

R H I N O M E D

5 July 2017

Dear Shareholder,

IMPORTANT NOTICE

Rhinomed Limited Less than Marketable Parcel Share Sale Facility

Rhinomed Limited (RNO or “the Company”) is pleased to provide you with an opportunity to sell your shareholding without incurring brokerage or handling costs. This program is open to shareholders who at 7pm (AEST) on 3 July 2017 (**Record Date**) held fully-paid ordinary shares in RNO with a value of less than \$500 (**Less Than Marketable Parcel**).

Our records show that at the Record Date you held Less Than Marketable Parcel of RNO shares and hence you are eligible to participate in this program. This program closes at 5pm (AEST) on 17 August 2017 (**Closing Date**).

The Less Than Marketable Parcel Share Sale Program is being conducted to enable the Company to substantially reduce the administrative cost of managing small shareholdings and to provide investors with small holdings an opportunity to dispose of their holdings in the Company in a cost-effective manner. The Company will bear all costs, including brokerage and stamp duty, related to sales under this program.

The Company reserves its rights to vary any of the relevant dates of the Program (subject to the Constitution of the Company) or to determine that it will not proceed with the Less Than Marketable Parcel Share Sale Program, at any time.

Attached is the ASX announcement dated 5 July 2017 and share retention form.

Information in this letter and in the enclosed personalised Share Retention Form will assist you in making one of two choices:

1) Sell your holding

If you do nothing or complete section B of the ‘Share Sale Election Form’, your RNO shares will be pooled with other RNO shares which are to be sold under the program and will be sold as soon as practicable after the Closing Date, and proceeds will be remitted to you as soon as practical thereafter via direct credit or a cheque.

By refraining from taking any action, after the expiration of the time prescribed in the ASX Listing Rules, you will be deemed to have irrevocably appointed the Company as your agent:-

- (a) to sell all of your shares at a price to be determined by when and how the shares are sold and without any cost being incurred by you; and
- (b) to effect a transfer of your shares on your behalf and deal with the proceeds of the sale as set out in the additional information section below.

You will also be deemed to have appointed the Company, its Directors and the Secretary jointly and severally as your attorney to execute an instrument or take any steps in your name and on your behalf, as the attorney may consider appropriate to transfer your shares, and be deemed to have authorised each attorney to appoint an agent to undertake any of these acts.

If you hold shares in a CHESS Holding and those shares remain in a CHESS Holding after the Closing Date, the Company may, without further notice, move those Shares from the CHESS Holding to an Issuer Sponsored Holding or certificated holding for the purposes of divestment by the Company in accordance with the Less Than Marketable Parcel sale program.

2) Retain your holding (COMPLETE AND RETURN SHARE RETENTION FORM)

If you wish to retain your existing Less Than Marketable Parcel of RNO shares you must lodge your election online at <https://investor.automic.com.au/#/home> or complete the 'Share Sale Election Form' with the box in Section A marked. You must complete the online election or return the signed form in the enclosed envelope so that it is received by the Company's share registry provider Boardroom Pty Limited by no later than 5pm (AEST) on Thursday 17 August 2017.

If your shareholding is worth at least \$500 on the Closing Date whether by purchase of additional shares by you or otherwise, your shares will not be sold under the program.

Additional Information

If you do not take any action before the Closing Date and your shareholding is worth less than \$500 on the Closing Date your shares will be sold.

The sales price will be determined once all the shares under the program are sold. Each shareholder will receive their proportionate share of the sale proceeds for all shares sold through the program, less any unpaid calls and interest in respect of that shareholder's shares. If all or some of the shares are sold off-market, the sale price for those shares will be the price that the RNO directors have been able to negotiate with the acquirer/s. The sale price will depend on a number of factors, including market conditions at the time of sale. Further, the sale price you are paid for your shares may be less than the price you paid to acquire them.

Payment will be sent to you following settlement of the sale of all shares through the program or otherwise as soon as is practicable. You will be notified by way of a transaction confirmation

statement of the number of your shares that have been sold, the sale price obtained and total sale proceeds payable to you. The transaction confirmation statement (and a cheque if direct credit details have not been provided) will be sent by post to your address as shown in the share register.

We expect payment to be made on or about 24 August 2017.

The Company does not make any recommendation or advice regarding whether to retain your shares or permit them to be sold under the Less Than Marketable Parcel program. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in this program. RNO does not accept any liability regarding the price at which shares are sold through the program.

You can obtain up-to-date information on the market price of RNO shares by visiting the ASX website (www.asx.com.au) or contacting your financial adviser.

The program is being conducted as authorised by the Company's Constitution and in a manner consistent with the ASX Listing Rules. The power of the Company to sell shares under the Less

If you have any questions regarding how the Less Than Marketable Parcel Shares Sale Program works please contact the Company's Share Registry Call Centre on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Yours sincerely

Justyn Stedwell
Company Secretary

5 July 2017

LESS THAN MARKETABLE PARCEL SALE FACILITY

Rhinomed Limited (ASX: RNO, or the Company) is pleased to announce a less than marketable parcel sale facility for holders of less than marketable parcels of the Company's shares.

This facility is open to shareholders who at 7 pm (AEST) on 3 July 2017 (Record Date) held 2,702 fully-paid ordinary shares or less with value of less than \$500, based on the closing price of \$0.185 on the Record Date. This represents 550,841 ordinary shares, held by 539 shareholders.

The Company values all its shareholders, however, it incurs significant administrative costs maintaining such a large number of less than marketable parcels. By facilitating this sale, the Company expects to reduce the administrative costs and also to provide an opportunity to investors with small holdings, who may find it difficult or expensive to dispose of those shares through normal means, to dispose of their small holdings in a cost-effective manner.

RNO will bear all costs, including brokerage and stamp duty, related to the sales under this program.

The sales price will be determined once all of the shares under the program are sold. Each shareholder will receive their proportionate share of the sale proceeds for all shares sold through the program. If all or some of the shares are sold off-market, the sale price for those shares will be the price that the RNO directors have been able to negotiate with the acquirer/s.

A summary of the key dates in relation to the Facility are as follows:

Event	Date
Less than marketable Parcels Record Date	7.00pm (AEST) 3 July 2017
Less than marketable Parcels Announcement to ASX	5 July 2017
Letter to shareholders holding Less than marketable Parcels	5 July 2017
Closing Date for receipt of Share Retention Form	5.00pm (AEST) 17 August 2017
Payment Date	Expected to be on or about 24 August 2017

No. of Securities Held:

Security Code: RNO

Holder Reference (SRN/HIN):

UNMARKETABLE PARCEL: SHARE SALE ELECTION FORM

IMPORTANT: YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (AEST) ON THURSDAY 17 AUGUST 2017.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

Option A: Elect Online (Recommended)

<https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Once logged in to the Investor Portal you will be able to access your election by clicking on the 'Offers' menu on the left-hand navigation panel.

- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



Option B: Paper Election

Step 1: Make your election below:

A PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES

☐

B REQUEST FOR DIRECT CREDITING OF PAYMENTS – SELL YOUR SHARES

Please provide your EFT details below.

BSB Number

Account Number

Name in which account is held (e.g.: John Smith)



DO NOT USE YOUR CARD NUMBER

If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

Note: Do not complete section B if you wish to retain your shares. By completing your details online OR above you are agreeing to the sale of your shares even if you tick the above box in section A.

Step 2: Provide your contact details:

Telephone Number

Contact Name (PLEASE PRINT)

Email Address

SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

Step 3: Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Sole Director or Sole Director &
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A.

SIGNING REQUIREMENTS

Individual:	Where the holding is in one name, the Shareholder must sign.
Joint holding:	Where the holding is in more than one name, all of the Shareholders must sign.
Power of Attorney:	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
Companies:	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
Estates:	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR SHARE SALE FACILITY FORM

This form must be received at an address given below by 5.00PM (AEST) on Thursday 17 August 2017.

ONLINE

By following the instructions overleaf

BY EMAIL

Scan and email a copy of your form to hello@automic.com.au

BY FACSIMILE

+61 2 8583 3040

BY MAIL

Rhinomed Limited
C/- Automic
PO Box 2226
Strawberry Hills NSW 2012

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic
Level 3
50 Holt Street
Surry Hills, NSW 2010

**YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (AEST) ON THURSDAY 17 AUGUST 2017**