

# IDT AUSTRALIA LIMITED

ACN 006 522 970

## 2015 SHAREHOLDER SHARE PURCHASE PLAN OFFER DOCUMENT

This non-renounceable offer (**Offer**) of new fully paid ordinary shares (**New Shares**) in the capital of IDT Australia Limited ACN 006 522 970 (**Company**) is made on the terms and conditions of the Share Purchase Plan 2015 (**Plan**) set out in this Offer Document and the accompanying Application Form.

**It is important to ensure that you read this Offer Document and accompanying Application Form in full. You should seek independent legal and/or financial advice if you are in any doubt about the terms of this offer or whether to accept this offer.**

KEY OFFER DETAILS	
Issue Price	35 cents (\$0.35) per New Share
Minimum application amount	\$2,000 per shareholder
Maximum application amount	\$15,000 per shareholder (subject to the limit prescribed under ASIC Class Order 09/425)
Applications can be made for parcels of shares (rounded up to the next whole number of shares) valued at: *	A \$2,000 (5,715 New Shares) B \$5,000 (14,286 New Shares) C \$10,000 (28,572 New Shares) D \$15,000 (42,858 New Shares)
Maximum amount to be raised ^	\$2,000,000
Underwriting	The Share Purchase Plan is fully underwritten by Wilson HTM Corporate Finance Ltd ACN 057 547 323 ( <b>Underwriter</b> ).
Proposed use of funds	Funds raised from this offer will be used to accelerate the commercialisation of the 23 previously marketed US generic drug products IDT acquired in November 2014, as well as fund capacity expansion for IDT's in-house proprietary drug development program and for working capital
Record Date (for determining recipients of the Offer) †	7pm Melbourne time Wednesday, 18 November 2015, being the last trading day before the date on which the details of the Plan were first announced to the ASX
Closing Date †	Tuesday, 15 December 2015
Anticipated issue of New Shares †	Monday, 21 December 2015
Anticipated dispatch of holding statements and (if applicable) refunds †	Monday, 21 December 2015

Anticipated commencement of trading of New Shares +	Tuesday, 22 December 2015
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\* Custodians may apply for up to \$15,000 on behalf of each distinct beneficiary represented, using a separate Application Form for each beneficiary, an Application Form can be obtained from the Company or its Share Registrar. Further details are provided below.

^ If the total number of New Shares applied for exceeds a subscription for \$2,000,000 the Company will reduce the number of shares to be issued in response to each application on a pro rata basis. In that case the Company will refund excess application monies received by the Company to each unsuccessful applicant. Refunds will be paid to the applicant by cheque. No interest shall be paid on refunded application monies.

+ The above dates are indicative only. The Company reserves the right to change any date without notice, including by postponing the Closing Date or closing the Offer early, or to withdraw or cancel the Offer (in which case all monies subscribed will be refunded).

All references to \$ amounts in the Plan and this Offer document are to Australian dollars.

If you wish to participate in this Plan you must apply for New Shares using the personalised Application Form accompanying this Offer Document, unless you are a custodian and wish to apply on behalf of distinct beneficiaries (see Section 3.3 below).

If any of your details on the Application Form are incorrect, please contact the Company's Share Registrar urgently.

## **Terms and Conditions of Plan Offer**

### **1 PARTICIPATION**

Participation in the Plan is open on the same terms to all shareholders (**Eligible Members**) who, as at the record date of Wednesday, 18 November 2015, are registered holders of ordinary shares in IDT Australia Limited and who have an address (as recorded in the Company's register of members) in Australia or New Zealand by subscribing for up to \$15,000 of new fully paid ordinary shares (**New Shares**) in the Company at \$0.35 (**Issue Price**) without incurring brokerage, commission, stamp duty or other transaction costs.

The Plan is established pursuant to Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 125 and Class Order 09/425. That Class Order grants the Company relief from the requirement to prepare a prospectus for the offer of New Shares under the Plan.

Participation in the Plan is optional and by accepting the offer to purchase New Shares under the Plan, each holder agrees to be bound by the terms and conditions of the Offer and the Company's constitution.

On 19 November 2015 the Company announced an underwritten share placement of up to 17.14 million Shares (at \$0.35 per Share) to professional and sophisticated investors (**Private Placement**), issued pursuant to and in accordance with ASX Listing Rule 7.1.

The maximum aggregate number of shares that may be issued under this Offer will be 5,714,400, being equivalent to approximately 2.72% of the Company's fully paid ordinary shares currently on issue as at the date of this Offer. This figure assumes the Private Placement Shares have been issued.

The Company reserves the right (in its absolute discretion) to scale back applications on a pro rata basis, should aggregate demand exceed \$2,000,000 in subscriptions under this Plan. In addition the Company will reject applications or scale back applications to the maximum aggregate \$15,000 limit (in accordance with the requirement under ASIC Class Order 09/425) where it believes the maximum aggregate investment of \$15,000 worth of shares by any shareholder under the Offer together with shares issued to the relevant shareholder under the Company's 2014 share purchase plan, exceeds that \$15,000 limit.

Excess subscription monies, or any money from rejected applications will be refunded (without interest) as soon as reasonably practicable.

The Plan is governed by the law in force in Victoria. By accepting the offer under the Plan, a holder submits to the non-exclusive jurisdiction of the courts of Victoria.

## **2 ISSUE PRICE**

The shares are being offered at an issue price of **35 cents per share**, which is the same issue price as under the Private Placement.

The Issue Price represents a 7.9% discount to the last close price (\$0.38), and a 9.6% discount to the 30-day VWAP (\$0.387).

As required by ASX Listing Rule 7.2 Exception 15, the issue price represents at least 80% of the VWAP for the 5 days in which trading of the Company's Shares occurred.

No brokerage, commissions, stamp duty or other transaction costs will be payable by Shareholders in respect of the application for and issue of the New Shares under the Plan.

As the Company's share price may increase or decrease between the date the Offer is made under the Plan and the date when the New Shares are allotted and issued to Eligible Members under the Plan, the price paid by a member for the New Shares under the Plan may be higher or lower than the share price at the time of the Offer or at the time the New Shares are issued and allotted to the eligible Member.

The minimum value of New Shares for which each Eligible Member may subscribe under this Offer is \$2,000 and the maximum value of New Shares for which each Eligible Member may subscribe is \$15,000 (subject to scale back described further below). Subscriptions will only be accepted in the amounts outlined above (being \$2,000, \$5,000, \$10,000 and \$15,000).

## **3 ELIGIBILITY FOR PARTICIPATION**

Offers made under the Plan are non-renounceable. This means that a holder cannot transfer their right to acquire New Shares under the Plan to anyone else.

New Shares subscribed for will be issued only to the registered holder to whom they are offered. Each Offer is made on the same terms and conditions. All eligible holders receive the same offer, irrespective of the number of shares which they hold on the Record Date.

Directors participating under the Plan (in their capacity as Eligible Members) is permitted as an exception under ASX Listing Rule 10.11 (ie. Exception 8 in ASX Listing Rule 10.12).

### **3.1 Individual members**

Unless a holder is a Custodian (defined below), each individual member is entitled to apply for up to a maximum subscription amount of \$15,000 of New Shares (irrespective of whether the individual member receives multiple offers under the Plan, for example, due to multiple registered holdings), subject to the Company being reasonably satisfied that (and the individual member certifying that) the total of the application moneys subscribed for the following does not exceed \$15,000:

- (a) the New Shares the subject of the Acceptance Form (pursuant to this Plan); and
- (b) any other fully paid ordinary shares in IDT Australia Limited:
  - (i) issued to that sole holder; and
  - (ii) which that sole holder has instructed a custodian to acquire on their behalf; and
  - (iii) issued to a custodian as a result of an instruction given by that sole holder to the custodian to apply for shares on their behalf, under the Plan or any similar arrangement in the 12 months before the application (but noting that IDT Australia Limited has not conducted a share purchase plan or similar Plan in the prior 12 months).

By completing and submitting (or by making payment via BPAY) the personalised offer and Acceptance Form (referred to below) which accompanies the Plan, a sole holder certifies the above statements in clause 3.1.

### **3.2 Joint Holders**

Unless a holder is a Custodian (defined below), if a holder is recorded with one or more other persons as the joint holder of the Company's shares, the joint holding is considered a single registered holding for the purpose of the Plan. Joint holders are entitled to participate in respect of that single holding and may apply for up to a maximum amount of \$15,000 of New Shares (irrespective of whether the holder and the other person or persons receive multiple offers under the Plan, for example, due to multiple identical registered holdings), subject to the joint holder certifying that the total of the application moneys subscribed for the following does not exceed \$15,000:

- (a) the New Shares the subject of the Acceptance Form (pursuant to this Plan) returned, and
- (b) any other fully paid ordinary shares in the Company:
  - (i) issued to that joint holder, and

- (ii) which that joint holder has instructed a custodian to acquire on their behalf; and
- (iii) issued to a custodian as a result of an instruction given by that joint holder to the custodian to apply for shares on their behalf,

under the Plan or any similar arrangement in the 12 months before the application.

By completing and submitting (or by making payment via BPAY) the personalised offer and Acceptance Form (referred to below) which accompanies the Plan, a joint holder certifies the above statements in clause 3.2.

### **3.3 Custodians and Nominees**

Eligible Members who hold shares as custodian or nominee (as defined in ASIC class order CO 09/425) (**Custodian**) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to a maximum amount of \$15,000 of New Shares in respect of each Beneficiary in any 12 month period, subject to the Custodian certifying to the Company that:

- (a) the Custodian is an eligible holder of shares in the Company on behalf of one or more Beneficiaries,
- (b) a copy of the Offer documentation was given by the Custodian to each Beneficiary,
- (c) each Beneficiary requiring New Shares has instructed the Custodian to apply for the New Shares on its behalf under the Plan,
- (d) the number of Beneficiaries instructing the Custodian to participate, and
- (e) in respect of each participating Beneficiary:
  - (i) the number of fully paid ordinary shares in the Company that the Custodian holds on their behalf; and
  - (ii) the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
  - (iii) undertaking not to, in respect of the Plan or other similar plan, accept on behalf of any Beneficiary, in any consecutive 12 month period, shares in the Company with an aggregate application price which exceeds \$15,000.

By completing and submitting (or by making payment via BPAY) the personalised offer and Acceptance Form (referred to below) which accompanies this offer, a Custodian certifies the above statements in clause 3.3.

If a Custodian requires more than one personalised offer and Acceptance Form to provide the above information, the Custodian should contact the Company or the Company's share registrar and make that request.

\*It is at the discretion of the Custodian whether to extend the Offer to all of their Beneficiaries.

## **4 HOW TO APPLY FOR NEW SHARES**

The Offer to participate in the Plan opens on Monday, 23 November 2015.

An offer to participate in the Plan may be accepted by a registered Eligible Member (**Acceptance**) by completing and returning the personalised offer and acceptance form (Acceptance Form) provided by the Company, together with the appropriate payment for the amount to which the acceptance relates (by cheque in Australian dollars drawn on an Australian

bank made payable to “**IDT Australia Limited SPP Account**”), by no later than the Offer closing date of Tuesday, 15 December 2015 (**Closing Date**). Acceptances received after that time will not be accepted.

Acceptance includes making payment using the BPAY facility offered by Link Market Services Limited, but only via the customer reference number as described on your personalised Acceptance Form, by no later than the Closing Date (in which case the Acceptance Form need not be returned to the Company).

If Acceptance (via BPAY) or one or more Acceptance Forms are received from an Eligible Member in relation to shares with a value greater than \$15,000, the Eligible Member holder will be issued with the maximum number of New Shares permitted by the Plan (subject to any scaling back by the Company in accordance with this Offer). The difference between the subscription moneys received from such member, and the number of New Shares allocated to that member multiplied by the Issue Price, will be refunded to the eligible Member by cheque, without payment of any interest, as soon as reasonably practicable following allotment of all the New Shares.

If an Eligible Member subscribes for an amount which is not exactly divisible by the Issue Price for the shares, in calculating the number of shares to be issued, all fractional entitlements will be rounded up to the next whole share.

Notwithstanding any other provision in these terms and conditions, the Board may, in its sole discretion, reject any Acceptance Form which is received from ineligible members or otherwise which:

- (a) is incomplete, incorrectly filled out or accompanied by a cheque which is not paid in full on first presentation;
- (b) the Board believes is completed by a person within, or a person acting for the account or benefit of a person within, another jurisdiction where, in the reasonable opinion of the Board, it would be unlawful or impractical for the Company to issue the New Shares.

If a cheque is not cleared through the banking system, the member’s Acceptance Form will not be accepted and the member will be deemed to agree to be responsible for any dishonour fees or other costs incurred. If a cheque is dishonoured, that dishonoured cheque will not be re-presented.

Once submitted, Applications for New Shares under the Plan cannot be withdrawn or amended.

Shareholders should consult their taxation or investment advisers to clarify the financial and taxation implications for them in subscribing for shares under the Plan.

## **5 SCALE BACK**

The Company intends to raise a maximum of \$2,000,000 via the Plan and reserves the right (in its absolute discretion) to scale back subscription applications should total demand exceed \$2,000,000. Any scale back of applications will be done on a pro rata basis for all applications received.

In addition, as the Offer has been structured to comply with ASIC Class Order CO 09/425, the maximum amount which may be allotted under this Offer when combined with the Company's 2014 share purchase plan is \$15,000 per Eligible Member. The Company reserves the right to reject any application for shares where it believes this requirement has not been complied with or may elect to scale back applications to the maximum \$15,000 limit and refund the excess subscription monies (without interest) as soon as reasonably practicable.

The difference between the subscription moneys received from each eligible Member, and the number of New Shares allocated to each Eligible Member multiplied by the Issue Price, will be refunded to member by cheque, without payment of any interest, as soon as reasonably practicable.

## **6 ISSUE OF NEW SHARES**

The New Shares to be issued pursuant to the Offer under the Plan will be issued as soon as reasonably practicable after the Closing Date and the Company will apply for those shares to be quoted on the ASX.

The Company will, within the period required by the ASX Listing Rules, send each participant (whose Acceptance Form has been accepted by the Company) a holding statement in respect of any New Shares issued to the participant under the Plan.

Shares issued under the Plan will rank equally with all existing ordinary shares in the Company and will therefore carry the same voting rights, dividend rights and other entitlements as those ordinary shares from the date of issue.

## **7 EXCLUDED APPLICANTS**

A shareholder who alone or with its associates would obtain an interest in more than 20% of the issued voting shares of the Company may be ineligible to accept (part or all of) an offer under the Plan. The Company reserves the right to refuse an application if the applicant (alone or with its associates) would obtain an interest in more than 20% of the issued voting shares of the Company.

In the event that an application is adjusted, the Company will refund to the applicant by cheque without interest the difference between the application monies received by the Company and application monies payable for the number of shares actually issued to the applicant.

## **8 SHAREHOLDER APPROVAL NOT REQUIRED**

The Company is not required to seek the approval of Shareholders in relation to the offer of New Shares under the Plan. ASX Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities which amounts to more than 15% of its ordinary securities in a rolling 12 month period without the prior approval of its shareholders or otherwise as permitted by the ASX Listing Rules. An exception to this 15% limit is a share purchase plan under ASX Listing Rule 7.2 Exception 15. The offer of New Shares under the Plan meets the criteria set out in Exception 15. Any shortfall from the Offer will be issued to the Underwriter utilising the Company's 15% placement capacity under ASX Listing Rule 7.1 (to the extent possible).

## 9 UNDERWRITING

The Plan will be fully underwritten by the Underwriter. This means that if, on the Closing Date, the Company has not received applications for the total number of New Shares being offered under the Plan, then the Company may serve notice on the Underwriter to subscribe for any New Shares that have not been applied for by Eligible Members.

The Company and the Underwriter have entered into a formal Underwriting Agreement whereby the Underwriter has agreed to fully underwrite the Plan. The fee payable to the Underwriter for underwriting the Plan will be 4.5% of the amount raised under the Offer.

The Underwriting Agreement has termination clauses within it allowing the Underwriter to terminate the Underwriting Agreement under certain circumstances (several of which having regard to materiality of certain events) which are usual in capital raisings. The termination clauses include without limitation:

- Any of the Offer documents, was, at the time of issue, false misleading or deceptive (including by omission) or likely to mislead or deceive. Or the Company withdraws any materials in the Offer documents, the Placement or any part of the Placement or the SPP;
- Unconditional approval is refused or not granted to the quotation of all the Placement Shares and the SPP Shares on the ASX before the Placement issue date and the SPP issue date, or if such approval is granted, the approval is withdrawn or qualified;
- Any event in the timetable is delayed without the prior written approval of the Underwriter;
- Any director or employee of the Company is charged with a criminal offence, or a director of the Company is disqualified from managing a corporation under the Corporations Act. Or there is a change in senior management or in the board or directors of the Company;
- The Company is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty by the Company becomes misleading or deceptive or is or becomes false or incorrect;
- The ASX: announces or makes a statement to any person that the Company will be removed from official list of ASX, removes the Company from the official list of the ASX, suspends the trading of Shares for any period of time (other than a trading halt or suspension made within the ordinary course of the timetable);
- Over three consecutive trading days the S&P/ASX 200 Index falls by an amount that is 10% or more below its respective level as at the close of trading on the day before the date of the Underwriting Agreement;
- There is a material adverse change or a development involving a prospective material adverse change in the financial position, results, operations or prospects of the Company.
- There occurs any adverse change or disruption to the political conditions or the financial markets in Australia, the United Kingdom or the United States. Or there is a banking moratorium declared by the relevant central bank in Australia, the United Kingdom or the United States. Or there is an outbreak or escalation in hostilities in any part of the world;

Any shortfall from the Offer will be issued to the Underwriter utilising the Company's 15% placement capacity under ASX Listing Rule 7.1 (to the extent possible).



## **10 AMENDMENT OF THE PLAN**

The Board may, in its absolute discretion, amend, suspend or terminate the Plan at any time (including, without limitation, by extending the Closing Date). The Company will notify ASX of any amendment, suspension or termination of the Plan, but failure to do so will not invalidate the amendment, suspension or termination.

The Company may issue to any person fewer shares than subscribed for under the Plan (or none at all) if the Company believes that the issue of those shares would contravene any law or the ASX Listing Rules or the Corporations Act 2001.

## **11 ADMINISTRATION AND DISPUTE RESOLUTION**

The Company's principal objective in administering the Plan is to facilitate maximum participation consistent with compliance with ASIC Class Order CO 09/425 and all applicable laws and efficient administrative practices.

The Company may adopt any administrative procedures it thinks appropriate (from time to time) in relation to the Plan. The Company may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, the Offer, any Acceptance Form or New Shares, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right (subject to the Corporations Act 2001 and ASIC Class Order 09/425) to waive compliance with any provision of these terms and conditions.

## **12 NOTICES**

Notices and statements to participating shareholders may be given in any manner determined by the Company.

## **13 PRIVACY ACT**

Chapter 2C of the Corporations Act 2001 (Cth) (the **Act**) requires information about shareholders (including name, address and details of the shares held) to be included in the Company's public register. If a shareholder ceases to be a shareholder, Chapter 2C of the Act requires this information to be retained in the Company's public register. These statutory obligations are not altered by the Privacy Act 1988 (Cth) as amended. Information is collected to administer shareholders' security holdings.

## **14 NO FINANCIAL PRODUCT ADVICE**

Shareholders should obtain their own advice on whether or not to participate in the Plan. The Company is not licensed to provide financial product advice in relation to the Company's shares or any other financial products. No cooling off regime applies in respect of the acquisition of shares under the Plan (whether the regime is provided for by law or otherwise).

## **15 ENQUIRIES**

If you have any question about the Offer or not accept the Offer, please contact your stockbroker or professional adviser, or IDT Australia Limited's Company Secretary, on (03) 9801 8888. If you have any questions on how to complete the Application Form please contact the Company's Share Registry Link Market Services on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia), between Monday to Friday 9am to 5pm or IDT Australia Limited's Company Secretary, on (03) 9801 8888.