

ThinkSmart Limited

Off-Market Buy-Back Tender booklet

This is an important document. It does not provide financial product advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider the appropriateness of participation in the Buy-Back Tender having regard to your individual objectives, financial situation and needs. If you are in any doubt as to the action that you should take, you should consult your financial, taxation or other professional adviser immediately.

ThinkSmart Limited (ABN 24 092 319 698).

Why did I get this booklet?

ThinkSmart is making an invitation to Eligible Shareholders to participate in an off-market Buy-Back Tender of up to 10,000,000 ThinkSmart Shares. You can participate in the Buy-Back Tender if you are an Eligible Shareholder: that is, you had ThinkSmart Shares registered in your name on the Buy-Back Record Date. This booklet contains important information about the Buy-Back Tender and is provided to assist you in making an informed decision about whether to participate. It also explains why ThinkSmart is making the Buy-Back Tender Invitation.

What do I need to do?

You should read this booklet in full and:

- If you decide not to participate in the Buy-Back Tender – you do not need to do anything.
- If you decide to participate in the Buy-Back Tender – you need to submit your completed and signed Tender Form so it is received by the Registry (if you are an Issuer Sponsored Holder) or ensure that your Controlling Participant processes your Tender (if you are a CHESSE Holder), by no later than 7.00pm (Sydney time) on the Closing Date (4 November 2016).

By making the Buy-Back Tender Invitation and setting the Tender Range, neither ThinkSmart nor the Board is making any recommendation or giving any advice to individual shareholders on the value of your ThinkSmart Shares or whether (or how) you should sell your ThinkSmart Shares.

Date of this booklet

The date of this booklet is 4 October 2016 and all information contained in this booklet is current at that date (except where otherwise indicated).

Definitions

Some of the words and phrases in this booklet have defined meanings. Section 8, 'Definitions and interpretation', defines these words and phrases which are capitalised throughout this booklet.

Chairman's letter

4 October 2016

Dear shareholder

On behalf of the ThinkSmart Board, I am pleased to invite you to participate in an off-market Buy-Back Tender of up to 10,000,000 ThinkSmart Shares.

The Buy-Back Tender is part of a larger transaction that represents the culmination of ThinkSmart's strategic review process, which started in August 2015. The Transaction involves the placement of 20,000,000 ThinkSmart Shares at 25 pence per ThinkSmart Share to a fund managed by Alphagen Capital Limited (part of Henderson Global Investors), which has now completed, the Buy-Back Tender, and ThinkSmart seeking to be admitted to AIM and delist from the ASX.

The Transaction was approved by shareholders at the Extraordinary General Meeting held on 29 September 2016.

The Buy-Back Tender will give Eligible Shareholders a potential opportunity to exit all or part of their holding prior to ThinkSmart's anticipated admission to AIM and delisting from ASX should they wish to do so. It will also return capital to shareholders that, following completion of the placement to Alphagen, the Board believes is surplus to its current requirements. If you decide to participate, the Buy-Back Tender provides a mechanism for you to sell, or seek to sell, some or all of your ThinkSmart Shares at a price of your choosing within the Tender Range of \$0.38 to \$0.55 (inclusive and at \$0.01 intervals). If you decide to participate, you do not need to appoint a stockbroker and no brokerage fee will be payable.

If you decide to retain your ThinkSmart Shares, the Buy-Back Tender has the potential to improve your proportionate earnings per share. This could represent an increase in the underlying value of the remaining ThinkSmart Shares and may lead to an increase in the market price of ThinkSmart Shares.

Participation in the Buy-Back Tender is voluntary and, subject to the minimum participation requirements, you can tailor your participation to suit your own circumstances. You can choose to Tender some or all of your ThinkSmart Shares in the Buy-Back Tender. If you choose to Tender your ThinkSmart Shares, you can do so at specified Tender Prices within the Tender Range, and/or as a Final Price Tender.

In making your decision to participate, the Board encourages you to seek advice from financial, taxation or other professional advisers in relation to your particular circumstances.

In the package you have been sent, there are two documents: this booklet outlining the details of the Buy-Back Tenders and a personalised Tender Form.

Please carefully read this entire booklet. If, after reading this booklet, you have any questions in relation to the Buy-Back Tender, please call the Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Perth time). If you do not wish to participate in the Buy-Back Tender, you do not need to take any action.

If you wish to participate, please ensure your completed and signed Tender Form is received by the Registry (if you are an Issuer Sponsored Holder), or that your Controlling Participant processes your Tender (if you are a CHESS Holder), by no later than 7.00pm (Sydney time) on the Closing Date (4 November 2016).

Yours faithfully

Ned Montarello
Executive Chairman
ThinkSmart Limited

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Key points

- ThinkSmart is seeking to buy back up to 10,000,000 ThinkSmart Shares in the Buy-Back Tender. ThinkSmart may decide not to proceed with the Buy-Back Tender or may buy back fewer ThinkSmart Shares than this.
- You can Tender some or all of your ThinkSmart Shares for sale at the specified prices within the Tender Range of between \$0.38 and \$0.55 (inclusive and at \$0.01 intervals).
- ThinkSmart is conducting the Buy-Back Tender to provide an exit mechanism to shareholders prior to the anticipated admission of ThinkSmart to AIM and delisting from the ASX becoming effective, and to distribute surplus capital to shareholders following the placement of 20,000,000 ThinkSmart Shares to Alphagen.
- It is your choice whether or not to participate in the Buy-Back Tender. If after reading this booklet you are in any doubt about whether to participate, you should seek professional advice.
- If, having read this booklet, you decide that you do not wish to participate, then you do not need to do anything further.
- If you do wish to participate, you need to complete and sign your personalised Tender Form and ensure it is received by the Registry (if you are an Issuer Sponsored Holder) or that your Controlling Participant processes your Tender (if you are a CHESS Holder) by no later than 7.00pm (Sydney time) on the Closing Date (4 November 2016).
- Whether your Tender is successful will depend on the Tender options you select, the Tender options selected by other Eligible Shareholders participating in the Buy-Back Tender, and the number of ThinkSmart Shares which ThinkSmart determines that it will buy back at the conclusion of the Buy-Back Period.
- If your Tender is successful for some or all of the ThinkSmart Shares that you tender, ThinkSmart will buy back those ThinkSmart Shares (subject to any scale back). Those ThinkSmart Shares will be cancelled and you will receive the proceeds on or around 10 November 2016 (see section 4 for details).
- Further information about the Buy-Back Tender and ThinkSmart can be found in this booklet and on ThinkSmart's website at www.thinksmartworld.com. Alternatively, if you have any questions in relation to the Buy-Back Tender, please call the Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Perth time).

Important dates

**5 September
2016**

Ex-Entitlement Date

ThinkSmart Shares acquired on ASX on or after this date generally will not have been registered in your name by the Buy-Back Record Date and therefore will not confer an entitlement to participate in the Buy-Back Tender.

**6 September
2016**

Buy-Back Record Date

Determination of Eligible Shareholders entitled to participate in the Buy-Back Tender.

**4 October
2016**

Tender Commences

Tender Period opens at 9.00am (Sydney time).

**4 November
2016**

Closing Date

Tenders must be received by no later than 7.00pm (Sydney time).

**7 November
2016**

Announcement

Announcement of the Buy-Back Price, the number of ThinkSmart Shares being bought back and any scale back.

**10 November
2016**

Dispatch proceeds

Buy-Back Tender proceeds dispatched to successful participants either by cheque or by direct credit to their nominated account.

While ThinkSmart does not anticipate any changes to these dates and times, it reserves the right to vary them without prior notification.

1 Buy-Back Tender details

1.1 What is the Buy-Back Tender?

The Buy-Back Tender forms part of an overall transaction that represents the culmination of ThinkSmart's strategic review process, which started in August 2015. The transaction involves:

- a placement of 20,000,000 ThinkSmart Shares at 25 pence per ThinkSmart Share to the Alphagen Volantis Catalyst Fund II Limited, a fund managed by Alphagen Capital Limited (part of Henderson Global Investors) (the **Placement**), which has now completed;
- the Buy-Back Tender, which is the subject of this booklet;
- ThinkSmart seeking to be admitted to AIM and delist from the ASX ; and
- making certain administrative amendments to the constitution of ThinkSmart to ensure it is compatible with the requirements of AIM,

(together, the **Transaction**).

ThinkSmart sought and obtained shareholder approval for the Buy-Back Tender and the other aspects of the Transaction at an Extraordinary General Meeting held on 29 September 2016. Under the Buy-Back Tender, ThinkSmart is offering you the opportunity to sell some or all of your ThinkSmart Shares to ThinkSmart by way of a Tender process. You can Tender some or all of your ThinkSmart Shares for sale at the specified prices within the Tender Range of between \$0.38 and \$0.55 (inclusive and at \$0.01 intervals). Those ThinkSmart Shares bought back will be subsequently cancelled, which will reduce the total number of ThinkSmart Shares on issue.

1.2 What is the size of the Buy-Back Tender?

ThinkSmart is seeking to buy back up to 10,000,000 ThinkSmart Shares in the Buy-Back Tender.

This represents approximately \$3.8 million worth of ThinkSmart Shares assuming that the ThinkSmart Shares are bought back at \$0.38 and approximately \$5.5 million worth of ThinkSmart Shares assuming that the ThinkSmart Shares are bought back at \$0.55. However, ThinkSmart may decide not to proceed with the Buy-Back Tender or may buy back less than this amount.

ThinkSmart may, at its discretion, reduce the size of the Buy-Back Tender. ThinkSmart also retains the discretion to buy back a lesser amount of ThinkSmart Shares than indicated, or no ThinkSmart Shares at all. The key considerations for ThinkSmart in determining the number of ThinkSmart Shares bought back under the Buy-Back Tender will be the volume and price levels of Tenders received and an assessment of the benefit to ThinkSmart and shareholders of buying back ThinkSmart Shares at the tendered prices.

1.3 Why is ThinkSmart conducting the Buy-Back Tender?

The Board considers that the Buy-Back Tender is in the best interests of shareholders. Some shareholders may wish to exit their shareholding prior to the anticipated admission of ThinkSmart to AIM and delisting from the ASX becoming effective, as ThinkSmart would then be listed on a foreign stock exchange and shareholders would no longer be able to trade their shares on ASX. The Board considers that any shareholders who wish to exit their shareholding in these circumstances should have an opportunity to do so.

ThinkSmart Shares are relatively illiquid and some shareholders who wish to exit their shareholding may be unwilling to sell their ThinkSmart Shares at the current market price. The Buy-Back Tender offers shareholders the ability to set the value of their ThinkSmart Shares within a range that is based around the pricing agreed with Alphagen, a sophisticated, third party investor dealing at arm's length with ThinkSmart.

In addition, ThinkSmart believes that it has surplus capital following completion of the Placement. The Board considers that the Buy-Back Tender is an efficient way to return this surplus capital to shareholders and ensure that ThinkSmart is not overcapitalised for its business needs when it lists on AIM. Returning excess capital to shareholders will allow ThinkSmart to maintain an effective capital structure moving into its next phase as a company admitted to AIM.

Please see section 2.5 for further details regarding the potential advantages of participating in the Buy-Back Tender.

1.4 How does the Tender process work?

Under the Tender process, you can Tender some or all of your ThinkSmart Shares for sale:

- at the specified prices (called **Tender Prices**) within the Tender Range of between \$0.38 and \$0.55 (inclusive and at \$0.01 intervals); and/or
- as a Tender in which you elect to receive the Buy-Back Price as determined by ThinkSmart (called a **Final Price Tender**).

ThinkSmart will determine the price at which ThinkSmart Shares are bought back under the Buy-Back Tender (called the **Buy-Back Price**) based on the volume of ThinkSmart Shares tendered by Eligible Shareholders at each of the Tender Prices and otherwise in accordance with the constitution of ThinkSmart.

All shareholders who successfully participate in the Buy-Back Tender will be paid the same Buy-Back Price, even if they Tender their ThinkSmart Shares at a Tender Price lower than the Buy-Back Price.

ThinkSmart will seek to minimise the Buy-Back Price within the Tender Range whilst ensuring it can buy back the appropriate number of ThinkSmart Shares. Therefore, you will have a greater chance of having your ThinkSmart Shares bought back in the Buy-Back Tender if you Tender your ThinkSmart Shares at a lower Tender Price or as a Final Price Tender.

Please see section 4 for further details on how the Buy-Back Price will be determined.

1.5 Will all ThinkSmart Shares I Tender be bought back?

ThinkSmart intends to buy back up to 10,000,000 ThinkSmart Shares.

The success of your Tender will depend on your Tender Price, the size and price of Tenders lodged by other Eligible Shareholders and the total number of Tenders that ThinkSmart accepts.

How will ThinkSmart determine successful Tenders?

If you Tender your ThinkSmart Shares at a price above the Buy-Back Price, your Tender will be rejected and your ThinkSmart Shares will not be bought back.

If you Tender your ThinkSmart Shares at or below the Buy-Back Price, or as a Final Price Tender, your Tender will be successful and your ThinkSmart Shares tendered at or below that price or as a Final Price Tender will be bought back, subject to any scale back.

When may a scale back apply?

A scale back may apply if the total number of ThinkSmart Shares tendered at and below the Buy-Back Price and as Final Price Tenders is more than the total number of ThinkSmart Shares ThinkSmart decides to buy-back.

Please see section 4 for further details on how any scale back will occur.

2 What should I consider when deciding whether to participate?

2.1 Can I participate in the Buy-Back Tender?

You can participate in the Buy-Back Tender if you are an Eligible Shareholder.

2.2 Do I have to participate?

No. Participation in the Buy-Back Tender is voluntary. If you choose not to participate and the Buy-Back Tender is completed, the number of ThinkSmart Shares you hold will not change as a result of the Buy-Back Tender, although your proportional holding in ThinkSmart will increase.

2.3 Why would I participate?

It is your choice whether or not to participate in the Buy-Back Tender. If you are unsure as to what to do, you should seek professional advice. This booklet has been prepared without taking into account your particular objectives, financial situation or needs. ThinkSmart and the Board makes no recommendation as to whether you should participate or not.

There may be reasons why you would choose to participate in the Buy-Back Tender. These might include:

- you wish to dispose of some or all of your ThinkSmart Shares;
- the price you receive from selling your ThinkSmart Shares in the Buy-Back Tender may be higher than the price you would receive from selling those ThinkSmart Shares on ASX, or on AIM after the Transaction;
- if you have a large holding, you may be able to dispose of all of your ThinkSmart Shares in the Buy-Back Tender in a shorter timeframe than you would be able to achieve from selling those ThinkSmart Shares on ASX given the limited trading liquidity in ThinkSmart Shares;
- if you have a small holding, you may be able to dispose of all of your ThinkSmart Shares in the Buy-Back Tender so as not to be left with a small parcel of ThinkSmart Shares;
- you may not want to remain invested in ThinkSmart after the Transaction is completed given that ThinkSmart Shares will then be listed on a foreign stock exchange (AIM) and you will no longer be able to trade your shares on ASX;
- you may not want to remain invested in ThinkSmart after the Buy-Back Tender given there is likely to be reduced liquidity in ThinkSmart Shares; and/or
- no brokerage should be payable and you do not need to appoint a stockbroker to participate.

Please see section 2.5 for further details regarding the potential advantages of participating in the Buy-Back Tender.

2.4 Why might I not participate?

There may be reasons why you would choose not to participate in the Buy-Back Tender. These might include:

- you do not wish to dispose of some or all of your ThinkSmart Shares;
- you consider your ThinkSmart Shares to be worth more than the Tender Range;
- you may be able to sell your ThinkSmart Shares on ASX (or AIM after completion of the Transaction) for a price which is higher than the Buy-Back Price; and/or

- if you successfully participate in the Buy-Back Tender, you will not benefit from any future increase in the market price of ThinkSmart Shares or be entitled to receive future distributions on those ThinkSmart Shares which are bought back.

Please see section 2.6 for further details regarding the potential disadvantages of participating in the Buy-Back Tender.

2.5 Potential advantages of participating in the Buy-Back Tender

The Board believes that the potential advantages for those Eligible Shareholders who elect to participate in the Buy-Back Tender include the following:

- participation in the Buy-Back Tender is optional. You can tailor your participation to suit your circumstances, and in particular you can:
 - choose whether to Tender your ThinkSmart Shares;
 - choose how many (if any) ThinkSmart Shares to Tender; and
 - choose the price (from within the Tender Price Range) at which to Tender your ThinkSmart Shares;
- all Eligible Shareholders have an equal opportunity to participate in the Buy-Back Tender;
- subject to any scale back, shareholders will have any ThinkSmart Shares that are tendered at or below the Buy-Back Price or as a Final Price Tender bought back and the same price will be paid for all ThinkSmart Shares;
- the price you receive from ThinkSmart for selling your ThinkSmart Shares in the Buy-Back Tender may be higher than the price you would be able to receive for selling those ThinkSmart Shares on ASX, or on AIM after the Transaction;
- for some shareholders, depending on their particular circumstances and the price at which their ThinkSmart Shares may be sold on-market relative to the Buy-Back Price, the after-tax return from participating in the Buy-Back Tender may be greater than if they had sold their ThinkSmart Shares on ASX, or on AIM after the Transaction;
- shareholders do not have to pay brokerage or appoint a stockbroker to sell their ThinkSmart Shares in the Buy-Back Tender; and
- shareholders may wish to exit all or part of their shareholding as ThinkSmart will be listed on a foreign stock exchange if the admission to AIM and delisting from ASX proceeds and shareholders will no longer be able to trade their shares on ASX.

2.6 Potential disadvantages of participating in the Buy-Back Tender

The Board believes that the potential disadvantages for those Eligible Shareholders who elect to participate in the Buy-Back Tender may include the following:

- the price you receive from ThinkSmart for selling your ThinkSmart Shares in the Buy-Back Tender may be lower than the price you would be able to receive for selling those ThinkSmart Shares on ASX, or on AIM after the Transaction;
- for some shareholders, depending on their particular circumstances and the price at which their ThinkSmart Shares may be sold on-market relative to their Buy-Back Price, the after-tax return from participating in the Buy-Back Tender may be lower than if they had sold their ThinkSmart Shares on ASX, or on AIM after the Transaction;
- you will not benefit from any future increase in the market price of ThinkSmart's Shares on ASX or AIM in respect of any ThinkSmart Shares that are sold to ThinkSmart;
- you will not be entitled to receive any dividends or distributions in the future in respect of any ThinkSmart Shares that are sold to ThinkSmart; and

- at the time of shareholders participating in the Buy-Back Tender, ThinkSmart will not have certainty that its proposed admission to AIM (and therefore delisting from ASX) will be successful. While ThinkSmart believes it will be successful in its application for admission to AIM, its admission remains subject to further engagement with AIM.

2.7 How does selling my ThinkSmart Shares under the Buy-Back Tender compare to selling them on market?

The price at which you can sell your ThinkSmart Shares under the Buy-Back Tender may be higher or lower than the price at which you can sell your ThinkSmart Shares on ASX (or on AIM following completion of the Transaction).

You can sell your ThinkSmart Shares on ASX at any time (and further details will be provided separately on trading your ThinkSmart Shares on AIM following admission). However, if you wish to participate in the Buy-Back Tender, you need to complete and sign your personalised Tender Form and ensure it is received by the Registry (if you are an Issuer Sponsored Holder) or that your Controlling Participant processes your Tender (if you are a CHESS Holder) by no later than 7.00pm (Sydney time) on the Closing Date (4 November 2016).

You may need to pay brokerage when selling your ThinkSmart Shares on ASX. You will not have to pay brokerage or appoint a stockbroker to sell your ThinkSmart Shares in the Buy-Back Tender.

2.8 What else should I consider?

You should read this booklet and the notice of meeting for the Extraordinary General Meeting in full.

By making the Buy-Back Tender Invitation and setting the Tender Range, ThinkSmart is not making any recommendation or giving any advice on the value of ThinkSmart Shares or whether (or how) you should sell your ThinkSmart Shares. You should seek your own professional advice.

3 How to participate

STEP 1: DECIDE WHETHER TO PARTICIPATE

- Accompanying this booklet you will have received a personalised Tender Form for each separate registered holding of ThinkSmart Shares eligible to participate in the Buy-Back Tender.
- If you do not wish to participate, you do not need to take any action.
- If you do wish to participate and you are an Eligible Shareholder, you will need to complete your personalised Tender Form.



STEP 2: DECIDE HOW MANY THINKSMART SHARES TO TENDER

- The maximum number of ThinkSmart Shares that you may tender is shown in Box A on your personalised Tender Form.
- If you own 4,846 ThinkSmart Shares or fewer on the Buy-Back Record Date, you must tender all of your ThinkSmart Shares if you wish to participate.
- If you own more than 4,846 ThinkSmart Shares on the Buy-Back Record Date, you must tender no more than the number of ThinkSmart Shares shown in Box A on your Tender Form.



STEP 3: CHOOSE THE PRICE(S) AT WHICH YOU WILL TENDER

You can:

- nominate the Tender Price(s) at which you are willing to Tender your ThinkSmart Shares. The Tender Prices are specified prices in the Tender Range of \$0.38 to \$0.55 (inclusive and at \$0.01 intervals) as specified in the Tender Forms; and/or
- submit a Final Price Tender, which is a Tender in which you elect to sell your ThinkSmart Shares at whatever price is determined by ThinkSmart to be the Buy-Back Price.
- If you own 4,846 ThinkSmart Shares or fewer on the Buy-Back Record Date, you must Tender all of your ThinkSmart Shares at only one Tender Price or Tender all your ThinkSmart Shares as a Final Price Tender. If you own more than 4,846 ThinkSmart Shares on the Buy-Back Record Date, you may Tender some or all of your ThinkSmart Shares (tendering a minimum of 4,846 ThinkSmart Shares) at one or more Tender Prices and/or as a Final Price Tender.
- You may not Tender the same ThinkSmart Shares at a different Tender Prices (or at both a specified Tender Price and as a Final Price Tender).



STEP 4: COMPLETE YOUR TENDER FORM AND SUBMIT YOUR TENDER

Depending on whether you are an Issuer Sponsored Holder or a CHESS Holder, submit your Tender as follows:

Issuer Sponsored Holders

- Complete the yellow Tender Form you received with this booklet.
- Return the completed and signed Tender Form in the enclosed reply-paid envelope (within Australia).
- Alternatively, Tender Forms can be mailed to:

ThinkSmart Buy-Back Tender
C/O Computershare Investor Services Pty Ltd
GPO Box 52
Melbourne VIC 3001
AUSTRALIA

CHESS Holders

- Complete and sign the pink Tender Form you received with this booklet.
- If you are a CHESS Holder, do not send your completed Tender Form to the Registry. Instead contact your Controlling Participant (normally your broker), who is named on your Tender Form, in relation to processing and lodgement arrangements.

You must ensure that your completed and signed Tender Form is received by the Registry (if you are an Issuer Sponsored Holder) or that your Controlling Participant processes your Tender (if you are a CHESS Holder) by no later than 7.00pm Sydney time on the Closing Date (4 November 2016).

CHESS Holders may receive written confirmation from CHESS of Tenders made on your CHESS Holding by your Controlling Participant. This confirmation is not acceptance by ThinkSmart of any Tender.

See your Tender Form for further instructions on how to submit your Tender.

Can I withdraw or amend my Tender?

To withdraw or amend a Tender that you have submitted, you will need a Withdrawal/Amendment Form. To obtain a Withdrawal/Amendment Form you may either download and print a copy from www.thinksmartworld.com or call the Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Perth time).

Instructions regarding withdrawal and amendment of Tenders are provided on the Withdrawal/Amendment Form.

You must ensure that your completed and signed Withdrawal/Amendment Form is received by the Registry (if you are an Issuer Sponsored Holder), or that your Controlling Participant processes your withdrawal or amendment (if you are a CHESS Holder), by no later than 7.00pm (Sydney time) on the Closing Date (4 November 2016). If you decide to withdraw or amend your Tender near the end of the Tender Period, you will need to send your Withdrawal/Amendment Form (if you are an Issuer Sponsored Holder), or instruct your Controlling Participant (if you are a CHESS Holder), so that there is sufficient time before this deadline for your Withdrawal/Amendment Form to be received by the Registry or your withdrawal or amendment to be processed by your Controlling Participant.

CHESS Holders may receive written confirmation from CHESS of the withdrawal or amendment of Tenders made on your CHESS Holding by your Controlling Participant. This confirmation is not an acceptance by ThinkSmart of your withdrawal or amendment of any Tender.

4 How will the Buy-Back Price and successful Tenders be determined?

4.1 How will ThinkSmart determine the price at which it will buy back ThinkSmart Shares (the Buy-Back Price)?

To determine the Buy-Back Price, ThinkSmart will add up all of the ThinkSmart Shares tendered at each of the Tender Prices, starting with Final Price Tenders and the lowest Tender Price (for example \$0.38, if any ThinkSmart Shares are tendered at this price). When the number of ThinkSmart Shares which ThinkSmart determines that it will buy back is reached, that Tender Price will be set as the Buy-Back Price.

The Buy-Back Price could be as low as \$0.38 or as high as \$0.55. Shareholders who submit Final Price Tenders or Tenders at the lower end of the Tender Range will maximise their chances of successful participation in the Tender.

ThinkSmart will announce the Buy-Back Price on ASX on 7 November 2016. The announcement will be provided on the ThinkSmart website at www.thinksmartworld.com and will also be available by calling the Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Perth time).

4.2 How can I increase the chance that my Tender will be successful?

A Tender will only be successful if it is at a Tender Price lower than or equal to the Buy-Back Price, or if it is a Final Price Tender. Therefore, you will have a greater chance of having your ThinkSmart Shares bought back in the Buy-Back Tender if you Tender your ThinkSmart Shares at a low Tender Price and/or as a Final Price Tender.

Final Price Tenders will only be scaled back if the Buy-Back Price is \$0.38 and the total number of ThinkSmart Shares tendered at that price and as Final Price Tenders exceeds the number of ThinkSmart Shares that ThinkSmart determines that it will buy back. Final Price Tenders will not be scaled back if the Buy-Back Price is higher than \$0.38.

4.3 How will I know if my Tender has been successful?

On 10 November 2016, ThinkSmart will send all shareholders who have tendered ThinkSmart Shares in the Buy-Back Tender a statement notifying them of the number of their ThinkSmart Shares (if any) that have been bought back. Where Tenders have been successful, the notification will be accompanied by a direct credit confirmation advice or a cheque for the Buy-Back Tender proceeds as outlined in section 7.10.

4.4 If my Tender is successful, how much will I receive for my ThinkSmart Shares?

All ThinkSmart Shares successfully tendered will be bought back at the Buy-Back Price (even if you tendered those ThinkSmart Shares at a Tender Price lower than the Buy-Back Price).

4.5 When will my Tender be successful?

ThinkSmart will buy back ThinkSmart Shares tendered at a Tender Price lower than or equal to the Buy-Back Price, and as Final Price Tenders. ThinkSmart Shares tendered at a Tender Price higher than the Buy-Back Price will not be bought back.

If more ThinkSmart Shares are tendered than ThinkSmart wants to buy back, ThinkSmart will use a scale back mechanism. The scale back mechanism will not apply to:

- Tenders at Tender Prices lower than the Buy-Back Price; or
- Final Price Tenders where the Buy-Back Price is higher than \$0.38.

Where the scale back applies, it will be undertaken on a pro-rata basis after ensuring that:

- Priority Allocations and Small Residual Holdings are bought back; and
- after taking into account Priority Allocations and Small Residual Holdings, ThinkSmart buys back the number of ThinkSmart Shares it determines it will buy back.

4.6 What is a Priority Allocation?

In the event of a scale back, ThinkSmart will buy back the first 4,846 ThinkSmart Shares (or such lesser number of ThinkSmart Shares that ThinkSmart determines to be a Priority Allocation) successfully tendered by each Eligible Shareholder to ensure that ThinkSmart is able to buy back only the number of ThinkSmart Shares it determines to buy back under the Buy-Back Tender.

If you successfully Tender less than 4,846 ThinkSmart Shares, then all of those ThinkSmart Shares will be bought back as a Priority Allocation.

4.7 What is a Small Residual Holding?

A Small Residual Holding occurs where you have tendered all of your ThinkSmart Shares at a Tender Price lower than or equal to the Buy-Back Price, or as a Final Price Tender, and you would otherwise be left with 1,212 ThinkSmart Shares, or fewer, as a result of the scale back.

However, if you become the registered holder of additional ThinkSmart Shares in ThinkSmart after the Buy-Back Record Date and, as a result, you are the registered owner of more ThinkSmart Shares on the Closing Date (4 November 2016) than you held on the Buy-Back Record Date (6 September 2016), then the scale back without the priority for any Small Residual Holding will apply to your Tender.

4.8 How will the scale back mechanism work?

By way of example:

If the Buy-Back Price is \$0.38

If the Buy-Back Price is set at the minimum Tender Price in the Tender Price Range and more ThinkSmart Shares are tendered at the minimum Tender Price (including Final Price Tenders) than ThinkSmart wishes to buy back (such that a scale back is required as determined by ThinkSmart):

- Tenders above the Buy-Back Price will be rejected in full;
- Final Price Tenders and Tenders at the Buy-Back Price will be accepted, but subject to a scale back (if required). The scale back will operate as follows:
 - the Priority Allocation, being the first 4,846 ThinkSmart Shares (or such lesser number of ThinkSmart Shares that ThinkSmart determines to be a Priority Allocation) tendered by each Eligible Shareholder will be accepted in full;
 - any Eligible Shareholder who Tenders all of their ThinkSmart Shares:
 - at the Buy-Back Price;
 - at the Final Price Tender; or
 - as a combination of these,and who would hold a Small Residual Holding (1,212 ThinkSmart Shares or fewer) as a result of the scale back will have all of their ThinkSmart Shares bought back; and
 - ThinkSmart Shares tendered by each Eligible Shareholder in excess of 4,846 ThinkSmart Shares (or such lesser number of ThinkSmart Shares

that ThinkSmart determines to be a Priority Allocation) will be scaled back on a pro-rata basis.

If the Buy-Back Price is \$0.50

If the Buy-Back Price is greater than the minimum Tender Price in the Tender Price Range and more ThinkSmart Shares are tendered at prices less than or equal to the Buy-Back Price (including Final Price Tenders) than ThinkSmart wishes to buy back (such that a scale back is required as determined by ThinkSmart), then:

- Tenders at prices less than the Buy-Back Price will be accepted in full at the Buy-Back Price and will not be subject to any scale back;
- Final Price Tenders will be accepted in full at the Buy-Back Price and will not be subject to any scale back;
- Tenders at prices greater than the Buy-Back Price will be rejected in full;
- Tenders at the Buy-Back Price will be accepted, but subject to a scale back (if required). The scale back will operate as follows:
 - the Priority Allocation, being the first 4,846 ThinkSmart Shares (or such lesser number of ThinkSmart Shares that ThinkSmart determines to be a Priority Allocation) tendered by each Eligible Shareholder will be accepted in full;
 - any Eligible Shareholder who Tenders all of their ThinkSmart Shares at the Buy-Back Price and who would have a Small Residual Holding (1,212 or fewer ThinkSmart Shares) as a result of the scale back will have all of their ThinkSmart Shares bought back; and
 - ThinkSmart Shares tendered by each Eligible Shareholder in excess of 4,846 ThinkSmart Shares (or such lesser number of ThinkSmart Shares that ThinkSmart determines to be a Priority Allocation) will be scaled back on a pro-rata basis.

If, by applying the scale back set out in above, ThinkSmart would exceed the number of ThinkSmart Shares that it determines to buy back, then ThinkSmart may buy back less than the first 4,846 ThinkSmart Shares from each of those Eligible Shareholders.

In calculating the pro-rata number of ThinkSmart Shares to be bought back, fractions of ThinkSmart Shares will be rounded down. ThinkSmart will reserve the right to reject Tenders to the extent necessary, as determined by ThinkSmart, to ensure that it, or any other person, is not at risk of breaching and does not actually breach any Australian or foreign laws.

4.9 How will the scale back affect my Tender?

The details of any scale back will be announced as soon as possible after the Closing Date. ThinkSmart expects to make this announcement on 7 November 2016. You can access the announcement from the 'Investors' section of the ThinkSmart website (<http://thinksmartworld.com/investor-news/>) or from the ASX website (www.asx.com.au).

If you have more than one holding of ThinkSmart Shares, any scale back that applies to ThinkSmart Shares tendered from more than one registered holding of ThinkSmart Shares will be applied to each registered holding as if held by different persons.

Set out below are some examples of how the scale back would operate. These examples are illustrative only and should not be relied upon as an indication of the Buy-Back Price or the extent of any scale back required.

As an illustration, assuming Eligible Shareholders Tender ThinkSmart Shares into the Buy-Back Tender as shown in the table below, two alternate scenarios are examined. Scenario 1 assumes the Buy-Back Price is set at the bottom of the Tender Price Range (i.e. \$0.38), and Scenario 2 assumes the Buy-Back Price is set at \$0.50. Both scenarios assume a 20% scale back (i.e. 80% of ThinkSmart Shares that are tendered are bought back) and that the Small Residual Holding is 1,212 ThinkSmart Shares.

	Total Shares held	ThinkSmart Shares tendered	Tender price	Scenario 1: Buy-Back Price \$0.38	Scenario 2: Buy- Back Price \$0.50
Shareholder 1	4,846	4,846	\$0.38	4,846 ThinkSmart Shares bought back	4,846 ThinkSmart Shares bought back
Shareholder 2	10,000	6,000	Final Price Tender	5,769 ThinkSmart Shares bought back	6,000 ThinkSmart Shares bought back
Shareholder 3	6,000	6,000	Final Price Tender	6,000 ThinkSmart Shares bought back	6,000 ThinkSmart Shares bought back
Shareholder 4	20,000	4,846	Final Price Tender	4,846 ThinkSmart Shares bought back	4,846 ThinkSmart Shares bought back
		4,846	\$0.50	No ThinkSmart Shares bought back	4,846 ThinkSmart Shares bought back
Shareholder 5	8,000	8,000	\$0.51	No ThinkSmart Shares bought back	No ThinkSmart Shares bought back
Shareholder 6	16,000	10,000	\$0.50	No ThinkSmart Shares bought back	8,969 ThinkSmart Shares bought back
		6,000	\$0.51	No ThinkSmart Shares bought back	No ThinkSmart Shares bought back
Shareholder 7	30,000	4,846	\$0.38	4,846 ThinkSmart Shares bought back	4,846 ThinkSmart Shares bought back
		10,000	\$0.50	No ThinkSmart Shares bought back	8,969 ThinkSmart Shares bought back

15,154	\$0.51	No ThinkSmart Shares bought back	No ThinkSmart Shares bought back
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Explanation of Scenario 1: Buy-Back Price set at \$0.38 (bottom of tender range)

Shareholder 1 tendered a total of 4,846 Shares at \$0.38. The Tender will be successful and all 4,846 ThinkSmart Shares will be bought back. No scale back applies as the first 4,846 ThinkSmart Shares tendered will be accepted in full as the Priority Allocation. Shareholder 1 will hold no ThinkSmart Shares after the completion of the Buy-Back Tender.

Shareholder 2 tendered a total of 6,000 Shares as a Final Price Tender. The Tender will be successful and the first 4,846 ThinkSmart Shares will be bought back in full. ThinkSmart Shares tendered in excess of 4,846 ThinkSmart Shares (i.e. 1,154 Shares) will be subject to the 20% scale back. As a result, a total of 5,769 ThinkSmart Shares will be bought back. Shareholder 2 will hold 4,231 Shares after completion of the Buy-Back Tender.

Shareholder 3 tendered a total of 6,000 Shares as a Final Price Tender. The Tender will be successful and is not scaled back because the first 4,846 ThinkSmart Shares tendered will be accepted in full. The next 1,154 ThinkSmart Shares tendered will be accepted in full because, if a scale back were to apply, Shareholder 3 would be left with a 'residual holding'. Shareholder 3 will hold no ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 4 tendered a total of 9,692 ThinkSmart Shares at two different prices: 4,846 ThinkSmart Shares as a Final Price Tender and 4,846 ThinkSmart Shares at \$0.50. The Tender at Final Price will be successful and is not scaled back because the first 4,846 ThinkSmart Shares tendered are accepted in full. The Tender at \$0.50 will not be successful as the Tender Price is above the Buy-Back Price. Shareholder 4 will hold 15,154 ThinkSmart Shares after completion of the Buy-Back.

Shareholder 5 tendered 8,000 at \$0.51. The Tender will not be successful as the Tender Price is above the Buy-Back Price. Shareholder 5 will hold 8,000 ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 6 tendered a total of 16,000 ThinkSmart Shares at two different prices: 10,000 ThinkSmart Shares at \$0.50 and 6,000 Shares at \$0.51. Neither of these Tenders will be successful as, in each case, the Tender Price is above the Buy-Back Price. Shareholder 6 will hold 16,000 ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 7 tendered a total of 30,000 ThinkSmart Shares at three different prices: 4,846 ThinkSmart Shares at \$0.38, 10,000 ThinkSmart Shares at \$0.50 and 15,154 ThinkSmart Shares at \$0.51. The Tender at \$0.38 will be successful and all 4,846 ThinkSmart Shares will be bought back as the first 4,846 ThinkSmart Shares tendered are accepted in full. The Tender at \$0.50 will not be successful because the Tender Price is above the Buy-Back Price. The Tender at \$0.51 will not be successful because the Tender Price is above the Buy-Back Price. Shareholder 7 will hold 25,154 Shares after completion of the Buy-Back Tender.

Explanation of Scenario 2: Buy-Back Price set at \$0.50

Shareholder 1 tendered a total of 4,846 ThinkSmart Shares at \$0.38. The Tender will be successful and all 4,846 ThinkSmart Shares will be bought back as the Tender Price is below the Buy-Back Price. Shareholder 1 will hold no ThinkSmart Shares after the completion of the Buy-Back Tender.

Shareholder 2 tendered a total of 6,000 ThinkSmart Shares as a Final Price Tender. The Tender will be successful and it will not be scaled back because it is a Final Price Tender and the Buy-Back Price has been set above the bottom of the Tender Range. Shareholder 2 will hold 4,000 ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 3 tendered a total of 6,000 ThinkSmart Shares as a Final Price Tender. The Tender will be successful and it will not be scaled back because it is a Final Price Tender and the Buy-Back Price has been set above the bottom of the Tender Range. Shareholder 3 will hold no ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 4 tendered a total of 9,692 ThinkSmart Shares at two different prices: 4,846 ThinkSmart Shares as a Final Price Tender and 4,846 Shares at \$0.50. The Tender at the Final Price Tender will be successful and is not scaled back because it is a Final Price Tender and the Buy-Back Price has been set above the bottom of the Tender range. The Tender at \$0.50 will be successful and all 4,846 ThinkSmart Shares will be bought back because the first 4,846 ThinkSmart Shares tendered at the Buy-Back Price are accepted in full. Shareholder 4 will hold 10,308 ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 5 tendered 8,000 ThinkSmart Shares at \$0.51. The Tender will not be successful as the Tender Price is above the Buy-Back Price. Shareholder 5 will hold 8,000 ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 6 tendered a total of 16,000 ThinkSmart Shares at two different prices: 10,000 ThinkSmart Shares at \$0.50 and 6,000 ThinkSmart Shares at 0.51. Of the Tender at \$0.50, the first 4,846 ThinkSmart Shares will be accepted in full and the ThinkSmart Shares tendered in excess of 4,846 (i.e. 5,154) will be subject to the 20% scale back. The Tender at \$0.51 will not be successful because the Tender Price is above the Buy-Back Price. As a result, 8,969 ThinkSmart Shares will be bought back. Shareholder 6 will hold 7,031 ThinkSmart Shares after completion of the Buy-Back Tender.

Shareholder 7 tendered a total of 30,000 ThinkSmart Shares at three different prices: 4,846 ThinkSmart Shares at \$0.38, 10,000 ThinkSmart Shares at \$0.50 and 15,154 ThinkSmart Shares at \$0.51. The Tender at \$0.38 will be successful and all 4,846 ThinkSmart Shares will be bought back as the Tender Price is below the Buy-Back Price. The Tender at \$0.50 will be successful but only 8,969 ThinkSmart Shares will be bought back. The first 4,846 ThinkSmart Shares will be accepted in full and the ThinkSmart Shares tendered in excess of 4,846 ThinkSmart Shares (i.e. 5,154 Shares) will be subject to the 20% scale back. The Tender at \$0.51 will not be successful because the Tender Price is above the Buy-Back Price. Shareholder 7 will hold 16,185 ThinkSmart Shares after completion of the Buy-Back Tender.

5 What are the taxation consequences of participating?

5.1 Australian tax implications for ThinkSmart shareholders

The following comments are not tax advice and are intended as only a general guide to the Australian income tax, stamp duty and GST implications discussed in this section 5, and not in respect of any other Australian or foreign tax issues. Further, these comments should not be a substitute for advice from an appropriate professional adviser and all ThinkSmart shareholders are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

The comments are based on existing law and practice of the tax authorities in Australia as at the date of this booklet.

ThinkSmart is in the process of applying for a Class Ruling from the ATO to confirm certain aspects of the Australian income tax treatment of the Buy-Back Tender. The following comments are consistent with the details that are expected to be confirmed by the ATO when it issues the Class Ruling. ThinkSmart understands that the ATO will not issue a Class Ruling in a final binding form until after the Buy-Back Tender is complete.

The comments summarise certain limited aspects of the Australian income tax, stamp duty and GST consequences of the Buy-Back Tender from the perspective of certain ThinkSmart shareholders who hold their ThinkSmart Shares on capital account. These comments do not apply to those shareholders who hold their ThinkSmart Shares as trading stock, under an employee share plan, as a financial arrangement, as revenue assets or otherwise on revenue account.

5.2 Buy-Back Tender

Components of the Buy-Back Price

ThinkSmart expects that the Buy-Back Price will comprise a dividend component and a capital component for Australian income tax purposes. It is expected that the capital component will be approximately \$0.29 per ThinkSmart Share (based on the 'average capital per share method' prescribed in prevailing ATO guidance) and the balance will be a dividend for Australian income tax purposes.

The Buy-Back Price will not be at a discount of 14% or more to the market value of the ThinkSmart Shares over the 5 trading days up to and including the Closing Date.

Capital component

The capital component will be the Buy-Back Price less the amount of the dividend, subject to the comments below. The capital component is expected to be approximately \$0.29 per ThinkSmart Share as noted above. This amount would be debited to ThinkSmart's share capital account.

The capital component may be increased in certain circumstances (i.e. where the Buy-Back Price is at a discount to the 'deemed market value' of a ThinkSmart Share at the time of the buy-back). The 'deemed market value' in this situation is typically calculated by reference to a VWAP of a ThinkSmart Share for a period (e.g. last 5 trading days) prior to the first announcement of the buy-back, adjusted for the percentage change in the S&P/ASX 200 Index from the commencement of trading on the first announcement date to the close of trading on the last day of the Tender Period.

The capital component of the Buy-Back Price will be addressed in the ATO's Class Ruling.

Australian resident shareholders

The disposal of ThinkSmart Shares by an Australian tax resident shareholder will constitute a CGT event for Australian income tax purposes. The CGT event date should occur on completion of the Buy-Back Tender, which is expected to occur on 7 November 2016.

Broadly, Australian tax resident ThinkSmart shareholders will make a capital gain on the disposal of their ThinkSmart Shares where the 'capital proceeds' (i.e. the capital component as described above) from the disposal of the ThinkSmart Shares exceed the 'cost base' of those ThinkSmart Shares. Conversely, a capital loss will be made where the capital proceeds are less than the reduced cost base of the shares. Capital losses may be used to offset capital gains made in the current year or may be carried forward for offset against any future capital gains, subject to the satisfaction of certain loss recoupment rules for some shareholders.

Some shareholders (e.g. individuals, trusts or complying superannuation funds) may be entitled to a CGT discount if they have held their ThinkSmart Shares for at least 12 months before the disposal of the Shares on the CGT event date. The CGT discount is applied after available capital losses have been offset to reduce the capital gain. The discount rate for individuals and trusts is 50%. The discount rate for complying superannuation funds is 33 $\frac{1}{3}$ %. As the rules relating to discount capital gains for trusts are complex, we recommend trustees seek their own advice on how the CGT discount provisions will apply to them and the beneficiaries. The CGT discount is not available to shareholders that are companies.

Non-resident shareholders

Non-Australian tax residents that derive a capital gain on disposal of their ThinkSmart Shares would be subject to Australian CGT to the extent that the ThinkSmart Shares are 'taxable Australian property'. Broadly, non-Australian tax residents would be subject to Australian CGT if the shareholder (together with associates) holds 10% or more of ThinkSmart Shares (at the time of disposal or throughout a 12 month period during the two years before disposal), and the majority of ThinkSmart's assets consist of real property situated in Australia.

On the basis that ThinkSmart Shares are not considered to be taxable Australian property at the date of this booklet, non-resident ThinkSmart shareholders should not be subject to Australian CGT on disposal of their ThinkSmart Shares. Importantly, this is on the proviso that such shareholders do not hold their ThinkSmart Shares through an Australian permanent establishment. If the ThinkSmart Shares are held in this way, independent advice should be sought.

Non-Australian tax resident ThinkSmart shareholders should seek their own independent tax advice as to the tax implications of the Buy-Back Tender, including the tax implications in their country of residence.

Dividend component

The dividend component is expected to be equal to the Buy-Back Price less the capital component. The amount of the dividend component cannot be determined at this stage as it is subject to numerous variables that will not be known until at or around the completion of the Buy-Back Tender.

As at 30 June 2016, ThinkSmart had a franking account balance of approximately \$0.1 million. This is expected to increase to approximately \$0.2 million when the final income tax payment for the 30 June 2016 financial year is made. It is ThinkSmart's intention not to frank the dividend component of the Buy-Back Price.

Australian resident shareholders

Australian tax resident shareholders will be required to include the dividend component of the Buy-Back Price in their assessable income. As the dividends will be unfranked, there is no gross-up (or tax offset) and Australian resident shareholders should be subject to tax at their applicable rate of tax on the unfranked dividends received.

Non-resident shareholders

The Australian income tax outcomes for non-resident shareholders will depend on the country of which those shareholders are tax residents. Generally, as the dividend will be unfranked it should be subject to dividend withholding tax and ThinkSmart will be required to withhold tax at the rate applicable to each non-resident shareholder. Australian dividend withholding tax is levied at a flat rate of 30% on the gross amount of the dividends unless a shareholder is a tax resident of a country that has an applicable double tax treaty with Australia. In these circumstances, the withholding tax is generally limited to 15%, although in certain cases, depending on the shareholder's country of residence and the size of their shareholding, the rate may be reduced further.

For completeness, it is noted that Australia has a system of "conduit foreign income" accounts, which allow Australian companies to pay unfranked dividends from conduit foreign income to non-Australian tax resident shareholders free of non-resident withholding tax. Conduit foreign income is broadly foreign income paid to the Australian company where that foreign income is exempt from Australian income tax, such as certain dividends and interest. To the extent that unfranked dividends are declared to be conduit foreign income, the unfranked dividends should not be subject to Australian dividend withholding tax. It is ThinkSmart's intention not to declare any portion of the unfranked dividend component of the Buy-Back Price to be conduit foreign income.

It is recommended that non-resident shareholders also consider the tax implications of receiving dividends from ThinkSmart under their respective domestic tax regimes.

The above comments assume that the dividend is not attributable to an Australian permanent establishment of the non-resident shareholders. If the ThinkSmart Shares are so held, independent advice should be sought.

5.3 Stamp duty and GST

There should be no stamp duty or GST payable by a ThinkSmart shareholder that participates in the Buy-Back Tender.

5.4 Tax File Numbers and Australian Business Numbers

Under Australian taxation law, a company is entitled to ask its shareholders to disclose their TFN or ABN to the company. A shareholder can choose to disclose or not disclose the TFN or ABN.

If an Australian resident shareholder chooses not to disclose their TFN or ABN to ThinkSmart, ThinkSmart is required by the tax law to withhold tax, at the top marginal tax rate plus Medicare levy and Temporary Budget Repair Levy (being 49% as at the date of this booklet), on any dividends paid to the shareholder, unless the dividend is fully franked. If the tax withheld by ThinkSmart is more than the shareholder would have paid in tax, the shareholder must wait until the shareholder lodges an income tax return before being entitled to a refund of any excess tax withheld from the dividend payment. On the other hand, if an Australian resident shareholder chooses to disclose the TFN or ABN, ThinkSmart does not have to withhold any tax from any dividends paid to the shareholder.

If a ThinkSmart shareholder has not previously provided their TFN or ABN, and would like to disclose their TFN or ABN to ThinkSmart, please contact the Registry and provide them with your TFN or ABN before 7.00pm (Sydney time) on the Closing Date (4 November 2016). To notify ThinkSmart's Registry of your TFN or ABN, you can either log into your ThinkSmart securityholding online (by accessing www.investorcentre.com and following the online instructions), or contact the Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) and provide your TFN or ABN over the phone.

Alternatively, if a ThinkSmart shareholder does not indicate to the Registry or specify otherwise in writing that they do not wish their TFN or ABN to be disclosed and collected in accordance with the process discussed above, they are deemed under the terms of the Buy-Back Tender to agree to such disclosure and collection of their TFN or ABN.

6 Information about ThinkSmart

6.1 Who is ThinkSmart?

ThinkSmart is an international finance company, creating differentiation and competitive advantage in 'point of sale' finance for some of Europe's largest retailers.

ThinkSmart processes high volumes of finance transactions quickly and efficiently through its SmartCheck proprietary technology. This enables online credit approval in just a few minutes whether customers are online or in store. ThinkSmart's products are executable throughout today's complex retail channel, creating additional revenue and enhanced margin performance both on-line and off-line.

For over 10 years, ThinkSmart has been an exclusive partner to Dixons Retail, now following a merger with Carphone Warehouse the Dixons Carphone Group (the leading electrical and telecommunications retailer and services company in Europe), where it has developed compelling business and consumer lease finance propositions. Recently, ThinkSmart agreed a 5 year exclusive contract to provide Carphone Warehouse with multi-channel lease finance for mobile phones which is expected to be launched in the UK, subject to a number of conditions precedent, in the fourth quarter of 2016.

6.2 How will the Buy-Back Tender be funded?

As at the date of this booklet, ThinkSmart has approximately \$15 million cash, including the proceeds received from the Placement.

As described above, ThinkSmart is seeking to buy back up to 10,000,000 ThinkSmart Shares under the Buy-Back Tender, at prices tendered by shareholders between \$0.38 and \$0.55 (inclusive and at \$0.01 intervals).

So, for example, if ThinkSmart bought back the full capacity under the Buy-Back Tender of 10,000,000 Shares, and the Buy-Back Price was \$0.38, the cost of the buy-back would be \$3.8 million (excluding transaction costs). If ThinkSmart bought back the full capacity under the Buy-Back Tender of 10,000,000 ThinkSmart Shares, and the Buy-Back Price was \$0.55, the cost of the buy-back would be \$5.5 million (excluding transaction costs). All costs of the Buy-Back Tender will be funded out of surplus cash.

6.3 What will be the impact of the Buy-Back Tender on ThinkSmart's financial position?

The pro forma balance sheets as at 30 June 2016 set out below reflect the impact of the Buy-Back Tender on ThinkSmart's financial position, assuming that ThinkSmart raises \$8.6 million (based on an exchange rate of AUD 1.72:1 GBP as at 23 August 2016) through the Placement under two scenarios:

- firstly, \$3.8 million worth of ThinkSmart Shares are bought back at \$0.38 per ThinkSmart Share with \$0.29 being treated as capital and the remaining \$0.09 as a dividend; and
- secondly, \$5.5 million worth of ThinkSmart Shares are bought back at \$0.55 per ThinkSmart Share with \$0.29 being treated as capital and the remaining \$0.26 as a dividend.

Company pro-forma balance sheet extract as at 30 June 2016				
\$millions	At 30-Jun-16	Placement	Proposed 10m share Buy Back at \$0.38 per share	Pro-forma
Cash and cash equivalents	8.8	8.6	-3.8	13.5
Other current assets	10.3			10.3
Total current assets	19.0	8.6	-3.8	23.8
Non-current assets	26.5			26.5
Total assets	45.5	8.6	-3.8	50.3
Total liabilities	-13.4			-13.4
Net assets	32.2	8.6	-3.8	36.9
Issued Share Capital	27.8	8.6	-2.9	33.5
Reserves	-2.0			-2.0
Accumulated profits	6.3		-0.9	5.4
Total equity	32.2	8.6	-3.8	36.9

Company pro-forma balance sheet extract as at 30 June 2016				
\$millions	At 30-Jun-16	Placement	Proposed 10m share Buy Back at \$0.55 per share	Pro-forma
Cash and cash equivalents	8.8	8.6	-5.5	11.8
Other current assets	10.3			10.3
Total current assets	19.0	8.6	-5.5	22.1
Non-current assets	26.5			26.5
Total assets	45.5	8.6	-5.5	48.6
Total liabilities	-13.4			-13.4
Net assets	32.2	8.6	-5.5	35.2
Issued Share Capital	27.8	8.6	-2.9	33.5
Reserves	-2.0			-2.0
Accumulated profits	6.3		-2.6	3.7
Total equity	32.2	8.6	-5.5	35.2

As discussed above, approving the Buy-Back Tender authorises ThinkSmart to buy back up to 10,000,000 ThinkSmart Shares in aggregate under the Buy-Back Tender, and ThinkSmart may buy back fewer than that number and at a price between \$0.38 and \$0.55 per share. Accordingly, the pro forma balance sheets are for illustrative purposes only.

6.4 What will be the impact of the Buy-Back Tender on ThinkSmart's key financial indicators?

The Board considers that the Buy-Back Tender will impact ThinkSmart's key financial indicators as follows:

- **Earnings per Share**

The Buy-Back Tender is likely to be earnings per share (**EPS**) enhancing, but the specific increase in EPS will depend on a number of factors, including the number of ThinkSmart Shares that are bought back and the Buy-Back Price. For example, assuming that \$5.5

million worth of ThinkSmart Shares are bought back and the Buy-Back Price is \$0.55, then all things being equal, the 30 June 2016 EPS, on a pro-forma basis (accounting for the Buy-Back Tender) would be reduced by 9% relative to 30 June 2016 EPS on a pro-forma basis as follows:

Company pro-forma EPS for year to 30 June 2016				
	Year to 30-Jun-16	Placement	Proposed 10m share Buy Back	Pro-forma
Average Number of shares - Basic (millions)	95.6	20.0	-10.0	105.6
PAT for year to 30 June 2016 (\$millions)	0.62	0.62	0.62	0.62
EPS - Basic (cents per share)	0.65	0.54	0.59	0.59

- **Dividends**

As the Buy-Back Tender will be funded entirely from ThinkSmart's cash reserves, there will be no borrowing costs associated with the Buy-Back Tender. However, ThinkSmart will have reduced interest income in the future as a result of the cash used to acquire ThinkSmart Shares under the Buy-Back Tender. Following completion of the Buy Back Tender, the Board will continue to regularly review ThinkSmart's dividend policy having regard to ThinkSmart's financial position. However, as ThinkSmart's operations are based in the UK, future franking capacity is expected to be limited to ThinkSmart's residual franking account balance.

- **Franking account**

As at the date of this booklet, ThinkSmart had a franking account balance of approximately \$0.1 million. This is expected to increase to approximately \$0.2 million. As outlined above, it is ThinkSmart's intention not to frank the dividend component of the Buy-Back Price.

- **Shares on issue**

As at the date of this booklet, ThinkSmart had 115,477,922 ThinkSmart Shares on issue, which includes the 20,000,000 ThinkSmart Shares issued pursuant to the Placement. If the maximum number of ThinkSmart Shares are bought back under the Buy-Back Tender, ThinkSmart would have 105,477,922 ThinkSmart Shares on issue.

6.5 What is the outlook for ThinkSmart?

ThinkSmart's full year FY16 financial results were released on ASX on 17 August 2016. The highlights included:

- Group Operating NPAT for the year of \$4.4m, up 27% on FY15 and 69% growth in Operating EPS to 4.62 cents (Group Operating NPAT excludes any items arising from the ongoing non-operating activities relating to the strategic review initiated by the Board to unlock value in the UK business for shareholders. Operating EPS excludes these non-operating costs and associated tax credits as applicable);
- statutory NPAT for the year of \$0.6m and EPS of 0.65 cents after \$3.8m of non-operating strategic review and advisory expenses;
- UK delivered \$3.9m Segment NPAT benefitting from reduced funding costs and improvements in bad debt performance on prior year vintages; and
- strong operating cash generation of \$5.4m in FY16 (excluding \$4.0m increase in lease receivable and related \$3.2m increase in Santander loan facility, and \$2.5m of strategic review and advisory expenses paid in year).

ThinkSmart is focused on the UK market, being nearly 3 times the size of the Australian market with 65 million consumers. As part of the Transaction, ThinkSmart intends to seek to be admitted to AIM and delist from ASX.

The contract with ThinkSmart's existing partner, Dixons, has now been extended to 2019 for both Business and Consumer leasing. In addition, following the merger of Dixons with Carphone Warehouse to create a joint company with potential revenues of £10bn and an extensive store network with in excess of 1,000 stores, ThinkSmart has agreed a 5 year exclusive contract to provide Carphone Warehouse with multi-channel lease finance for mobile phones which is expected to be launched in the UK, subject to a number of conditions precedent, in the fourth quarter of 2016. ThinkSmart also has arrangements with a range of retailers offering point-of-sale lease financing for a variety of items including bicycles and photographic and catering equipment. ThinkSmart will continue to refresh products aligned to its partners' commercial objectives to assist them in creating a differentiated proposition in their markets.

ThinkSmart continues to invest to enhance its sector leading software and processing IP. Recent examples include the new multi-leasing customer account proposition, launched with Dixons in July 2016, and ThinkSmart's online basket integration and mobile application.

There are further opportunities to introduce ThinkSmart's existing multi-channel point of sale account finance solutions to other retailers with customers who want all the benefits of the latest technology or product features with the flexibility to upgrade products as their needs develop.

The strategic focus for the business for 2016 – 17 is:

- significant growth in active customer base (including via the Carphone Warehouse contract);
- maximise margins through efficient on balance sheet funding and continued systemic bad debt management;
- improvements in operational leverage benefiting from scale reduction in per unit operating costs; and
- new mobile leasing product targeted to achieve immediate and significant volume growth, with profit spread across the term of each contract through lease accounting, and increasing over time through the high level of anticipated repeats.

6.6 What is the price of ThinkSmart Shares?

The price of ThinkSmart Shares is quoted on ASX and can be observed (subject to certain time delays) on the ASX website at www.asx.com.au by reference to ThinkSmart's ASX code (TSM).

The price of ThinkSmart Shares at market close on 27 September 2016 was \$0.345.

The highest and lowest close prices and the volume weighted average prices of ThinkSmart Shares during each of the preceding five calendar months were as follows:

Share Price (\$)	May	June	July	August	September
Highest Closing Price	0.485	0.485	0.41	0.435	0.40
Lowest Closing Price	0.455	0.355	0.35	0.39	0.34
Volume Weighted Average Price	0.470	0.409	0.391	0.413	0.362

The price performance of ThinkSmart Shares for the year to 27 September 2016 is set out below:



Source: ASX.

The price of ThinkSmart Shares may be, or may move, lower or higher than the Buy-Back Price. It may also vary significantly in the future. You may be able to sell your ThinkSmart Shares on ASX (or subsequently on AIM post-admission) for a price which is higher or lower than the Buy-Back Price.

6.7 What will be the impact of the Buy-Back Tender on control of ThinkSmart?

Mr Montarello (and entities controlled by Mr Montarello) holds 30,311,036 ThinkSmart Shares. This gives Mr Montarello voting power of 26.2% (based on 115,477,922 ThinkSmart Shares on issue).

Mr Montarello (the Executive Chairman of ThinkSmart) has indicated that he will not participate in the Buy-Back Tender.

The table below sets out the possible effect of the Buy-Back Tender on Mr Montarello's voting power under a range of scenarios (on the basis that 115,477,922 ThinkSmart Shares are on issue and that Mr Montarello will not participate in the Buy-Back Tender).

ThinkSmart Shares bought back	Mr Montarello's voting power
2,500,000	26.8%
5,000,000	27.4%
7,500,000	28.1%
10,000,000 (being the maximum number of ThinkSmart Shares that may be bought back under the Buy-Back Tender)	28.7%

6.8 Will directors participate in the Buy-Back Tender?

The directors are entitled to participate in the Buy-Back Tender in the same manner as other shareholders.

7 Additional information on the Buy-Back Tender

7.1 What are the implications for shareholders who own more than one holding of ThinkSmart Shares?

You will receive a Tender Form for each separate registered holding of ThinkSmart Shares that you have (for example, if you hold some ThinkSmart Shares in your name and some ThinkSmart Shares jointly with your spouse, you will receive two Tender Forms). You may Tender ThinkSmart Shares in the Buy-Back Tender from any or all of your separate registered holdings provided that you follow instructions and complete each Tender Form for each holding from which you wish to Tender. Each registered holding will be treated separately.

Note that if any of your separate registered holdings comprises 4,846 ThinkSmart Shares or fewer, in order to participate in the Buy-Back Tender in respect of that holding you must Tender all of the ThinkSmart Shares in that holding.

Any scale back that applies to ThinkSmart Shares tendered from more than one of your registered holdings of ThinkSmart Shares will be applied to each of your registered holdings as if they were held by different persons.

7.2 What are the implications for joint ThinkSmart shareholders?

If you hold your ThinkSmart Shares jointly with another person (for example, your spouse) you must complete and return the Tender Form in accordance with the instructions for joint holdings on the Tender Form.

7.3 What are the implications for ThinkSmart Shares being held by trustees and nominees?

Trustees and nominees who hold ThinkSmart Shares should inform the beneficial owners of the ThinkSmart Shares about the Buy-Back Tender, subject to any legal restrictions in the countries where those beneficial owners are resident.

It is the responsibility of trustees and nominees to complete one aggregated Tender on behalf of all relevant beneficial owners.

Any scale back that applies to ThinkSmart Shares tendered by trustees and nominees will be performed on a registered shareholder basis.

7.4 What are the implications for ThinkSmart Shares held under margin lending arrangements?

If you hold ThinkSmart Shares under margin lending arrangements or if the ThinkSmart Shares are held as security for a loan, you should ensure that your participation in the Buy-Back Tender is permitted by those margin lending arrangements or that loan documentation.

7.5 Can my rights under the Buy-Back Tender Invitation be transferred?

No. You cannot transfer your rights under the Buy-Back Tender Invitation. Those rights are personal to you.

7.6 What is the effect of submitting a Tender?

A Tender constitutes an offer to sell the tendered ThinkSmart Shares to ThinkSmart on the terms and conditions set out in the Buy-Back Tender Documents. A Tender does not, of itself, constitute a binding contract for the sale of tendered ThinkSmart Shares and cannot be enforced against ThinkSmart. ThinkSmart retains discretions to accept or reject any Tenders, and may choose to reject all Tenders.

If ThinkSmart accepts your Tender, a binding Buy-Back Tender Contract is formed between you and ThinkSmart, and you must sell to ThinkSmart the number of ThinkSmart Shares that ThinkSmart determines to buy back from you (which will not exceed the number of ThinkSmart Shares you have tendered) on the terms and conditions set out in the Buy-Back Tender Documents, including the terms and conditions below.

By submitting a Tender, you:

- agree to the terms and conditions set out in the Buy-Back Tender Documents;
- offer to sell to ThinkSmart on the Buy-Back Date the number of ThinkSmart Shares nominated for sale on your Tender Form (adjusted in accordance with the terms and conditions set out in the Buy-Back Tender Documents) at your nominated Tender Price(s) or as a Final Price Tender;
- agree that ThinkSmart's announcement to ASX on the Buy-Back Date is:
 - effective notice to you of ThinkSmart's acceptance of Tenders submitted by you at a Tender Price less than or equal to the Buy-Back Price or as a Final Price Tender (adjusted in accordance with the terms and conditions set out in the Buy-Back Tender Documents), which are submitted in accordance with the Buy-Back Tender Documents (or treated by ThinkSmart as being so submitted), which are not rejected by ThinkSmart; and
 - effective notice to you of ThinkSmart's rejection of any Tenders submitted by you at a Tender Price greater than the Buy-Back Price;
- agree that it is only upon such communication by announcement to ASX that a Buy-Back Tender Contract is formed for the purchase of ThinkSmart Shares;
- waive any requirements to receive further communication from ThinkSmart of its acceptance or rejection of any Tender submitted by you;
- warrant to ThinkSmart that at all times after you Tender your ThinkSmart Shares for sale in the Buy-Back Tender, and on the day of the Buy-Back Date, you are the registered holder of the ThinkSmart Shares that you have tendered and that they are free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third party rights;
- warrant to ThinkSmart that you are a person:
 - to whom the Buy-Back Tender Invitation may be lawfully made (on the terms and conditions set out in the Buy-Back Tender Documents) under the laws of the jurisdiction in which you are a resident; and
 - who may Tender ThinkSmart Shares, and who may receive payment from ThinkSmart for those ThinkSmart Shares, in accordance with the terms and conditions set out in the Buy-Back Tender Documents without either you or ThinkSmart contravening any of the laws of the jurisdiction in which you are a resident.
- authorise ThinkSmart (and its officers, agents or contractors) to correct any error in or omission from your Tender Form and/or your Withdrawal/Amendment Form, and to insert any missing details;
- acknowledge that neither ThinkSmart nor any other party involved in the Buy-Back Tender has provided you with financial product advice or any ThinkSmart Shares recommendation, or has any obligation to provide this advice or any ThinkSmart Shares recommendation, concerning your decision to participate in the Buy-Back Tender or the manner of any such participation;
- undertake not to sell, or offer to sell, ThinkSmart Shares to any other person if, as a result, you will at any time after submission of your Tender until the Buy-Back Date hold fewer ThinkSmart Shares than the number of ThinkSmart Shares you have tendered;

- agree that damages are not an adequate remedy for breach of the covenants, undertakings, agreements and warranties in the Buy-Back Tender Documents; and
- undertake that if you breach any of the covenants, undertakings, agreements or warranties in the Buy-Back Tender Documents you will indemnify ThinkSmart for all its liabilities, damages, losses, costs and expenses arising from the breach.

You will be taken to have submitted a Tender when the Registry receives your signed and validly completed Tender Form or, if you have a CHESS holding, you Tender from your Controlling Participant through CHESS.

7.7 What are ThinkSmart’s rights to accept or reject Tenders and Tender Forms?

At any time, ThinkSmart may (in its discretion):

- accept or reject a Tender or Tender Form; and
- accept or reject a Tender not made on the terms and conditions set out in the Buy-Back Tender Documents, or a Tender Form not submitted in accordance with the procedures set out in the Buy-Back Tender Documents.

ThinkSmart may do each of these things in relation to all, or some of, the Tenders or the Tender Forms it receives, in its absolute discretion.

7.8 What are ThinkSmart’s rights to vary or terminate the Buy-Back Tender?

ThinkSmart may, in its absolute discretion, vary the dates and times of or terminate the Buy-Back Tender at any time on or before the Buy-Back Date by making an announcement to that effect to ASX (without otherwise specifically notifying any security holder). Such an announcement will be taken to vary this booklet (and the other Buy-Back Tender Documents) accordingly.

7.9 What are ThinkSmart’s rights to adjust Tenders?

If you are an Eligible Shareholder, you are entitled to Tender in the Buy-Back Tender the lesser of:

- the number of ThinkSmart Shares registered in your name on the Buy-Back Record Date (and which, in accordance with the ASX Settlement Operating Rules, confer an entitlement to participate in the Buy-Back Tender); and
- the number of ThinkSmart Shares you hold on the Closing Date

(your **Entitled ThinkSmart Shares**).

If you sell, offer to sell or otherwise transfer any ThinkSmart Shares after you submit a Tender, and at the Buy-Back Date you do not hold at least the number of ThinkSmart Shares you have successfully tendered, ThinkSmart may, in its absolute discretion, reject your Tenders (in whole or in part) or treat your Tenders as if you had tendered the number of ThinkSmart Shares held by you as at the Closing Date.

If you submit one Tender and it is more than your Entitled ThinkSmart Shares and ThinkSmart accepts your Tender, ThinkSmart will buy back the number of your Entitled ThinkSmart Shares (subject to any scale back).

If you submit one or more Tenders and, in aggregate, you have tendered more than your Entitled ThinkSmart Shares, ThinkSmart will buy back only the number of your Entitled ThinkSmart Shares (subject to any scale back) in the following order of priority:

- first, buy back your Entitled ThinkSmart Shares tendered at the lowest Tender Price which is less than or equal to the Buy-Back Price;

- next, buy back your Entitled ThinkSmart Shares tendered at the next lowest Tender Price which is less than or equal to the Buy-Back Price; and
- repeat this process until all of your Entitled ThinkSmart Shares tendered at Tender Prices lower than or equal to the Buy-Back Price are bought back.

A Final Price Tender will be treated as a Tender at the Buy-Back Price for the purposes of this procedure.

7.10 How will the Buy-Back Tender proceeds be paid?

ThinkSmart will pay you the Buy-Back price for each of your ThinkSmart Shares that are bought back, unless it is prohibited from doing so by law (in which case those ThinkSmart Shares will not be bought back).

If you have a direct credit authority for payments in relation to your ThinkSmart Shares recorded by the Registry on the Closing Date (4 November 2016), all proceeds due to you under the Buy-Back Tender will be credited to your nominated account. If you wish, you may change your current direct credit instructions by providing written instructions to the Registry before the Closing Date – please note that if you do alter your nominated bank account details, this will be taken to be your nominated bank account for future distribution payments by ThinkSmart.

In all other cases, you will be sent (at your risk) a cheque for the Buy-Back Tender proceeds in Australian dollars to your address as recorded by the Registry on the Closing Date (4 November 2016).

Payments to these accounts and the dispatch of cheques to those addresses will satisfy ThinkSmart's obligations to pay for any ThinkSmart Shares bought back.

7.11 Can I trade my ThinkSmart Shares after I submit a Tender?

Once you have Tendered ThinkSmart Shares in the Buy-Back Tender, you must not:

- sell or offer to sell those ThinkSmart Shares;
- convert those ThinkSmart Shares from an Issuer Sponsored Holding to a CHESS Holding or vice versa; or
- move those ThinkSmart Shares between CHESS Holdings (for example, by changing your Controlling Participant).

Once you have submitted a Tender, you will be taken to have consented to a holding lock being placed on those ThinkSmart Shares which you have tendered. You will not be able to successfully deal with those ThinkSmart Shares until those ThinkSmart Shares are released from the lock which is placed on them. ThinkSmart Shares that are not bought back will be released as soon as practicable after the Buy-Back Date, and in any event by no later than the opening of trade on ASX on the second trading day after the Closing Date.

For ThinkSmart Shares to be released before the Buy-Back Date you must withdraw or amend your Tender for the corresponding ThinkSmart Shares to be released. It should be noted that withdrawals and amendments may not take immediate effect. ThinkSmart Shares that are withdrawn will be released as soon as practicable and in any event, by not later than the opening of trade on ASX on the second trading day after the Registry receives the Withdrawal/Amendment Form (or, for CHESS Holders, after it is processed by your Controlling Participant).

Any ThinkSmart Shares that you have not tendered into the Buy-Back Tender (or that have been validly withdrawn from the Buy-Back Tender and released) may be sold or otherwise dealt with by you in the ordinary manner.

7.12 Can I still vote my ThinkSmart Shares after I submit a Tender?

You will still be entitled to vote after you Tender your ThinkSmart Shares in the Buy-Back Tender (in accordance with the voting rights attached to those ThinkSmart Shares) at any ThinkSmart shareholders' meeting that is held on or before the Closing Date.

7.13 ASIC relief

ASIC has granted ThinkSmart an exemption under section 257D(4) of the Corporations Act to permit ThinkSmart:

- to conduct the Buy-Back Tender similarly to the conduct of an equal access scheme;
- to utilise the scale back mechanism described in this booklet;
- to invite all shareholders to offer for sale any number of ThinkSmart Shares to the ThinkSmart rather than ThinkSmart offering to buy back such ThinkSmart Shares; and
- to seek approval by ordinary resolution of its shareholders of the purchase of 10,000,000 ThinkSmart Shares under the Buy-Back Tender (which approval was granted at the Extraordinary General Meeting on 29 September 2016).

Accordingly, ThinkSmart is not required to approve the Buy-Back Tender in accordance with section 257D of the Corporations Act (which requires approval of the terms of a selective buy-back by a special resolution on which no votes are cast by persons whose Shares are proposed to be bought back or their associates).

7.14 ASX relief

ASX has granted ThinkSmart a waiver to permit ThinkSmart to conduct the Buy-Back Tender on the timetable set out in the 'Important dates' section of this booklet.

7.15 Financial services

Neither ThinkSmart nor any related body corporate, nor any director or employee of any of them nor any associate is receiving any remuneration or other benefits in respect of, or that is attributable to, the provision of advice by ThinkSmart. Other than as disclosed in the booklet, there are no associations or relationships between ThinkSmart, or any related body corporate, and the issuers of any financial products, being associations or relationships that might reasonably be expected to be capable of influencing ThinkSmart in providing the advice referred to above.

7.16 Privacy

ThinkSmart is carrying out the Buy-Back Tender in accordance with the Corporations Act. This involves the collection of personal information contained in Tender Forms to enable ThinkSmart to process your Tender. If you do not provide this information, ThinkSmart may be hindered in, or prevented from, processing your Tender.

The personal information collected by ThinkSmart will only be disclosed to the Registry, to print and mail service provider, to ThinkSmart's advisers in relation to the Buy-Back Tender and to financial institutions in respect of payments to you in connection with the Buy-Back Tender, or as required or authorised by law.

If you wish to access the individual information collected by ThinkSmart in relation to your security holding, please write to ThinkSmart, c/- the Registry at the mailing address set out in the Tender Form.

7.17 Applicable law

The Buy-Back Tender Documents are governed by the laws of Western Australia, Australia.

8 Definitions and interpretation

8.1 Definitions

In the Buy-Back Tender Documents, unless the context otherwise requires:

\$ means Australian Dollars.

ABN means an Australian Business Number.

AIM means the AIM market of London Stock Exchange plc.

Alphagen means Alphagen Volantis Catalyst Fund II Limited, a fund managed by Alphagen Capital Limited (part of Henderson Global Investors).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market it operates (as the context requires).

ASX Settlement means the securities clearing house of ASX.

ASX Settlement Rules means the rules that form part of the operating rules of ASX Settlement.

ATO means the Australian Taxation Office.

Board means the board of directors of ThinkSmart.

Buy-Back Acceptance means the date on which ThinkSmart will enter into the Buy-Back Tender Contract with shareholders whose ThinkSmart Shares are bought back (being 7 November 2016).

Buy-Back Date means the date and time ThinkSmart announces to ASX the Buy-Back Price, the total number of ThinkSmart Shares to be bought back and the details of any scale back.

Buy-Back Period means 4 October 2016 to 4 November 2016.

Buy-Back Price means the lowest price in the Tender Range at which ThinkSmart will be able to buy back the amount of ThinkSmart Shares that ThinkSmart determines ThinkSmart is to buy back under the Buy-Back Tender.

Buy-Back Record Date means 6 September 2016.

Buy-Back Tender means the off-market buy-back tender of ThinkSmart Shares as set out in the Buy-Back Tender Documents.

Buy-Back Tender Contract means the binding contract formed between you and ThinkSmart if ThinkSmart determines to buy your ThinkSmart Shares in the Buy-Back Tender.

Buy-Back Tender Documents means this booklet, the Tender Form and the Withdrawal/Amendment Form.

Buy-Back Tender Information Line means the telephone number to call for further information regarding the Buy-Back Tender

Buy-Back Tender Invitation means the invitation by ThinkSmart to Eligible Shareholders to offer to sell ThinkSmart Shares as set out in the Buy-Back Tender Documents.

CHES means the Clearing House Electronic Subregister System.

CHES Holder means a holder of ThinkSmart Shares on the CHES subregister of ThinkSmart.

CHES Holding means a holding of ThinkSmart on the CHES subregister of ThinkSmart.

Closing Date means 7.00pm (Sydney time) on 4 November 2016, unless ThinkSmart announces a later date.

Controlling Participant means a person that has the capacity in CHESS to act on a shareholder's instructions in relation to the relevant ThinkSmart Shares.

Corporations Act means the *Corporations Act 2001* (Cth).

Ex-Entitlement Date means 7.00pm (Sydney time) on 5 September 2016.

Eligible Shareholder means any person with ThinkSmart Shares registered in their name on the Buy-Back Record Date, and which, in accordance with the ASX Settlement Rules, confer an entitlement to receive the Buy-Back Tender Invitation.

Entitled ThinkSmart Shares means the number of ThinkSmart Shares registered in your name on the Buy-Back Record Date (and which, in accordance with the ASX Settlement Operating Rules, confer an entitlement to participate in the Buy-Back Tender) and the number of ThinkSmart Shares you hold on the Closing Date.

EPS means earnings per ThinkSmart Share.

Extraordinary General Meeting means the extraordinary general meeting of ThinkSmart held on 29 September 2016.

Final Price Tender means a Tender in which the shareholder elects to receive the Buy-Back Price as determined by ThinkSmart in accordance with the Buy-Back Tender process.

GST means the Goods and Services Tax.

Issuer Sponsored Holder means a holder of ThinkSmart Shares on the issuer sponsored subregister of ThinkSmart.

Issuer Sponsored Holding means a holding of ThinkSmart Shares on the issuer sponsored subregister of ThinkSmart.

Priority Allocation means 4,846 ThinkSmart Shares, or such lesser number of ThinkSmart Shares as is required to ensure that ThinkSmart is able to buy back only the number of ThinkSmart Shares it determines to buy back under the Buy-Back Tender.

Registry means Computershare Investor Services Limited (ABN 48 078 279 277).

Small Residual Holding means 1,212 ThinkSmart Shares and will occur if a shareholder submits tenders in respect of 100% of their ThinkSmart Shares at or below the Buy-Back Price, and would otherwise be left with a shareholding of \$500 worth of ThinkSmart Shares, or fewer, as a result of the scale back (except if the holder has become the registered holder of more ThinkSmart Shares as at the Closing Date than were held by the holder as at the Buy-Back date Record Date).

Temporary Budget Repair Levy means a levy, announced as part of the 2014-15 Federal budget, of 2% applied from 1 July 2014 to the 2014-15, 2015-16 and 2016-17 financial years on that part of a person's taxable income which exceeds \$180,000.

Tender means a shareholder's offer to sell nominated ThinkSmart Shares back to ThinkSmart at a specified Tender Price or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents as amended in accordance with the procedures set out in the Buy-Back Tender Documents.

Tender Form means the form of offer by a shareholder to sell its nominated ThinkSmart Shares to ThinkSmart, which is enclosed with this booklet and includes a Tender Form amended in accordance with the procedures set out in the Buy-Back Tender Documents.

Tender Period means the period within which shareholders may lodge, withdraw or amend a Tender in accordance with the Buy-Back Tender Documents.

Tender Price means the specified prices within the Tender Range at \$0.01 intervals.

Tender Range means the range of Tender Prices between \$0.38 and \$0.55 (inclusive), at which security holders can submit Tenders.

Transaction means the transaction as described in section 1.1 above.

TFN means an Australian Tax File Number.

ThinkSmart means ThinkSmart Limited (ABN 24 092 319 698).

ThinkSmart Share means a registered ordinary share in ThinkSmart.

VWAP means the volume weighted average price as described in section 5.2 above.

Withdrawal/Amendment Form means the form entitled 'Withdrawal/Amendment Form', available on request from the Buy-Back Tender Information Line, that is required to withdraw or amend a previously submitted Tender.

You or shareholder means a holder of ThinkSmart Shares.

8.2 Interpretation

In the Buy-Back Tender Documents, unless the context otherwise requires,

- the singular includes the plural, and vice versa;
- words importing one gender include other genders;
- other parts of speech and grammatical forms of a word or phrase defined in this booklet have a corresponding meaning;
- terms used in the Buy-Back Tender Documents and defined in the Corporations Act have the meanings given to them in the Corporations Act;
- 'including' or 'includes' are not words of limitation;
- A reference to currency is to Australian dollars; and
- A reference to time is to Sydney time.

The postal acceptance rule does not apply to tenders.

Corporate directory

ThinkSmart Limited

Suite 5
531 Hay Street
Subiaco WA 6008, Australia

Telephone: +61 8 9380 8333
Facsimile: +61 8 9380 8300
Email: investor@thinksmartworld.com

Directors

Ned Montarello
Keith Jones
Peter Gammell
Fernando de Vicente

Secretary

Neil Hackett

THINKSMART

ThinkSmart Limited

ABN 24 092 319 698

Please insert your name and address details

Please insert your Securityholder Reference Number (SRN) or Holder Identification Number (HIN)

I/we tender the following ThinkSmart Shares to ThinkSmart Limited at the specified Tender Price(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Tender Booklet:

B Insert the number of ThinkSmart Shares (if any) you wish to tender as a Final Price Tender.

_____ as a FINAL PRICE TENDER

C Insert the number of ThinkSmart Shares (if any) you wish to tender next to the Tender Price(s) at which you wish to tender those ThinkSmart Shares. If you own 4,846 ThinkSmart Shares or fewer on the Buy-Back Record Date, you must tender all of your ThinkSmart Shares if you wish to participate. If you own more than 4,846 ThinkSmart Shares on the Buy-Back Record Date, you must tender no more than the number of ThinkSmart Shares shown in Box A.

_____	at a	\$0.38	Tender Price	_____	at a	\$0.47	Tender Price
_____	at a	\$0.39	Tender Price	_____	at a	\$0.48	Tender Price
_____	at a	\$0.40	Tender Price	_____	at a	\$0.49	Tender Price
_____	at a	\$0.41	Tender Price	_____	at a	\$0.50	Tender Price
_____	at a	\$0.42	Tender Price	_____	at a	\$0.51	Tender Price
_____	at a	\$0.43	Tender Price	_____	at a	\$0.52	Tender Price
_____	at a	\$0.44	Tender Price	_____	at a	\$0.53	Tender Price
_____	at a	\$0.45	Tender Price	_____	at a	\$0.54	Tender Price
_____	at a	\$0.46	Tender Price	_____	at a	\$0.55	Tender Price

D TOTAL NUMBER OF THINKSMART SHARES TENDERED
Add up the number of ThinkSmart Shares in Boxes B and C and write that number in Box D.

The number of ThinkSmart Shares in Box D must not be more than the number in Box A.

E Please provide your contact details in case we need to speak to you about your Withdrawal/Amendment Form:

_____ / / _____
Contact Name **Contact Daytime Telephone** **Date**

F Please sign within the appropriate boxes below. By signing this form you confirm that you have read the terms and conditions of the Buy-Back and you agree to the terms and conditions set out in the Buy-Back Tender Booklet and on the reverse of this form.

Individual or Joint Shareholder 1

Sole Director and Sole Company Secretary

Joint Shareholder 2

Director/Company Secretary

Joint Shareholder 3

Director

Tender Withdrawal/Amendment Form

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

Please refer to the instructions on the back of this form.

Tick one box only. One box must be completed.

Withdrawal: I/we withdraw my/our previous Tender(s) in accordance with the Buy-Back Tender Booklet (complete Box F only).

OR

Amendment: I/we withdraw my/our previous Tender(s) in accordance with the Buy-Back Tender Booklet and wish to submit a replacement Tender(s) as set out below (complete Boxes A to F).

A Insert the number of ThinkSmart Shares you can tender as at 6 September 2016

Withdrawing or Amending your Tender(s)

Shareholders who have tendered their ThinkSmart Shares into the Buy-Back and who now wish to either withdraw or amend their Tender(s) must lodge this Withdrawal/Amendment Form.

How to complete the Withdrawal/Amendment Form

The instructions below are cross-referenced to the relevant section of this form. Defined terms have the same meaning as in the Buy-Back Tender Booklet.

Please complete the form using black ink only. Mark only one of the two boxes:

Withdrawal – Tick the “Withdrawal” Box if you wish to withdraw your previous Tender(s) and you do not wish to submit a new replacement Tender(s). **Please complete Box F.**

or **Amendment** – Tick the “Amendment” Box if you wish to amend your previous Tender(s) and submit a new replacement Tender(s). **Please complete Box A through to Box F.**

A	Insert the total number of ThinkSmart Shares registered in your name as at 6 September 2016 that confer an entitlement to participate in the Buy-Back. If you wish to participate in the Buy-Back, you can offer to sell some or all of these ThinkSmart Shares to ThinkSmart Limited by ticking the Amendment box and following the instructions set out below. If you need to check the total number of ThinkSmart Shares you may tender into the Buy-Back, please call the ThinkSmart Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia).			
B	Final Price Tender Insert the number of ThinkSmart Shares (if any) you wish to tender as a Final Price Tender.	AND/OR	C	Tender Price Insert the number of ThinkSmart Shares (if any) you wish to tender at the specified Tender Price. You may offer to sell parcels of ThinkSmart Shares at up to 18 different specified Tender Prices. Each parcel is treated as a separate tender. If you own 4,846 ThinkSmart Shares or fewer on the Buy-Back Record Date, you must tender all of your ThinkSmart Shares if you wish to participate at only one Tender Price, or tender all of your ThinkSmart Shares as a Final Price Tender. If you own more than 4,846 ThinkSmart Shares on the Buy-back Record Date, you must tender no more than the number of ThinkSmart Shares shown in Box A. You may tender some or all of your ThinkSmart Shares (tendering a minimum of 4,846 ThinkSmart Shares) at one or more Tender Prices and/or as a Final Price Tender.
D	After indicating the number of ThinkSmart Shares you wish to tender as a Final Price Tender (Box B) and/or at a specified Tender Price(s) (Box C), you need to add up the number of ThinkSmart Shares in Boxes B and C and write the total in Box D. Note that the number of ThinkSmart Shares in Box D must not be more than the number of ThinkSmart Shares in Box A. If the number of ThinkSmart Shares in Box D is more than the number of ThinkSmart Shares in Box A, you will be deemed to have offered only the number of ThinkSmart Shares shown in Box A.			
E	Please provide your contact details in case we need to speak to you about your Withdrawal/Amendment Form.			
F	You must sign this form in Box F. By signing and returning this Withdrawal/Amendment Form, you acknowledge that you have read and understood the Buy-Back Tender Booklet and agree to withdraw your Tender or agree to amend your Tender and agree to, and make an offer to, sell your ThinkSmart Shares on the terms and conditions set out in the Buy-Back Tender Booklet (including the warranties, authorisations and undertakings set out in Section 7.6 of the Buy-Back Tender Booklet).			
	Individual holders	Where a holding is in one name, the registered shareholder must sign.		
	Joint holders	All holders must sign.		
	Under Power of Attorney	If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.		
	Deceased Estate	All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.		
	Company	This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.		

Payment for ThinkSmart Shares bought back

ThinkSmart Limited expects to despatch payment for ThinkSmart Shares bought back no later than 10 November 2016.

Submitting your Withdrawal/Amendment Form

CHESSE Holdings

You will need to contact your controlling participant (usually your broker) in sufficient time for your controlling participant to process your Withdrawal/Amendment Form no later than 7.00pm (AEDT) on 4 November 2016. **Do not send your Withdrawal/Amendment Form to the Registry.**

Issuer Sponsored Holdings

Your completed Withdrawal/Amendment Form must be received no later than 7.00pm (AEDT) on 4 November 2016.

By mail:

ThinkSmart Limited Buy-Back Tender
C/o Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001
AUSTRALIA

This Withdrawal/Amendment Form relates to the ThinkSmart Limited Buy-Back Tender Booklet dated 4 October 2016 and should be read in conjunction with that booklet.

If you require further information on how to complete this form please contact the ThinkSmart Buy-Back Tender Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia).

WITHDRAWAL/AMENDMENT FORMS MUST BE RECEIVED BY 7.00PM (AEDT) ON 4 NOVEMBER 2016.

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