

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

7 May 2018

Dear Shareholder,

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

On Monday, 30 April 2018, Emeco Holdings Limited (ACN 112 188 815) (**Emeco**) announced that it was conducting an accelerated pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.25 per New Share (**Offer Price**) to raise approximately A\$90 million. Under the Retail Entitlement Offer, eligible Emeco shareholders are entitled to subscribe for 1 New Share for every 7.8 existing Emeco shares (**Shares**) held at 7:00 pm (Sydney time) on Wednesday, 2 May 2018 (**Record Date**) (**Entitlement**).

The proceeds of the Entitlement Offer will be used to fund the acquisition of Matilda Equipment Holdings Pty Ltd (ACN 122 463 521) (the **Acquisition**), transaction costs associated with the Entitlement Offer and Acquisition, and working capital requirements.

This letter is to inform you about the Entitlement Offer and to explain that if you are an Eligible Retail Shareholder (as defined below), you will be able to purchase 1 New Share for every 7.8 existing Emeco ordinary shares held on the record date of 7.00 pm (Sydney time) on Wednesday, 2 May 2018 (**Entitlement**). New Shares under the Entitlement Offer will be fully paid and rank equally in all respects with existing Emeco ordinary shares from issue. Fractional Entitlements will be rounded up to the nearest whole number of shares.

#### What is the Entitlement Offer?

The Entitlement Offer is being made by Emeco in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/840, meaning that the Entitlement Offer does not require disclosure under Part 6D.2 of the Corporations Act and no prospectus or product disclosure document is required to be prepared in relation to the Entitlement Offer.

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer has already closed and the results announced to ASX.

The Entitlement Offer is joint lead managed and fully underwritten by Macquarie Capital (Australia) Limited (**Macquarie**) and Morgans Corporate Limited (**Morgans**) (each an **Underwriter** and together the **Underwriters**).

**Eligible Retail Shareholders** are shareholders in Emeco who:

- are registered as a holder of fully paid ordinary shares in Emeco as at 7.00pm (Sydney time) on Wednesday, 2 May 2018 (Record Date);

- have a registered address on Emeco's share register that is in Australia or New Zealand or are a shareholder that Emeco has otherwise determined is eligible to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States with respect to their shares in Emeco (to the extent such person holds Emeco shares for the account or benefit of such person in the United States);
- did not receive an offer to participate in (other than as nominee, in respect of other underlying holdings), and were not otherwise treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible shareholders. In particular, shareholders that are in the United States or are acting for the account or benefit of a person in the United States (to the extent such person holds Emeco ordinary shares for the account or benefit of such person in the United States) are not eligible to participate in the Retail Entitlement Offer.

According to our records, you satisfy the eligibility criteria for an Eligible Retail Shareholder.

### **Retail Offer Booklet**

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer.

Please find attached a copy of the Offer Booklet and the personalised Entitlement and Acceptance Form. The Offer Booklet is also available on the ASX website at [www.asx.com.au](http://www.asx.com.au). You should read the Offer Booklet carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable which means that Entitlements are non-transferable and cannot be traded on the ASX or on any other exchange, nor can they be privately transferred. If Eligible Retail Shareholders take no action they will not be allocated New Shares or receive any value in respect of the Entitlements they do not take up and their Entitlements will lapse.

### **Key Dates for the Retail Entitlement Offer**

<b>Event</b>	<b>Date</b>
Offer materials lodged with ASX and announcement of Entitlement Offer	Monday, 30 April 2018
Ex date for the Entitlement Offer	Wednesday, 2 May 2018
Record Date to identify Eligible Retail Shareholders entitled to participate in the Retail Entitlement Offer	7:00pm (Sydney time) on Wednesday, 2 May 2018
Retail Entitlement Offer Opening Date	Monday, 7 May 2018
Retail Entitlement Offer Closing Date	5.00pm (Sydney time) on Thursday, 17 May 2018
Results of Retail Entitlement Offer announced on the ASX	Tuesday, 22 May 2018
Settlement of Retail Entitlement Offer	Wednesday, 23 May 2018
Issue of New Shares under the Retail Entitlement Offer	Thursday, 24 May 2018
New Shares under the Retail Entitlement Offer commence trading on the ASX on a normal settlement basis	Friday, 25 May 2018
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	Friday, 25 May 2018

The timetable above is indicative only and may be subject to change. Emeco reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Emeco reserves the right to extend the closing

date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

If you have any questions in relation to any of the above matters, please contact the Emeco Shareholder Information Line on 1800 689 300 (within Australia) or +61 1800 689 300 (outside Australia) from 8.30 am to 5.30 pm (Sydney time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

We look forward to continuing our strong relationship with all of our Shareholders.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Penny Young', written over a faint grid background.

Ms Penny Young  
*Company Secretary*  
**EMECO HOLDINGS LIMITED**

## **IMPORTANT INFORMATION**

This letter is issued by Emeco. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in Emeco in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Emeco shares.

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the Entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Entitlements and New Shares to be offered and sold in the Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.