

Neurotech International Limited
ACN 610 205 402
(ASX Code: NTI)

For ASX Market Release – 31 October 2016

Terms of Options

Neurotech International Limited (**Company**) has granted:

- (a) the following options to subscribe for fully paid ordinary shares (**Shares**) in the Company (**Options**) on the terms set out in Annexure A:
 - (i) 2,529,076 Options issued to Azure Capital Limited (as lead manager to the offer in the Company's prospectus dated 12 September 2016); and
 - (ii) 8,365,314 Options issued to former holders of options in the Company's subsidiary, AAT Research Limited; and
- (b) the following Options on the terms set out in Annexure B:
 - (i) 466,000 Options to WST Business Development Advisor Ltd.

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Annexure A

Terms of Options granted to Azure Capital Limited and former AAT Research Limited option holders

- (a) Each Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company (**Share**).
- (b) No amount is payable on grant of the Options.
- (c) The exercise price of the Options is A\$0.20 each, and will be payable in full on exercise.
- (d) Each Option which has vested may be exercised at any time before 5.00pm Perth, Western Australia local time on 30 November 2020 (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire.
- (e) No certificate will be issued for the Options.
- (f) An Option Holder may not, except with the approval of the Board (in its sole and absolute discretion), sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options. The approval of the Board may be given subject to satisfaction of certain conditions in which event such approval will be deemed not to occur until any such conditions have been satisfied, including without limitation a covenant with the Company pursuant to which the proposed new holder acknowledges and agrees to be bound by these terms of Options.
- (g) An instrument of transfer of an Option must be:
- (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to those Options, the right of the transferor to transfer those Options and the proper execution of the instrument of transfer.
- (h) The Options will not be listed for quotation on any stock exchange including the ASX.
- (i) The Company will apply for official quotation of all Shares allotted pursuant to an exercise of the Options in accordance with the listing rules of ASX.
- (j) The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
- (k) There will be no participating entitlements inherent in the Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Option. If the Company is admitted to the ASX, Option Holders will be notified by the Company prior to any new pro-rata issue of securities to Shareholders in accordance with the listing rules of ASX.

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- (l) In the event of a bonus issue of securities, the number of Shares over which the Options are exercisable may be increased by the number of Shares that the Option Holders would have received if the Options had been exercised before the record date for the bonus issue.
- (m) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the listing rules of ASX.
- (n) There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro-rata issue) during the currency of the Options.
- (o) The Company will notify each Option Holder and, if required by the listing rules of ASX, ASX, within one month after the record date for a bonus issue or a pro rata issue of the adjustment to the number of Shares over which an Option exists.
- (p) Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of the Options held by the Option Holder accompanied by an Option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified Options. An exercise of only some of the Options will not affect the rights of the Option Holder to the balance of the Options held by him.
- (q) Options will be deemed to have been exercised on the date the exercise notice is received by the Company.
- (r) The Company will allot the resultant Shares and deliver the holding statement within five business days after the exercise of the Option.
- (s) Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company. For the avoidance of doubt, subject to the application of the listing rules of ASX, all Shares allotted pursuant to an exercise of Options will be transferrable.
- (t) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the jurisdiction of the courts of Western Australia.

Annexure B

Terms of Options granted to WST Business Development Advisor Ltd

- (a) Each Option entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company (**Share**).
- (b) No amount is payable on grant of the Options.
- (c) The exercise price of the Options is A\$0.20 each, and will be payable in full on exercise.
- (d) Each Option which has vested may be exercised at any time before 5.00pm Perth, Western Australia local time on 30 November 2020 (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire.
- (e) Options may only be exercised if they have vested in accordance with the vesting conditions in paragraphs (f) to (h) of these terms.
- (f) Subject to paragraphs (g) and (h) of these terms the Options will vest and be capable of exercise in the following tranches on the following dates (each a **Vesting Date**):
- (i) 155,333 Options will vest on the date which is 12 months after the date the Company has been admitted to the official list of the Australian Securities Exchange (**ASX**);
 - (ii) 155,333 Options will vest on the date which is 24 months after the date the Company has been admitted to the official list of ASX; and
 - (iii) 155,334 Options will vest on the date which is 36 months after the date the Company has been admitted to the official list of ASX.
- (g) In the event of a Change of Control (as defined herein), all the Options will vest with effect from, and be exercisable for a period of two months from, the date of the Change of Control, after which they will automatically lapse and not be capable of being exercised. A **Change of Control** means a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in general meeting, to replace all or a majority of the Board of the Company.
- (h) Options may only vest on a Vesting Date if no party to the consultancy services agreement between the Company, WST Business Development Advisor Ltd and Wolfgang Johannes Storf (**Consultancy Services Agreement**) has given a valid notice to terminate the Consultancy Agreement prior to the relevant Vesting Date. In the event a party has given a valid notice to terminate the Consultancy Services Agreement then all Options which have not vested as at the date of the termination notice will automatically lapse and not be capable of being exercised.
- (i) No certificate will be issued for the Options.
- (j) An Option Holder may not, except with the approval of the Board (in its sole and absolute discretion), sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options. The approval of the Board may be given subject to satisfaction of certain conditions in which event such approval will be deemed not to occur until any such conditions have been satisfied, including without limitation a

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covenant with the Company pursuant to which the proposed new holder acknowledges and agrees to be bound by these terms of Options.

- (k) An instrument of transfer of an Option must be:
- (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to those Options, the right of the transferor to transfer those Options and the proper execution of the instrument of transfer.
- (l) Subject to the Board agreeing otherwise (in its sole and absolute discretion), if the Option Holder ceases to act as a Director, or employee or consultant of the Company or a Related Body Corporate prior to exercising the Options, the Options will lapse.
- (m) The Options issued to the Option Holder will not lapse and be forfeited if the Option Holder ceases employment due to death, permanent disablement, or any other circumstance in which the Board determines the Options should not lapse and be forfeited.
- (n) The Options will not be listed for quotation on any stock exchange including the ASX.
- (o) The Company will apply for official quotation of all Shares allotted pursuant to an exercise of the Options in accordance with the listing rules of ASX.
- (p) The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
- (q) There will be no participating entitlements inherent in the Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Option. If the Company is admitted to the ASX, Option Holders will be notified by the Company prior to any new pro-rata issue of securities to Shareholders in accordance with the listing rules of ASX.
- (r) In the event of a bonus issue of securities, the number of Shares over which the Options are exercisable may be increased by the number of Shares that the Option Holders would have received if the Options had been exercised before the record date for the bonus issue.
- (s) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the listing rules of ASX.
- (t) There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro-rata issue) during the currency of the Options.
- (u) The Company will notify each Option Holder and, if required by the listing rules of ASX, ASX, within one month after the record date for a bonus issue or a pro rata issue of the adjustment to the number of Shares over which an Option exists.

- (v) Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of the Options held by the Option Holder accompanied by an Option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified Options. An exercise of only some of the Options will not affect the rights of the Option Holder to the balance of the Options held by him.
- (w) Options will be deemed to have been exercised on the date the exercise notice is received by the Company.
- (x) The Company will allot the resultant Shares and deliver the holding statement within five business days after the exercise of the Option.
- (y) Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company. For the avoidance of doubt, subject to the application of the listing rules of ASX, all Shares allotted pursuant to an exercise of Options will be transferrable.
- (z) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the jurisdiction of the courts of Western Australia.