

3 July 2015

Harry Debney
17 St Vincent Place
Albert Park VIC 3206

Harry

Invitation to apply for options

On behalf of Costa Group Holdings Limited (ABN 68 151 363 129) (**Company**), it is my pleasure to invite you to apply for options (**Options**) to subscribe for fully paid ordinary shares in the Company (**Shares**). This invitation is being made to you under the prospectus issued by the Company, a copy of which has been provided to you (**Prospectus**).

The number of Options for which you may apply and other key features of the Options are set out in this letter.

1. Terms and conditions

The key terms and conditions of the Options are set out in the table below.

TERMS AND CONDITIONS OF OPTIONS	
Grant	
Number of Options	1,891,944
Amount payable on grant	\$Nil
Expected Grant Date	July 2015
Vesting	
Vesting Date	Unless the Options have lapsed on an earlier date, they will vest on the date the Company releases its FY2017 full-year results (expected to be in August 2017). It is a condition of vesting that the Company has been admitted to the Official List of ASX.
Forfeiture	
Cessation of employment	The Options will automatically lapse and any rights you may have in respect of the Options will be forfeited if you cease to be an employee of the Company or any of its related bodies corporate (Group Member) unless you are a good leaver in which case your Options will not lapse unless the board of the Company (Board) determines otherwise. The Board will also have discretion to adjust the

TERMS AND CONDITIONS OF OPTIONS	
	Vesting Date and Exercise Period for those Options which do not lapse and the Escrow Period, if any, for any Shares acquired on exercise of those Options. For this purpose you will be a good leaver if: • you cease to be employed by any Group Member as a result of: • age retirement; • death; • serious disability or permanent incapacity through ill health (as determined by the Board) ; or • the Board otherwise determine that you are a good leaver.
Other	The Options will automatically lapse and any rights you may have in respect of the Options will be forfeited if the Company has not been admitted to the Official List of ASX by 31 August 2015 or if, in the Board's opinion: • you have breached a material term of the Options; • you have committed an act of fraud or serious misconduct in relation to the affairs of Company or any of its related bodies corporate (whether or not charged with an offence) or gross dereliction of duty; • you have become insolvent, declared yourself or become bankrupt or entered into administration or done something or has something done which prevents you from or may result in you being unable to properly perform your duties; or • you have done any act which brings the Company or any of its related bodies corporate into disrepute.
Exercise	
Exercise Period	You may exercise any or all vested Options by paying the Exercise Price to the Company, and providing the Company with a completed exercise notice in the form provided by the Company, at any time during the period commencing on the Vesting Date and ending 2 years after the Vesting Date. Any Options not exercised during this period will lapse and any rights you may have in respect of the Options will be forfeited.
Exercise Price	Final Price (as defined in the Prospectus) x 1.25
Shares delivered on exercise	Upon exercise of an Option, the Company will issue 1 fully paid ordinary Share in the Company to the holder of the Option within 30 days or such other period reasonably determined by the Board.

TERMS AND CONDITIONS OF OPTIONS	
Escrow	
Escrow restriction	During the Escrow Period, you must not sell, assign, transfer or otherwise deal with, or grant a security interest over the Escrow Shares or enter into any arrangement for the purpose of hedging, or otherwise affecting your economic exposure to the Escrow Shares. The Company may enter into such arrangements as it considers reasonably necessary to enforce these escrow restrictions including having the relevant shares made subject to a holding lock. The Company may refuse to issue the Escrow Shares until such arrangements have been executed by you, if necessary.
Escrow Shares	50% of the Shares received on exercise of your Options.
Escrow Period	The date you receive Shares on the exercise of your Options until the date the Company releases its FY2018 full-year results (expected to be in August 2018).
Other	
Change of Control consequences	If a Change of Control or other Event (as defined below) occurs the Board may determine that: - the Vesting Date will be the date of the Change of Control or other Event; and - the Exercise Period will commence on the Vesting Date and end on the date determined by the Board. Without limiting the Board's discretion, if the Change of Control or other Event involves a takeover offer or an acquisition scheme of arrangement, the Board may determine that the Exercise Period expires prior to the closing date of the takeover offer or a reasonable period prior to the record date for the scheme of arrangement; and - the escrow restrictions described above will not apply.
Change of Control	Any of the following: - a statement is lodged with the ASX to the effect that a person has a relevant interest (as defined in the Corporations Act) in more than 50% of all issued Shares; - the board of the Company, or a committee of the board, recommends that Shareholders accept a takeover bid (as defined in the Corporations Act) made to holders of Shares; or - at a meeting ordered by a court, Shareholders approval a proposal pursuant to which a person will obtain a relevant interest (as defined in the Corporations Act) in more than 50% of all issued Shares.

TERMS AND CONDITIONS OF OPTIONS	
Event	Any of the following: - the Company passes a resolution for voluntary winding up; - an order is made for the compulsory winding up of the Company; or - the Company ceases to be listed on ASX.

2. Application for Options

There is no obligation on you to apply for Options but if you intend to do so, you should read this letter, the application form, the constitution of the Company and the Prospectus carefully. In determining whether to apply for Options, you should seek your own independent tax and/or legal advice and also financial advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice. No financial product advice is given to you by the Company, its officers, employees or advisers in connection with this invitation.

To apply for your Options, you need to complete and return the enclosed application form to the Company Secretary on or before 15 July 2015. If you do not complete and return the enclosed application form on or before 15 July 2015 this invitation to apply for Options will lapse.

You will be informed once the Options are granted.

3. Dealings with Options

This invitation is made personally to you and may only be accepted by you. Any Options granted to you are non-transferable except with the prior written consent of the Board (subject to such terms and conditions as it considers necessary or appropriate), in its absolute discretion, which will usually only be exercised if you die or are mentally incapacitated. You must not grant or purport to grant any mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature over your Options.

4. Administration

The Options shall be administered by the Board which has the power to:

- determine appropriate procedures and make regulations for the administration of the Options which are consistent with these terms;
- resolve conclusively all questions of fact or interpretation arising in connection with these terms;
- delegate such functions and powers as it may consider appropriate for the efficient administration of the Options to any person or persons capable of performing those functions and exercising those powers;
- take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these terms; and
- amend these terms and conditions provided that your consent must be obtained to any amendment which would have a materially adverse effect on you unless the amendment is necessary to ensure compliance with the Corporations Act.

5. Taxation

Applying for Options is likely to have tax consequences for you. You should seek professional independent advice from your own taxation adviser, accountant or solicitor on the tax implications of the Options as they relate to your circumstances.

Please do not hesitate to contact me should you require any further information regarding this Offer or the Plan.

Yours sincerely



David Thomas
Company Secretary

APPLICATION FORM

I, Harry Debney, hereby apply for **1,891,944** options ("**Options**") over fully paid ordinary shares in Costa Group Holdings Limited (ABN 68 151 363 129) ("**Company**") on the terms set out in the invitation letter addressed to me to which this application form was attached ("**Invitation Letter**") and the prospectus issued by the Company dated 25 June 2015 ("**Prospectus**").

By signing and returning this application form, I hereby:

- confirm that I have read and received a copy of the Prospectus;
- agree to be bound by the terms and conditions of the Options set out in the Invitation Letter and Prospectus and the constitution of the Company; and
- consent to becoming a shareholder of the Company upon the exercise of any Options.

Signature: _____

Date: _____