



ELMO Software Limited
ABN 13 102 455 087

ASX ANNOUNCEMENT

4 April 2018

ELMO commences despatch of Share Purchase Plan Offer Document

ELMO Software Limited (“**ELMO**” or the “**Company**”) is pleased to announce that it has commenced the despatch of the attached share purchase plan (**SPP**) offer booklet (**Booklet**), together with a personalised Application Form, to Eligible Shareholders.

The SPP provides Eligible Shareholders with the opportunity to purchase new fully paid ordinary shares in ELMO at an Issue Price of \$5.40 per share. This is the same price at which the Placement Shares were issued to institutional investors under the oversubscribed Placement as announced to the ASX on 28 March 2018.

Upon receipt of the Booklet and personalised Application Form, Eligible Shareholders who wish to participate in the SPP should follow the instructions in the Booklet and Application Form prior to the Closing Date, being 5.00pm on Wednesday 18 April 2018.

Funds raised from the SPP will be used to support ELMO’s accelerated growth strategy.

SPP - Key Dates*

Record Date (the time that eligibility to participate in the Share Purchase Plan was determined)	7.00 pm Monday, 26 March 2018
SPP Opening Date	Thursday, 5 April 2018
SPP Closing Date	5.00 pm on Wednesday, 18 April 2018
Completion announcement date (and notice of scale backs, if any)	Friday, 20 April 2018
Allotment Date for New Shares	Thursday, 26 April 2018
Despatch of holding statements for New Shares	Thursday, 26 April 2018
New Shares commence trading on ASX	Monday, 30 April 2018

*This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and ELMO may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (**ASX**). All times referred to in this Booklet are Sydney, Australia time.

Shareholder enquiries

Retail shareholders who have questions in relation to the SPP should contact ELMO’s share registry, Link Market Services Limited (**Registry**), from 8.30 am to 7.30 pm (Sydney time) Monday to Friday on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia) during the offer period.

For personal use only



ELMO Software Limited
ABN 13 102 455 087

For further information please contact:

Danny Lessem

Chief Executive Officer

+61 2 8305 4600

Michael Brown

Investor Relations

+61 400 248 080

About ELMO

Established in 2002, ELMO is a cloud-based HR & Payroll software provider. The company offers customers a unified platform to streamline processes for employee administration, recruitment, onboarding, learning, performance, remuneration, compliance training and payroll. ELMO operates on a Software as a Service ("SaaS") business model based on recurrent subscription revenues.

For more information please visit www.elmotalent.com.au

Important Notices

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement was prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to persons acting for the account or benefit of persons in the United States. Any securities described in this announcement have not been, and will be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States and accordingly, may not be offered or sold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

For personal use only



ELMO Software Limited
ACN 102 455 087

SHARE PURCHASE PLAN OFFER BOOKLET

The Offer closes at 5.00 pm (Sydney time) on Wednesday, 18 April 2018

This is an important document and should be read in its entirety.

This document has been prepared by ELMO Software Limited ACN 102 455 087. The offer is an initiative that provides Eligible Shareholders with the opportunity to purchase New Shares at a discount without brokerage and transaction costs.

This Offer does not take into account the individual investment objective, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other form of disclosure document under the Corporations Act.

THIS OFFER BOOKLET IS NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR FOR THE BENEFIT OF US PERSONS

For personal use only

Key Information on SPP Offer

Introduction

ELMO Software Limited ACN 102 455 087 (**ELMO**) is pleased to provide Eligible Shareholders the opportunity to subscribe for up to \$15,000 of new fully paid ordinary shares in ELMO (**New Shares**) under a share purchase plan (**SPP**) on the terms and conditions set out in this document (**SPP Offer**). Participation in the SPP Offer will not incur brokerage and transaction costs. This document has been issued by ELMO and explains the features, and terms and conditions, of the SPP Offer.

SPP – Key Dates*

Record Date (the time that eligibility to participate in the SPP was determined)	7.00 pm Monday, 26 March 2018
SPP Opening Date	Thursday, 5 April 2018
SPP Closing Date	5.00 pm on Wednesday, 18 April 2018
Completion announcement date (and notice of scale backs, if any)	Friday, 20 April 2018
Allotment Date for New Shares	Thursday, 26 April 2018
Despatch of holding statements for New Shares	Thursday, 26 April 2018
New Shares commence trading on ASX	Monday, 30 April 2018

* This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and ELMO may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (ASX). All times referred to in this Booklet is Sydney, Australia time.

Important Notice

This share purchase plan offer booklet (**Booklet**) contains important information. You should read it carefully and in its entirety. The offer of New Shares under the SPP is made in accordance with Australian Securities and Investments Commission (**ASIC**) Class Order [CO 09/425] (**ASIC Class Order 09/425**), which grants relief from the requirement to issue a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the SPP. Accordingly, this Booklet is not a prospectus or other form of disclosure document for the purposes of the Corporations Act.

The offer contained in this Booklet is not a recommendation to purchase New Shares. If you are in any doubt about the SPP Offer, you should consult your financial or other professional adviser.

If you apply to participate in the SPP Offer you are accepting the risk that the market price of ELMO fully paid ordinary shares (**Shares**) may change between the date of your acceptance of the SPP Offer and the Allotment Date for New Shares.

This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on market at a lower price than the Issue Price. If the market price of Shares is lower than the Issue Price (as defined in clause 5.1 of the attached SPP Terms and Conditions) after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.

This Booklet does not constitute or provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. If you are in any doubt about whether to participate in the SPP Offer, you should seek advice from your financial, taxation or other professional adviser before participating.

Participation in the SPP Offer is restricted to Eligible Shareholders (as defined in section 2 of the attached SPP Terms and Conditions), principally being existing shareholders of ELMO who had a registered address in Australia or New Zealand on the Record Date.

Participation in the SPP Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This Booklet and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

THIS OFFER BOOKLET IS NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR FOR THE BENEFIT OF US PERSONS

Shareholders resident in New Zealand

The New Shares under the SPP are not being offered or sold to the public in New Zealand other than to existing shareholders of ELMO with registered addresses in New Zealand to whom the offer of New Shares under the SPP is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Market price of ELMO Shares and further information

ELMO recommends that prior to investing you monitor its announcements and the price of its Shares, which can be found on its website at <http://investors.elmosoftware.com.au/> and on the ASX website at www.asx.com.au (ASX code : ELO).

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact ELMO's share registry, Link Market Services Limited (**Registry**), from 8.30am to 7.30pm (Sydney time) Monday to Friday on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia) during the offer period.

Letter from the Chairman



4 April 2018

Dear Shareholder,

ELMO Software Limited – Share Purchase Plan Offer

On behalf of the Directors of ELMO Software Limited (**ELMO**), I am pleased to offer you the opportunity to participate in this Share Purchase Plan (**SPP**). The SPP allows Eligible Shareholders to purchase up to \$15,000 worth of new fully paid ordinary shares in ELMO (**New Shares**), without incurring brokerage or transaction costs. The SPP aims to raise up to a maximum of \$5 million.

On 28 March 2018, ELMO announced the completion of a placement of new ordinary shares (**Placement Shares**) to institutional and professional investors, which raised a total of \$45 million (**Placement**) before costs.

Further details of the Placement and an update on the ELMO business, including a summary of some of the key risks associated with holding an investment in ELMO, are set out in the announcement and investor presentation released to the ASX by ELMO on 27 March 2018 (together, the **Investor Presentation**). A copy of the Investor Presentation is available at ELMO's website – <http://investors.elmosoftware.com.au/> and on the company announcements platform at the ASX website – www.asx.com.au (ASX code: ELO).

Issue Price

The SPP provides Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions) with the opportunity to purchase New Shares at an Issue Price of \$5.40 per New Share, being the price at which the Placement Shares were issued under the Placement and a 10.1% discount to the closing price of Shares on 26 March 2018, the last trading day before the announcement of the SPP Offer.

You may apply for a parcel of New Shares with a minimum value of \$1,000 up to a maximum value of \$15,000. Applications may be scaled back at the absolute discretion of ELMO.

New Shares will rank equally with existing Shares.

Participation

Participation in the SPP is optional and is open to Eligible Shareholders who, at 7.00 pm (Sydney time) on Monday, 26 March 2018, were registered as holders of Shares and whose address on ELMO's share register is in Australia or New Zealand.

Eligible Shareholders who are Custodians holding Shares on behalf of Eligible Beneficiaries are also invited to participate in the SPP on the terms and conditions set out in this Booklet.

How to apply

The SPP opens on Thursday, 5 April 2018 and closes at 5.00 pm on Wednesday, 18 April 2018.

You may apply for New Shares under the SPP by either:

- making payment directly by BPAY® (you do not need to return an Application Form under this option); or
- completing the application form accompanying this Booklet and sending it together with your payment by cheque made payable to "ELMO SPP" and drawn in Australian currency for the correct amount to the Company's share registry, Link Market Services Limited, at the following address by no later than 5.00 pm (Sydney time) on the closing date of 18 April 2018:

Mailing Address

ELMO Software Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

ELMO Software Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

This Booklet contains further information about the SPP, including the terms and conditions of the SPP. The terms and conditions set out the relevant criteria for determining eligibility to participate in the SPP as well as rules relating to applications for New Shares under the SPP. The Board recommends you read this Booklet and the Investor Presentation (in particular the key risks facing the ELMO's business and the key risks of investing in Shares set out in the Investor Presentation) before deciding whether to participate in the SPP.

This Booklet and the Investor Presentation are available on ELMO's website at <http://investors.elmosoftware.com.au/> and on the company announcements platform on the ASX website at www.asx.com.au (ASX code: ELO).

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

Yours sincerely,

Jim McKerlie

Chairman

ELMO Software Limited

SPP Terms and Conditions

Important notice

If you apply to participate in the SPP, you accept the risk that the market price of Shares may change between the opening of the SPP Offer and the date when New Shares are issued to you under the SPP (**Issue Date**). As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than the Issue Price under the SPP. The Board encourages you to consider seeking professional financial and taxation advice regarding your participation in the SPP Offer.

By participating in the SPP, you will be deemed to have accepted, and will be bound by, these terms and conditions.

Unless the context requires otherwise, capitalised terms used in these terms and conditions will have the meaning given to them elsewhere in this Booklet.

1 Offer

- 1.1 ELMO Software Limited ACN 102 455 087 (**ELMO**) offers each Eligible Shareholder (as defined in clause 2.1 below) the opportunity to purchase a minimum of \$1,000 and up to a maximum of \$15,000 worth of new fully paid ordinary shares in ELMO (**New Shares**) subject to and in accordance with the terms and conditions set out below (such offer, the **SPP Offer**).
- 1.2 The SPP Offer opens on Thursday, 5 April 2018 (**Opening Date**) and closes at 5.00 pm (Sydney time) on Wednesday, 18 April 2018 (or such other date as ELMO determines in its absolute discretion) (**Closing Date**).
- 1.3 The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to any third party.
- 1.4 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 1.5 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

2 Eligible Shareholders

- 2.1 You are an **Eligible Shareholder** who is eligible to participate in the SPP if you:
 1. were a registered holder of ELMO fully paid ordinary shares (Shares) at 7.00 pm (Sydney time) on Monday, 26 March 2018 (Record Date);
 2. have a registered address in either Australia or New Zealand; and
 3. are not in the United States and are not acting for the account or benefit of a person in the United States.
- 2.2 Eligible Shareholders who are "custodians" (as defined in paragraph 14 of ASIC Class Order 09/425) (**Custodians**) may participate in the SPP Offer in accordance with clauses 3.2 and 4.7.
- 2.3 The SPP Offer is not made to holders of Shares with a registered address outside of Australia and New Zealand and accordingly those shareholders may not participate.

3 Joint holders and Custodians

- 3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and a certification given by any of them is taken to be a certification given by all of them.
- 3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf they hold Shares.
- 3.3 An **Eligible Beneficiary** is a person:
 1. on whose behalf a Custodian holds Shares as at the Record Date;
 2. who has a registered address in either Australia or New Zealand; and
 3. who is not in the United States and is not acting for the account or benefit of a person in the United States.

4 Applications for New Shares

- 4.1 Eligible Shareholders must apply for New Shares in \$1,000 increments. Applications must be for a minimum of \$1,000 worth of New Shares and a maximum of \$15,000 worth of New Shares.
- 4.2 You may apply for New Shares under the SPP by completing the application form accompanying this Booklet (**Application Form**) and sending it together with your payment by cheque made payable to "ELMO SPP" and drawn in Australian currency for the correct amount to the Registry at the following address by no later than 5.00 pm (Sydney time) on Wednesday, 18 April 2018:

Mailing Address

ELMO Software Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

ELMO Software Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

SPP Terms and Conditions

4.3 For Eligible Shareholders with an Australian bank account, you may apply for New Shares by making a payment for the appropriate amount via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY® unless they have an Australian bank account). Please ensure that your payment is received by the Registry before 5.00 pm (Sydney time) on Wednesday, 18 April 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received in time. The Application Form does not need to be returned in this case.

4.4 Do not forward cash. Receipts for payment will not be issued.

4.5 If you are a New Zealand based shareholder without access to an Australian currency bank account, please contact the Registry from 8.30am to 7.30pm (Sydney time) Monday to Friday on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia) during the offer period to see if an alternative method of payment can be arranged.

4.6 Eligible Shareholders who receive more than one offer under the SPP (for example, because the Eligible Shareholder holds Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$15,000.

4.7 If you wish to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit a certificate that complies with paragraph 9 of ASIC Class Order 09/425 (**Custodian Certificate**) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

4.8 ELMO and its officers and agents may accept or reject your application for New Shares in whole or in part at their discretion including, without limitation, if:

1. your application does not comply with these terms and conditions;
2. It appears you are not an Eligible Shareholder;
3. your BPAY® payment or Application Form and payment by cheque is not received by the Registry by 5.00 pm (Sydney time) on Wednesday, 18 April 2018;
4. ELMO believes that you are applying to purchase more than \$15,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) or your application is for less than \$1,000 worth of new Shares or not for an amount in a \$1,000 increment; or
5. payment of the application monies is not submitted in Australian currency.

4.9 You cannot withdraw or revoke your application once you have paid via BPAY® or submitted an Application Form and payment by cheque.

5 Issue Price

5.1 The issue price per New Share (**Issue Price**) will be \$5.40 per New Share, being the price at which the Placement Shares were issued under the Placement and a 10.1% discount to the closing price of Shares on 26 March 2018, the last trading day before the announcement of the SPP Offer.

5.2 The current price of Shares can be obtained from the ASX – www.asx.com.au, and may be listed in major financial newspapers circulating in Australia.

5.3 You agree to pay the Issue Price per New Share for the number of New Shares calculated under clause 6.1 or, if there is a scale back, the number of New Shares calculated under clause 8.

6 Calculation and issue of New Shares

6.1 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. If your application is accepted, ELMO will divide the value of your application monies by the Issue Price (as determined under clause 5.1) in order to determine the number of New Shares which, subject to scale back, will be issued to you.

6.2 If the calculation in clause 6.1 produces a fractional number, the number of New Shares issued to you will be rounded down to the nearest whole New Share.

6.3 New Shares will be issued to applicants on Thursday, 26 April 2018 (**Issue Date**).

6.4 New Shares issued under the SPP will rank equally in all respects with existing Shares as at the Issue Date.

6.5 ELMO will apply to the ASX for quotation of New Shares. It is anticipated that New Shares will be quoted on the ASX immediately after their issue.

6.6 The Registry is expected to send holding statements in respect of the New Shares issued under the SPP on or around the Issue Date.

7 Effect of applying to participate

7.1 By making a payment via BPAY® or submitting an Application Form and payment by cheque (on your own behalf and on behalf of each person for whose account you are acting, if applicable) you:

1. are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
2. warrant that all details and statements in your application are true and complete and not misleading (including by omission);
3. agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
4. warrant that you are an Eligible Shareholder and are eligible to participate in the SPP, and agree to provide (and if applicable direct your nominee or Custodian to provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;

SPP Terms and Conditions

5. acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;
6. acknowledge that ELMO and its officers and agents are not liable for any consequences of the exercise or non exercise of discretions referred to in these terms and conditions;
7. agree to pay the Issue Price per New Share up to the maximum value of your BPAY® payment or payment by cheque (as determined by ELMO in its absolute discretion);
8. acknowledge and agree that:
- you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - the New Shares have not been, and will not be, registered under the *US Securities Act of 1933* (as amended, the **US Securities Act**) or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
 - if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand, and you have not sent this Booklet, or any materials relating to the SPP to any person outside of Australia and New Zealand;
9. if you are applying for New Shares on your own behalf (and not as Custodian), acknowledge and agree that:
- you are not applying for New Shares with an aggregate application price of more than \$15,000 (including any New Shares which a Custodian has applied to purchase on your behalf under the SPP); and
 - the aggregate application price for the following does not exceed \$15,000:
 - the New Shares the subject of the application;
 - any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - any other New Shares which you instruct a Custodian to acquire on your behalf under the SPP; and
 - any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP,even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
10. if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- you are a Custodian (as that term is defined in paragraph 14 of ASIC Class Order 09/425);
 - you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that the Eligible Beneficiary was provided with a copy of this Booklet before giving such instruction;
 - you are not applying for New Shares on behalf of any Eligible Beneficiary with an aggregate application price of more than \$15,000 under the SPP; and
 - the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
11. accept the risks associated with any refund that may be issued to you by direct credit or bank transfer;
12. agree to be bound by the constitution of ELMO (as it may be amended from time to time in the future);
13. represent that you are in compliance with all relevant laws and regulations;
14. acknowledge that ELMO may vary the timetable set out in this Booklet at its discretion by lodging a revised timetable with the ASX, including extending the SPP Offer, closing the SPP Offer early or withdrawing the SPP Offer completely;
15. acknowledge that the market price of Shares may rise or fall between the date of the opening of the SPP Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;
16. acknowledge that there are risks associated with acquiring and holding Shares, including those risks described in the Investor Presentation;
17. acknowledge that none of ELMO or its subsidiaries or their respective directors, officers, employees, agents or advisers has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
18. authorise ELMO and its officers and agents to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions and to register you as the holder(s) of New Shares issued to you;
19. acknowledge that ELMO may at any time and in its absolute discretion determine that your application is valid, in accordance with the terms and conditions of the SPP; and
20. declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP Offer.

8 Scale back

- 8.1 ELMO may in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including by taking into account, among other factors, the size of your shareholding as at the Record Date, or if, for example, the application for New Shares would exceed the overall cap of \$5 million).
- 8.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.

SPP Terms and Conditions

- 8.3 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded down to the nearest whole number of New Shares.
- 8.4 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.

9 Dispute resolution

- 9.1 ELMO may settle, in any manner it deems appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 9.2 The powers of ELMO under these terms and conditions may be exercised by the directors of ELMO or any delegate or representative of them.

10 Variation and termination

- 10.1 ELMO reserves the right at any time to:
1. amend or vary these terms and conditions;
 2. waive strict compliance with any provision of these terms and conditions;
 3. withdraw the SPP Offer or suspend or terminate the SPP;
 4. vary the timetable for the SPP, including the Closing Date; and
 5. not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more Eligible Beneficiaries).
- 10.2 Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders even where ELMO does not notify you of that event.
- 10.3 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

11 Privacy policy

- 11.1 Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 11.2 ELMO and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to holders of Shares, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- 11.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of ELMO and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 11.4 Link Market Services Limited's privacy policy is available on their website: www.linkmarketservices.com.au.

12 Costs of participation

- 12.1 ELMO will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares under the SPP.

13 No underwriting

- 13.1 The SPP is not underwritten meaning that there is no guaranteed minimum amount that will be raised under the SPP. The amount to be raised under the SPP is capped at a maximum of \$5 million.

14 Governing law

- 14.1 These terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of New South Wales. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other terms and conditions, and rights and obligations in respect of Shares, are contained in the constitution of ELMO.
- 14.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

Enquiries:

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact ELMO's share registry, Link Market Services Limited, from 8.30am to 7.30pm (Sydney time) Monday to Friday on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia) during the offer period.

For personal use only

About ELMO Software Limited

Founded in 2002, ELMO is Australia and New Zealand's only integrated cloud HR and payroll solution, offering clients "ONE vendor, ONE dashboard, ONE user-experience". ELMO is the fastest growing human resources technology company in the Asia-Pacific region. ELMO provides innovative cloud HR and payroll technology to more than 1,000 organisations across Asia-Pacific. ELMO's suite of HR and payroll solutions can be used together, or stand alone and are configurable to the client's processes and workflows. The ELMO solution allows organisations to manage their HR and payroll processes within one simple platform with a single dashboard and reporting.

Further information about ELMO can be found at <http://elmosoftware.com.au>.

Not for release to US wire services

*This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (as amended, the **US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.*



ABN 13 102 455 087

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 975 518
From outside Australia: +61 1300 975 518
ASX Code: ELO
Website: www.linkmarketservices.com.au

SRN/HIN:
Entitlement Number:
Record Date
7:00pm (Sydney time): 26 March 2018
Offer Opens: 5 April 2018
Offer Closes
5:00pm (Sydney time): 18 April 2018

ELMO SOFTWARE LIMITED ("ELMO") SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the Share Purchase Plan Offer Booklet (SPP Booklet) Terms and Conditions accompanying this Application Form.
Decide on the amount you wish to apply for.
Pay for the Shares in accordance with the instructions outlined in the SPP Booklet and further important instructions on the reverse of this Application form.
Option 1: Paying by BPAY®.
Option 2: Paying by Cheque, Bank Draft or Money Order.
Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do NOT need to complete or return the Acceptance Slip attached to this Application Form below. Application Payment must be received by the Registry by BPAY® by 5:00pm (Sydney time) on 18 April 2018. By paying by BPAY®, you will be deemed to have completed an Application Form for the value of Shares the subject of your Application Payment.

If you make an Application Payment by BPAY® and ELMO receives an amount which is not between A\$1,000 and A\$15,000, ELMO will round down the value of Shares applied for to the maximum value of Shares you can apply for. Your Application Payment must be for a minimum of A\$1,000 and a maximum of A\$15,000.



Billers Code: 868158
Ref:

Telephone & Internet Banking - BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form below with your Application Payment by 5:00pm (Sydney time) on 18 April 2018.

- Complete the value of Shares you wish to apply for at a minimum of A\$1,000 and maximum of A\$15,000.
Enter your cheque, bank draft or money order details. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "ELMO SPP" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to your application amount ELMO will round down the value of Shares that you are applying for equal to your payment. Your payment must be for a minimum of A\$1,000 and maximum of A\$15,000.
Enter your contact telephone number at which we may contact you regarding your application, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ABN 13 102 455 087

Please detach and enclose with payment

SRN/HIN:
Entitlement Number:



A I/We wish to purchase a parcel of Shares to the value of (minimum of \$1,000 and up to a maximum of \$15,000)

A\$ [input field]

B Make your cheque, bank draft or money order payable to "ELMO SPP" and crossed "Not Negotiable"

Drawer Cheque Number BSB Number Account Number Amount of Cheque
A\$.00

C Telephone Number - Business Hours Telephone Number - After Hours Contact Name

() ()

For personal use only

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional schedule that contains additional certifications and details that must be provided ("Schedule") before your Application will be received. The Schedule can be obtained by contacting the ELMO SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or paying by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. ELMO reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as ELMO may scaleback applications in its discretion.

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the Application Payment for Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Acceptance Slip. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your Application Payment will be received by the Registry by the closing date.

Mailing Address

ELMO Software
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

ELMO Software
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 18 April 2018. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. ELMO reserves the right not to process any Acceptance Slips and Application Payments received after the closing date.

If you require information on how to complete this Acceptance Slip please contact the ELMO SPP Offer Information Line on 1300 975 518 (if calling within Australia) or +61 1300 975 518 (if calling from outside of Australia).