



Coventry Group Ltd

ABN 37 008 670 102

235 Settlement Road
Thomastown Vic 3074

Shareholder name
Shareholder address

PO Box 526, Thomastown 3074

Tel: (03) 9205.8223
Fax: 1800 008 592
www.cgl.com.au

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

12 February 2019

Dear Shareholder

Coventry Group Limited Entitlement Offer – Notification to Ineligible Retail Shareholders

On 5 February 2019, Coventry Group Limited (**Company**) announced a 1 for 1.37 accelerated non-renounceable entitlement offer of new fully paid shares in the Company (**New Shares**) at an offer price of \$0.75 per New Share (**Issue Price**) (**Entitlement Offer**).

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Details of the Entitlement Offer

The Entitlement Offer is underwritten and comprises an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) (**Retail Entitlement Offer**).

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below) on the basis of 1 New Share for every 1.37 existing shares in the Company (**Existing Shares**) held at 7pm (Melbourne time) on 8 February 2019 (**Record Date**), at the Issue Price per New Share. The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

The Entitlement Offer is underwritten by Bell Potter Securities Limited (**Underwriter**).

Eligibility to participate in the Retail Entitlement Offer

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to shareholders in countries other than Australia or New Zealand in connection with the Retail Entitlement Offer, having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

An **Eligible Retail Shareholder** is a holder of Existing Shares who:

- (a) was a registered holder of Existing Shares as at 7pm (Melbourne time) on the Record Date;
- (b) has a registered address in Australia or New Zealand;
- (c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States);

For personal use only

- (d) is not an Eligible Institutional Shareholder (as defined in the Retail Entitlement Offer Booklet lodged with ASX on 8 February 2019) (other than a nominee to the extent that the nominee also holds Existing Shares on behalf of an Eligible Retail Shareholder); and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you are not an Eligible Retail Shareholder you are an **Ineligible Retail Shareholder**.

According to our records you do not satisfy the criteria for an Eligible Retail Shareholder, and therefore the Company is unable to extend to you the opportunity to participate in the Retail Entitlement Offer.

Treatment of Ineligible Retail Shareholders

The Company has determined that it will undertake the following steps in relation to Ineligible Retail Shareholders:

- (a) The Company has appointed the Underwriter as a nominee approved by ASIC under section 615 of the Corporations Act in respect of Ineligible Retail Shareholders.
- (b) The Company will issue to the Underwriter the New Shares that Ineligible Retail Shareholders would otherwise have been entitled to apply for had they been entitled to participate in the Retail Entitlement Offer.
- (c) The Underwriter is permitted to sell the Ineligible Retail Shareholders' New Shares in such manner and at such time as it sees fit, with the objective of achieving the best price for those New Shares that is reasonably obtainable on market at the time of the relevant sale, however the Underwriter is not responsible for achieving any particular price for the New Shares or achieving the sale in any particular timeframe.
- (d) On the earlier of the time that all the Ineligible Entitlement Shares have been sold and the close of trading on the closing date under the Retail Entitlement Offer, the Underwriter must transfer the sale proceeds into a nominee facility account (net of the Underwriter's expenses).
- (e) The Underwriter must then distribute to each of those Ineligible Retail Shareholders their proportion of the proceeds in the nominee facility account.

Ineligible Retail Shareholders should note that none of the Company or the Underwriter is acting as their agent and that there is no guarantee that any net proceeds will be realised from the sale of entitlements under Section 615 of the Corporations Act.

You do not need to respond to this letter. If you have questions in relation to any of the matters described above, please contact the Company Offer Information Line on 1300 763 414 (from within Australia) or + 61 3 9415 4000 (from outside Australia) between 8:30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period (12 to 21 February 2019).

On behalf of the Board of the Company, we thank you for your continued support.

Yours faithfully

Mr Neil Cathie
Chairman
Coventry Group Limited

Important Notices

This letter does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in Coventry Group Limited and is not a prospectus or offering document under Australian law or any other law. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of New Shares in Coventry Group Limited. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares that will be offered and sold in the Entitlement Offer have not been, or will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.