

5 September 2017

Dear Shareholder

AtCor Medical Holdings Limited - Share Purchase Plan Offer

Following the announcement on 8 August 2017 of the successful placement of 33,000,000 shares with institutional and sophisticated investors (**Placement**) to raise \$825,000, the Board of Directors of AtCor Medical Holdings Limited (**Company**) is pleased to give eligible shareholders the opportunity to participate in the 2017 share purchase plan (**SPP**), as announced to the market on Tuesday 29 August 2017.

The SPP will give eligible shareholders the opportunity to each apply for up to \$15,000 worth of ordinary shares. All Company directors who are eligible to participate (the 3 directors who are resident in Australia) intend to take part in the SPP.

The funds will be used to provide additional working capital to support the key initiatives outlined in the company's strategic review update announced on 2 August 2017. These include an increased focus on advancing strategic options and securing new sales; restructuring operations to maximise profitability; and working to realise new revenue streams, in both the high-end consumer and prescription based markets.

Key terms of the SPP

The issue price is \$0.027 per share (**Issue Price**). Applications can only be made for parcels of shares in the amounts specified in the enclosed terms and conditions. The minimum value of an application is \$2,000 in order to maximise the opportunity for all shareholders to participate. The maximum value is \$15,000 (including where shareholders receive more than one offer or hold shares jointly or through a custodian, nominee or trustee).

The closing date for the SPP is 5.00pm (AEST) Monday, 18 September 2017 (**Closing Date**) which may be brought forward if the SPP is oversubscribed. The Company intends to raise \$500,000 under the SPP, however if applications under the SPP exceed \$750,000, the Company will scale back allocations for all applications equally on a pro-rata basis.

Further details of the SPP can be found in the enclosed terms and conditions.

Key Dates

| Event | Date |
|---|--|
| SPP Record Date (5.00 pm AEST) | 7.00pm (AEST) Monday, 28 August 2017 |
| Announcement of SPP | Tuesday, 29 August 2017 |
| SPP opening date | Tuesday 5 September 2017 |
| SPP offer closes (unless fully subscribed earlier) | 5.00pm (AEST) Monday, 18 September 2017 |
| Issue of shares under SPP | Monday, 25 September 2017 |
| Expected date for commencement of trading of SPP shares | Tuesday, 26 September 2017 |
| Dispatch of Holding Statements | Tuesday, 26 September 2017 |

ACG reserves the right to vary the Key Dates for the SPP, including the Closing Date.

For personal use only

Applications

Participation in the SPP is entirely optional. You should read the terms and conditions and consider seeking independent legal, financial and taxation advice before making a decision to apply.

Due to the application of foreign securities laws, the SPP is only open to shareholders with registered addresses in Australia and New Zealand.

If you are an Eligible Shareholder and decide to make an application, please:

- (a) return your Application Form, together with a cheque; or
- (b) pay directly by BPAY[®] on the internet or by telephone (for Australian shareholders only).

Applications must be received by 5.00pm AEST time on Monday, 18 September 2017 (unless the SPP Offer is closed earlier). Please ensure that your application monies are equal to the amount of the parcel of shares you are applying for.

If you are a custodian please note the additional certification requirements in the terms and conditions.

Yours sincerely

AtCor Medical Holdings Limited



Donal O'Dwyer
Chairman

For personal use only

INVITATION TO PARTICIPATE IN 2017 SHARE PURCHASE PLAN

ATCOR MEDICAL HOLDINGS LIMITED

TERMS AND CONDITIONS OF THE 2017 SHARE PURCHASE PLAN OFFER

PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY, AS YOU WILL BE BOUND BY THEM IN PARTICIPATING IN THE SPP OFFER. SHAREHOLDERS ACCEPTING THE SPP OFFER WILL ALSO BE BOUND BY THE CONSTITUTION OF ATCOR MEDICAL HOLDINGS LIMITED.

Eligible shareholders have the opportunity to participate in the Share Purchase Plan offer (**SPP Offer**) by applying for up to \$15,000 of fully paid ordinary shares (**SPP Shares**) in AtCor Medical Holdings Limited (**ACG**) without incurring brokerage. Details of the SPP Offer and how to participate are set out in this document.

SPP Shares issued under the SPP Offer will be issued on Monday 25 September 2017. The SPP Shares will rank equally with existing fully paid ACG ordinary shares, and carry the same voting rights, dividend rights and other entitlements.

The Company intends to raise \$500,000, with a maximum of \$750,000 to be raised under the SPP Offer and the SPP Offer may be closed early when this amount has been raised.

The SPP Offer to each eligible shareholder (whether you are a custodian or you hold ACG shares on your own account) is made on the same terms and conditions.

All amounts are in Australian dollars.

IMPORTANT NOTICE

By applying to participate in the SPP Offer, you accept the risk that the market price of ACG shares may change between the Offer Date or date on which you apply and the Allotment Date. It may be possible that, up to or after the Allotment Date, you may be able to buy ACG shares at a lower price than the price you pay under the SPP Offer. This document does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. You are encouraged to consider seeking professional legal, financial and taxation advice regarding your participation in the SPP Offer.

1. WHO CAN PARTICIPATE?

You are eligible to apply for Shares under the SPP (**Eligible Shareholder**) if you

- (a) are recorded in the Company's register of members at 5:00pm on the Record Date (7.00pm, Monday 28 August 2017); and
- (b) you have an address (as recorded in ACG's register of members) in Australia or New Zealand.

If you are the registered holder of a holding of ACG shares, and you receive more than one offer under the SPP Offer (for example, due to multiple registered holdings), you may only apply for up to a maximum aggregate amount of \$15,000 of SPP Shares.

2. JOINT HOLDERS AND CUSTODIANS

If you are recorded with one or more other persons as the joint holder of a holding of ACG shares, that joint holding is considered to be a single registered holding for the purpose of the SPP Offer and declarations or acknowledgements given by a joint holder are taken to have been given by all joint holders. Joint holders are only entitled to participate in the SPP Offer in respect of that single holding. If the same joint holders receive more than one offer under the SPP Offer due to multiple identical holdings, the joint holders may only apply for a maximum amount of \$15,000 of SPP Shares.

If you hold ACG shares as a custodian (as defined in the *Australian Securities and Investments Commission (ASIC) Class Order 09/425*) for one or more Beneficiaries (defined below), the SPP Offer is made to the custodian and, subject to meeting a number of conditions, the custodian has the discretion to extend the SPP Offer to the Beneficiaries. The custodian may apply for up to a maximum amount of \$15,000 of SPP Shares for each Beneficiary, however, ACG will not allocate SPP Shares unless the custodian certifies the matters set out in paragraph 9 of ASIC Class Order 09/425 in a certificate (**Custodian Certificate**) which it will need to provide to ACG's registry, Link Market Services Limited (**Link Market Services**).

A Beneficiary is a person who resides in Australia or New Zealand for whom a custodian (being an Eligible Shareholder) held ACG shares on behalf of on the Record Date.

3. OFFER PRICE

The Offer price under the SPP is \$0.027 per share, representing an 18% discount to the 5-day VWAP as at the Record Date.

The market price of the Shares on the ASX may rise and fall between the SPP opening date, the Closing Date and the date when ACG allots the Shares to you under the SPP. This means that the price you pay under the SPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SPP. Accordingly, you should seek your own financial advice in relation to this SPP offer and your participation in the SPP.

By applying for SPP Shares under the SPP Offer, you agree to pay the Issue Price per SPP Share for the number of SPP Shares that are allocated to you in accordance with these terms and conditions.

4. OPTIONAL PARTICIPATION

Participation in the SPP Offer is entirely optional (subject to the eligibility criteria set out in this document). The SPP Offer is not a recommendation. If you are in any doubt about the SPP Offer, whether you should participate in the SPP Offer or how participation will affect you, you should consider seeking professional legal, financial and taxation advice before making a decision as to whether or not to accept this offer.

For personal use only

5. HOW MUCH CAN I INVEST?

Eligible Shareholders may subscribe for shares up to a maximum value of \$15,000. You may select only one of these alternatives to subscribe for shares under the Share Purchase Plan:

| Offer | Dollar value of Shares | Number of Shares |
|-------|------------------------|------------------|
| A | \$2,000.00 | 74,074 |
| B | \$5,000.00 | 185,185 |
| C | \$9,999.99 | 370,370 |
| D | \$14,999.99 | 555,555 |

6. CALCULATION OF THE NUMBER OF SPP SHARES TO BE ALLOCATED

If you apply for SPP Shares under the SPP Offer, you will apply for a certain value, rather than a certain number, of SPP Shares. Subject to the terms and conditions in this document, the number of SPP Shares you are allocated will be determined by;

- (a) if there is no scale back (see paragraph 7 below), the number noted above next the dollar value you have subscribed for; or
- (b) if there is a scale back, dividing the value of the parcel of SPP Shares allocated to you by the offer price.

Any fractions of an SPP Share will be rounded down to the nearest whole number of SPP Shares.

7. SCALE BACKS AND EARLY CLOSE OF OFFER

If applications for SPP Shares under the SPP Offer exceed \$750,000, ACG will allocate to you less than the number of SPP Shares you have applied for (scale back) and may elect to close the SPP Offer early. The maximum number of Shares to be issued under the SPP will not exceed 30% of the issued share capital immediately preceding the issue date.

An oversubscription through receipt of valid SPP Offer applications will result in you receiving less than the parcel of SPP Shares that you have applied for. If there is a scale back, ACG will apply the scale back on a pro rata basis in respect of the number of SPP Shares validly applied for prior to the Closing Date.

If there is a scale back, and it produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allocated will be rounded down to the nearest whole number.

In the event of a scale back, the difference between the application monies received, and the number of SPP Shares allocated to you multiplied by the offer price, will be refunded to you (as described below), without any interest being paid, as soon as practicable following allocation.

8. REFUND OF APPLICATION MONIES

Any application monies refunded by ACG will be paid by cheque or direct credit (the payment method will be determined by ACG in its absolute discretion) in Australian currency.

By applying for SPP Shares, each shareholder authorises ACG to refund any monies by using the payment instructions of the shareholder recorded in Link Market Service's records should ACG elect to pay in this manner.

For personal use only

9. HOW TO APPLY

The SPP Offer opens on Tuesday 5 September 2017. Under the SPP Offer, you may apply for SPP Shares in the amounts specified at paragraph 5 above (each subject to scale back described in paragraph 7).

To apply for SPP Shares under the SPP Offer complete the enclosed Application Form and return it, together with your cheque made payable to AtCor Medical Holdings Limited drawn on an Australian bank and in Australian dollars for the correct amount, to Link Market Services in the enclosed reply-paid envelope. If you are a New Zealand shareholder, you will need to apply in Australian dollars and affix the appropriate postage stamp to the enclosed reply-paid envelope.

For Eligible Shareholders with an Australian bank account, you may also apply for SPP Shares under the SPP Offer by making a BPAY® payment on the internet or by telephone by using the personalised customer reference number shown on your enclosed Application Form which is required to identify your holding. If you make your payment using BPAY® you do not need to return your Application Form, but are taken to make the certifications, warranties and representations described in this document. However, custodians applying for Beneficiaries must still complete and return a Custodian Certificate. Note that your financial institution may apply limits on your use of BPAY® and that you should make enquiry about the limits that apply in your personal situation.

If you do not wish accept the SPP Offer, you do not need to take any action and the SPP Offer will lapse on the Closing Date.

10. TERMS AND LIMITS OF ISSUE

The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Shareholder, has not otherwise complied with the terms and conditions of the SPP Offer or for any other valid reason. If an application is refused, the application monies received will be refunded without interest.

Shares allotted under the SPP Offer will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of issue.

The Company will apply for quotation on the ASX of Shares issued under the SPP Offer.

The SPP will be capped at \$750,000 and if the Company receives valid applications exceeding \$750,000 under the SPP, the Board intends to allocate shares on a 'first-come, first served' basis. In any scale-back, any unused funds will be refunded as soon as practicable following the allotment date. No interest will be paid on any refund.

11. UNDERWRITING

The Offer is underwritten by Taylor Collison Limited ABN 53 008 172 450 (**Underwriter**) to the value of \$270,000 (**Underwritten Amount**). In the event that Eligible Shareholders do not subscribe for Shares under the SPP to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will, subject to the terms of the underwriting agreement, be placed at the discretion of the Underwriter.

The underwriting agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either party. The issue of shares under the Underwriting Agreement will be subject to shareholder approval under Listing Rule 7.1 to the extent the issue would otherwise exceed the 15% limit. ACG will seek this approval at the AGM in November.

The Underwriter will be entitled to a fee of 6% of the funds raise under the SPP and the amount raised in the Top-Up Placement. In the event valid applications are received for greater than \$400,000 worth of Offer Shares, the Underwriter has the option to place an additional \$250,000 shares at the offer price, subject to shareholder approval at the next meeting of shareholders.

For personal use only

12. QUESTIONS AND ADVICE

If you have any questions in relation to the terms and conditions of the SPP Offer or how to make an application, you may phone ACG on (from within Australia) +61 2 9874 8761.

ACG will not provide financial, investment or taxation advice. We recommend that you contact your stockbroker, accountant or professional adviser before investing in ACG Shares under the SPP Offer.

13. GENERAL

The SPP Offer and these terms and conditions may be suspended, terminated or amended at any time by the Board. The Board will announce any such changes to ASX.

ACG may settle in any manner it thinks fit any disputes which may arise in connection with the SPP, whether generally or in relation to a particular application for shares. The decision of ACG will be conclusive and binding on all Eligible Shareholders and any other persons to whom the decision relates.

ACG reserves the right to waive compliance with any provision of the SPP terms and conditions, subject to compliance with the Corporations Act, the ASX Listing Rules and ASIC Class Order CO09/425.

The offer to purchase SPP Shares under the SPP Offer is non-renounceable. This means that you cannot transfer your right to acquire SPP Shares under the SPP Offer to anyone else.

Shareholders who elect to participate in the SPP Offer will not be charged brokerage or commissions by ACG in relation to their acceptance.

These terms and conditions are governed by and construed in accordance with the laws for the time being in force in the State of New South Wales.

14. DECLARATION AND ACKNOWLEDGMENT

By forwarding an Application Form for Shares under the SPP Offer and by making payment, each Eligible Shareholder:

- (a) acknowledges that he or she has read, understands and agrees to be bound by these Terms;
- (b) certifies that (except where Shares are held as trustee or nominee on account of a beneficiary which is expressly noted on ACG's shareholder register) the aggregate of the application price for:
 - (i) the Shares applied for with the Application Form; and
 - (ii) any other Shares in the class applied for by or on behalf of the Shareholder under the SPP or any similar plan operated by ACG in the 12 months prior to date of the Application Form,does not exceed \$15,000;
- (c) certifies that where Shares are held as trustee or nominee on account of a Beneficiary the aggregate of the application price for:
 - (i) the Shares applied for with the Application Form; and
 - (ii) any other Shares in the class applied for by, or on behalf of, the Beneficiary under the SPP or any similar plan in the 12 months prior to the application,does not exceed \$15,000.

For personal use only

15. PRIVACY NOTIFICATION

ACG and Link Market Services value your privacy and will take reasonable steps to protect your personal information in accordance with applicable data privacy laws and regulations. Note, however, that ACG and Link Market Services are located primarily in Australia and data privacy laws may be less strict in Australia than those of the country in which you reside when you receive this offer.

This privacy statement sets out how information about you will be collected, held, used, and disclosed to and accessed by third parties during your participation in the SPP Offer and while you hold ACG shares.

ACG and Link Market Services are bound by the *Privacy Act 1988* (Cth) in relation to the collection, use and disclosure of any personal information about you. Chapter 2C of the Corporations Act requires personal information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. If we are unable to collect this personal information about you, you will be unable to participate in the SPP. This personal information must continue to be included in the public register if you cease to be a shareholder.

ACG and Link Market Services may collect personal information from you to process your application, implement the SPP Offer and administer your shareholding and refunds of application monies. In certain circumstances ACG and Link Market Services may collect personal information from third parties, for example from a Custodian applying for SPP Shares for a Beneficiary. The personal information contained in ACG's share register is also collected and used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to ACG shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

Your personal information may be disclosed to or accessed by joint investors, Link Market Services, securities brokers, third party service providers, including print and mail service providers, technology providers and professional advisers, related entities of ACG and each of their agents and contractors, and to the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed, may be located or may store data overseas.

At this time, Link Market Services, its related bodies corporate and service providers may view or access your personal information from Australia, New Zealand, the United Kingdom, France, Germany, Luxembourg, Switzerland, the United States of America, Papua New Guinea, China [Hong Kong], India, United Arab Emirates, South Africa, Canada and the Philippines.

You have the right to request access to personal information that ACG and Link Market Services hold about you.

You may also request the update, correction, and/or removal of incorrect personal information or lodge a complaint about the handling of your personal information by any of these entities, including a complaint about any potential breach of the Australian Privacy Principles.

Link Market Service's privacy policy is available on its website: <https://www.linkmarketservices.com.au/corporate/privacy.html>. ACG's privacy policy is available on its website: <http://atcormedical.com/privacy-policy/>. Each privacy policy contains information about how you may seek access to, and correction of, your personal information and also contains information about how you can complain about a breach of the Privacy Act and how such a complaint will be dealt with.

For personal use only