

MILTON CORPORATION LIMITED

ABN 18 000 041 421

Registered Office:
Level 4
50 Pitt Street
Sydney NSW 2000

PO Box R1836
Royal Exchange NSW 1225

Telephone: (02) 8006 5357
Facsimile: (02) 9251 7033
Email: general@milton.com.au
Website: www.milton.com.au
ASX code: MLT

Share Registry Enquiries: 1800 641 024

3 September 2015

Dear Shareholder,

SHARE PURCHASE PLAN

I am pleased to provide you with the opportunity to participate in the Milton Share Purchase Plan ("SPP") which enables you to subscribe for additional Milton shares (SPP Shares) with a total application price of up to A\$15,000.

The Issue Price of the SPP Shares will be the lower of;

- a) \$4.34 which is at a 2.5% discount to the volume weighted average price (VWAP) of Milton shares traded on the ASX over the 3 business days following the dividend ex date on 14 August 2015; or
- b) a 2.5% discount to the VWAP for the 3 business days ending on the offer closing date of 22 September 2015 rounded down to the nearest cent.

No brokerage is payable on the SPP Shares.

The SPP Shares, which will be allotted on 2 October 2015, will rank equally with existing Milton shares at that date and will be entitled to the 2016 interim dividend which is expected to be paid in March 2016.

Milton intends to use the funds raised by the issue of the SPP Shares for general investment purposes.

The SPP is offered to eligible Milton shareholders in accordance with the ASIC Class Order (CO 09/425). This Class Order imposes conditions that limit the total value of SPP Shares that can be issued to Eligible Shareholders in any 12 month period. This limitation applies even if Eligible Shareholders receive more than one Application Form for shares held directly, jointly or through a custodian or nominee arrangement.

An Application Form and the Terms and Conditions are enclosed with this letter. I encourage you to read these documents carefully, and if necessary seek your own financial and taxation advice, before you decide to participate in the SPP.

Applications under the SPP can only be made for one of the seven dollar amounts shown below with a minimum payment of A\$1,000.

- 1) A\$1,000
- 2) A\$2,500
- 3) A\$5,000
- 4) A\$7,500
- 5) A\$10,000
- 6) A\$12,500
- 7) A\$15,000

The number of SPP Shares issued will be determined by the value of the SPP shares applied for divided by the Issue Price. If this calculation produces a fractional number, the number of SPP shares issued will be rounded up to the nearest whole share.

To apply for SPP Shares you must either complete and return the application with your cheque, bank draft, money order or make a payment directly via Bpay. It is important that your application is received by Link Market Services before the offer closes at 5pm (AEST) on Tuesday, 22 September 2015.

If you have any questions regarding the SPP please contact the Milton SPP Information Line on 1800 641 024

If you do not wish to participate in the SPP you do not need to take any action.

Yours Sincerely

MILTON CORPORATION LIMITED



Robert Millner
Chairman

MILTON CORPORATION LIMITED

Share Purchase Plan – Terms and Conditions

Milton Corporation Limited ABN 18 000 041 421 (**Milton**) is pleased to provide Eligible Shareholders with the opportunity to participate in the Milton Share Purchase Plan (**SPP**) by investing up to A\$15,000 to subscribe for additional ordinary shares in Milton (**SPP Shares**) without incurring brokerage or transaction costs.

1. Participation in the SPP

- 1.1 Participation in the SPP is optional and is subject to these terms and conditions. The Offer made under this SPP is made to Eligible Shareholders (defined in clause 3 below) who are registered shareholders in Milton at the Record Date except if you are a shareholder whose registered address in Milton's share register is in a country whose laws or regulations make it unlawful or impracticable for the SPP to apply to them.
- 1.2 This Offer is non-renounceable.

2. Key Dates

<u>Action</u>	<u>Date</u>
Record Date	Wednesday 22 July 2015 (7.00pm AEST)
SPP Offer opens	Friday 4 September 2015
SPP Offer closes (Closing Date)	Tuesday 22 September 2015 (5.00pm AEST)
Issue price announced to ASX	Wednesday 23 September 2015
Allotment of SPP Shares	Friday 2 October 2015
Despatch of allotment confirmations	Tuesday 6 October 2015

Milton reserves the right to vary the timetable for the SPP, including the Closing Date of the SPP without advance notice.

3. Eligible Shareholders

- 3.1 You are eligible to participate in the SPP (an **Eligible Shareholder**) if:
 - (a) you were registered on the Milton share register as a holder of Milton Shares at 7.00pm (AEDST) on 22 July 2015 (**Record Date**) and
 - (b) you have a registered address in either Australia or New Zealand at that time.
- 3.2 If you hold Milton Shares on behalf of persons who reside outside Australia or New Zealand or who are "US Persons" (as defined in Regulation S of the U.S. Securities Act of 1933 (as amended)) (**U.S. Persons**) or who act for the account or benefit of a U.S. Person, then you are not entitled to participate in the SPP.
- 3.3 Eligible Shareholders can only apply for a maximum of A\$15,000 worth of SPP Shares in aggregate in any 12 month period (unless you are applying as a **Custodian** as per clause 4 below). This limitation applies even if Eligible Shareholders receive more than one Application Form due to multiple holdings, or if they hold Milton shares in more than one capacity such as a sole Eligible Shareholder, a joint Eligible Shareholder and/or an Eligible Shareholder with more than one holding under a separate account or designation such as a trustee of a self managed superannuation fund or a superannuation master trust.

4. Participation by Custodians

- 4.1 Eligible Shareholders who are custodians may apply for up to a maximum amount of A\$15,000 worth of Shares for each **Beneficiary** if, in conjunction with an Application Form, it provides Milton with an additional Schedule (The Schedule can be obtained by contacting Milton SPP Information Line 1800 641 024) that contains certifications stating:
 - (a) that it complies with the interpretation of Custodian in ASIC Class Order CO 09/425;
 - (b) that the Custodian holds Shares on behalf of one or more Beneficiaries on the date of the Offer who have, subsequent to that date, instructed the Custodian to apply for Shares on their behalf under the SPP;
 - (c) the number of Beneficiaries;
 - (d) the name and address of each Beneficiary;
 - (e) in respect of each Beneficiary, the number of Shares that the custodian holds on their behalf;
 - (f) in respect of each Beneficiary, the number of Shares and the Application Amount the Beneficiary instructed the Custodian to apply for on their behalf; and
 - (g) that there are no Beneficiaries in respect of whom the total of:
 - (i) the Application Price referable to that Beneficiary; and
 - (ii) the price paid for any other Shares issued to the Custodian in the 12 months before the Application as a result of an instruction given by the Beneficiary to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP, exceeds A\$15,000.
 - (h) that a copy of the written Offer document was given to each participating Beneficiary.
- 4.2 A "Custodian" is defined in paragraph 14 of the ASIC Class Order 09/425. This definition specifically includes a trustee of a self managed superannuation fund or superannuation master trust.
- 4.3 "Beneficiary" is a person on whose behalf the Custodian holds shares in Milton.

5. Joint holders/joint beneficiaries

If two or more persons are registered on the Milton share register as jointly holding Milton Shares, they are taken to be a single registered holder of Milton Shares and a certification given by any of them is taken to be a certification given by all of them.

6. Application to participate

- 6.1 An Eligible Shareholder may apply for a maximum of A\$15,000 worth of SPP Shares. Application under the SPP can only be made for one of the following amounts.

Option	Value of SPP Shares
1	\$1,000
2	\$2,500
3	\$5,000
4	\$7,500
5	\$10,000
6	\$12,500
7	\$15,000

If you wish to apply for SPP Shares, Eligible Shareholders must either:

- (a) make a payment via Bpay® using an Australian bank account as per instructions on the Application Form before the Closing Date. (If paying by Bpay®, you do not need to return the Acceptance Slip); or
 - (b) complete the Acceptance Slip attached to the Application Form and return it to the Share Registry with a cheque, bank draft or money order for payment of the Application Amount, so that it is received before the Closing Date being 22 September 2015.
- 6.2 The Acceptance Slip accompanying the payment must specify the Application Amount in Australian dollars for one of the amounts shown in the table as per clause 6.1. The minimum application under the SPP is A\$1,000 and the maximum is A\$15,000.
- 6.3 Applicants who provide payment that is greater than or less than the amounts specified in Clause 6.1, will receive the maximum number of shares that their payment can pay for. Any residual balance will be refunded without interest.
- 6.4 By submitting the Acceptance Slip attached to the Application Form (with a cheque, bank draft or money order) or making payment by Bpay®, the Eligible Shareholder certifies that the aggregate of the application payment paid by the Eligible Shareholder for:
- (a) the dollar amount of SPP shares applied for as indicated in the Application Form; and
 - (b) any other Shares applied for by the Eligible Shareholder 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.
- 6.5 By making payment, the Eligible Shareholder agrees to be bound by the Constitution of Milton and agrees that the submission of this payment constitutes an irrevocable Offer to the Eligible Shareholder by Milton to subscribe for Milton shares on the terms of the SPP.

7. Issue Price

Shares to be allotted under the SPP will be priced at the lower of:

- (a) \$4.34 which is at a 2.5% discount to the volume weighted average price (VWAP) of Milton shares traded on the ASX over the 3 business days following the dividend ex date on 14 August 2015; or
- (b) a 2.5% discount to the VWAP for the 3 business days ending on the offer closing date of 22 September 2015, rounded to the nearest cent.

The Issue Price of the SPP Shares will be announced to the ASX on 23 September 2015.

As the market price of shares in Milton may rise or fall the subscription price that Eligible Shareholders pay for the shares may exceed the market price of the shares at the time of allotment of the shares under the SPP.

Eligible Shareholders are encouraged to seek their own financial advice and monitor the share price movements of shares in Milton prior to accepting this SPP Offer.

8. Allotment of shares

- 8.1 Allotment of shares under the SPP will occur on or around 2 October 2015.
- 8.2 Shares allotted under the SPP will rank equally in all respects with existing Shares.
- 8.3 Milton will, promptly after allotment of Shares under this SPP, apply to ASX for quotation of those Shares on ASX.

9. Number of SPP shares to be issued per application

The number of SPP shares issued will be determined by dividing the value of SPP shares applied for by the Issue Price subject to Scale Back as per clause 12. If this calculation produces a fractional number, the number of SPP shares issued will be rounded up to the nearest whole share.

10. Class order compliance

The SPP is offered to Eligible Shareholders in accordance with ASIC Class Order (CO 09/425), which grants relief from the requirement to prepare a prospectus for the Offer of SPP Shares.

11. Cost of participation

No brokerage, commission or other transaction costs will be payable by an Eligible Shareholder in respect of Shares allotted under the SPP.

12. Scale Back of Offer

12.1 Milton does not intend to Scale Back any applications under the SPP unless required to in order to comply with the ASX Listing Rules. If there is a Scale Back, Milton may in its absolute discretion determine to apply the Scale Back to the extent and in the manner that it sees fit.

12.2 If the Scale Back produces a fractional number of SPP Shares when applied to your issue of SPP Shares, the number of SPP Shares issued will be rounded up to the nearest whole share.

12.3 If there is a Scale Back, your application money may be greater than the value of the SPP Shares you will be issued. In that event, the excess application money will be refunded to you without interest on or around 8 October 2015. Any application monies refunded by Milton will be paid by cheque or direct credit (the payment method will be determined by Milton in its absolute discretion) in Australian currency. By applying for SPP Shares, each shareholder authorises Milton to pay any monies to be refunded by using the payment instructions of the shareholder recorded in Milton's share registry if Milton should elect to pay in this manner.

13. Administration, variation, suspension or termination of the SPP

13.1 The SPP will be administered by the Board of Directors of Milton which has the power to:

- (a) decide appropriate procedures for administration and implementation of the SPP, consistent with the SPP Terms and Conditions, and to settle any difficulty which may arise generally or in a particular case, in regard to the SPP, as the Board thinks appropriate and its decision binds all Eligible Shareholders and other persons to whom the decision relates;
- (b) resolve conclusively all questions of fact or interpretation in connection with the SPP;
- (c) vary administrative procedures to be followed in the implementation of the SPP, and
- (d) delegate to any one or more persons for a period and on the conditions as it may decide, the exercise of its powers or discretions arising under the SPP, but not any powers under clause 13.3

13.2 Milton and its officers and agents will not be held responsible or liable for any error or omission which occurs in the administration of the SPP.

13.3 The Board may:

- (a) at any time modify, vary or amend the SPP;
- (a) suspend the operation of the SPP from time to time for any period; or
- (b) terminate the SPP at any time without any need for giving advance notice to shareholders. If in the event that the SPP is terminated prior to the issue of SPP Shares, all application monies received will be refunded. No interest will be paid on any monies returned to you.

14. Acknowledgement

By making payment (including through BPAY) or returning an Application Slip or Custodian Certificate and Schedule, you certify, acknowledge, warrant and represent as true, correct and not misleading to Milton that:

- (a) you have read and accepted the Terms and Conditions in full;
- (b) you declare that all details and statements in your application are true and complete and not misleading;
- (c) your application, under the Terms and Conditions of the SPP (including the Application Form and Custodian Certificate and Schedule), will be irrevocable and unconditional (i.e. it cannot be withdrawn);
- (d) as at the Record Date, you were recorded on Milton's share register as being a registered holder of Milton shares and having an address in Australia or New Zealand;
- (e) if you have a registered address in New Zealand, you continued to hold Milton Shares as at the opening of the SPP Offer on 4 September, 2015;
- (f) you and each person for whose account or benefit you are acting is not in the United States and is not a U.S. Person, or acting for the account or benefit of a U.S. Person;
- (g) you acknowledge that the SPP Shares have not, and will not be, registered under the U.S. Securities Act of 1933 (as amended) or the securities laws of any state or other jurisdiction of the United States, and the SPP Shares may not be offered, sold or otherwise transferred unless an exemption from the registration requirements of the U.S. Securities Act of 1933 (as amended) is available;
- (h) you represent that you have not, and you agree that you will not, send any materials relating to the SPP to any person in the United States or to any person who is, or is acting for the account or benefit of, a U.S. Person;

- (i) if you are applying on your own behalf (and not as a Custodian) you are not applying for SPP Shares with an aggregate application value, which when aggregated with the application value of any Milton Shares issued to you or a Custodian on your behalf under the SPP or similar arrangement in the previous 12 months, of more than A\$15,000 under the SPP (including by instructing a Custodian to acquire SPP Shares on your behalf under the SPP), and you are complying with the limitations detailed in clause 3.3 of the SPP Terms and Conditions;
- (j) if you are a Custodian and are applying on behalf of a Beneficiary on whose behalf you hold Milton Shares:
 - (i) you are a Custodian (within the definition of "Custodian" in ASIC Class Order (CO 09/425));
 - (ii) either or both of the following apply (as applicable):
 - (a) that on the Record Date you held Milton Shares on behalf of one or more other persons (each a Beneficiary) that are not Custodians;
 - (b) that on the Record Date another Custodian (**Downstream Custodian**) held beneficial interests in Milton Shares on behalf of one or more other persons (each a Beneficiary), and you hold the shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian;
 - (iii) each Beneficiary has subsequently instructed either you or the Downstream Custodian (as applicable) to apply for shares on their behalf under the SPP;
 - (iv) details of the number of Beneficiaries instructing you to participate, the name and address of each Beneficiary and in respect of each such Beneficiary:
 - (a) the number of Milton Shares that you hold on behalf of that Beneficiary; and
 - (b) the dollar amount of SPP Shares that the Beneficiary, or its agent, has instructed you to accept on behalf of the Beneficiary; as set out in the Application Form or the Custodian Certificate and Schedule, is true and correct;
 - (v) there are no Beneficiaries in respect of whom the total of the application value for
 - (a) the dollar amount of SPP Shares you applied on their behalf; and
 - (b) for any Milton Shares issued to you in the previous 12 months as a result of an instruction given by the Beneficiary to you or a Downstream Custodian to apply for Milton Shares on their behalf under an arrangement similar to the SPP, exceeds A\$15,000; and
 - (vi) a copy of this Offer document was given to each Beneficiary;
- (k) you may be offered SPP Shares pursuant to the SPP in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;
- (l) you accept the risk associated with any refund that may be despatched to you by direct credit or cheque to your address shown on Milton's share register;
- (m) you are responsible for any dishonour fees or other costs Milton may incur in presenting a cheque for payment which is dishonoured;
- (n) you agree to be bound by the provisions of the Constitution of Milton (as amended and as it may be amended from time to time in the future);
- (o) you authorise Milton and its affiliates, officers and representatives to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these Terms and Conditions;
- (p) you authorise Milton (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your application and to complete the application by the insertion of any missing minor detail; and
- (q) Milton may at any time irrevocably determine that your application is valid in accordance with these Terms and Conditions, even if the application is incomplete, contains errors or is otherwise defective.

15. Governing Law

These terms and conditions are governed by the laws in force in New South Wales.