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23 August 2018

Dear Shareholder

CSG Limited Entitlement Offer – Notification to Ineligible Retail Shareholders

On 21 August 2018, CSG Limited (ASX: CSV) (**CSG** or **the Company**) announced a fully underwritten 1-for-3.52 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares (**New Shares**) to raise approximately \$18.0 million (**Offer**).

CSG intends to use the net proceeds of the Entitlement Offer to pay down its existing debt facility and fund acquisition earn-out payments, restructuring costs and general working capital requirements.

The Entitlement Offer is fully underwritten and comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Act**) (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations Instrument (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document needs to be prepared. The Institutional Entitlement Offer has already closed and the results of the Institutional Entitlement Offer have been announced to the ASX. The Retail Entitlement Offer is expected to raise approximately \$5.7 million.

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail 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 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 3.52 existing fully paid ordinary share held in CSG as at 7:00pm (Sydney time) on Thursday, 23 August 2018 (**Record Date**).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on Thursday, 23 August 2018 and are being mailed to Eligible Retail Shareholders.

Eligibility Criteria

Eligible Retail Shareholders are those persons who:

- are registered as a holder of ordinary shares in CSG as at the Record Date, being 7:00pm (Sydney time) on Thursday, 23 August 2018;
- have a registered address on the CSG share register that is in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States; and



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- were not invited to participate (other than as nominee) in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder (as defined in the Retail Entitlement Offer Booklet lodged with ASX on Thursday, 23 August 2018) under the Institutional Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders (or Eligible Institutional Shareholders or Ineligible Institutional Shareholders, in each case as defined in the Retail Entitlement Offer Booklet lodged with ASX on Thursday, 23 August 2018) are '**Ineligible Retail Shareholders**' and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to CSG of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing fully paid ordinary shares in CSG they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. CSG has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Corporations Act, that it would be unreasonable to make or extend offers to CSG shareholders in certain countries under the Retail Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above and are therefore an Ineligible Retail Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, CSG wishes to advise you that it will not be extending the Retail Entitlement Offer to you, which means you will not be able to subscribe for New Shares under the Retail Entitlement Offer and you will not be sent the documents relating to the Entitlement Offer.

Arrangements for Ineligible Retail Shareholders

The following arrangements will apply in respect of Ineligible Retail Shareholders:

- the Australian Securities and Investments Commission has approved the appointment of Ord Minnett Limited ('**Ord Minnett**') by CSG for the purposes of section 615 of the Corporations Act in respect of Ineligible Retail Shareholders.
- CSG will issue to Ord Minnett the rights to acquire the New Shares that would otherwise have been issued to Ineligible Retail Shareholders under the Retail Entitlement Offer ('**Ineligible Retail Shareholder Rights**').
- Ord Minnett will offer those rights to institutional investors who participate in the shortfall bookbuild in respect of the Institutional Entitlement Offer.
- As the Entitlement Offer is non-renounceable, it is not expected that Ord Minnett will raise any proceeds from the offer of Ineligible Retail Shareholder Rights as described above. However should Ord Minnett raise any proceeds from the offer of Ineligible Retail Shareholder Rights, it will transfer those proceeds, net of expenses, to CSG's share registry, which will distribute to each Ineligible Retail Shareholder their proportion of such net proceeds.

As an Ineligible Retail Shareholder, you should note that none of CSG, Ord Minnett or the underwriters to the Entitlement Offer are acting as your agent for the purposes of the Retail Entitlement Offer, and there is no guarantee that you will receive any proceeds from Ord Minnett under section 615 of the Corporations Act.



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You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call the CSG Entitlement Offer Information Line on 1300 850 505 (within Australia) or 03 9415 400 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of CSG, I thank you for your continued support.

Yours faithfully



Julie-Ann Kerin
Managing Director and CEO

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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 shares in CSG. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares that will be offered and sold in the Entitlement Offer have been, nor will 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, entitlements may not be issued to or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or persons acting for the account or benefit of 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 entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in "offshore transactions" in reliance on Regulation S under the Securities Act.

