

COMPANY POLICY 6

ASSOB: PROMOTION OF RAISED CAPITAL POLICY

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Version 1

This document may be referred to as Company Policy 6 (CP6)

Purpose of the 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 (Class Order)*, namely the Australian Small Scale Offerings Board, through its website at www.assob.com.au (the Platform).

ASSOB maintains sole discretion in relation to the information it promotes and publishes about a company through its Platform.

The purpose of this Policy is to outline the timeframes for updating information regarding a company's investment and capital raising status.

ASSOB displays information about a company's capital raising including actual capital invested, in three (3) distinct places on the ASSOB Platform, that being:

1. the Primary Board company listings at the 'Red Squares / Round Slider' feature;
2. the Company Profile Page at the 'About' tab which includes the 'Red Squares / Round Slider' feature and ASSOB Announcements; and
3. the Company Profile Page at the 'Sales Tracker' tab.

As each investment is subject to being processed differently (for instance, there can be a number of ways in which the applications are processed – a share application form may have been received, but funds have not yet been deposited; funds have been received and yet a share application form has not been provided; the transaction is a non-cash consideration application or bonus issue; or funds have been deposited directly with the company), to ensure that ASSOB publishes the correct details regarding investment, we adhere to the following procedures:

'RED SQUARES / ROUND SLIDER'

The 'Red Squares' have become a well-known feature of the ASSOB Platform visually demonstrating investor confidence in a company and progress of capital raised to date.

The 'Red Squares' are based on the number of share parcels subscribed in a Round, to a maximum of 10 parcels per Round.

The 'Red Squares' originally represented ASSOB's original tenet of 20 investors in 12 months (*s708 (1) Small Scale Offerings of the Corporations Act (Cth) 2001*), whereby investment was for a minimum amount and parcel size to ensure the company adhered to its 20 investor quota for a two Round offer.

Nowadays the 'Red Squares' also encapsulate investment made by an excluded investor pursuant to s708 and the 10 'Red Squares' filled per Round is a credible and distinguishable indication of the amount of investment that a company has attained during its capital raising campaign.

The 'Round Slider' was originally designed for investment in Round 3 made by excluded investors of s708 who are not subject to any minimum investment amount. Hence, the Slider provides companies with an opportunity to seek to raise capital of up to \$5 million and for ASSOB to publish the percentage of capital raised rather than focus on the number of investors in the Round. S708(1) investors are still counted to 20 in 12 months, however in this Round 3, investment is not limited to a minimum amount.

The 'Round Slider' now incorporates a Round 4 which overlays the Round 3 slider.

Updating the 'Red Squares / Round Slider'

ASSOB updates the 'Red Squares / Round Slider' upon confirmation that a valid share application form has been received.

ASSOB immediately updates the 'Red Squares / Round Slider' because as each share parcel is allotted to an investor, there are less shares available in the relevant Round for purchase by investors.

Accordingly, by publishing the filled 'Red Squares / Round Slider', ASSOB informs visitors to the Platform that there are only a certain amount of parcels available in the relevant Round or that the company has entered its next Round of capital raising.

It is to be noted that the 'Red Squares / Round Slider' are based on shares applied and allotted not cash actually received by the company because often companies convert debt to equity or pay for services using equity capital.

'SALES TRACKER'

The 'Sales Tracker' tab details the number of share sale transactions that have occurred in a company during the company's capital raising campaign on the ASSOB Platform.

The 'Sales Tracker' details transactions including shares sold for cash investment, debt transactions which have converted to equity and other non-cash consideration transactions such as payment of services paid by equity which have been issued out of the shares allotted for capital raising.

If shares, such as bonus or nil consideration shares have been issued from the company's share capital, but not allotted out of the shares reserved for capital raising, then these will not be included on the 'Sales Tracker' transaction list.

Updating the 'Sales Tracker'

The 'Sales Tracker' is a reflection of the share sale transaction that has occurred on behalf of the company and therefore, ASSOB only updates the 'Sales Tracker' upon confirmation that a valid share application and application monies or evidence of transactional value (i.e. confirmation of debt, service invoices, other as required) has been received.

Accordingly, by publishing details of the shares sold through the 'Sales Tracker', ASSOB ensures that a company's capital raising remains transparent and investors kept informed as to actual investment attained.

CAPITAL RAISING ANNOUNCEMENTS

ASSOB issues announcements at relevant milestones in a company's capital raising campaign, including announcements for opening offers, closed rounds, minimum subscription and closed or withdrawn offers.

The announcements are made so that visitors to the Platform receive information from ASSOB confirming the status of a company's capital raising campaign.

To note:

'Closed Round Announcements'

ASSOB issues a 'Closed Round Announcement' (for example: ABC – Round I Fully Subscribed) upon confirmation that a valid share application and application monies or evidence of transactional value completing the Round has been received.

This means that each share application in a Round must be accompanied by its application monies or evidence before the announcement closing the relevant Round will be made.

'Minimum Subscription Announcement'

In accordance with a company's investment document, unless otherwise stated, minimum subscription is a stipulated cash amount which represents the minimum amount that a company deems sufficient to commence the implementation of its stated business objectives.

ASSOB will only issue a 'Minimum Subscription Announcement' (for example: ABC – Minimum Subscription Attained) upon confirmation that cumulatively, valid share application forms and exact application monies have been received and funds are clear for disbursement.

In the event a company seeks to attribute undisclosed non-cash consideration transactions toward its minimum subscription amount (a material change to the investment offer unless disclosed therein), before ASSOB will issue a 'Minimum Subscription Announcement', the company will need to accord with the following:

1. have identified the non-cash consideration as part of use of funds schedule to be outlaid as part of capital raised;
2. issue an announcement disclosing the treatment of non-cash consideration as part of minimum subscription; and
3. directly communicate the material change with investors, seeking their confirmation to continue the investment.

INVESTOR WITHDRAWAL

In the event an investor withdraws their application, a reversal of the 'Red Squares / Round Slider', 'Sales Tracker' transaction (and announcement if applicable) will immediately be done.