Where applicable, ASSOB may be able to mediate between the parties to resolve any outstanding contractual obligations that relate to the ASSOB listing.
- III. It is expected that the Issuer will advise ASSOB of information that is valuable to the assignment process – i.e. the type of corporate advice the Issuer requires, any breaches the Issuer needs to rectify, suitable Sponsors to work with the Issuer, etc. This will assist ASSOB in referring a suitable Sponsor/s for the Issuer.
- IV. ASSOB will liaise directly with the Issuer in relation to the selection of a new Sponsor (if applicable).
- V. ASSOB will work with the incoming Sponsor, once selected by the Issuer, in relation to appropriate documentation for the Board.