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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

19 November 2018

ACCELERATED NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

Dear Shareholder

On 12 November 2018, AUB Group Limited (ABN 60 000 000 715) (“**AUB**”) announced a fully underwritten accelerated non-renounceable pro rata entitlement offer (“**Entitlement Offer**”) of new fully paid ordinary shares in AUB (“**New Shares**”) at an offer price of A\$12.30 per New Share (“**Offer Price**”) to raise approximately A\$116 million.

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.**

Under the Entitlement Offer, AUB is offering eligible shareholders 4 New Shares for every 27 AUB ordinary shares (“**AUB Shares**”) held as at 7.00pm (AEST) on 14 November 2018 (“**Record Date**”) at the offer price of A\$12.30 per New Share. Following completion of the Entitlement Offer, AUB will have issued approximately 9,458,738 New Shares resulting in total AUB Shares on issue of approximately 73,351,848.

The Entitlement Offer is being made by AUB in accordance with section 708AA of the Corporations Act 2001 (*Cth*) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (“**Corporations Act**”), meaning that no prospectus or other formal disclosure document needs to be prepared with respect to the Entitlement Offer.

The Entitlement Offer is fully underwritten by Credit Suisse (Australia) Limited (“**Underwriter**”).

The Entitlement Offer consists of an offer to eligible institutional shareholders (“**Institutional Entitlement Offer**”) and an offer to eligible retail shareholders (as described below, “**Eligible Retail Shareholders**”) (“**Retail Entitlement Offer**”). The Offer Price and offer ratio are the same under the Institutional Entitlement Offer and the Retail Entitlement Offer.

As the Entitlement Offer is non-renounceable, entitlements under the Entitlement Offer cannot be sold or traded on the ASX or on any other exchange, nor can they be privately transferred.

Eligibility criteria

Eligible Retail Shareholders are persons who:

- a) are registered as a holder of AUB Shares as at the Record Date;
- b) as at the Record Date, have a registered address in Australia or New Zealand;
- c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding AUB Shares for the account or benefit of such person in the United States);
- d) were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders (“**Ineligible Retail Shareholders**”).

The restrictions upon eligibility under the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia and New Zealand and the potential costs to AUB and complexity of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of AUB Shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

AUB has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), that it would be unreasonable to make or extend offers under the Retail Entitlement Offer to Ineligible Retail Shareholders.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by AUB with reference to a number of matters. The Underwriter and its affiliates and related bodies corporate and each of their directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), AUB wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer. If our records are incorrect on this matter, please contact the AUB Offer Information Line on 1300 330 255 (within Australia) or +61 1300 330 255 (outside of Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.

The Entitlement Offer is non-renounceable. A number of New Shares equal to the number that you would otherwise have been entitled to subscribe for under the Entitlement Offer (had you not been an Ineligible Retail Shareholder) will be allocated to other Eligible Retail Shareholders under a retail oversubscription facility, or will be subscribed for by the Underwriter at the Offer Price.

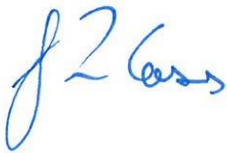
Further information

You do not need to respond or do anything in response to this letter.

If you have any questions in relation to the Entitlement Offer, please contact the AUB Offer Information Line on 1300 330 255 (within Australia) or +61 1300 330 255 (outside of Australia) between 8:30am and 5:30pm (AEST) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of AUB, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours sincerely,



Justin Coss
Company Secretary

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This letter is issued by AUB. This letter is not a prospectus or other disclosure document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any entitlements or shares in AUB in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of entitlements or shares in AUB.

In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 (“**US Securities Act**”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, no securities described in this announcement may be offered, sold or resold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which AUB has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable U.S. state securities laws.