



UCW Limited (ASX:UCW)
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29 May 2018

Dear Optionholder

Notice in relation to Rights Issue

On 29 May 2018, UCW Limited ACN 108 962 152 (**Company**) announced a fully underwritten 1 for 3.18618332 non-renounceable rights issue of 25,000,000 new fully paid ordinary shares in the Company (each, a **New Share**) at \$0.16 per New Share (**Issue Price**) to raise \$4,000,000 before costs (**Rights Issue**).

The funds raised under the Rights Issue will be used to pay part of the cash component payable by the Company for all of the shares in Proteus Technologies Pty Ltd ACN 112 989 581 (**Proteus Technologies**)¹, the corporate entity that owns and operates IKON Institute of Australia (**IKON Institute**).

IKON Institute is a Registered Training Organisation and Higher Education Provider that offers a range of qualifications in the field of Community Services to both domestic and international students. The acquisition of IKON Institute broadens UCW's business operations into the Higher Education sector, in line with its corporate strategic plan. Further details in relation to the Company's proposed acquisition of IKON Institute can be found in the Company's announcement given to ASX on 29 May 2018.

Under the Rights Issue, New Shares will be offered to all shareholders who are, as at 7.00pm AEST on Wednesday, 6 June 2018 (**Record Date**), registered (in accordance with the records of the Company's share registry) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Eligible Shareholders will also be offered the opportunity to apply for additional New Shares (**Additional New Shares**) above their entitlement from any shortfall that may arise under the Rights Issue (**Shortfall**)².

The Rights Issue is being fully underwritten by Shaw and Partners Limited ACN 003 221 583 (AFSL 236048) (**Underwriter**) pursuant to an underwriting agreement entered into between the Underwriter and the Company on 29 May 2018 (**Underwriting Agreement**).

The Company notes that all directors of the Company (**Directors**) and certain officers of the Company have committed to take up their pro rata entitlement under the Rights Issue (either directly or through associated shareholding entities) and that certain Directors and officers have also entered into sub-underwriting arrangements with the Underwriter whereby they have committed to apply for additional shares in the event of a Shortfall (again, either directly or through associated shareholding entities).

Further details are contained in the offer booklet (**Offer Booklet**) which is expected to be mailed to Eligible Shareholders on Friday, 8 June 2018. The Offer Booklet will also be available on the Company's announcements platform at www.asx.com.au (ASX Code: UCW) on 8 June 2018.

Furthermore, the Company notes that Global UCW Pty Limited and Global UCW No. 2 Pty Limited (together **Global UCW**), the Company's largest shareholder, has committed to take up its pro rata entitlement under the Rights Issue³.

Eligibility to participate in Rights Issue

The UCW options held by you do not give you an automatic entitlement to participate in the Rights Issue.

If you do not wish to participate in the Rights Issue (in respect of your UCW options) you do not need to take any action.

To be eligible to participate in the Rights Issue (to the extent of any shares issued to you on exercise of your UCW options), you must exercise your UCW options and be registered (in accordance with the records of the Company's share registry), with a registered address in Australia or New Zealand, as the holder of the underlying shares on or before the Record Date.

To exercise some or all of your UCW options you will need to give notice, in writing, to the Company in accordance with the terms and conditions of the UCW options and pay the Company the relevant exercise price for each UCW option exercised.

If you do not exercise your UCW options, then after the closing date of the Rights Issue an adjustment may be made to the exercise price of your UCW options in accordance with the formula set out in the terms and conditions of your options and specified by the ASX Listing Rules.

Contact

If you have any questions regarding the Rights Issue, please do not hesitate to contact Lyndon Catzel (Company Secretary) on +61 2 9112 4540 or contact your stockbroker or professional adviser.

We look forward to your continuing support of the Company.

Yours faithfully



Lyndon Catzel
Company Secretary

¹ As noted in the Company's announcement to ASX on 29 May 2018, the consideration payable by the Company for IKON Institute also includes a total of \$1,100,000 worth of New Shares to be issued by the Company at the greater of the (i) volume weighted average price of the Company's existing shares on ASX on the 20 trading days prior to the completion date for the acquisition and (ii) \$0.20.

² The Company, in consultation with the Underwriter, intends to allocate the Shortfall (if any) in the following order: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares and (ii) secondly, to the Underwriter (who will allocate any Shortfall to the sub-underwriters of the Rights Issue (including to the related party sub-underwriters noted in this ASX announcement)).

³ Global UCW is not sub-underwriting any portion of the Rights Issue.