

FAQ - SHAREHOLDERS

7 November 2016

Quickflix Limited (Subject to a Deed of Company Arrangement)
ACN 102 459 352
("the Company")

Please see below some commonly asked questions from shareholders of the Company which we have received subsequent to providing shareholders with notice of the application filed by the Deed Administrators with the Supreme Court of Western Australia pursuant to section 444GA of the Corporations Act (**444GA Application**).

1. Will my shares in the Company convert to shares in Karma?

The Deed Administrators are seeking an order from the Supreme Court of Western Australia that the Deed Administrators are granted leave to transfer all of the existing shares in the Company to Karma Media Holdings LLC (**Karma**) pursuant to section 444GA(1)(b) of the Corporations Act (**Act**). If successful, subject to obtaining relief from the Australian Securities and Investments Commission (**ASIC**) from the operation of section 606 of the Act (**ASIC Relief**), the Deed Administrators will then transfer your shares to Karma in accordance with the Deed of Company Arrangement entered into between the Company, the Administrators and Karma (**DOCA**).

As a result, you will not hold any shares in the Company or Karma.

2. Do my shares in the Company have any value?

As set out in the Administrators 439A report to creditors dated 22 September 2016 (see www.deloitte.com/au/quickflix for a copy), the Company is insolvent and has insufficient assets to pay its creditors in full. Under the DOCA, there is no value ascribed to the shares of the Company. We are engaging an independent expert to prepare a report as to the value of the shares which will be provided to you in due course.

3. Will my shares be taken from me?

As set out at question 1 above, it is contemplated under the 444GA Application that, subject to obtaining the ASIC Relief consent, all existing shares in the Company will be transferred to Karma.

Accordingly, if the 444GA Application is successful and ASIC Relief is obtained, then your shares will be transferred to Karma.

4. Will I receive any consideration for the transfer of the shares?

No you will not receive any consideration for the transfer of shares.

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5. Can I claim a tax losses on my shares?

If the 444GA Application is successful and the ASIC Relief is granted upon the transfer of all of the Company's shares to Karma you may be entitled to claim a tax loss on the shares you held in the Company.

The Deed Administrators will issue a further notice with respect to this in the event that the 444GA Application is successful and the ASIC Relief is granted.

Shareholders should seek independent taxation advice in relation to claiming any losses from their shareholding in the Company.

6. Where can I find the documents referred to in the notice dated 3 November 2016 (the Notice)?

All documents referred to in the Notice can be found by accessing the following website www.deloitte.com/au/quickflix.