

23 November 2015

Dear Shareholder

EVOLVE EDUCATION GROUP LIMITED DIVIDEND REINVESTMENT PLAN

Evolve Education Group Limited ("Evolve") is pleased to introduce a new dividend reinvestment plan ("Plan") pursuant to which Evolve shareholders may choose to reinvest all or part of their net cash dividends in additional ordinary Evolve shares.

Details of the Plan, including a summary of its key features, are set out in the enclosed Offer Document.

The Plan provides a convenient method for increasing your investment in Evolve by reinvesting dividends received on some or all of your existing Evolve shares in further Evolve shares free of brokerage charges or other costs. In respect of the interim dividend for the 2015-16 financial year which is payable on 18 December 2015, shares issued under the Plan will be issued at their market price or at a price as determined by the Evolve board (as detailed in the Plan).

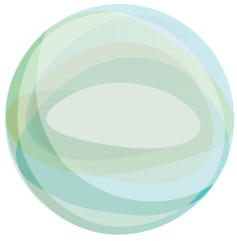
Participation in the Plan is optional and you may elect to participate in respect of all or only some of your shares. If you wish to participate in the Plan, please complete the enclosed Participation Notice in accordance with the instructions on the Notice and return it to Evolve's Share Registrar, Link Market Services Limited. Your completed Participation Notice can be returned at any time. However, in order to participate in the Plan for the 2015-16 interim dividend payable on 18 December 2015, your completed Participation Notice must be received by Link Market Services Limited by no later than 5.00pm, (New Zealand time) on **Wednesday 9 December 2015**.

Please read through the enclosed Offer Document carefully. If you have any questions, please contact your financial adviser, or other professional adviser. Evolve does not assume any liability or responsibility for providing tax or financial advice to any shareholder in respect of participation in the Plan.

Yours sincerely



Vivek Singh
Chief Financial Officer & Company Secretary



evolve
education group

DIVIDEND REINVESTMENT PLAN OFFER DOCUMENT 23 NOVEMBER 2015



This is an important document. You should read the whole document before making any decisions. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional adviser.



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Key Questions Answered

What is the Dividend Reinvestment Plan?

The Evolve Education Group Limited ("Evolve") Dividend Reinvestment Plan ("Plan") provides you, as a holder of ordinary shares in Evolve, with an opportunity to reinvest dividends received on some or all of your existing ordinary shares in additional fully paid ordinary shares. This is a convenient method of increasing your investment by acquiring further shares free of brokerage charges.

Am I eligible to participate?

You are eligible to participate in the Plan if you hold ordinary shares in Evolve and you have an address in New Zealand or Australia.

How do I elect to participate in the Plan?

You can elect to participate at any time by making an election online.

New Zealand register holders

Visit <https://investorcentre.linkmarketservices.co.nz>. You will require your CSN/Holder Number and Authorisation Code (FIN) to complete the investor validation process.

Australian register holders

Visit <https://investorcentre.linkmarketservices.com.au>. You will require your Holder Number and postcode to complete the investor validation process.

Alternatively, by completing a participation notice (as provided by Evolve from time to time) and returning it to the Share Registrar, Link Market Services Limited.

You have until 5:00pm (New Zealand time) on the business day following a record date for a dividend to elect to participate in the Plan. Any notice received after 5:00pm (New Zealand time) on the business day following a record date will be effective for the next following dividend.

Can I participate in respect of only a portion of my shares?

Yes, you may elect to participate in the Plan in respect of only some of your ordinary shares in Evolve.

Do I have to participate at all?

No, participation in the Plan is optional. If you do not wish to participate in the Plan, you do not need to do anything. If you do not participate in the Plan, you will receive in cash any dividends that are paid on your shares.

Key Questions Answered (continued)

What if I change my mind?

Shareholders can join the Plan, vary their participation, or withdraw from the Plan at any time either online or by forwarding a written notice to the Share Registrar, Link Market Services Limited. Participation will be effective immediately upon receipt by the Share Registrar of the notice (provided that any notice received after 5:00pm on the business day following the Record Date for a dividend will be effective for the next following dividend).

What will the issue price of the shares be?

Under the Plan, additional shares will be issued at the "Strike Price". The Strike Price will be calculated as the volume weighted average sale price for an ordinary share in Evolve, based on all trades of ordinary shares on the NZX Main Board over a period of five trading days immediately following the relevant record date (subject to adjustment by Evolve for any unusual or exceptional circumstances) less a discount (if any) as determined by the board of directors of Evolve. Any discount will be announced by Evolve no later than 10 trading days prior to the relevant record date.

What are the terms of the shares issued?

Shares issued under the Plan will be ordinary shares and will rank equally in all respects with each other and with all other ordinary shares on issue at that date.

Taxation

Shareholders who participate in the Plan are treated, for New Zealand tax purposes, in the same way as if they had received the cash dividend. Australian resident shareholders who participate in the Plan are treated, for Australian tax purposes, in the same way as if they had received the cash dividend. See clause 18 of the Plan for further detail.

Other key information

Further information about Evolve can be found in the Investor Relations section of its website at www.evolveeducation.co.nz.

You can download an electronic copy of Evolve's most recent Annual Report and Evolve's most recent financial statements from Evolve's website at www.evolveeducation.co.nz.

Alternatively, you can request a copy of these documents free of charge by writing to Evolve's Company Secretary at the address specified in the Directory to this document.

Evolve Education Group Dividend Reinvestment Plan

1. Introduction

This document ("Offer Document") contains the terms and conditions of the Evolve Education Group Limited ("Evolve") Dividend Reinvestment Plan (the "Plan").

This Offer Document is issued in compliance with the exclusion for dividend reinvestment plans contained in Schedule 1 to the Financial Markets Conduct Act 2013. Accordingly, no product disclosure statement is required in respect of the Plan.

Subject to clauses 3 and 4, the Plan is available to you ("you") if you are the holder of ordinary shares in Evolve ("Shares").

Under the Plan, you may elect to reinvest the net proceeds of cash dividends payable or credited on all or some of your fully paid Shares by acquiring further Shares ("Additional Shares").

The record date for determining your entitlement to Additional Shares under the Plan is 5.00pm on the date fixed by Evolve for determining entitlements to dividends payable or credited on Shares ("Record Date").

This Offer Document has been prepared as at 23 November 2015.

Further information about Evolve, including its current dividend policy, can be found in the Investor Relations section of its website at www.evolveeducation.co.nz.

2. Available options

You may elect to participate in the Plan by exercising one of the following options:

- (a) **Full Participation** - If you choose full participation, the Plan will apply to the net cash dividends payable or credited from time to time in respect of all Shares registered in your name.
- (b) **Partial Participation** - If you choose partial participation, the Plan will only apply to the net cash dividends payable or credited from time to time in respect of your nominated percentage of Shares registered in your name. The Board may specify a minimum percentage for partial participation.

The Shares, if any, which you have chosen to participate in the Plan at each Record Date will be your "Participating Shares".

If you do not wish to participate in the Plan and instead wish to receive any dividends payable or credited in respect of your Shares from time to time in cash you do not need to do anything.

3. Overseas Shareholders

3.1 Evolve may, in its absolute discretion, elect not to offer participation in the Plan to shareholders whose address is outside New Zealand or Australia if Evolve considers that to do so would risk breaching the laws of any other relevant jurisdiction and it would be unduly onerous to ensure that the laws of those jurisdictions are complied with. As at the date of this Offer Document, the Plan is only available to holders of Shares who have an address in New Zealand or Australia. However, the Board may amend this policy at any time, in its sole discretion.

3.2 If you do not reside in New Zealand or Australia (or any other jurisdiction in respect of which the Plan is later made available) and you participate in the Plan through a nominee resident in New Zealand, Australia or any other jurisdiction in which the Plan is made available you will be deemed to represent and warrant to Evolve that you can lawfully participate in the Plan through your nominee. Evolve accepts no responsibility for determining whether any person is able to participate in the Plan under laws applicable outside of New Zealand, Australia or any other jurisdiction in respect of which the Plan is made available.

4. Exclusion where Liens or Charges over Shares

If you hold any Shares over which Evolve has a lien or charge, those Shares will not be eligible to participate in the Plan.

5. Participation Election

5.1 To participate in the Plan you must make a "Participation Election" in one of the following ways:

Evolve Education Group Dividend Reinvestment Plan

5. Participation Election (continued)

- (a) **Participation Notice** - by completing a participation notice in a form provided by Evolve from time to time (the "Participation Notice") in accordance with the instructions on that notice and sending the completed Participation Notice to Evolve's Share Registrar at:

Link Market Services Limited

PO Box 91976

Auckland 1142

New Zealand

or such other person or address as Evolve may determine from time to time or by electronic means specified by Evolve from time to time.

- (b) **Online Election** – by visiting the website of Evolve's Share Registrar, Link Market Services: <https://investorcentre.linkmarketservices.co.nz> or <https://investorcentre.linkmarketservices.com.au>

- 5.2 You can make your Participation Election at any time while this Plan is in effect by following the steps in clause 5.1. Participation Notices can be obtained from Evolve's Share Registrar at any time.
- 5.3 If your Participation Election does not specify your degree of participation in the Plan, you will be deemed to have chosen full participation if your Participation Notice is otherwise correctly completed and signed.
- 5.4 The last date for receipt of a Participation Notice for participation in any dividend will be 5:00pm on the first business day (being a day the NZX Main Board is open for trading) after the relevant Record Date or such later date as may be set by the Board and advised to the market. Any notice received after that time will be effective for the next following dividend.
- 5.5 Once effective, the net proceeds of any cash dividends payable or credited on your Participating Shares will be reinvested in Additional Shares.

6. Formula for Calculation of Additional Shares

- 6.1 If you choose to participate in the Plan, the number of Additional Shares you will be allotted will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{P \times E}$$

Where:

N is the number of Additional Shares you will receive (with fractional entitlements to be rounded to the nearest whole number. If such a number is 0.5, that number of shares will be round up to the next whole number).

PS is the number of your Participating Shares.

D is the net proceeds of cash dividends paid or credited per Share by Evolve (expressed in cents and fractions of cents, including any applicable supplementary dividends in respect of Participating Shares payable to non-resident shareholders but excluding any tax credits and after deduction of any withholding or other taxes, if any).

P is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for a Share calculated on all trades of Shares which took place through the NZX Main Board over the period of 5 trading days immediately following the Record Date. If no sales of Shares occur during those 5 trading days, then the volume weighted average sale price will be deemed to be the sale price for a Share on the last trade of Shares which took place prior to 5:00pm on the Record Date.

E is the percentage determined by the Board from time to time, in its absolute discretion. As at the date of this Offer Document, the percentage is 100 per cent. Any change to this percentage shall be notified to NZX Limited for release to the market not later than 10 trading days prior to the relevant Record Date.

- 6.2 The price at which your Additional Shares will be allotted will be determined by the Board as $P \times E$ (the "Strike Price"). The price "P" may be reasonably adjusted by Evolve to allow for any bonus issue or dividend or other distribution expectation. If, in the opinion of the Board, any exceptional or unusual circumstances have artificially affected the price "P", Evolve may make such adjustment to that price as it considers reasonable. The determination of the Strike Price of the Additional Shares by the Board, or by some other person nominated by the Board, will be binding on all participants in the Plan.

Evolve Education Group Dividend Reinvestment Plan

7. Compliance with Laws, Listing Rules and Constitution

- 7.1 The Plan will not operate to the extent that the allotment of Additional Shares under the Plan would breach any applicable law, any applicable listing rules or any provision of Evolve's constitution.
- 7.2 If, for any reason, Evolve cannot allot your Additional Shares, the relevant dividend on your Participating Shares will be paid or distributed to you in the same manner as to shareholders not participating in the Plan and at the same time as the dividends are paid to those shareholders. You will not be paid interest on any such payment.

8. Issue of Additional Shares

Evolve will allot your Additional Shares in accordance with clauses 6 and 7 on the day that you would otherwise have been paid a dividend.

9. Share Price Information Publicly Available

Evolve will ensure that at the time the Strike Price is set under clause 6.1 it will have no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if it was publicly available ("material information"). Evolve may suspend the Plan in respect of a dividend in any case where it is not able to ensure that material information has been made publicly available by disclosure to ASX and the NZX Main Board.

10. Terms of Issue and Ranking of Additional Shares

Your Additional Shares will be allotted on the terms set out in this Plan, subject to the rights of termination, suspension and modification set out in clause 13. Your Additional Shares will, from the date of allotment, rank equally in all respects with each other and with all other Shares of Evolve on issue as at that date. Your Additional Shares will be subject to the same rights as the Additional Shares issued to all holders of Shares who agree to receive Additional Shares.

11. Source of Additional Shares

Your Additional Shares may, at the Board's discretion, be:

- (a) new Shares issued by Evolve;
- (b) existing Shares acquired by Evolve or a nominee or agent of Evolve; or
- (c) any combination of (a) and (b) above.

12. Statements

If you choose to participate in the Plan, Evolve will send a statement to your address or electronic mail address (if you have elected to receive communications electronically) as set out in Evolve's share register within 5 trading days of the allotment of Additional Shares detailing:

- (a) the number of your Participating Shares as at the Record Date;
- (b) the amount of your cash dividend reinvested in Additional Shares and the amount paid in respect of any of your Shares that are not participating in the Plan (if applicable);
- (c) the Strike Price and number of Additional Shares you were allotted under the Plan;
- (d) the amount of any tax deductions or withholdings, imputations or other taxation credits in respect of the cash dividend; and
- (e) such other matters required by law with respect to dividends and/or reinvestment.

Evolve Education Group Dividend Reinvestment Plan

13. Termination, Suspension and Modification by Evolve

The Board may, in its sole discretion, at any time:

- (a) terminate, suspend or modify the Plan. If the Plan is modified, your Participation Election will be deemed to be a Participation Election under the modified Plan unless you withdraw or modify your Participation Election in accordance with clause 15;
- (b) resolve that some or all of a dividend will be paid in cash only instead of the Plan applying;
- (c) resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, your Participation Election will be deemed to be a Participation Election in respect of the shares as subdivided, consolidated or reclassified unless you withdraw or modify your Participation Election in accordance with clause 15;
- (d) resolve that your Participation Election will cease to be of any effect, for example, if the Participation Notice has been incorrectly completed or is unclear or if the number of Shares you hold is insufficient to enable participation as requested; or
- (e) determine that Additional Shares may be issued at a discount to the market price of Shares and the amount of any such discount.

No decision by the Board to terminate, suspend or modify the Plan will give rise to any liability for Evolve or the Board, or any right of action for you against Evolve or the Board.

14. Notice

- (a) If the Plan is modified under clause 13(a) then a Participation Notice will be deemed to be a Participation Notice under the Plan as modified unless such Participation Notice is subsequently changed or withdrawn by you.
- (b) Notice of any modification, suspension or termination under clause 13(a) will be given via the NZX and ASX market announcement platforms prior to the Record Date on which any modification, suspension or termination will take effect.
- (c) Notwithstanding clauses 14(a) and (b), Evolve may at any time, without the need of any notice:
 - (i) modify, suspend, or terminate the Plan to comply with any applicable law, the listing rules of any stock exchange on which Shares are listed, or any provision of Evolve's constitution; and
 - (ii) make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

15. Variation or Termination

You may at any time:

- (a) increase or decrease the number of your Participating Shares by submitting a new Participation Notice in accordance with clause 5.1; or
- (b) terminate your participation in the Plan by written notice to Evolve's Share Registrar at the address set out in clause 5.1.

Such variation or termination will take effect immediately upon receipt by Evolve's Share Registrar of the new Participation Notice or the written termination notice, as the case may be, provided that any notice received after 5:00pm on the business day following the Record Date for a dividend will be effective for the next following dividend.

16. Partial Dispositions

If you dispose of any of your Participating Shares, you will be deemed to have terminated your participation in the Plan with respect to the Participating Shares you disposed of from the date Evolve's Share Registrar registers a transfer of those Participating Shares.

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17. Dispositions of all of your Participating Shares

If you dispose of all of your Participating Shares, you will be deemed to have terminated your participation in the Plan from the date Evolve's Share Registrar registers a transfer of those Shares.

18. Taxation

For New Zealand tax purposes, distributions of cash or shares under a dividend reinvestment plan are generally treated as a taxable dividend in the hands of the shareholder. If you reinvest the net proceeds of your cash dividends to acquire Additional Shares, you should be treated in the same way as if you had not participated in the Plan. This means that if you participate in the Plan, you should derive dividend income of the same amount that you would have derived had you not participated in the Plan.

For New Zealand shareholders, any Additional Shares distributed under the dividend reinvestment plan should be taxable as a dividend at their applicable marginal tax rates. For Australian shareholders, New Zealand withholding tax may arise in respect of any additional shares distributed under the dividend reinvestment plan, and a tax credit may be available in Australia in respect of any such New Zealand withholding tax, depending upon the shareholder's circumstances.

If New Zealand imputation credits are attached to Additional Shares distributed under the dividend reinvestment plan, a New Zealand shareholder should be entitled to a tax credit for any such imputation credits. Any such imputation credits may also operate to reduce applicable New Zealand withholding tax, depending upon the circumstances applicable to any particular Australian shareholder.

The taxation summary above is based on New Zealand taxation laws as at the date of this Offer Document and is, of necessity, general. It does not take into account your individual circumstances and the specific tax consequences of your participation or non-participation in the Plan, which may vary considerably. You should not rely on this general summary but should seek your own tax advice. Evolve does not accept any responsibility for the financial or taxation effects of your participation or non-participation in the Plan. Evolve recommends you obtain professional taxation advice.

19. Costs

You will not be charged for participation or withdrawal from the Plan. You will not incur any brokerage costs, commissions or other transaction costs on the allotment of your Additional Shares, and no stamp duty is payable in respect of the allotment of Additional Shares.

20. Listing Rules

The Plan is subject to the NZX Main Board Listing Rules, to any rules for clearing and/or settlement which apply to the NZX Main Board from time to time and the ASX Listing Rules (together, the "Rules") and in the event of any inconsistency between the Plan and the Rules, the Rules will apply.

21. Governing Law

The Plan and its operation will be governed by the laws of New Zealand.

22. Other Information

You can download an electronic copy of Evolve's most recent Annual Report and Evolve's most recent financial statements from Evolve's website at www.evolveeducation.co.nz.

Alternatively, you can request a copy of these documents free of charge by writing to Evolve's Company Secretary at the address specified in the Directory to this document.

Directory

Issuer

Evolve Education Group Limited

PO Box 105843
Auckland City 1143
New Zealand

Phone +64 9 377 8700
Email: info@eeg.co.nz
Website: www.evolveeducation.co.nz

Legal Advisers

Minter Ellison Rudd Watts

Level 20, Lumley Centre
88 Shortland Street
Auckland 1010
New Zealand

PO Box 3798
Auckland 1140
New Zealand

Phone: +64 9 353 9700
Website: www.minterellison.co.nz

Share Register

Link Market Services Limited

Level 7, Zurich House
21 Queen Street
Auckland 1010

PO Box 91976
Auckland 1142
New Zealand

Phone: +64 9 375 5998
Email: enquiries@linkmarketservices.co.nz
Website: www.linkmarketservices.co.nz



Dividend Reinvestment Plan Participation Notice

Do not complete this form if you wish to receive in cash all dividends declared



Name & Address

Description of Shares

CSN/Holder No.

Shares Held

Registered Holder(s)

The Evolve Education Group Limited ("Evolve") Dividend Reinvestment Plan ("Plan") allows you to elect to forgo your right to receive dividends or distributions on all or any of your fully paid ordinary shares in Evolve in cash, and instead to reinvest all or part of the net proceeds of your cash dividends in fully paid ordinary shares in Evolve. Full details of the Plan are set out in the accompanying Dividend Reinvestment Plan Offer Document dated 23 November 2015 ("Offer Document").

If you wish to participate in the Plan, please complete this Participation Notice, and send it to Evolve's Share Registrar at your earliest convenience.

Alternatively, you may make your Participation Election, or vary an existing Participation Election, online by visiting <https://investorcentre.linkmarketservices.co.nz> (New Zealand register holders); or <https://investorcentre.linkmarketservices.com.au> (Australian register holders) (refer to clause 5.1 of the Offer Document for further details).

CHOOSE ONE ALTERNATIVE ONLY

I/We elect to participate in the Plan at the level of participation nominated below and elect to renounce my/our right to have dividends or distributions declared in respect of participating share paid in cash accordingly:

▶ **Full Participation** (including any future Evolve shares acquired)

For full participation please tick (✓) here:

▶ **Partial Participation** (percentage of your Evolve shares to participate in the Plan)

For partial participation please tick (✓) here:

Insert percentage of shares to participate in the Plan:

Note: If you do not complete the above in relation to full participation or partial participation (but have otherwise completed and signed this notice), you will be deemed to have elected full participation in the Plan.

I/We acknowledge I/we have received and read a copy of the Offer Document.

I/We agree to be bound by the terms and conditions of the Plan as set out in the Offer Document.

I/We acknowledge that this election will continue to apply in respect of any dividend that Evolve determines the Plan will apply until varied or terminated by written notice in accordance with the terms and conditions of the Plan.

Signature(s)

Dated

This Participation Notice is not valid unless duly completed and signed. If shares are held jointly, all holders must sign. Companies must execute by an authorised officer or attorney. If signed by an attorney, the power of attorney must either have been previously produced to Evolve or must accompany this Participation Notice and a certificate of non-revocation of the power of attorney in the usual form must be enclosed.