
ASX: 9SP

ASX Announcement
12 August 2016

Pre IPO options

9 Spokes International Limited (ASX:9SP) (**9 Spokes**) today issued the following correspondence to shareholders who hold Pre-IPO options (**Options**).

Further information regarding these Options was disclosed in section 11.10.1 (Options issued to Existing Shareholders) in 9 Spokes' Replacement Prospectus dated 17 May 2016.

About 9 Spokes

9 Spokes recommends the world's best business software tools for small and medium sized businesses and integrates them into a smart Dashboard. 9 Spokes allows business owners to easily work on their business, saving them time and giving them confidence in their decision-making, because 9 Spokes reveals key information on their business performance. 9 Spokes delivers key metrics to help a business owner run their business from anywhere at any time, while also offering collaboration opportunities with their business advisors. 9 Spokes offers a model for businesses to access their smart Dashboard and features directly themselves, as well as a white labelled product that channel partners can offer to their SME customer base.

www.9spokes.com

Process for issuing shareholder pre IPO options

Dear Shareholder

Shareholder Pre-IPO Options

You are the holder of options over ordinary shares (**Options**) granted to you during 9 Spokes International Limited's (**Company**) capital raise in the period from September 2014 to December 2014 (designated A2). During that capital raise, the Company issued two sets of Options. One set of Options had an exercise price of NZ\$1.35 and the other had an exercise price of NZ\$1.65.

By exercising your Options, you can acquire shares in the Company. These Options must be exercised by **30 September 2017**.

A copy of your Subscription and Option Agreement, under which your Options are granted, is included below in the **Appendix**.

In December 2015, the Company completed a share split, after which shareholders were granted 7.472 shares for every one share that they then held.

To ensure that the Options that you hold were not adversely affected by this share split, the quantity of Options that you hold were increased by applying the same share split ratio of 1:7.472, with the exercise price of those Options being reduced pro rata. The Options originally priced at NZ\$1.35 are therefore now priced at NZ\$0.18 and the Options originally priced at NZ\$1.65 are therefore now priced at NZ\$0.22.

The record of you holding these Options are held with our registry, Boardroom Pty Limited (**Boardroom**). You will shortly receive a statement from Boardroom confirming the number of Options that you hold (**Option Statement**).

Period of 3 months from date of quotation

Following the Company's recent IPO, we have received advice from our lawyers that identifies a technical issue relating to the Company issuing further securities in **the period of 3 months** from the first date of quotation of the Company's shares (i.e. until 9 September 2016). This also affects the Company's ability to issue you further shares on the exercise of your Options during

this period without the Company making significant additional disclosure under the Australian *Corporations Act 2001* (Cth) (**Corporations Act**).

During this 3-month period, the Company may issue shares to "sophisticated investors" (as that term is defined in the Corporations Act) or certain other people where disclosure under the Corporations Act is not required, but the on-sale provisions of the Corporations Act require that the Company make significant additional disclosure if those shares are acquired for the purpose of, among other things, selling them to another person within 12 months of those shares being issued to you. This may quite likely be the case, given the Company's shares are tradable on the ASX. The Replacement Prospectus prepared by the Company for the IPO does not cover any new shares that are issued after the IPO.

If the Company were to issue you ordinary shares within this 3-month period without making the required disclosures, it would need to obtain a number of warranties from you, potentially including a warranty which would prevent you from trading those shares on the market for a period of 12 months.

However, from 9 September 2016 this issue may be avoided if the Company can issue a "Cleansing Notice" to the market when it issues the shares. With the issue of a "Cleansing Notice", the Company is not required to make any further disclosure under the Corporations Act. Under the Corporations Act, a "Cleansing Notice" can only be issued once the Company's shares have been traded for a period of 3 months from the date of their first quotation (9 June 2016), among other requirements having been satisfied.

Accordingly, our lawyers have advised that it would be ideal if the Company avoided issuing shares before 9 September 2016. We hope that this accommodates your personal circumstances.

If you require more information on this matter, please contact me.

Exercising your Options

You must exercise your Options before **30 September 2017** (but ideally after 9 September 2016, as noted above).

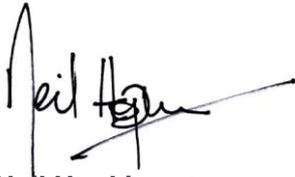
Should you wish to exercise your Options, please complete the Notice of Exercise accompanying the Options Statement that you will soon receive from Boardroom, indicating the

number of Options you wish to exercise, and the amount to be paid to the Company on their exercise. Please email the notice to investors@9spokes.com.

Internally, the Directors of the Company will be required to formally issue the shares on the exercise of your Options, and the appropriate forms for the issue of shares will then be lodged with the ASX (including a "Cleansing Notice") to ensure that the new shares issued to you can be quoted on the ASX.

Once the ASX has approved the share issue, you will be notified by Boardroom and provided with your relevant holding statement.

Yours faithfully



Neil Hopkins
Chief Financial Officer

Appendix

Subscription and Option Agreement

relating to the issue of ordinary
shares and options to acquire
ordinary shares in 9 Spokes
International Limited

Parties

between

- (1) 9 Spokes International Limited (**Issuer**); and
- (2) The investor referred to in Item 1 of Schedule 1 (**Investor**)

Introduction

- A. The Issuer proposes to issue, and the Investor has agreed to subscribe for, the Investor Shares and Options in the Issuer.
- B. This Agreement records the terms on which the parties have agreed that the Investor Shares and Options will be subscribed for and issued.

It is agreed

1. Interpretation

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Act means the Companies Act 1993;

Agreement means this agreement;

Board means the board of directors of the Issuer;

Dollars and the sign \$ means New Zealand dollars;

Exercise Price has the meaning set out in clause 5.1;

Founders mean Mark Anthony Estall, Adrian David Grant, Robert John Rolls, Brendan Paul Roberts and their Associated Persons (as that term is defined in the Goods and Services Tax Act 1985);

Holder has the meaning set out in clause 5.2;

Investor Shares means the number of Shares set out in Item 3 of Schedule 1 and ranking equally in all respects with the existing Shares;

Issue Price means the issue price for each Investor Share being \$1.00 per Share, the total amount as set out in Item 4 of Schedule 1;

Major Event means any one of the following events:

- (a) the Issuer submitting an application to have securities quoted on the NZX or another globally recognised stock exchange;
- (b) shareholders, who together hold at least 75% of all the Shares, agreeing to dispose of more than 50% of their Shares to a bona fide third party and the drag-along rights contained in any shareholders' agreement or constitution of the Company are invoked;
- (c) all of the Shares are compulsorily acquired by any person or by a person and that person's associates (as such term is defined in the Takeovers Code);
- (d) a merger of the Company with any other entity; or
- (e) such other analogous event that the Board deems to be a Major Event;

Options has the meaning set out in clause 5.1;

Series B Funding Program has the meaning set out in clause 4.1;

Shares means all the ordinary shares in the Issuer carrying the rights set out in the Act; and

Subscription Date means the date set out in Item 7 of Schedule 1 or such other date as is agreed in writing by the parties.

1.2 **Parties**

In this Agreement, unless the context otherwise requires, a reference to any party is to a party to this Agreement and includes, as far as is consistent with the provisions of this Agreement, that party's successors in title.

1.3 **General References**

In this Agreement, any reference to:

- (a) a "person" includes an individual, body corporate, an association of persons (whether corporate or not), a trust, estate and agency of a state (in each case, whether or not having separate legal personality and whether incorporated or existing in New Zealand or elsewhere);
- (b) a clause is to a clause in this Agreement;
- (c) one gender includes each other gender; and
- (d) the singular includes the plural and vice versa.

1.4 **Headings**

Headings are for convenience only and are to be ignored in construing this Agreement.

2. Consideration

The consideration provided under this Agreement:

- (a) by the Investor, is the Issue Price for the subscription of the Investor Shares; and
- (b) by the Issuer, is the issue of the Investor Shares and the Options to the Investor.

3. Subscription and Payment

3.1 Subscription for Investor Shares

On the Subscription Date, the Investor is to subscribe for the Investor Shares and the Options and pay the Issue Price to the Issuer in immediately available cleared funds.

3.2 Payment for Investor Shares

Funds are to be paid to the Issuer's bank account, ASB Bank Account 12-3109-0115649-50.

3.3 Allotment of Investor Shares

Contemporaneously with the receipt by the Issuer of the Issue Price referred to in clause 3.1, the Issuer will issue the Investor Shares and the Options to the Investor and, as soon as practicable following the Subscription Date, provide the Investor with a copy of the Issuer's share register and options register evidencing such issues.

3.4 Constitution and shareholders agreement

- (a) The parties acknowledge that the Issuer does not currently have a constitution and the shareholders of the Issuer are currently not party to a shareholders agreement.
- (b) As a condition subsequent to the issue of the Investor Shares and the Options to the Investor:
 - (i) *the Investor agrees to hold its Shares and Options on a basis consistent with, and agrees to approve the adoption of, a constitution, or enter into a shareholders agreement, which contains the rights and obligations set out in Schedule 2; and*
 - (ii) *the Issuer will use all reasonable endeavours to procure that the shareholders and any other investors which acquire Shares as part of the Series B Funding Program (defined below) agree to hold those Shares on a basis consistent with and approve the adoption of a constitution, or enter into a shareholders agreement, which contains the rights and obligations set out in Schedule 2.*

4. Waivers

4.1 Series B Funding

The Investor:

- (a) acknowledges that the Issuer is currently engaged in a funding program, which the Issuer refers to as the "**Series B Funding Program**" and which the subscription of the Investor Shares and the Options by the Investor forms part thereof;
- (b) acknowledges that such number of Shares in the Issuer up to the value of \$10 million (plus the value of any Options issued in connection with the Series B Funding Program) may be issued to new third party investors or the Issuers' existing shareholders as part of the Series B Funding Program;
- (c) acknowledges that any Shares to be issued under this clause 4.1 will be of the same class and have equal terms to the existing Shares and the Investor Shares; and
- (d) provided the issue of Shares to the new third party investors or the Issuers' existing shareholders occurs on a basis consistent with that set out in this clause 4.1:
 - (i) *for the purposes of sections 107(2) and 107(5)(b) of the Act agrees that the Shares may be issued otherwise than in accordance with section 42 or 45 of the Act;*
 - (ii) *waives all pre-emptive rights that may exist now or in the future in relation to the issue of new Shares; and*
 - (iii) *will sign all documents to give effect to this waiver and agreement.*

4.2 Aminoex transfer option

The Investor:

- (a) acknowledges that Aminoex Trustees Limited and RDP Trustees Limited as trustees of the Aminoex Capital Trust (**Robert Rolls Trust**) has granted a pre-emptive option over some or all of Robert Rolls Trust's Shares (**Robert Rolls Trust's Shares**) to Franc Holdings Limited pursuant to which Franc Holdings Limited will have right to purchase the Robert Rolls Trust's Shares; and
- (b) waives all pre-emptive rights that may exist now or in the future in relation to the transfer of shares as such pre-emptive rights relate to the Robert Rolls Trust's Shares in the event that Franc Holdings Limited elect to

exercise its option to purchase the Robert Rolls Trust's Shares and will sign all documents to give effect to this waiver.

4.3 Transfers by Founders

The Investor:

- (a) acknowledges that the Founders Persons propose to transfer up to 10% of the total Shares held by the Founders to certain suppliers, contractors and to an Employee Share Purchase Trust for employees of the Issuer who have been instrumental in the establishment phase of the Issuer (the **Future Shareholders**);
- (b) acknowledges that the transfer of Shares by the Founders to the Future Shareholders is expected to be completed in early 2015; and
- (c) provided the transfers to the Future Shareholders occur within the timeframe set out in clause 4.3(b), waives all pre-emptive rights that may exist now or in the future in relation to the transfer of shares as such pre-emptive rights relate to the transfer of shares by the Founders to the Future Shareholders and will sign all documents to give effect to this waiver.

5. Options

5.1 **Grant:** In consideration for the subscription of Investor Shares, the Issuer grants the Investor three options (**Options**) for every two Investor Shares issued to the Investor. Each Option is convertible into one Share on the terms set out in this clause 5 and for the exercise prices as follows (each price an **Exercise Price**):

- (a) two Options, each granting the right to acquire one Share, at an exercise price of \$1.35 per Share (adjusted, as appropriate, in accordance with clauses 5.7 and 5.9); and
- (b) one Option, granting the right to acquire one Share, at an exercise price of \$1.65 per Share (adjusted, as appropriate, in accordance with clauses 5.8 and 5.9).

5.2 **Non-Transferable:** No Option may be transferred to any person without the prior consent of the Board, provided that the transferee agrees to the terms of the Option set out in this Agreement (the Investor or the transferee being the **Holder**).

5.3 **Exercise:** The Holder may exercise some or all of its Options any time prior to 30 September 2017 (**Expiry Date**) by:

- (a) giving notice in writing to the Issuer specifying:

- (i) *the total number of Options that it wishes to exercise;*
 - (ii) *the number of Options that it wishes to exercise at each of the \$1.35 Exercise Price and the \$1.65 Exercise Price; and*
 - (b) paying the aggregate Exercise Price for the Options being exercised; and
 - (c) if required by the Board, delivering an executed deed of accession to the shareholders' agreement relating to the Company.
- 5.4 **Issue:** As soon as practicable, but no later than 10 Business Days after the date on which the Holder has satisfied the requirements of clause 5.3, the Issuer will provide to the Holder a copy of the Issuer's share register recording the issue of Shares to which the Options exercised relates. If for any reason any purported exercise of Options is invalid, the Issuer will refund to the Holder any Exercise Price received by the Issuer on account of that purported exercise (without interest).
- 5.5 **Major Event:** As soon as practicable the Board shall notify the Holder in writing of:
- (a) any Major Event or proposed Major Event; and
 - (b) the date on which the event or transaction that triggered the Major Event is expected to complete (**Completion**).
- 5.6 **Lapse:** Unless the Board unanimously resolves otherwise, all Options will lapse and be of no further effect (without compensation to the Holder) if:
- (a) Completion of the Major Event occurs and the Holder has not exercised its Options in accordance with clause 5.3 at least 5 Business Days before that Completion date; or
 - (b) the Holder has not exercised its Options in accordance with clause 5.3 before the Expiry Date.
- 5.7 **Terms of issue:** Any Share issued on exercise of an Option will:
- (a) be credited as fully paid; and
 - (b) rank pari passu in all respects with all Shares at the date of issue, except the Holder will have no right to any dividend declared on Shares where the record date for such dividend occurs prior to the issue of the relevant Shares.

- 5.8 **Effect of a dividend payment:** If, between the Subscription Date and the date on which the Options are exercised, the Issuer declares any dividend or other distribution, the Exercise Price shall be reduced by value of the distribution which will not be payable in respect of the Shares to be issued on exercise of the Options.
- 5.9 **Reconstruction:** If, between the Subscription Date and the date on which the Options are exercised, there is a reconstruction of the Shares which affects all of the Shareholders equally in proportion to their holdings of Shares (including any Share subdivision, consolidation, buyback offer or cancellation), the number of Shares to be issued and/or the Exercise Price payable on exercise of the Options will be adjusted by the Board to ensure that the economic effect of the Options remains the same.
- 5.10 **No other rights:** The Options carry no rights to vote, to attend meetings or to receive distributions. The Investor acknowledges that the Company may issue Shares of the same or any other class ranking in priority to the Shares. Except as provided in this Agreement or as otherwise determined by the Board, the Options will not entitle the Participant to participate in any issue of equity capital, securities convertible into equity capital or Share options to subscribe for equity capital in the Company.
- 5.11 **Agreement:** To avoid doubt, the Holder agrees:
- (a) to waive its pre-emptive rights under any shareholders' agreement or constitution in place from time to time so as to enable the exercise of the Options and the corresponding issue of Shares to proceed at any time prior to the Expiry Date; and
 - (b) to sell any Shares issued as a result of the exercise of the Options to a bona fide purchaser at the Board's direction if the drag-along rights contained in any shareholders' agreement or constitution of the Company are invoked.
- 5.12 **Amendment:** Subject to the Board's rights to make adjustments and determinations under this clause 5, the rights relating to the Options can be amended if the Issuer and Holders of at least 75% of the Options on issue agree in writing.

6. Warranties and acknowledgements

6.1 Mutual warranties

Each party to this Agreement represents and warrants to the other, as at the date of this Agreement and at the Subscription Date, that:

- (a) it has the power to enter into and comply with all of the terms and conditions of this Agreement and has obtained any necessary consents, approvals and authorities to enable it to do so;
- (b) this Agreement is a valid and binding obligation on it; and
- (c) the performance of its obligations under this Agreement will not result in the breach of any other agreement, statute, regulation or other legally binding commitment or rule binding on that party.

6.2 Issuer warranties

The Issuer warrants to the Investor, as at the date of this Agreement and at the Subscription Date, that:

- (a) all the Shares in the Issuer will have been properly and validly issued, are fully paid up and rank equally in all respects;
- (b) all the Shares in the Issuer are ordinary shares and there are no other classes of shares on issue;
- (c) the Investor Shares will pass to the Investor upon issue free of all encumbrances or other adverse interests of any nature whatsoever;
- (d) other than as expressly contemplated by this Agreement, there is no agreement or arrangement providing for a right, entitlement or option for any person to be issued shares, convertible securities or other securities in the Issuer; and
- (e) no receiver or statutory or official manager has been appointed in respect of the Issuer or the Issuer's business and no application or order has been made, or resolution passed, for the winding up or dissolution of the Issuer.

6.3 Investor acknowledgements

The Investor acknowledges and agrees that:

- (a) neither the issue of the Shares, the Options nor entry into this Agreement constitutes an offer of securities to the public that would otherwise be required to comply with the Securities Act 1978;

- (b) the Investor is an Eligible Person as defined by Section 5 (2CC) of the Securities Act 1978 and has provided the Issuer with suitable independent certification as required by Section 5 (2CD and 2CE);
- (c) the Shares in the Issuer (other than the Investor Shares) are fully paid up and after execution of this Agreement will rank equally in all respects with the Investor Shares;
- (d) the Investor is solely responsible for evaluating the issue of the Investor Shares and the Options and any information provided to the Investor by or on behalf of the Issuer;
- (e) except for the warranties in clauses 6.1 and 6.2, neither the Issuer, the Issuer's existing shareholders nor any other person gives or make any warranties or representations of any kind in relation to the Investor Shares and the Options, the Issuer, its business or any other matter in any way connected with the Investor Shares or the Issuer;
- (f) the Issuer does not warrant or represent the accuracy, adequacy, materiality or completeness of information relating to the Issuer that has been provided, or made available, to the Investor;
- (g) the Investor has made an independent decision to enter into this Agreement and has had the opportunity to seek independent legal and financial advice regarding the subscription for the Investor Shares and the Options, its obligations under this Agreement and the status of the Investor and the Issuer's business;
- (h) all liability for taxes or duties payable in respect of the Investor's entry into this Agreement and its subscription for any Shares and Options is the responsibility and liability of the Investor, who accordingly indemnifies the Issuer against all liability, direct or indirect, for any such taxes or duties; and
- (i) neither the Issuer nor any of its directors, employees or shareholders is liable for any loss or damage (whether direct, indirect, consequential or otherwise) suffered by the Investor or any other person as a result of the Investor Shares or the Options or any information relating to the Issuer that has been provided, or made available, to the Investor by or on behalf of the Issuer.

6.4 Consent

If relevant, the Investor consents to becoming a shareholder in the Issuer for the purposes of section 50 of the Act and acknowledges that the Investor Shares and the Options carry the rights and restrictions specified in the Act or this Agreement.

7. Confidentiality and announcements

7.1 Confidentiality

Each party will keep confidential and not directly or indirectly make or allow to be made any disclosure or use of any information directly or indirectly obtained from the other party (including prior to the execution of this Agreement) and relating in any way to the subscription or issue of the Investor Shares, except:

- (a) to the extent required by law;
- (b) to the extent the parties agree in writing it can be disclosed;
- (c) to the extent necessary to perform obligations or exercise rights under this Agreement;
- (d) to the extent such information is or becomes available in the public domain without breach by a party of its confidentiality obligations under this clause or at law;
- (e) to the party's professional advisors or bankers; or
- (f) to the party's shareholders, directors, officers and employees, to the extent that they need to know such information to allow the party to perform its obligations under this Agreement.

7.2 Announcements

The Investor will not (except as may be required by law) make any announcement or disclosure regarding this Agreement or its subject matter except in a form and manner and at such time as is agreed by the Investor.

8. General

8.1 Non-waiver

Failure or delay by a party in exercising any right with respect to any matter arising under, or in connection with, this Agreement does not constitute a waiver of that right. A waiver of any right under this Agreement is only effective if it is in writing and is executed by the party waiving that right.

8.2 Severability

If any of the provisions of this Agreement are invalid or unenforceable, the invalidity or unenforceability is not to affect the operation, construction or interpretation of any other provision of this Agreement, with the intent that the invalid or unenforceable provision is to be treated for all purposes as severed from this Agreement.

8.3 Assignment

No party may transfer its interest in, or its rights or obligations under, this Agreement.

8.4 Entire agreement

This Agreement constitutes the entire agreement of the parties on the subject matter of this Agreement and except as expressly provided supersedes any and all prior negotiations, representations and agreements in relation to that subject matter.

8.5 Exclusion of implied terms

All terms and conditions relating to this Agreement that are implied by law or custom are excluded to the maximum extent permitted by law.

8.6 Amendment

Subject to the right to amend clause 5 of this Agreement as set out in clause 5.11, this Agreement may only be amended by an instrument in writing signed by the parties.

8.7 Governing law

This Agreement is governed by and is to be construed in accordance with New Zealand law. The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of New Zealand.

8.8 Counterparts

This Agreement may be executed in counterparts (including email copies) each of which will be deemed an original, but all of which together will constitute one and the same instrument. A party may enter into this Agreement by executing any counterpart.

Execution

Executed as an agreement

Signed by **9 Spokes International Limited** by

Director

Director

Print name

Print name

Date signed

Date signed

Signed by **Investor** by

Authorised Signatory

Authorised Signatory

Print name

Print name

Date signed

Date signed

Schedule 1 – Details of investment

1. Name of Investor ⁽¹⁾		
2. Contact details for Investor	Physical address:	
	Postal address:	
	Telephone:	
	Email:	
3. Number of Investor Shares		
4. Total Investor Share Amount at \$1.00 issue price		
5. Options at \$1.35 ⁽²⁾		
6. Options at \$1.65 ⁽³⁾		
7. Subscription Date		

(1) If name of Investor is a Trust please supply the Trustee names and addresses for the purposes of registering your holding.

(2) For every share subscribed for in Item 3 the investor is entitled to the same number of \$1.35 options

(3) For every share subscribed for in item 3 the investor is entitled to half the number of \$1.65 options, rounded down in the event of a fraction of an option.

Payment

Funds are to be paid to the Issuer's bank account, ASB Bank Account 12-3109-0115649-50.

Schedule 2 – Matters to be included in a constitution / shareholders agreement

1. Standard rights of pre-emption on the issue of new Shares.
2. Standard rights of pre-emption on the transfer of existing Shares.
3. Standard tag-along rights are granted to shareholders (the **Tag-along Shareholder**) where any other shareholders who together own 50% or more of the Shares in the Issuer propose to sell more than half of their Shares to a bona fide third party (the **Selling Shareholders**), the Selling Shareholders will, if requested by a Tag-along Shareholder, ensure the Tag-along Shareholders' Shares are sold to the third party on the same terms and in an equivalent proportion of the Tag-along Shareholder's total shareholding, as the Selling Shareholders' Shares.
4. Standard drag-along rights are granted to shareholders who together own 75% or more of the Shares in the Issuer and who propose to sell more than half of their Shares to a bona fide third party (the **Dragging Shareholders**) such that the Dragging Shareholders may require any other Shareholder (the **Drag-along Shareholder**) to sell the Drag-along Shareholder's Shares to the third party on the same terms and in an equivalent proportion of the Drag-along Shareholder's total shareholding, as the Dragging Shareholder's Shares..
5. The obligation on the Issuer to disclose, and the right of the Investor and any other new third party investors under the Series B Funding Program to receive on a monthly basis, copies of all information provided to the Board of the Issuer so that the investors can be regularly informed of the operating and financial position of the Issuer provided that where the Board considers that the information is sensitive it can make available the information to be viewed but not copied.