



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

22 June 2017

Dear Shareholder

Entitlement Offer – Notification to Ineligible Shareholders

Vivid Technology Limited (Vivid) announced on 9 June 2017 that it intends to raise up to approximately \$5 million (before costs) through an equity raising at 4.5 cents per share comprising:

- a placement of fully paid ordinary shares to certain institutional and sophisticated investors to raise \$3 million (**Placement**); and
- a 1 for 10 underwritten pro-rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise up to approximately \$1.9 million (**Entitlement Offer**).

The Entitlement Offer is being made by Vivid without a disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**the Act**) as modified by ASIC Legislative Instrument 2016/84

The Entitlement Offer comprises an offer to shareholders who have a registered address in Australia, Hong Kong, Singapore and New Zealand (or certain other jurisdictions with the express consent of Vivid where Vivid has determined it is lawful and practical to make an offer), on the basis of 1 new share for every 10 existing Vivid ordinary shares held at 7.00pm (Melbourne time) on 21 June 2017.

Fielding Hill Capital Pty Ltd has partially underwritten the Entitlement Offer for the first \$1.5 million.

Vivid has recently lodged an Entitlement Offer Booklet with the Australian Securities Exchange (**ASX**) which sets out further details in respect of the Entitlement Offer. Unless otherwise specified, capitalised terms used in this letter have the same meaning as given in the Entitlement Offer Booklet.

Restrictions on eligibility under the Entitlement Offer arise because of legal limitations in the jurisdiction in which you are located, the number of securityholders in your jurisdiction, the number and value of securities that securityholders in your jurisdiction hold and the potential cost of complying with regulatory requirements in your jurisdiction.

Vivid has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make offers to Shareholders with registered addresses in countries outside Australia, Hong Kong, Singapore and New Zealand in connection with the Entitlement Offer. Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of the ASX (www.asx.com.au).

Unfortunately, according to our records, your Vivid shares are registered with an address outside the above jurisdictions, and accordingly you do not satisfy the eligibility criteria to be classified as an eligible shareholder. In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Entitlement Offer and as such, will not be offered any New Shares under the Entitlement Offer. You will not be sent a copy of the Entitlement Offer documents.

What will happen to your entitlement?

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

This notice is to inform you about the Entitlement Offer in accordance with regulatory requirements. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

Yours faithfully

Robert Smith
Company Secretary

Important Information

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person acting for the account or benefit of any person in the United States, or in any other jurisdiction in which such an offer or solicitation would be illegal. No action has been or will be taken to register, qualify or otherwise permit an offering of the New Shares in any jurisdiction outside Australia, New Zealand and Singapore (except, with the express consent of Vivid, to shareholders in certain other jurisdictions where Vivid has determined it is lawful and practical to make the Entitlement Offer). This letter may not be distributed or released in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered and sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Notice to Nominees

Because of legal restrictions, you must not send copies of this letter or any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other jurisdiction outside of Australia, Singapore and New Zealand (except to persons in certain jurisdictions with the express consent of Vivid to whom Vivid has determined it is lawful and practical to make the Entitlement Offer), and on whose behalf you are the registered owner of shares. Failure to comply with these restrictions may result in violations of applicable securities laws.