

This **Subscription Agreement** is made on the _____ day of _____ 2015

Between **Chatham Rock Phosphate Limited**, a New Zealand incorporated company holding the company number 1508940 (the **Company**)

and _____ (*insert full legal name*) of the address provided on the execution page to this Agreement (**Investor**)

Introduction

- A. The Company is a New Zealand listed company involved in rock phosphate mining projects.
- B. The Investor wishes to invest in the Company by subscribing for Subscription Shares.
- C. This Agreement records the terms and conditions upon which the Investor will invest in the Company.

It is agreed

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Agreement means this Agreement;

Associated Person has the meaning given to it in the Listing Rules;

Business Day means a day (other than a Saturday or Sunday) on which retail banks are open for the transaction of normal business in Auckland, New Zealand;

Companies Act means the Companies Act 1993;

FMCA means the Financial Markets Conduct Act 2013;

Investment Amount means \$_____;

Issue Price means the issue price payable for the Subscription Shares of NZ\$0.006 per Share;

Listing Rules means the listing rules of the NZAX or any other registered market in New Zealand on which Shares are quoted at a relevant time;

NZAX means the NZX Alternative Market operated by NZX or any other registered market on which Shares are quoted at the relevant time;

NZX means NZX Limited;

Safe Harbour Certificate means the certificate contained in Schedule One of this Agreement;

Shares means fully paid ordinary shares in the capital of the Company;

Subscription Date means five (5) Business Days following the date of this Agreement;

Share Registrar means Computershare Investor Services Limited; and

Subscription Shares means a number of Shares determined by dividing the Investment Amount by the Issue Price.

1.2 General references

In this Agreement, any reference to:

- (a) a **person** includes an individual, body corporate, an association of persons (whether corporate or not), a trust, estate and agency of a state (in each case, whether or not having separate legal personality and whether incorporated or existing in New Zealand or elsewhere);
- (b) a **clause** is to a clause in this Agreement;
- (c) one gender includes each other gender;
- (d) the singular includes the plural and *vice versa*;
- (e) references to money are to New Zealand dollars unless expressly stated otherwise; and
- (f) an **agreement** includes that agreement as amended, supplemented, novated or substituted from time to time.

1.3 **Headings**

Headings are to be ignored in construing this Agreement.

2. **SUBSCRIPTION SHARES**

2.1 **Subscription**

On or prior to the Subscription Date the Investor agrees to subscribe for the Subscription Shares by paying the Investment Amount to the Company by deposit to the bank account of the Company at ANZ Bank, account number 01 0505 0240747 00.

2.2 **Allotment and Announcement**

Subject to receipt of cleared funds in accordance with clause 2.1 above, the Company will on the Subscription Date issue the Subscription Shares and:

- (a) procure that the Share Registrar enters the Investor's name in the Company's share register, as the holder of the Subscription Shares; and
- (b) make an announcement to NZX in relation to the issue of the Subscription Shares in compliance with its obligations under the Listing Rules.

2.3 **Disclosure**

The Investor will lodge, or authorises the Company and its agents to prepare and lodge on its behalf, if legally required to do so, a substantial product holder notice with the Company and NZX in compliance with its obligations under the FMCA.

3. **INVESTOR ACKNOWLEDGEMENTS**

3.1 **Investor**

The Investor acknowledges and agrees:

- (a) that the offer of the Subscription Shares is made only to persons to whom Schedule 1 to the FMCA applies and that such offer is not a 'regulated offer' for the purpose of Section 41 of the FMCA. The Investor acknowledges that the Company may terminate this Agreement and refund any subscription monies received if it is not satisfied by the Subscription Date that the Investor is a person coming within the provisions of Schedule 1 to the FMCA;
- (b) and warrants that the Investor has understood and correctly completed the Safe Harbour Certificate;

- (c) that subject to the terms and conditions in this Agreement, that the Investor is agreeing to subscribe for the Subscription Shares on the basis of their own assessment of the investment and not in reliance on any representation from the Company, its directors, officers, or any other Associated Person of the Company; and
- (d) and warrants that, on execution and delivery of this Agreement by the Investor, that such execution and delivery, and the performance by the Investor of its obligations under this Agreement:
 - (i) will have been validly authorised by all necessary action on its part;
 - (ii) will not contravene any law binding on it;
 - (iii) will not contravene its incorporation or constitutional documents; and
 - (iv) will not contravene the provisions of, or constitute a default under, any other material agreement to which it is a party or by which any of its assets are bound.

3.2 Chatham Rock Phosphate Limited

The Company covenants to the Investor that:

- (a) the Subscription Shares will be issued:
 - (i) to the Investor fully paid and free of all liens, charges, encumbrances or other adverse interests;
 - (ii) on terms identical to, and will rank pari passu in all respects with, all of the Shares on issue at the time the Subscription Shares are issued; and
 - (iii) in accordance with the Listing Rules (where applicable) and the Companies Act 1993,
- (b) the execution, delivery and performance by the Company of its obligations under this Agreement will not contravene or constitute a material breach or default under any applicable law, regulation, Listing Rule, order, judgment, permit or consent, or under any provision contained in any deed, agreement or instrument by which the Company, or any material part of its business or any of its material assets, is bound or affected, in any relevant jurisdiction (including the constitution of the Company);
- (c) the Company has been duly incorporated and is validly existing under the laws of New Zealand, and the constitution of the Company permits the Company:
 - (i) to own its assets;
 - (ii) to carry on its business as it is now being conducted, and is proposed to be conducted, in a manner consistent with the disclosures made to NZX by the Company; and
 - (iii) execute, deliver and perform this Agreement,

and all material consents, authorisations, licences, permits or any governmental or other authority (whether in New Zealand or elsewhere) necessary for the Company to hold for such purposes have been duly obtained and are expected by the Company to remain in full force and effect.

4. MISCELLANEOUS

4.1 Non-waiver

Failure or delay by a party in exercising any right with respect to any matter arising under, or in connection with, this Agreement does not constitute a waiver of that right. A waiver of any right under this Agreement is only effective if it is in writing and is executed by the party waiving that right.

4.2 Notices

Unless provided otherwise in this clause 4.2 or any other provision of this Agreement, each notice or other communication under this Agreement is to be by email (PDF), personal delivery or by post to the addressee at the email address or physical address, and is to be marked for the attention of the person or office holder (if any), from time to time designated for the purpose by the addressee to the other parties. The initial email address and physical address and relevant person or office holder of each party is set out under its name at the end of this Agreement. No notice or other communication is to be effective until received. A notice or other communication will, however, be deemed to be received by the addressee:

- (a) in the case of an email transmission, when successfully sent to the addressee's email address;
- (b) in the case of personal delivery, when delivered; and
- (c) in the case of a letter, on the fourth Business Day after posting by airmail,

unless it would be deemed received on a day that is not a Business Day or after 5:00 p.m. on a Business Day in which case it is to be deemed received at 9:00 a.m. on the next succeeding Business Day.

4.3 Severability

If any of the provisions of this Agreement are invalid or unenforceable, the invalidity or unenforceability is not to affect the operation, construction or interpretation of any other provision of this Agreement, with the intent that the invalid or unenforceable provision is to be treated for all purposes as severed from this Agreement.

4.4 Entire agreement

This Agreement constitutes the entire agreement of the parties on the subject matter of this Agreement and except as expressly provided supersedes any and all prior negotiations, representations and agreements in relation to that subject matter.

4.5 Exclusion of implied terms

All terms and conditions relating to this Agreement that are implied by law are excluded to the maximum extent permitted by law.

4.6 Assignment

Neither party may transfer its interest in, or its rights and obligations under, this Agreement, without the prior written consent of the other party.

4.7 Amendment

This Agreement may only be amended by an instrument in writing signed by the parties.

4.8 Counterparts

- (a) This Agreement may be executed in two or more counterparts (including emailed copies) each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- (b) A party may enter into this Agreement by executing any counterpart.

4.9 **Governing law**

This Agreement is governed by and is to be construed in accordance with New Zealand law. The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of New Zealand.

Execution

Executed as an Agreement.

Chatham Rock Phosphate Limited by

Authorised Person

Print Name

The Investor by

Authorised Signatory

Print Name

Address for Notices

Chatham Rock Phosphate Limited
Level 1
93 the Terrace
Wellington
New Zealand

Attention: Chris Castle

Email: chris@widespread.co.nz

Please complete the following section to provide registration details for your holding of Notes and to facilitate interest payments

Full Legal Name of Holder for Registration: _____

Postal address: _____

Attention: _____

Contact Email: _____

Contact Phone Number: _____

CSN (if any): _____

Please complete the following Safe Harbour Certificate as appropriate.

SCHEDULE ONE – FMCA SAFE HARBOUR CERTIFICATE

Financial Markets Conduct Act 2013 Safe harbour certificate

Warning

The law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision.

If you are a wholesale investor/if you give this certificate, the usual rules do not apply to offers of financial products made to you. As a result, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for these investments.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Offence

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding \$50,000.

This form relates to an offer by **Chatham Rock Phosphate Limited** of ordinary shares (**Financial Products**), (**Offer**). It must be completed by an investor wishing to subscribe for the Financial Products under an exemption contained in Schedule 1 to the Financial Markets Conduct Act 2013.

Please select the option which applies to you below:

OPTION 1 - Wholesale investor exclusion: investment activity

In electing this option, the Investor hereby certifies that the Investor is a wholesale investor within the meaning of clause 3(2) or 36(b) (as the case may be) of Schedule 1 to the Financial Markets Conduct Act 2013 (**FMCA**) due to meeting the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA, on the grounds that one of the following paragraphs applies to the Investor:

- the Investor owns, or at any time during the 2-year period before the relevant time has owned, a portfolio of specified financial products of a value of at least \$1 million (in aggregate); or
- the Investor has, during the 2-year period before the relevant time, carried out 1 or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least \$1 million and the other parties to the transactions are not associated persons of the Investor; or
- the Investor is an individual who has, within the last 10 years before the relevant time, been employed or engaged in an investment business and has, for at least 2 years during that 10-year period, participated to a material extent in the investment decisions made by the investment business, and
- the Investor understands the consequences of certifying himself, herself, or itself to be a wholesale investor.

OPTION 2 - Wholesale investor exclusion: investment business

In electing this option, the Investor hereby certifies that the Investor is a wholesale investor within the meaning of clause 3(2) or 36(b) (as the case may be) of Schedule 1 to the Financial Markets Conduct Act 2013 (**FMCA**) due to being an investment business as specified in clause 37 of Schedule 1 to the FMCA, on the grounds that one or more of the principal activities of the Investor is set out below:

- investing in financial products;
- acting as an underwriter;
- providing a financial adviser service (within the meaning of section 9 of the Financial Advisers Act 2008) in relation to financial products;
- providing a broking service (within the meaning of section 77B of the Financial Advisers Act 2008) in relation to financial products; or
- trading in financial products on behalf of other persons.

OPTION 3 - Large investor exclusion

In electing this option, the Investor hereby certifies that the Investor —

- as at the last day of each of the 2 most recently completed financial years of the person before the relevant time, the net assets of the person and the entities controlled by the person exceeded \$5 million; or
- in each of the 2 most recently completed financial years of the person before the relevant time, the total

— consolidated turnover of the person and the entities controlled by the person exceeded \$5 million.

OPTION 4 - Eligible investor exclusion*

In electing this option and in respect of the offer of the Financial Products described in this **Share Subscription Agreement (Transaction)** the Investor hereby certifies that the Investor understands the consequences of certifying himself, herself, or itself to be an eligible investor on the grounds that the Investor has previous experience in acquiring or disposing of financial products that allows the Investor to assess:

- the merits of the Transaction or class of Transactions (including assessing the value and the risks of the financial products involved);
- A's own information needs in relation to the Transaction or those Transactions; and
- the adequacy of the information provided by any person involved in the Transaction or those Transactions.

*** An independent certification is required. We will provide you with the necessary documentation on receipt of your signed Subscription Agreement**

OPTION 5 - Close business associate exclusion

In electing this option, the Investor hereby certifies that the Investor —

- is a director or senior manager of the offeror or of a related body corporate of the offeror;
- holds or controls 5% or more of the voting products of the offeror;
- is a related body corporate of the offeror;
- holds or controls 20% or more of the voting products of a related body corporate of the offeror;
- is a partner of the offeror or of a director of the offeror (under the Partnership Act 1908);
- is a spouse, civil union partner, or de facto partner of a person who is a close business associate of the offeror;
- is a child, parent, brother, or sister of a person who is a close business associate of the offeror; or
- has a close professional or business relationship with the offeror, or a director or senior manager of the offeror, that allows A to—
 - assess the merits of the offer; or
 - obtain information from the offeror or any other person involved in the offer that will enable A to assess the merits of the offer.