

Information Memorandum

PharmaZen Limited (the Company)



Pro rata offer of up to 70,000,000 Ordinary Shares at 7 cents each to existing shareholders who qualify to apply as Eligible Investors

Dated: 17 November 2017

Applications for Shares will only be considered from Applicants who are Eligible Investors and provide a Certificate signed by an independent solicitor, authorised financial adviser or qualified statutory accountant.

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 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.

Make sure you understand these consequences.

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.

WARNING STATEMENT

This is an offer by the Company of up to 70,000,000 Ordinary Shares (*the Shares*). The Shares are offered to existing shareholders who can provide to the Company a Certificate confirming that they are Eligible Investors and can provide to the Company, at the same time as applications are made for Shares, a Certificate as set out in Appendix 1 to this Information Memorandum. The Shares give you a stake in the ownership of PharmaZen Limited (called '*PharmaZen*' and '*the Company*'). You may receive a return if dividends are paid. It is not likely that the Company during its development phase, will distribute dividends to shareholders.

If the Company runs into financial difficulties and is wound up, as a holder of Shares you will be paid only after all creditors have been paid. As between holders of Shares the net amount available for distribution from the sale of assets in the Company will be paid to all holders of Shares in proportion to the number of Shares held. You may lose some or all of your investment. New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made to you as an Eligible Investor. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

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

The Shares are not quoted on the New Zealand Stock Exchange Limited, although there is a trading market for Shares in the Company on USX, an unlisted trading platform. There may be a lack of liquidity in trading of Shares and it may be that you are not able to sell any of the Shares issued by the Company.

The Company is a Code Company under The Takeovers Code Order 2000 and apart from the restrictions contained in that Code, you are able to transfer your investment without any restrictions.

Documents / Financial Statements

As an Applicant for Shares and a holder of existing Shares in the Company, you will receive, or are entitled to receive, each of the following:

- (a) A copy of the Company's latest audited annual report for the Company to 31 December 2016 prepared under and in compliance with New Zealand law and a copy of the audit report attached to those financial statements.
- (b) A copy of the half yearly summary report of the Company to 30 June 2017.

You have the right to receive or obtain from the Company, free of charge the above documents or you may request that a copy of those documents be made available to you by electronic means.

To obtain a copy of the above documents please access the documents via the USX website www.unlisted.co.nz, or by contacting the office on phone: +64 3 337 6096 requesting a copy of the documents.

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1. Key Information Summary

1.1 What is this?

This Information Memorandum contains an offer of up to 70,000,000 Shares in the Company, with shareholders being offered 1 Share for every 2.6 Shares held (the “Offer Shares”). Each Applicant for Shares is required to provide a Certificate to the Company that they are an Eligible Investor (see Appendix 1 and Pages 9 and 10) as a precondition to being allotted Shares.

There is a minimum application requirement to apply for 8,000 Shares at a cost of \$560. Any applications less than 8,000 Shares will be declined. All other applications must be in multiples of 1,000 Shares. All entitlements to the Offer Shares have been rounded up to the next 1,000 Shares.

The Shares are being offered to all holders of shares in the Company in proportion to the number of Shares held, subject to the above minimum amount and roundup to the next 1,000 and each Applicant being able to qualify as being an Eligible Investor. In the event that a shareholder does not take up the entitlement to the Shares being offered under this Information Memorandum (*the Offer Shares*) then the following provisions will apply:

- (a) Each Applicant for the Offer Shares may apply for additional Shares under this Offer.
- (b) If any Offer Shares are not taken up by Eligible Investors those Shares (*the Shortfall Shares*) shall be available to those Eligible Investors who apply for additional Shares.
- (c) The Shortfall Shares will be allocated to those Eligible Investors who apply for additional Shares in proportion to the number of shares held by them in the Company.
- (d) If after allocating Shares as set out in (c) above, there are still Shortfall Shares available for application, then these will be allocated to those Eligible Investors who have applied for additional Shares in proportion to the number of additional Shares applied for by those Eligible Investors.

The Board may offer any Shares not taken up, on the same terms and conditions as the offer of Shares under this Information Memorandum, to other persons who can provide a Certificate in compliance with Schedule 1 to the Financial Markets Conduct Act 2013 or otherwise can meet the requirements of that Act to apply for shares without receiving a product disclosure statement.

1.2 About PharmaZen Limited (*the Company*)

The Company operates under and is known as, Waitaki Biosciences, its manufacturing and marketing division acquired in 2002. The Company has in recent years made substantial commitments to developing new processes and capabilities enabling it to create a range of specialised nutritional ingredients for human consumption as well as companion animals.

The Company has developed Intellectual Property, know-how and techniques to manufacture products utilising this Intellectual Property.

The combination of Intellectual Property and substantial production capabilities has allowed the Company to develop an extensive range of products from diverse raw materials including animal, marine and botanical sources. These raw materials are developed into products with specific functionality in bone and joint health, anti-inflammation, immune support, digestive health and antioxidant capability. The finished products are in the form of oils and powders which are used by its customers in various powder blends, tablets, capsules, soft gels and as functional food additives. These products are marketed to the Company’s international customer base under a number of trademarks, owned by the Company, including:

- Collamex™
- ActiPhen™
- PernaTec™
- StimuCal™
- CassiPure™

In addition, the Company markets a range of unbranded specialist glandular products.

Marketing

The Company has developed significant overseas markets and now receives more than 80% of its gross revenue from export sales. The Company exports to more than 13 different countries where it has built a portfolio of high quality customers. These customers purchase across the full range of products in multiple currencies enabling the Company to reduce exposure to any adverse changes in market conditions and exchange rate volatility.

Manufacturing

The Company has been operating for 15 years and over that time has developed expertise in development, improvement and adding value to a number of natural raw materials, including animal, marine and , botanical products. The Company owns two adjoining sites in Hillsborough, Christchurch, and leases (with an option to purchase) a third site, on which sites it has developed manufacturing facilities, incorporating:

- a wet processing facility;
- a dry processing facility built to a GMP standard;
- a solvent extraction facility;
- a bulk storage facility.

The plant operated by the Company includes a number of specialist powder mills, vacuum dryers, freeze dryers, solvent extraction plant and other assorted plant and equipment. The Company has recently made material additions to its plant and equipment which has increased both its capabilities and capacity to meet future demand from its global customer base.

The manufacturing plant of the Company is only one of a few multi-licensed meat, marine and shellfish processing facilities in New Zealand and operates under a MPI (Ministry for Primary Industries) registered and approved and independently audited risk management programme. This also complies with EU, USA and other market access regulations for the manufacturing of human food grade ingredients. It also has ISO9001:2008 accreditation together with certified omissions measurement and reduction scheme accreditation.

1.3 Current Activities

The Company is currently working towards obtaining a license to manufacture medicines issued pursuant to the Medicines Act 1981 and the Company expects this will be achieved within the next three months. This gives the Company an ability to add value to a number of products as well as opening up new market opportunities. The Company is also the only ingredient manufacturer in the natural product sector in New Zealand that has accreditation under a Good Manufacturing Practice licence to produce material as an Active Pharmaceutical Ingredient.

1.4 Half Yearly Results

The Company posted a \$176,000 loss after interest and depreciation in the six months to June 2017 on a turnover of \$3.751 million. This compares with a profit of \$289,197 on a turnover of \$3.712 million for the same period 2016.

The Company faced a number of challenges over the last half year including additional costs incurred in obtaining consents, commissioning the new plant and equipment, together with costs of consultants. Also, the plant installation resulted in additional costs associated with build programme variations and loss of production during the start-up phase.

These factors all have an impact on results but the Company has remained cashflow positive over the last five years. The financial results to 31 December 2017 will be dependent and reliant on how quickly the Company can commission the new 2,000 kg freeze dryer to generate quality revenues. Until the freeze dryer is commissioned the Company will suffer from a lack of capacity and having to use existing plant to meet commitments for high volume, low margin sales. Higher margins and volume will be available after the commissioning of this plant.

1.5 Purpose of this Offer

The purpose of this offer is to raise capital to:

- accelerate completion of the expanded freeze drying facility (increase capacity from 4,700 kg's per day to 8,700 kg's per day,
- accelerate market development of new products with clinical validation trials,
- provide working capital to support expanded capacity,
- strengthen human resources in the areas of technical and market development
- implement a proposal to repurchase small uneconomic parcels of Shares.

1.6 Key Terms of the Offer

Issuer	PharmaZen Limited
Pricing	The issue price for each Ordinary Share is 7 cents, which is payable on application for the Shares.
Record Date	Thursday, 16 November 2017.
Offer Opening Date	Friday, 17 November 2017.
Offer Closing Date	Friday, 8 December 2017, unless extended by the Company.
Allocation of Shares	Pro rata with a minimum of 8,000 Shares and with entitlements rounded up to the nearest 1,000 Shares.
Total Number of Shares Offered	Up to 70,000,000 Shares
Minimum Application for Shares	8,000 Shares with a payment of \$560.00. Thereafter in multiples of 1,000 at a cost of [\$70] for every 1,000 Shares.
Distributions	All Shares rank equally in proportion to the number of Shares held for any distributions.
Ranking of Offer Shares	That all Shares being issued are Shares ranking equally in all respects with the existing Shares on issue.
Voting Rights	Each Share carries one vote at a meeting of holders of Shares. There is no limit on the number of votes that may be cast by any shareholder.
Transfer Rights	All Shares are transferable by any shareholder at the then current market price for the Shares.
Trading on USX	The Shares in the Company are traded on the USX market. See website www.unlisted.co.nz .

1.7 How you can get your money out

The Shares being offered can be traded by any shareholder either on the USX market or through any financial adviser or a NZX Market Participant.

1.8 Key Drivers for returns

At the present time there is no return on the Shares. It is expected that as the Company develops and cash flow improves the Company will look to paying a dividend on all Shares.

1.9 Key Risks Affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about PharmaZen Limited's future performance and benefits are suitable for you. PharmaZen Limited considers that the most significant risk factors that could affect the benefits from the Shares are:

Risk	Risk Identification	Mitigating Factors
Outbreak of disease in raw material stream	New Zealand's disease free status is a key marketing point of difference as well as providing ease of entry in markets. Breakout of foot and mouth, BSE, (or any other TSE) or similar type disease in aquatic raw materials can result in any combination of issues such as loss of supply, restricted market access, dramatic price increase.	The Company's expansion has focused on minimizing dependence on any single raw material. It has significant flexibility in manufacturing capabilities allowing for rapid realigning of production to raw materials
Climate change	Global climate change, seasonal weather patterns can impact on supply. Botanical products can be severely impacted by inclement weather, mussel spat is impacted by water temperature, bovine supply impacted by dairy price and available feed.	Product offered and markets supplied, allows the Company to absorb abnormal movements within individual product streams.
Regulatory Changes	Overseas Market Access Requirements	Currently operating in well-developed and stable markets where New Zealand typically receives favourable access. Future proofing through initiatives such as GMP and maintaining highest levels of accreditation.
Import Restrictions Due to Carbon Taxes	Carbon taxes must be measured and known.	The Company understands and calculates its carbon footprint so it can provide assessments when requested.

Risk	Risk Identification	Mitigating Factors
Foreign Exchange	The Company trades in Euro, USD, AUD and YEN.	Company has shown ability to be profitable with NZD at high levels against major trading currencies. Company enjoys a partial hedge with the bulk of raw materials used having pricing pressure from international demand for those raw materials.
Earthquake	Major event disrupting manufacturing and or supply.	Location on main route to port ensures high priority for access to export facilities. Onsite power generation, multiple manufacturing buildings onsite which have been shown to withstand serious events and/or are built to latest code.
Borrowing Risks	The Company has a requirement for material bank funding to implement capital projects. These loans create an interest rate and repayment risk for the Company.	The Company regularly reviews its interest rate exposure on bank debt to determine whether to take forward cover on interest rate risk.

This summary does not cover all of the risks of investing in Shares. There are other market risks common to all companies in New Zealand who manufacture and export products.

1.10 Where you can find the Company's financial information?

On the website of the USX being www.unlimited.co.nz you can find copies of:

- the audited annual financial statements of the Company to 31 December 2016, and
- half yearly report to 30 June 2017.

Further information about the Company's products and its markets is available on the Company's website being www.waitakibio.com.

1.11 Selected financial information

Set out below is selected financial information for the last five financial years for the Company. This information has been extracted from the audited financial statements of the Company for each year ending 31 December.

	2016	2015	2014	2013	2012
Revenue	7,663,959	7,083,991	6,709,270	7,027,792	6,685,972
EBITDA	1,343,584	1,495,610	562,414	1,081,392	860,788
Net Profit / (Loss) after tax	426,335	632,471	- 3,961	540,409	436,939
Shares on Issue	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Share Capital (\$)	8,001,000	8,001,000	8,001,000	8,001,000	8,001,000
Total assets	15,940,997	13,875,944	13,321,834	12,153,102	9,128,378
Cash	-589,807	-226,419	-189,922	619,121	293,427
Total liabilities	7,568,725	5,930,007	6,008,368	4,835,675	2,351,360
Total Debt	5,500,754	4,057,008	4,438,679	3,450,000	800,000
Net Cash Flow - operations	420,950	1,397,753	560,846	195,684	697,068

2. Summary of Offer

2.1 Background

The Company manufactures products and then exports these products to a number of companies in overseas markets. It has developed strong export markets and contacts with overseas customers. As it further develops these markets, it requires further funding to enable it to meet working capital requirements and also to expand its manufacturing facilities.

The Company wishes to give all shareholders who are Eligible Investors the opportunity to take up further Shares in the Company so that shareholders can participate in the growth of the Company. Shareholders should note that if they cannot provide a Certificate as set out in Appendix 1, the Company will be unable to issue Shares to that shareholder.

It is not economic for the Company to administer and process small numbers of shares. The offer requires shareholders to apply for a minimum of 8,000 Shares (\$560). The Company will be making a proposal at its next annual meeting to enable the Company to repurchase unmarketable parcels of shares so as to reduce administration costs. Part of this share issue may be used for that purpose.

2.2 Who is Providing it to Me?

The name and address of the Company is:

PharmaZen Limited
3 Desi Place, Hillsborough
Christchurch 8022

The current Directors of the Company are:

- Maxwell Gilbert Shepherd (Chairman)
- Peter Wayne Dobbs
- Kenneth William Fergus
- Wayne Leonard Burt

Prospective investors should be aware that the persons acting as Directors of PharmaZen Limited and the address of the Company may change. The names of the current Directors of the Company and the current address of the Company may be obtained by searching the public register website maintained by the Companies Office: www.companiesoffice.govt.nz/companies.

2.3 Shares Available

The Company is offering for application 70,000,000 Shares (*the Offer Shares*) to Eligible Investors on the basis that all Eligible Investors are offered 1 share for every 2.6 Shares held with the number of Shares to be rounded up to the nearest 1,000 Shares, with a minimum of 8,000 Shares and thereafter applications must be in multiples of 1,000 Shares. There is a requirement for a minimum application for 8,000 Shares (called '*Entitlements*'). The Shares are offered at a fixed price of 7 cents per Share and are only available to:

- shareholders who are Eligible Investors and can provide to the Company a Certificate as set out in Appendix 1;

- other Applicants who are eligible under the legislation because they are Directors, close business associates and relatives of Directors and senior managers.

The Shares are offered on the following terms:

- (a) All shareholders who are Eligible Investors may apply for additional Shares in excess of their Entitlements.
- (b) If any of the Offer Shares (being the 70,000,000 Shares offered under this Information Memorandum) are not taken up by existing shareholders or an existing shareholder cannot provide a Certificate as set out in Appendix 1, then those Shares not so applied for the Shortfall Shares shall be available as set out below.
- (c) Any Shortfall Shares shall first be available for application by those Eligible Investors who apply for additional Shares and if more than one, pro rata based on the existing shareholdings of those Eligible Investors who apply for additional Shares.
- (d) If after the Shortfall has been distributed to Eligible Investors as set out in (c) above, there are still Shortfall Shares available for allocation then those Shortfall Shares shall be allocated to those Eligible Investors who apply for additional Shares (and in addition to the Shares allocated as set out in (c) above) in proportion to the number of additional Shares applied for by those Eligible Investors.
- (e) In the event that application moneys have been received by the Company from Eligible Investors in excess of the amount required to fill the share offer in full, then those moneys will be returned by the Company within 10 business days after the closing date of the offer.
- (f) Other Applicants who under Schedule 1 of the Financial Markets Conduct Act 2013 are exempt from having to receive a product disclosure statement to apply for Shares.

2.4 Right to Transfer / Sell Securities

There is a right to transfer Shares in the Company without restriction, except for those restrictions set out in the Takeovers Code, which provides for a restriction on the number of voting Shares which can be held in the Company by a shareholder and associated persons, unless the holder has made an offer to acquire the Shares held by all other shareholders in the Company.

Under the Takeovers Code a summary of the provisions is as follows:

- (a) A shareholder and all persons related to, or connected with that shareholder who would usually vote as a group of shareholders, are associated persons and counted as one shareholder for the purposes of the Code.
- (b) If any shareholder and associated persons hold more than 20% of the voting Shares in the Company then they must make an offer to all other shareholders to acquire their Shares so that the shareholder making that offer holds more than 50% of the Shares in the Company.
- (c) The shareholders can, by ordinary resolution, waive the above requirements after certain procedures set out in the Takeovers Code are met.

USX Unlisted Market

The Company has an agreement with Efficient Market Services Limited for its Shares to be traded on the USX market, subject to the market rules. Details of which are set out below:

Shareholders can trade their Shares on the USX and these trades normally occur between approved financial advisers or market participants, being sharebrokers which have traditionally traded in shares of companies.

The Market Rules applying to the Unlisted market require the Company to report the following information by posting it on the Unlisted announcements platform as soon as available:

- (a) Compliance with the requirements of the Financial Reporting Act 2013.
- (b) A copy of its annual audited financial statements and six month interim report.
- (c) All market information at the same time it is released to shareholders.
- (d) All changes to Directors and senior managers.
- (e) Corporate action on dividends, share issues and other matters relating to the Shares and capital structure.
- (f) All disclosures required by the FMA.
- (g) Any matter that may have a material impact on the price of the Shares.

2.5 Voting Rights

The constitution of the Company provides that each shareholder has one vote for each Ordinary Share held. There are no restrictions on voting rights except those that may arise due to an application of the Takeovers Code.

2.6 Enquiries about Securities

The name of the employee of PharmaZen Limited to whom enquiries about the Shares can be made and the address and business telephone number of that person is:

Margaret Firth
PharmaZen Limited
3 Desi Place, Hillsborough
Christchurch 8022
Phone: +64 3 337 6096
Email: margaret@waitakibio.co.nz

3 Who can apply for Shares?

Only persons who are 'Eligible Investors' can apply for Shares. To be an Eligible Investor the Applicant must:

- (a) meet the criteria in the Financial Markets Conduct Act 2013, under which the Applicant for the Shares has previous experience in acquiring or disposing of financial products that allows that person to assess:

- (i) The merits of the service, (or services), to be provided including assessing the value and risks involved.
 - (ii) That person's own information needs in relation to the service or services.
 - (iii) The adequacy of the information provided by the Company offering those services.
- (b) fall within another exemption in Schedule 1 to the Financial Markets Conduct Act 2017, such as being a "close business associate" or relative (both as defined) in that Act.

The Applicant who provides a Certificate must also:

- (c) understand the consequences of certifying himself, herself or itself to be an Eligible Investor.
- (d) state in the Certificate the grounds for the certification.

AND

- (e) be an authorised financial adviser, qualified financial accountant or lawyer signs a written confirmation of that certification.

Unless an application for Shares is accompanied by a Certificate from the Applicant certified by an independent chartered accountant, solicitor or financial adviser, or that Applicant is within another of the exemptions in Schedule 1 to the Financial Markets Conduct Act, that application for Shares cannot be accepted by the Company.

4 Application for Shares

Every Eligible Investor wishing to acquire Shares under the Offer must:

- Complete the Application Form setting out the Shares for which application is being made.
- Pay the total amount payable for the Shares and any additional Shares.

The Company will advise all Eligible Investors who lodge an application for Shares whether that application has been successful, in whole or in part, within 10 business days after the closing date. Repayment of any payments for Shares not allotted to Applicants will be refunded at the same time.

If as a result of applications for Shares under this Information Memorandum a shareholder will hold 20% or more of the voting Shares, then the Company will not allot any Shares that will result in that shareholder holding more than 20% of the voting Shares unless that shareholder gives up the voting rights above the 20% limit and enters into an agreement with the Company to give effect to the above.

5 Over Applications

If there are over applications for Shares then Shares will be allocated as set out on page 8 of this Information Memorandum.

6 How to Apply

6.1 How to Apply

The process to apply for Shares under this Information Memorandum is:

- (a) An Applicant must complete the Application Form stating the total number of Shares for which application is submitted and any additional Shares for which application is made. That Application Form and payment can be made or returned as follows:
 - (i) by hand delivering the Application Form and payment to PharmaZen Limited, c/- Link Market Services Limited, at Level 11, Deloitte Centre, 80 Queen Street, Auckland 1010; or
 - (ii) posting the Application Form to PharmaZen Limited, c/- Link Market Services Limited, PO Box 91976, Auckland 1142;

All Application Forms and payments must be paid or received by the Company on or before the Closing Date which is 4:00 pm on Friday, 8 December 2017, or such extended date as the Directors may determine.

- (b) The Application Form must be accompanied by a payment of the full amount payable for the Shares as applied for as set out on the Application Form. This amount will be held on trust for PharmaZen Limited by Link Market Services Limited and will only be transferred to PharmaZen Limited if the application is accepted and at the completion of the Offer. If the application is declined, the payment will be refunded with no interest. The refund will be made within 10 business days following the closing date for applications. All interest earned will be held for PharmaZen Limited.
- (c) The Directors of the Company have an absolute discretion on the allocation of Shares and whether there has been compliance with the provisions of this Information Memorandum by the Applicant.

On receiving all applications the Company will determine for each application the number of Shares to be issued. There is no assurance that the Eligible Investors applying for Shares will receive any over applications for Shares applied for by that Eligible Investor.

6.2 Privacy Policy

If you apply for Offer Shares you will be asked to provide personal information to the Company, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application.

Your personal information will be used:

- for considering, processing and corresponding with you about your Application;
- in connection with your holding of shares, including sending your information concerning the Company, your shares and other matters your Company considers may be of interest to you by virtue of your holding of shares; and
- for conducting an audit or review of the activities contemplated above.

To do these things, the Company or the Share Registrar may disclose your personal information to:

- each other;
- their respective related companies; and
- agents, contractors or third party service providers to whom they outsource services such as mailing and registry functions.

However, all of these parties will be bound by the same privacy policy as the Company and the Share Registrar.

In addition, if you elect to pay by one-time direct debit, the Share Registrar will communicate with your nominated bank (including providing your personal information) for the purposes of processing your payment.

Failure to provide the required personal information may mean that your Application Form is not able to be processed efficiently, if at all.

Where the Company and the Share Registrar hold personal information about you in such a way that it can be readily retrieved, you have a right to obtain from the Company and the Share Registrar confirmation of whether or not they hold such personal information and to access and seek correction of that personal information under the Privacy Act 1993 by contacting the privacy officer of the Company and the Share Registrar at their respective addresses shown in the Directory.

6.3 Money Laundering

The Company will only accept payments lodged through a bank account with a registered bank. No cash payments will be received.

7 Contact Information

PharmaZen Limited	3 Desi Place Hillsborough Christchurch 8022 website: www.waitakibio.com Phone: +64 3 337 6096
Directors of PharmaZen Limited	Maxwell Gilbert Shepherd (Chairman) Peter Wayne Dobbs Kenneth William Fergus Wayne Leonard Burt
Chief Executive Officer of PharmaZen Limited	Craig McIntosh 3 Desi Place Hillsborough Christchurch 8022 email: craig@waitakibio.co.nz
Securities/Share Registrar	Link Market Services PO Box 91976 Auckland 1142 Phone: 09 375 5998
Legal Adviser for this Offer	David Stock Level 3, White Fox and Jones House 22 Moorhouse Avenue Christchurch Phone: 03 353 1036
Auditor	Deloitte 151 Cambridge Terrace Christchurch Phone: 03 363 3800
Accountant	Graeme Burnett 104 Winter Road Swannanoa 7471 Phone: 03 312 0381
Privacy Officer	Craig McIntosh 3 Desi Place Hillsborough Christchurch 8022 email: craig@waitakibio.co.nz
Registered Office	3 Desi Place Hillsborough Christchurch 8022 email: craig@waitakibio.co.nz
Website of Company	www.waitakibio.com

8 Glossary

Applicant	Means an Eligible Investor whose application for Shares has been received by the Registrar prior to the Closing Date.
Application	An application to subscribe for Shares under the Offer.
Application Form	The Application Form attached to this Information Memorandum to subscribe for Shares under the Offer.
Application Moneys	The moneys payable on application.
Board or Board of Directors	The Board of Directors of PharmaZen Limited.
Business Day	A day on which the banks are open for general banking business in Christchurch, New Zealand.
Certificate	Means a Certificate in the form set out in Appendix 1.
Closing Date	4:00 pm on Friday, 8 December 2017.
Director	A Director of PharmaZen Limited.
Eligible Investor	Means a shareholder of the Company who can provide a Certificate or is otherwise exempt from requiring a product disclosure statement as set out in Schedule 1 to the Financial Markets Conduct Act 2013.
Entitlement	1 share for every 2.6 Shares held rounded up to the nearest 1,000 Shares but with a minimum of 8,000 Shares.
FMC Act	Financial Markets Conduct Act 2013.
FMC Regulations	Financial Markets Conduct Regulations 2014.
Glossary	This glossary of key terms.
'Information Memorandum' or 'Offer Document'	Means this Information Memorandum and all attachments.
Intellectual Property	Means all trademarks, patents, processes, know-how and other intellectual property owned by the Company.
Minimum Application	8,000 Shares
NZD or NZ\$ or \$	New Zealand Dollar
Offer	The offer of Shares under this Offer.
Offer Price	7 cents per share
Ordinary Shares and Shares	The shares in the Company classified as Ordinary Shares.
PharmaZen Limited or the Company	PharmaZen Limited
Shares	Ordinary Shares issued by the Company
Share Registrar	Link Market Services Limited
Shortfall Shares	As defined on page 1 of this Information Memorandum

This Information Memorandum is dated 17 November 2017.



Shareholder Details

«Reg_Line_5»

«Reg_Line_6»

Shareholding as at 5:00 pm (NZ time) on

16 November 2017: <number>

OFFER CLOSSES 4:00 pm, 8 December 2017.

APPLICATION FOR SHARES

Instructions for the completion of this Application Form are enclosed. Please read the **TERMS AND CONDITIONS OF APPLICATION** before completing this form. If you are in any doubt as to how to deal with the Offer, please consult an NZX Primary Market Participant, or your lawyer, accountant or other professional adviser.

Please complete this section and return in the manner set out on the enclosed instructions.

I/we hereby make application for the number of Ordinary Shares set out below which Shares shall be allotted on the terms and conditions set out in the Information Memorandum of which this Application Form forms part. I/we confirm that the information provided by me/us is correct.

Entitlement to Ordinary Shares:	X	Amount payable per New Share	=	Total amount payable: (A)
		NZ\$0.070		NZ\$
Additional Ordinary Shares applied for	X	Amount payable per New Share	=	Total amount payable (B)
		NZ\$0.070		NZ\$
A + B				Total amount payable
				NZ\$

PAYMENT: YOU MAY ONLY CHOOSE ONE OPTION

Option 1: DIRECT DEBIT

Direct debits allow PharmaZen Limited or its agent to deduct money from your nominated bank account as payment for your application. If you wish to make payment by this method, please complete your account details below. By signing this Entitlement and Acceptance Form, the signatory agrees that PharmaZen Limited or its agent is authorised to direct debit the bank account below for the total amount payable in accordance with the terms specified in the **TERMS AND CONDITIONS OF APPLICATION**.

Account Name: Name of Bank:

--	--

Bank

--	--	--	--

Branch

--	--	--	--	--	--	--	--

Account number

--	--	--

Suffix

Option 2: CHEQUE

Please attach your cheque for the total amount payable. Your cheque must be for immediate value drawn on a New Zealand bank, or bank draft in New Zealand currency, made out to "PharmaZen Limited Offer". Cheques should be crossed 'Not Transferable'. **Post-dated** cheques will not be accepted. If your cheque dishonours, your application will be rejected.

SIGNATURE

Please read the APPLICATION TERMS AND INSTRUCTIONS on the back of this form before completing (All holders as named in the top part of this form must sign).

--	--	--

Date

2017

Mobile number:

--

Email:

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THIS FORM, TOGETHER WITH THE TOTAL AMOUNT PAYABLE ON APPLICATION, MUST BE RETURNED SO AS TO BE RECEIVED BY LINK MARKET SERVICES LIMITED NOT LATER THAN 4:00 pm, 8 DECEMBER 2017.

TERMS AND CONDITIONS OF APPLICATION

1.1 By signing this Application Form the Applicant:

- offers to subscribe for Shares on the terms and conditions set out in the Information Memorandum dated Friday, 17 November 2017, this Application Form and the application instructions in respect of the Application Form;
- acknowledges that this form was distributed with the Information Memorandum;
- acknowledges that he/she/it has read and understood the Information Memorandum;
- agrees to be bound by the Constitution;
- provides the Certificate under the Financial Markets Conduct Act 2013.

1.2 Applicants must pay the total amount payable for their Shares at the same time as submitting their Application Form and Certificate.

1.3 An application cannot be withdrawn or revoked.

1.4 The Company reserves the right to decline any application, in whole or in part, without giving any reason. Unless otherwise expressly agreed to by the Company in its absolute discretion, Application Forms received after the Closing Time will not be accepted.

1.5 Applicants must confirm with the application instructions in the section of the Information Memorandum entitled 'Application Instructions'.

1.6 Joint applications must be signed by all Applicants. Only the address provided on the Application Form will be recorded on the register for Shares and all notices and communications will be sent to that address.

1.7 If the Application Form is signed by an attorney or an agent, the relevant non-revocation form below must be completed.

Terms defined in the Information Memorandum have the same meaning in this Application Form. This Application Form, the offer of Shares by the Company and any contract arising out of its acceptance is governed by New Zealand Law.

APPLICATION INSTRUCTIONS

1 Complete Details.

- Insert your title, full name(s), address and telephone numbers.
- Applications must be in the name(s) of natural persons, companies or other legal entities.
- Applications by a minor, trust, fund, estate, business, firm or partnership, club or other unincorporated body cannot be accepted unless they are made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as appropriate).

2 Signing.

- Read the Application Form carefully and sign (and date) the form.
- The form must be signed by the Applicant(s) personally, or by two directors of the Company (or one director if there is only one director), or (in either case) by an attorney.
- If the Application Form is signed by an attorney, an original or certified copy of the relevant Power of Attorney must be lodged with the Application Form (originals will be returned). The attorney must complete the certificate of non-revocation below.

3 Checklist for Applicants

Before making an application for Shares every Applicant should:

- Check you have signed the Certificate and have this certified by an independent authorised financial adviser, solicitor or qualified statutory accountant.
- If not providing a Certificate state why the Applicant is exempt under Schedule 1 of the Financial Markets Conduct Act 2013.

4 Closing Date

The closing date for the offer is 4.00 pm Friday, 8 December 2017, or such extended date as determined by the Company.

Mail	Place this completed Form (together with the appropriate payment) in the reply paid envelope provided and mail to Link Market Services, PO Box 91976, Victoria Street West, Auckland 1142
Deliver	Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland
Fax (Direct debit payments only)	+64 9 375 5990
Email (Direct debit payments only)	applications@linkmarketservices.co.nz Please use "PEB Entitlement Offer" as the email subject

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(Complete this section if you are acting on behalf of someone for whom you have a Power of Attorney)

I _____ of _____
(Name of Attorney) *(Address and Occupation of Attorney)*

hereby certify that by Power of Attorney dated:

(Date of Power of Attorney)

_____ of _____
(Name of Person for whom Attorney is signing) ("The Donor") *(Address and Occupation of Person for whom Attorney is signing)*

Appointed me his/her/its attorney on the terms and conditions set out in that Power of Attorney.

- I have completed and executed this application for Shares as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me.
- At the date of this certificate, I have not received any notice or information of the revocation of that Power of Attorney, whether by the death or dissolution of the Donor or otherwise.

SIGNATURE OF ATTORNEY

Signed at _____ this _____ day of _____ 2017

(City/Town where signed)

(Day of Month)

(Month)



PHARMAZEN LIMITED
(the Company)

**APPENDIX 1: CERTIFICATE UNDER SCHEDULE 1 OF FINANCIAL MARKETS CONDUCT ACT 2013
(FMCA) FOR ELIGIBLE INVESTOR**

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 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.

Make sure you understand these consequences.

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.

Background

- A Ordinary Shares are being offered for Application on the terms and conditions set out in the Information Memorandum prepared by the Company and dated Friday, 17 November 2017, (*the Ordinary Shares*).
- B Applications will only be accepted by the Company for Ordinary Shares if the Applicants have provided this form signed by the Applicants for the Ordinary Shares and certified by an independent authorised financial adviser, qualified statutory accountant or solicitor (see Note 1).
- C The Company has referred potential Applicants to the information contained in the Information Memorandum and to the further information on the website of the Company (*the Information*).
- D The Investor having considered the Information has agreed to apply for the Ordinary Shares in the Company as set out in the Information Memorandum.
- E The Investor is required to provide a Certificate required under Schedule 1 of the FMCA that the Investor has previous experience in acquiring or disposing of financial products that allows the Investor to assess:
 - (a) the merits of the transaction, including assessing the value and risks of the shares for which an application is made by the Investor;
 - (b) the Investor's own information needs in relation to the proposed investment and the proposed transaction;
 - (c) the adequacy of the information provided to the Investor in the Information.



CERTIFICATE BY INVESTOR

The undersigned Investor(s) (*the Investors*), hereby certify as required by clause 41(2) of the First Schedule to the FMCA that the Investor(s):

- (a) has/have previous experience in acquiring or disposing of financial products; and
- (b) has/have the ability to assess:
 - (i) the merits of the transaction, including assessing the value and risks of the Ordinary Shares which will be issued to the Investors;
 - (ii) the Investors own information needs in relation to the proposed offer of Ordinary Shares by the Company;
 - (iii) the adequacy of the information provided to the Investors under the Information.

The experience of the Investor(s) is set out in the schedule to this Certificate.

I understand the consequences of certifying myself as an 'Eligible Investor' for the purposes of clause 3(3) and clause 41 of Schedule 1 of the FMCA.

The grounds and reasons why I/we can sign this Certificate are:

.....
.....

Dated:.....

Signed by proposed Investor(s):

.....

Name of proposed Investor(s):

.....



(CONTINUATION OF CERTIFICATE)

SCHEDULE

Name of Issuer: PharmaZen Limited

Details of shares applied for: Ordinary Shares at 7 cents for each Ordinary Share

Full Name of Applicant(s):

Address of Applicant(s):

Email Address:

Phone Number:

**CONFIRMATION OF CERTIFICATE
Clause 43 of First Schedule to FMCA**

I, being a qualified statutory accountant / solicitor / authorised financial adviser¹ hereby confirm that having considered the proposed Investor's grounds for certifying as set out:

- (a) am satisfied that the Investor(s) have been sufficiently advised of the consequences of the certification as above; and
- (b) have no reason to believe that the certification is incorrect or that further information or investigation is required as to whether or not the certification is correct.

Dated2017.

Signature of Confirming Person:

Details of Confirming Person:

¹ *The person giving this certificate must be a qualified statutory accountant / solicitor / authorised financial adviser and must not:*

- (a) *within the two years prior to the date of the above certificate, have provided professional services to the Company, provider, or other relevant person, or a related body corporate of the Company, provider or relevant person. The 'provider' is a person giving financial advice on the shares being offered for application;*
- (b) *be an associated person of the Company making the offer, provider or other relevant person. This includes a relative, Director or senior manager of the Company or a person acting jointly or in concert with that Company.*