



# Notice of annual general meeting and explanatory memorandum

**Animoca Brands Corporation Limited**

ACN 122 921 813

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**Date:** Monday 29 May 2017

**Time:** 11.00 am (Melbourne time)

**Venue:** Grant Thornton  
The Rialto  
Level 30, 525 Collins Street  
Melbourne, Victoria, Australia

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# NOTICE OF ANNUAL GENERAL MEETING

NOTICE is given that the Annual General Meeting of Animoca Brands Corporation Limited ACN 122 921 813 will be held at Grant Thornton, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria on Monday 29 May 2017 at 11.00 am (Melbourne time).

## BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Annual General Meeting:

### 1. Financial and related reports

Financial and related reports	
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 31 December 2016.

### 2. Adoption of Remuneration Report (non-binding resolution)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2016 Annual Report and is available from the Company's website ( <a href="http://www.animocabrands.com">www.animocabrands.com</a> ). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  <i><b>"THAT the Remuneration Report of the Company and its controlled entities for the year ended 31 December 2016 be adopted."</b></i>
Voting Exclusion	<p>The Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as shareholders) by any of the following persons:</p> <ul style="list-style-type: none"><li>(a) Key Management Personnel; and</li><li>(b) Closely Related Parties of Key Management Personnel.</li></ul> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"><li>(c) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or</li><li>(d) cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.</li></ul>

### 3. Re-election and election of Directors

Resolution 2	Re-election of Mr David Kim as Director
Description	Mr David Kim retires as a Director of the Company by rotation in accordance with clause 13.2 of the Constitution and, being eligible under clause 13.2 of the Constitution, offers himself for re-election.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  “ <b>THAT</b> Mr David Kim, having retired from his office as a Director of the Company in accordance with clause 13.2 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.”

Resolution 3	Re-election of Mr Yat Siu as Director
Description	Mr Yat Siu retires as a Director of the Company by rotation in accordance with clause 13.2 of the Constitution and, being eligible under clause 13.2 of the Constitution, offers himself for re-election.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  “ <b>THAT</b> Mr Yat Siu, having retired from his office as a Director of the Company in accordance with clause 13.2 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.”

Resolution 4	Election of Dr Nigel Finch as Director
Description	Dr Nigel Finch, who was appointed as a Non-Executive Director of the Company on 28 December 2016, retires as a Director in accordance with clause 13.4 of the Constitution and, being eligible, offers himself for election under clause 13.4 of the Constitution.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> :  “ <b>THAT</b> Dr Nigel Finch, having been appointed as a Director on 28 December 2016, retires as a Director of the Company in accordance with clause 13.4 of the Constitution and, being eligible and having offered himself for election, be elected as a Director of the Company.”

### 4. Cancellation of forfeited shares

Resolution 5	Cancellation of forfeited Class B Performance Shares
Description	The Company issued 15,000,000 Class B Performance Shares to the vendors of Animoca BVI in partial consideration for the Animoca Acquisition. As the relevant performance milestones associated with the Class B Performance Shares were not met, the Class B Performance Shares have been forfeited under the terms on which they are on issue. The Company seeks shareholder approval to cancel the Class B Performance Shares pursuant to section 258D of the Corporations Act.

<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>"THAT, in accordance with section 258D of the Corporations Act and for all other purposes, the Company's share capital be reduced by the cancellation of 15,000,000 Class B Performance Shares that had been issued as part consideration to the vendors of Animoca BVI for the Animoca Acquisition and which have been forfeited in accordance with the terms of their issue."</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by a person whose shares are to be cancelled.</p> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>(b) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

## 5. Approval of issue of shares under Proposed Placement

<b>Resolution 6</b>	<b>Approval of issue of shares under Proposed Placement</b>
<b>Description</b>	The Company seeks shareholder approval to be able to issue up to 40,000,000 fully paid ordinary shares in the Company under the Proposed Placement, without using the Company's 15% Placement Capacity under ASX Listing Rule 7.1.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b>:</p> <p><i><b>"THAT for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 40,000,000 fully paid ordinary shares under the Proposed Placement on such terms as more particularly described in the Explanatory Memorandum accompanying this Notice."</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast on this resolution by:</p> <ul style="list-style-type: none"> <li>(a) any person who may participate in the Proposed Placement and their nominee(s);</li> <li>(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed; and</li> <li>(c) any associates of the persons named in sub-paragraphs (a) and (b).</li> </ul> <p>However, the Company will not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(d) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or</li> <li>(e) the chair of the meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

## 6. Approval of 10% Placement Capacity

Resolution 7	Approval of 10% Placement Capacity
Description	The Company seeks shareholder approval to be able to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under ASX Listing Rule 7.1.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as a <b>special resolution</b> :  <i><b>“THAT for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10% of its issued Equity Securities by way of placements over a 12 month period, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</b></i>
Voting Exclusion	The Company will disregard any votes cast on this resolution by any person who may participate in the issue of Equity Securities under this resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons.  However, the Company need not disregard a vote if it is cast by: <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

## 7. Repeal and replacement of Company Constitution

Resolution 8	Repeal and replacement of Company Constitution
Description	The Company's current Constitution has not been renewed or amended (other than to update the Company name) since 2007. There have been substantial changes to the applicable laws and regulations since that time, and the Company seeks to repeal its current Constitution and replace it with an updated constitution (the <b>New Constitution</b> ) that is consistent with the current applicable laws, regulations and corporate governance practices.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as a <b>special resolution</b> :  <i><b>“THAT, for the purposes of section 136(1)(b) of the Corporations Act 2001 (Cth), and for all other purposes, the New Constitution comprising the document tabled at the meeting and signed by the Chairman of the meeting for the purposes of identification, be approved and adopted as the constitution of the Company in substitution for and to the exclusion of the existing Constitution which is repealed in its entirety.”</b></i>

## 8. Approval of Long Term Incentive Plan

Resolution 9	Approval of Long Term Incentive Plan
Description	Shareholder approval is sought for the Company's Long Term Incentive Plan for the purposes of the ASX Listing Rules and the Corporations Act.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an <b>ordinary resolution</b> : <i>"THAT, for the purposes of Exception 9 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, shareholders approve the issue of shares, rights or options under the Long Term Incentive Plan described in the Explanatory Memorandum accompanying this Notice as an exception to ASX Listing Rule 7.1."</i>
Voting Exclusion	<p>The Company will disregard any votes cast on this Resolution by:</p> <ul style="list-style-type: none"> <li>(a) any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those Directors;</li> <li>(b) Key Management Personnel and their Closely Related Parties.</li> </ul> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(d) the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, where the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.</li> </ul>

Dated Friday 28 April 2017

**BY ORDER OF THE BOARD OF ANIMOCA BRANDS CORPORATION LIMITED**



Alyn Tai  
Company Secretary

## QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 31 December 2016, or the content of its audit report. Please send your questions via email to:

Ms Alyn Tai, Company Secretary,  
Animoca Brands Corporation Limited  
[at@ccounsel.com.au](mailto:at@ccounsel.com.au)

Written questions must be received by no later than **5.00pm (Melbourne time)** on **Monday 22 May 2017**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 31 December 2016.

During the course of the Annual General Meeting, the Chair will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

## VOTING INFORMATION

### Entitlement to vote at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at **7.00pm (Melbourne time)** on **Saturday 27 May 2017**, subject to any applicable voting exclusion.

### Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must

indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.

- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 11.00 am (Melbourne time) on Saturday 27 May 2017**:
  - online: [www.securitytransfer.com.au](http://www.securitytransfer.com.au) (if you have any problems accessing the online service, please contact the Company's share registry, Security Transfer Australia Pty Ltd on 1300 992 916)
  - by post: Security Transfer Australia, PO Box 52, Collins Street West, VIC 8007
  - by hand or courier: Suite 913, Exchange Tower, 530 Little Collins Street, Melbourne VIC 3000 (Monday to Friday, 9.00am to 5.00pm)
  - by facsimile: +61 8 9315 2233

### Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 9. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 9. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr David Kim, will chair the Meeting, and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 and 9, he or she will not vote your proxy on that item of business.

# EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

## 1. Financial and related reports

Financial and related reports	
<b>Explanation</b>	<p>Section 317 of the Corporations Act requires the Company's Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2016 (<b>FY16</b>) to be laid before the Company's Annual General Meeting for FY16. There is no requirement for a formal resolution on this item.</p> <p>The financial report contains the financial statements of the consolidated entity consisting of the Company and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2016 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2016 Annual Report is available from the Company's website (<a href="http://www.animocabrands.com">www.animocabrands.com</a>).</p> <p>The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, Grant Thornton, questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 31 December 2016, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Grant Thornton in relation to the conduct of the audit.</p>

## 2. Adoption of Remuneration Report (non-binding resolution)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
<b>Explanation</b>	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2016 Annual Report and is available from the Company's website (<a href="http://www.animocabrands.com">www.animocabrands.com</a>).</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> <li>▪ describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;</li> <li>▪ sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and</li> <li>▪ explains the differences between the basis for remunerating Non-Executive Directors and senior executives, including the Chief Executive Officer or equivalent.</li> </ul> <p>The vote on this item is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>



<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of this Resolution 1.

### 3. Re-election and election of Directors

<b>Resolutions 2 to 4</b>	<b>Re-election and election of Directors</b>
<b>Explanation</b>	<p>Clause 13.2 of the Constitution requires that, at each annual general meeting following the Company's first annual general meeting, one third of the Directors (or, if their number is not a multiple of three, the number nearest one third, rounded up) must retire from office. Clause 13.2 of the Constitution further provides that those retiring Directors are eligible for re-election at the annual general meeting at which they retire. The Directors who must retire pursuant to clause 13.2 of the Constitution are those who have held office for the longest period since their last election to office.</p> <p>Mr David Kim and Mr Yat Siu have held their office as a Directors of the Company for the longest period of time since their last re-election to office at the Company's Extraordinary General Meeting held on 25 February 2015. Accordingly, Mr Kim and Mr Siu retire as Directors at the Annual General Meeting pursuant to clause 13.2 of the Constitution and, being eligible, offer themselves for re-election as Directors.</p> <p>Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, and that the Director so appointed must retire at the next general meeting following his or her appointment. Clause 13.4 further provides that the retiring Director is eligible for election at the general meeting at which he or she retires, and is not to be counted for the purposes of determining the Directors to retire under clause 13.2.</p> <p>Dr Nigel Finch was appointed as a Director of the Company pursuant to clause 13.4 of the Constitution and therefore retires as a Director at the Annual General Meeting. Dr Finch, being eligible, offers himself for election as a Director pursuant to clause 13.4 of the Constitution.</p>
<b>About Mr David Kim</b>	<p>Mr Kim was appointed as Non-Executive Chairman of the Company on 24 December 2014. Mr Kim is considered not to be independent.</p> <p>Mr Kim serves as the Chief Executive Officer (<b>CEO</b>) of Appionics, more commonly known by the consumer brand 'Animoca'. Prior to that he was the CEO of mail.com Corporation, a leading personalised email and messenger service company based in Seattle and Hong Kong. Mr Kim also manages several independent financing and advisory projects ranging from private equity investments to refinancing of distressed assets. In recent years, he has advised and served on the boards of many prominent companies around the Pacific Rim including Viztel Solutions Group of Malaysia and Daum Corporation in Korea, where after 7 years of service as the chairman of the Audit Committee, he spearheaded the USD \$105 million acquisition of Lycos, Inc. After the highly publicised transaction, Mr Kim managed the integration of the acquisition as the CEO of Lycos. In 1999, he steered China.com Corporation to its Initial Public Offering and in doing so he became the youngest Chief Financial Officer of a company listed on the NASDAQ. He has also served as</p>

	<p>managing director for Softbank, Inc., and as managing director and CEO for Techpacific Venture Capital Limited. A graduate of Stanford University in Economics and Communications with Honors, Mr Kim is also a classical vocalist with extensive musical and theatrical interest and experience.</p> <p>Mr Kim has a relevant interest in 785,000 fully paid ordinary shares in the Company.</p>
<b>About Mr Yat Siu</b>	<p>Mr Siu was appointed to the Company's Board on 24 December 2014. Mr Siu is a Non-Executive Director and is considered not to be independent.</p> <p>Mr Siu is the founder and Chief Executive Officer of Outblaze Limited, a digital media company specialising in gaming, cloud technology, and smartphone/tablet software development. In 2009, he sold Outblaze's messaging division to IBM and successfully pivoted Outblaze Limited from B2B messaging services to B2C digital entertainment. Mr Siu is a director for TurnOut Ventures Limited, a partnership between Outblaze Investments Limited and Turner Entertainment Holdings Asia-Pacific Limited, and he is co-founder of Appionics (known by the consumer brand 'Animoca'), a major developer and publisher of smartphone games. In 2012, he set up ThinkBlaze, the research arm of Outblaze Limited dedicated to investigating socially meaningful issues related to technology. Mr Siu has earned numerous accolades including Global Leader of Tomorrow at the World Economic Forum, and Young Entrepreneur of the Year at the DHL/SCMP Awards. He is a supporter of various Non-Government Organisations (NGOs) and serves on the board of directors for the Asian Youth Orchestra.</p> <p>Mr Siu has a relevant interest in 29,841,164 fully paid ordinary shares in the Company.</p>
<b>About Dr Nigel Finch</b>	<p>Dr Finch was appointed to the Company's Board on 28 December 2016 as an independent Non-Executive Director.</p> <p>Dr Finch is a company director and adviser with experience working with early-stage and emerging ASX-listed companies. Dr Finch is currently a Non-Executive Director of medical imaging technology firm Mach7 Technologies Limited (ASX:M7T). He is Managing Director of Saki Partners, a transaction advisory firm assisting public and private sector clients with strategy execution and financial performance. Dr Finch has significant experience working across Asian markets including assisting Australian firms with international expansion and securing offshore partnerships. He was formerly an Associate Dean at The University of Sydney Business School and a member of CPA Australia's International Advisory Committee. He holds degrees in accounting, business and law and PhD in business law. He is a Chartered Accountant, a Chartered Tax Adviser and a Fellow of the Taxation Institute of Australia, CPA Australia and the Australian Institute of Company Directors. In addition to Mach7 Technologies Limited, during the past three years he has served as a director of the following ASX listed entities: Panorama Synergy Limited (ASX:PSY), Skydive The Beach Group Limited (ASX:SKB) and KNeoMedia Limited (ASX:KNM).</p> <p>Dr Finch does not have a relevant interest in any securities in the Company.</p>
<b>Board Recommendation</b>	<p>The Board, with Mr Kim, Mr Siu and Dr Finch abstaining on making recommendations on Resolutions 2, 3 and 4 respectively, recommends that shareholders vote in favour of these resolutions.</p>
<b>Chair's available proxies</b>	<p>The Chair of the Meeting intends to vote all available proxies in favour of Resolutions 2 to 4.</p>

#### 4. Cancellation of forfeited shares

Resolution 5	Cancellation of forfeited Class B Performance Shares								
<p><b>Explanation</b></p>	<p>As part consideration for the Animoca Acquisition in 2014, the Company issued 15,000,000 Class B Performance Shares to the vendors of Animoca BVI. In accordance with the terms and conditions of the Class B Performance Shares (which are set out in detail in the Notice of Meeting for the Company's 23 October 2014 Extraordinary General Meeting), in the event that none of the prescribed "conversion events" occurs with respect to the Class B Performance Shares prior to 5.00 pm (Melbourne time) on 31 October 2016, each Class B Performance Share was to be automatically forfeited for no consideration.</p> <p>As announced to the ASX on 27 October 2016, the prescribed milestones associated with the Class B Performance Shares were not achieved, and so no conversion event was triggered prior to 31 October 2016. As a result of this, the Class B Performance Shares were automatically forfeited on 31 October 2016.</p> <p>Section 258D of the Corporations Act provides that a Company may, by resolution passed at a general meeting, cancel shares that have been forfeited under the terms on which the shares are on issue.</p> <p>Following the cancellation of the Class B Performance Shares, the Company's issued capital will consist of:</p> <ul style="list-style-type: none"> <li>▪ 390,637,274 fully paid ordinary shares; and</li> <li>▪ 2,366,025 unlisted options exercisable at \$0.20 each and expiring 23 January 2018.</li> </ul> <p>The Company provides the following information with respect to the forfeited Class B Performance Shares, in accordance with ASX Listing Rule 7.26:</p> <table border="0" data-bbox="477 1167 1436 1615"> <tr> <td style="vertical-align: top;"><b>Total issue price of forfeited shares</b></td><td>The 15,000,000 forfeited Class B Performance Shares were issued for nil cash consideration (they were issued to the vendors of Animoca BVI as part consideration for the Animoca Acquisition).</td></tr> <tr> <td style="vertical-align: top;"><b>Amount called but unpaid / amount uncalled</b></td><td>There are no amounts called but unpaid, nor any amounts uncalled, relating to the forfeited Class B Performance Shares.</td></tr> <tr> <td style="vertical-align: top;"><b>Outstanding liability</b></td><td>N/A.</td></tr> <tr> <td style="vertical-align: top;"><b>Voting exclusion statement</b></td><td>A voting exclusion statement applies to this item of business, as set out in the Notice.</td></tr> </table>	<b>Total issue price of forfeited shares</b>	The 15,000,000 forfeited Class B Performance Shares were issued for nil cash consideration (they were issued to the vendors of Animoca BVI as part consideration for the Animoca Acquisition).	<b>Amount called but unpaid / amount uncalled</b>	There are no amounts called but unpaid, nor any amounts uncalled, relating to the forfeited Class B Performance Shares.	<b>Outstanding liability</b>	N/A.	<b>Voting exclusion statement</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.
<b>Total issue price of forfeited shares</b>	The 15,000,000 forfeited Class B Performance Shares were issued for nil cash consideration (they were issued to the vendors of Animoca BVI as part consideration for the Animoca Acquisition).								
<b>Amount called but unpaid / amount uncalled</b>	There are no amounts called but unpaid, nor any amounts uncalled, relating to the forfeited Class B Performance Shares.								
<b>Outstanding liability</b>	N/A.								
<b>Voting exclusion statement</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.								
<p><b>Board Recommendation</b></p>	<p>The Board, with Mr Yat Siu abstaining on making a recommendation due to being a Class B Performance Share Holder, recommends that shareholders vote in favour of Resolution 5.</p>								
<p><b>Chairman's available proxies</b></p>	<p>The Chairman intends to vote all available proxies in favour of Resolution 5.</p>								

## 5. Approval of issue of shares under Proposed Placement

Resolution 6	Approval of issue of shares under Proposed Placement										
<b>Explanation</b>	Resolution 6, which is an ordinary resolution, seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 40,000,000 fully paid ordinary shares ( <b>Proposed Placement</b> ).										
<b>Reason for Resolution 6</b>	The effect of Resolution 6 will be to allow the Company to pursue strategic acquisitions in consideration for share-based payments, and to provide the Company with flexibility to raise funds via the issue of fully paid ordinary shares, during the period of 3 months after the Annual General Meeting (or a longer period if allowed by ASX) without using the Company's 15% Placement Capacity under ASX Listing Rule 7.1.										
<b>Proposed Placement facility to lapse if not utilised</b>	The Directors are of the view that it is prudent at this time to seek approval for the Proposed Placement facility. However, at this point in time, there has been no determination to place any shares under the Proposed Placement facility. Accordingly, if the Proposed Placement facility is approved by shareholders but not utilised by the Company, the Proposed Placement facility will lapse within 3 months after the date of the Annual General Meeting.										
<b>Specific information required by ASX Listing Rule 7.3</b>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p> <table> <tr> <td><b>Maximum no. of shares to be issued</b></td><td>40,000,000 fully paid ordinary shares.</td></tr> <tr> <td><b>Date by which shares will be issued</b></td><td>If shareholder approval is obtained for Resolution 6, the Company will issue the shares as soon as is practicable after the Annual General Meeting, or in any event no later than 3 months after the date of the Annual General Meeting (or such longer period of time as ASX may in its discretion allow).</td></tr> <tr> <td><b>Issue price per share</b></td><td>The shares will be allotted at an issue price or deemed issue price that is not less than 80% of the volume weighted average market price of the Company's shares for the last five days on which sales of the shares are recorded before the day on which the issue will be made.</td></tr> <tr> <td><b>Basis on which allottees will be determined</b></td><td>The Directors intend that the shares be issued and allotted to vendors of businesses, assets or investments proposed to be acquired by the Company, and/or any sophisticated investors and professional investors introduced to the Company by the Company's advisors and/or invited by the Company to participate in a capital raising placement.</td></tr> <tr> <td><b>Terms of shares</b></td><td>The shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</td></tr> </table>	<b>Maximum no. of shares to be issued</b>	40,000,000 fully paid ordinary shares.	<b>Date by which shares will be issued</b>	If shareholder approval is obtained for Resolution 6, the Company will issue the shares as soon as is practicable after the Annual General Meeting, or in any event no later than 3 months after the date of the Annual General Meeting (or such longer period of time as ASX may in its discretion allow).	<b>Issue price per share</b>	The shares will be allotted at an issue price or deemed issue price that is not less than 80% of the volume weighted average market price of the Company's shares for the last five days on which sales of the shares are recorded before the day on which the issue will be made.	<b>Basis on which allottees will be determined</b>	The Directors intend that the shares be issued and allotted to vendors of businesses, assets or investments proposed to be acquired by the Company, and/or any sophisticated investors and professional investors introduced to the Company by the Company's advisors and/or invited by the Company to participate in a capital raising placement.	<b>Terms of shares</b>	The shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.
<b>Maximum no. of shares to be issued</b>	40,000,000 fully paid ordinary shares.										
<b>Date by which shares will be issued</b>	If shareholder approval is obtained for Resolution 6, the Company will issue the shares as soon as is practicable after the Annual General Meeting, or in any event no later than 3 months after the date of the Annual General Meeting (or such longer period of time as ASX may in its discretion allow).										
<b>Issue price per share</b>	The shares will be allotted at an issue price or deemed issue price that is not less than 80% of the volume weighted average market price of the Company's shares for the last five days on which sales of the shares are recorded before the day on which the issue will be made.										
<b>Basis on which allottees will be determined</b>	The Directors intend that the shares be issued and allotted to vendors of businesses, assets or investments proposed to be acquired by the Company, and/or any sophisticated investors and professional investors introduced to the Company by the Company's advisors and/or invited by the Company to participate in a capital raising placement.										
<b>Terms of shares</b>	The shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.										

	<p><b>Use of funds raised</b> In the event that shares are issued as non-cash consideration for the acquisition of new businesses, assets or investments, there will be no funds raised from the issue of the shares. In the event that shares are issued for cash consideration, the funds raised will be used either to fund the acquisition of new businesses, assets or investments, for general working capital purposes (after the costs of the Proposed Placement).</p> <p><b>Progressive issue</b> The Directors intend that the issue of the shares under the Proposed Placement will occur progressively.</p> <p><b>Voting exclusion statement</b> A voting exclusion statement applies to this item of business, as set out in the Notice.</p>
<b>Board Recommendation</b>	The Directors believe that it is in the best interests of the Company to preserve its 15% Placement Capacity under ASX Listing Rule 7.1 and approval under this Resolution 6 will assist in addressing other commercial opportunities, including acquisition opportunities should they arise. The Directors unanimously recommend that shareholders vote in favour of Resolution 6.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.

## 6. Approval of 10% Placement Capacity

Resolution 7	Approval of 10% Placement Capacity
<b>General</b>	<p>Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of their issued capital by way of placements over a 12 month period, in addition to their ability to issue Equity Securities under ASX Listing Rule 7.1 (<b>10% Placement Capacity</b>).</p> <p>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Directors, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using the Company's 15% Placement Capacity under ASX Listing Rule 7.1.</p> <p>Resolution 7 is a <b>special resolution</b>. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</p>
<b>Eligibility</b>	<p>ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&amp;P/ASX 300 Index will be considered eligible to seek shareholder approval under ASX Listing Rule 7.1A.</p> <p>As at the date of this Notice, the Company, which has a market capitalisation of less than \$300 million, is not included in the S&amp;P/ASX 300 Index. Accordingly, the Company is considered eligible to seek shareholder approval under ASX Listing Rule 7.1A.</p>

<p><b>Formula</b></p>	<p>The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out in ASX Listing Rule 7.1A.2 as follows:</p> $(A \times D) - E$ <p>Where:</p> <p><b>A</b> is the number of ordinary shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> <li>plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;</li> <li>plus the number of partly paid shares that became fully paid in the previous 12 months (there are presently no partly paid shares on issue in the Company);</li> <li>plus the number of shares issued in the previous 12 months with approval of shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% Placement Capacity without shareholder approval; and</li> <li>less the number of shares cancelled in the previous 12 months.</li> </ul> <p><i>'A' has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% Placement Capacity</i></p> <p><b>D</b> is 10%.</p> <p><b>E</b> is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.</p>
<p><b>Conditions of issue under the 10% Placement Capacity</b></p>	<p>There are a number of conditions applicable to the issue of Equity Securities under ASX Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows:</p> <p>(a) Equity Securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company only has one class of securities which are quoted, being ordinary shares.</p> <p>(b) The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the volume weighted average market price (<b>VWAP</b>) for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ol style="list-style-type: none"> <li>the date on which the price at which the Equity Securities are to be issued is agreed; or</li> <li>if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.</li> </ol>
<p><b>Period of validity of shareholder approval</b></p>	<p>In the event that the Company obtains shareholder approval for Resolution 7, such approval will cease to be valid upon the earlier of:</p> <p>(a) 12 months after the date of the Annual General Meeting, being 29 May 2018; or</p> <p>(b) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under ASX Listing Rule 11.1.2, or the disposal of the Company's main undertaking under ASX Listing Rule 11.2.</p> <p><b>(7.1A Placement Period)</b></p>

**Information to be provided to shareholders under ASX Listing Rule 7.3A**

<p><b>Minimum issue price</b></p>	<p>The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ul style="list-style-type: none"> <li>i. the date on which the price at which the Equity Securities are to be issued is agreed; or</li> <li>ii. if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.</li> </ul>
<p><b>Risk of dilution to shareholders</b></p>	<p>If Resolution 7 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that:</p> <ul style="list-style-type: none"> <li>▪ the market price of the Company's Equity Securities may be significantly lower on the relevant issue date than on the date of the Annual General Meeting; and</li> <li>▪ the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.</li> </ul> <p>The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:</p> <ul style="list-style-type: none"> <li>▪ an issue price of \$0.038 per share, which was the closing price of the Company's shares on the ASX on 7 April 2017; and</li> <li>▪ the variable 'A' being calculated as the number of fully paid ordinary shares on issue 12 months before the date of this Notice: <ul style="list-style-type: none"> <li>○ plus the number of fully paid ordinary shares issued in the 12 months before the date of this Notice under an exception in ASX Listing Rule 7.2,</li> <li>○ plus the number of partly paid ordinary shares that became fully paid in those 12 months,</li> <li>○ plus the number of fully paid ordinary shares issued in those 12 months with approval of holders of ordinary shares under ASX Listing Rules 7.1 and 7.4,</li> <li>○ less the number of fully paid ordinary shares cancelled in those 12 months;</li> </ul> </li> </ul> <p>being <b>390,637,274</b> fully paid ordinary shares.</p> <p>The table also shows:</p> <ul style="list-style-type: none"> <li>(a) two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under ASX Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and</li> <li>(b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.</li> </ul>

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.020	Issue price \$0.040	100% increase in issue price \$0.080
<b>Current Variable 'A'</b> 390,637,274 shares	<b>10% voting dilution</b>	39,063,727 shares	39,063,727 shares	39,063,727 shares
	<b>Funds raised</b>	\$781,274.54	\$1,562,549.10	\$3,125,098.19
<b>50% increase in current Variable 'A'</b> 585,955,911 shares	<b>10% voting dilution</b>	58,595,591 shares	58,595,591 shares	58,595,591 shares
	<b>Funds raised</b>	\$1,171,911.82	\$2,343,823.64	\$4,687,647.29
<b>100% increase in current Variable 'A'</b> 781,274,548 shares	<b>10% voting dilution</b>	78,127,455 shares	78,127,455 shares	78,127,455 shares
	<b>Funds raised</b>	\$1,562,549.10	\$3,125,098.19	\$6,250,196.38
<p>The table has been prepared on the following assumptions:</p> <p>(a) the Company issues the maximum number of shares available under the 10% Placement Capacity;</p> <p>(b) no options to acquire shares on issue in the Company are exercised;</p> <p>(c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;</p> <p>(d) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting;</p> <p>(e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with ASX Listing Rule 7.1A and not under the 15% Placement Capacity under ASX Listing Rule 7.1;</p> <p>(f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares; and</p> <p>(g) the issue price is \$0.040, being the closing price of the Company's shares on the ASX on 7 April 2017.</p>				
<b>Period of validity</b>	The Company will only issue and allot the Equity Securities during the 7.1A Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).			



<b>Reason for issue of shares under 10% Placement Capacity</b>	<p>The Company may seek to issue the Equity Securities for the following purposes:</p> <ul style="list-style-type: none"> <li>(a) non-cash consideration for the acquisition of new assets, businesses or investments, in which event the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or</li> <li>(b) cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under ASX Listing Rule 7.1.A and for general working capital.</li> </ul> <p>The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.</p>						
<b>Allocation policy</b>	<p>The Company may not issue any or all of the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors.</p> <p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors such as:</p> <ul style="list-style-type: none"> <li>1. fund raising options (and their viability) available to the Company at the relevant time;</li> <li>2. the effect of the issue of the Equity Securities on the control of the Company;</li> <li>3. the financial situation of the Company and the urgency of the requirement for funds; and</li> <li>4. advice from the Company's corporate, financial, legal and broking advisers.</li> </ul> <p>The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice. It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.</p> <p>The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company.</p> <p>In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.</p>						
<b>Previous approval</b>	<p>The Company previously obtained approval under ASX Listing Rule 7.1A on 8 April 2016, and this approval expired on 8 April 2017, being the date that is 12 months after the date on which approval was last obtained.</p> <p>In accordance with ASX Listing Rule 7.3A.6, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1A, the following information is provided to shareholders:</p> <p>As at 29 May 2016, being the date that is 12 months prior to the Annual General Meeting, the Company had the following Equity Securities on issue:</p> <table border="1" data-bbox="464 1955 1422 2051"> <thead> <tr> <th>Class of Equity Securities</th><th>Number</th></tr> </thead> <tbody> <tr> <td>Fully paid ordinary shares</td><td>205,020,708</td></tr> <tr> <td>Class A Performance Shares</td><td>30,000,000</td></tr> </tbody> </table>	Class of Equity Securities	Number	Fully paid ordinary shares	205,020,708	Class A Performance Shares	30,000,000
Class of Equity Securities	Number						
Fully paid ordinary shares	205,020,708						
Class A Performance Shares	30,000,000						

Class B Performance Shares	15,000,000
Unlisted options exercisable at \$0.20 each and expiring 23 January 2018	2,366,025
<b>TOTAL</b>	<b>252,386,733</b>

The table below shows the number and type of Equity Securities issued by the Company in the 12 months prior to the Annual General Meeting, and the percentage they represent of the total number of Equity Securities on issue at 29 May 2016 (being 252,386,733).

Item	Date of issue	Class of Equity Securities	No. issued	% represented of total number of Equity Securities
1	27/10/16	Ordinary shares	12,000,000	4.75%
2	09/02/17	Ordinary shares	107,877,651	42.74%
3	03/03/17	Ordinary shares	65,738,915	26.05%
	<b>TOTAL</b>		<b>223,116,566</b>	<b>73.54%</b>

All ordinary shares issued by the Company in the 12 months prior to the Annual General Meeting have the same terms and rank equally in all respects with existing fully paid ordinary shares in the Company.

Specific information in relation to each issue of Equity Securities during the 12 months prior to the Annual General Meeting is as follows:

Item	Reason for issue	Recipients	Use / intended use of funds	Issue price per share	Discount / premium to market price	Total cash consideration or current value
1	Issue of ordinary shares upon the conversion of Class A Performance Shares into fully paid ordinary shares due to satisfaction of the relevant performance milestones	Class A Performance Share Holders	N/A	N/A, issued for nil consideration on conversion of Class A Performance Shares	N/A	\$480,000 (current cash valuation based on the market price of the Company's shares on 7 April 2017)
2	Issue of ordinary shares under the institutional component of the Entitlement Offer	Existing shareholders of the Company participating in the institutional component of the Entitlement Offer	The net proceeds of the Entitlement Offer will be used to fund sales, marketing, technology enhancements and working capital requirements of the Company	\$0.03	11.76% discount	\$3,236,329.53
3	Issue of ordinary shares under the retail component of the Entitlement Offer	Existing shareholders of the Company participating in the retail component of the Entitlement Offer, and nominees of the underwriter of the Entitlement Offer (Baillieu Holst Ltd)	The net proceeds of the Entitlement Offer will be used to fund sales, marketing, technology enhancements and working capital requirements of the Company	\$0.03	16.67% discount	\$1,972,167.45

The Company has raised a total of \$5,208,496.98 (before costs) through the issue of ordinary shares in the 12 months prior to the Annual General Meeting (see items 2 and 3 in the tables above). The Company is applying these funds towards sales, marketing, technology enhancements and working capital requirements of the Company. As at 31 March 2017, approximately \$4.6M of the funds raised (after

	costs) have not yet been spent. It is intended the remaining funds not yet spent will continue to be used to fund sales, marketing, technology enhancements and working capital requirements of the Company.
<b>Ranking of shares</b>	Any shares issued under the 10% Placement Capacity will rank equally with all other existing shares on issue in the Company.
<b>General information</b>	
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## 7. Repeal and replacement of Company constitution

<b>Resolution 8</b>	<b>Repeal and Replacement of Company constitution</b>
<b>Explanation</b>	<p>The Company's current Constitution has not been renewed or amended (other than to update the Company's name) since 2007. There have been substantial changes in the applicable laws and regulations since that time, and accordingly the Company seeks to repeal the Constitution and replace it with an updated constitution that is consistent with the current applicable laws, regulations corporate governance practices.</p> <p>A copy of the proposed New Constitution will be sent to any shareholder on written request made to:</p> <p>Ms Alyn Tai Company Secretary Level 1, 61 Spring Street, Melbourne, VIC 3000 T + 61 (0) 3 9286 7502 F + 61 (0) 3 9662 1472 E <a href="mailto:at@ccounsel.com.au">at@ccounsel.com.au</a></p> <p>A copy will also be available for inspection at the Annual General Meeting.</p> <p>For a summary of the rights and liabilities attaching to shares and other material provisions of the proposed New Constitution, refer to <b>Annexure 1</b>.</p> <p>Resolution 8 is a <b>special resolution</b>. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</p>
<b>Board Recommendation</b>	The Directors unanimously recommend that shareholders vote in favour of Resolution 8.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 8.

## 8. Approval of Long Term Incentive Plan

Resolution 9	Approval of Long Term Incentive Plan
<b>Explanation</b>	Shareholder approval is sought for the Company's Long Term Incentive Plan ( <b>LTIP</b> ) for the purposes of the ASX Listing Rules and the Corporations Act.
<b>ASX Listing Rules</b>	<p>ASX Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12 month period exceeds 15% of the issued capital of the company preceding the issue.</p> <p>ASX Listing Rule 7.2 contains a number of exceptions to the prohibition contained in ASX Listing Rule 7.1. In particular, under Exception 9 in Listing Rule 7.2, if Equity Securities are issued under an employee incentive scheme within three years of the date on which shareholders approve issues of Equity Securities under that employee incentive scheme, those Equity Securities do not deplete the company's capacity to issue Equity Securities under ASX Listing Rule 7.1. Resolution 9 is designed to satisfy the requirements of Exception 9 in ASX Listing Rule 7.2.</p>
<b>Corporations Act</b>	<p>Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.</p> <p>Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for a special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company.</p> <p>Accordingly shareholder approval is sought under Resolution 9 to ensure compliance with these sections of the Corporations Act.</p>
<b>Purpose of LTIP</b>	<p>The purpose of the LTIP is to provide incentives to eligible employees of the Company, which may include, management and Directors, who are integral to the operations and ongoing success of the Company. A summary of the LTIP is provided below. These incentives are designed to provide incentives to the employees and to recognise their contribution to the Company's success.</p> <p>The Company currently has two employee incentive schemes in operation: the LTIP the subject of this Resolution 9 and the Company's Employee Share Option Plan (<b>ESOP</b>) which was approved by shareholders at the Company's 23 October 2014 Extraordinary General Meeting.</p> <p>Should this Resolution 9 be passed, the Company will have the necessary flexibility to issue securities as an incentive to employees and management personnel, and the issue of securities under the LTIP will not be included within the Company's placement capacity pursuant to ASX Listing Rule 7.1.</p>
<b>Details of the LTIP</b>	<p><b>General</b></p> <p>The LTIP is intended to retain and motivate key employees and the management team of the Company.</p>

Under the LTIP, the Board has the discretion to offer shares or grant options or performance rights to eligible employees (which includes Directors) of the Company or a related body corporate. An offer of shares may be accompanied by an offer of a loan (acquisition loan) from the Company or a related body corporate to acquire the shares.

Note: there is no current proposal to offer acquisition loans under the LTIP.

Both options and performance rights give a participant in the LTIP a right to acquire shares in the Company subject to the achievement of time based and/or performance based vesting conditions, with options requiring the payment of an exercise price to acquire the shares and a performance right not requiring the payment of an exercise price.

The Board has the discretion to amend the rules of the LTIP (including in respect of previous awards of shares, options or performance rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or where agreed by the participant.

Awards under the LTIP are made at the Board's discretion.

### **Eligibility**

The rules allow for offers under the LTIP to be made to any employee of the Company or a related body corporate, including Directors, or such other person as the Board determines.

### **Issue of shares and grant of options and performance rights**

Shares, options and performance rights may be issued under the LTIP subject to vesting conditions, including time and performance based hurdles.

The Board determines the details of the vesting conditions attaching to shares, options and performance rights under the LTIP prior to offers of participation being made. Shares, options or performance rights will only vest (under normal circumstances) upon satisfaction of the time and performance based vesting conditions. If those conditions are not met, shares will be bought back or the options or performance rights will generally expire and not be capable of exercise.

No amount is payable on the grant of options or performance rights offered under the LTIP.

### **Delivery of shares**

Shares in the Company will be delivered to participants upon exercise of vested options or performance rights. On exercise, the Company may deliver shares by new issue or by purchasing shares for transfer to participants. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

### **Buy-back of shares**

The LTIP provides for the buy-back of shares offered under the LTIP in certain circumstances, including on the forfeiture of the shares. Buy-back proceeds must be applied towards the repayment of any acquisition loan used to acquire the shares.

### **Change of control**

On a change of control of the Company, the Board has discretion to waive the vesting conditions applicable to unvested options and performance rights, subject to such terms and conditions as it determines.

	<p><b>Plan limits</b></p> <p>Issues of shares including on exercise of options or performance rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and Non-Executive Directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.</p> <p><b>Expiry of options and performance rights</b></p> <p>Unless otherwise determined by the Board in its discretion, options and performance rights which have not been exercised will expire and cease to exist on the expiry date specified at the date of grant or upon the Board making a determination that the options or performance rights are to be forfeited.</p> <p><b>Restrictions on shares and forfeiture conditions</b></p> <p>Shares, options and performance rights, and shares delivered on exercise, may be subject to forfeiture (subject to lifting at the discretion of the Board) if a participant commits any act of fraud, defalcation or gross misconduct in relation to the Company or a related body corporate. In addition, the Board can decide, on the offer of shares or the grant of options or performance rights under the LTIP the circumstances under which the shares, options or performance rights are to be forfeited in additional circumstances, such as the termination or cessation of employment.</p> <p>Shares delivered on exercise of options or performance rights may be subject to disposal restrictions (subject to removal at the discretion of the Board).</p> <p><b>Hedging economic exposure prohibited</b></p> <p>Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the LTIP prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the LTIP.</p>
<b>Securities issued under the LTIP</b>	No securities have been issued under the LTIP or the Company's ESOP.
<b>Voting Exclusion</b>	A voting exclusion statement applies to this item of business, as set out in the Notice.
<b>Board Recommendation</b>	As the Directors may participate in the LTIP they do not provide any recommendation to shareholders in relation to this resolution.
<b>Chairman's available proxies</b>	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

## Definitions

<b>10% Placement Capacity</b>	Means the Company's capacity to issue Equity Securities under ASX Listing Rule 7.1A.
<b>15% Placement Capacity</b>	Means the Company's capacity to issue Equity Securities under ASX Listing Rule 7.1.
<b>Animoca Acquisition</b>	Means the Company's acquisition of all of the issued capital of Animoca BVI in 2014.
<b>Animoca BVI</b>	Means Animoca Brands Corporation (British Virgin Islands Company No. 1799850), which the Company acquired in 2014.
<b>Class A Performance Shares</b>	Means the 30,000,000 Class A Performance Shares in the Company which were issued on 24 December 2014, to the vendors of Animoca BVI in part consideration for the Animoca Acquisition, pursuant to shareholder approval obtained at the Company's 23 October 2014 Extraordinary General Meeting.
<b>Class A Performance Share Holders</b>	Means the vendors of Animoca BVI (or their nominees).
<b>Class B Performance Shares</b>	Means the 15,000,000 Class B Performance Shares in the Company which were issued on 24 December 2014, to the vendors of Animoca BVI in part consideration for the Animoca Acquisition, pursuant to shareholder approval obtained at the Company's 23 October 2014 Extraordinary General Meeting.
<b>Company</b>	Means Animoca Brands Corporation Limited ACN 122 921 813.
<b>Constitution</b>	Means the Company's current constitution as at the date of this Notice of Meeting.
<b>Corporations Act</b>	Means the <i>Corporations Act 2001</i> (Cth).
<b>Closely Related Party</b> (of a member of KMP of an entity)	Has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> <li>(a) a spouse or child of the member; or</li> <li>(b) a child of the member's spouse; or</li> <li>(c) a dependant of the member or of the member's spouse; or</li> <li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or</li> <li>(e) a company the member controls; or</li> <li>(f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).</li> </ul>
<b>Director</b>	Means a director of the board of the Company.
<b>Equity Security</b>	Means: <ul style="list-style-type: none"> <li>a) a share;</li> <li>b) a right to a share or option;</li> <li>c) an option over an issued or unissued security;</li> <li>d) a convertible security;</li> <li>e) any security that ASX decides to classify as an equity security.</li> </ul>

<b>Entitlement Offer</b>	Means the Company's fully underwritten, non-renounceable, accelerated entitlement offer which was announced to the ASX on 1 February 2017.
<b>Key Management Personnel or KMP</b>	Means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
<b>Long Term Incentive Plan or LTIP</b>	Means the Company's Long Term Incentive Plan the subject of Resolution 9.
<b>New Constitution</b>	Means the new constitution which the Company proposes to adopt subject to the passing of Resolution 8. A summary of the key terms of the New Constitution is set out in Annexure 1.
<b>Proposed Placement</b>	Means the capital raising placement the subject of Resolution 6 which the Company proposes to undertake, under which the Company may issue up to 40,000,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Memorandum.

**-ENDS-**



## Annexure 1 – New Constitution

A summary of the key terms of the new constitution which the Company proposes to adopt pursuant to the passing of Resolution 8 (**New Constitution**) is set out below. The provisions of the New Constitution outlined below must be read subject to the Corporations Act and the ASX Listing Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of all the rights, liabilities and obligations set out in the New Constitution.

Issue	Details of New Constitution
<b>Ranking</b>	The shares will be fully paid ordinary shares and will rank equally in all respects with the existing fully paid ordinary shares in the Company.
<b>Reports and notices</b>	Shareholders are entitled to receive all notices, reports, accounts and other documents required to be provided to members as set out in the New Constitution and the Corporations Act.
<b>General meetings</b>	Shareholders are entitled to be present in person, or by proxy, attorney or representative (where the Shareholder is a body corporate) to speak and to vote at general meetings of the Company. Shareholders may requisition general meetings in accordance with the Corporations Act and the New Constitution.
<b>Voting rights</b>	<p>Subject to any rights or restrictions from time to time attaching to any class or classes of shares in the Company, at a general meeting of the Company:</p> <ul style="list-style-type: none"><li>• every holder of a share present in person or by proxy, attorney or representative has one vote on a show of hands; and</li><li>• upon a poll every holder of a share present in person or by proxy, attorney or representative has one vote for every fully paid share held.</li></ul>
<b>Dividends</b>	The Directors may declare and authorise the distribution of dividends in accordance with section 254T of the Corporations Act and in a manner consistent with the rights of the relevant Shareholder.
<b>Winding up</b>	Subject to any specific rights attaching to any class or classes of shares, holders of shares will be entitled in a winding up to share in any surplus assets of the Company in the proportion to the shares held by them respectively, less any amounts which remains unpaid on their shares at the time of distribution.
<b>Transfer of shares</b>	<p>Subject to the New Constitution and any restrictions attached to a holder's shares, a holder of shares may transfer any of its shares by a proper ASTC Transfer (as defined by the <i>Corporations Regulations 2001</i> (Cth)), a written instrument of transfer in the usual form or in any other form approved by the Directors.</p> <p>The Directors may decline to register a transfer of shares or apply for a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules, including where:</p> <ul style="list-style-type: none"><li>• the transfer is not in registrable form;</li><li>• the Company has a lien on any of the Shares to be transferred;</li><li>• the registration of the transfer may breach an Australian law or a Court order;</li><li>• the registration of the transfer will create a new holding of shares which at the time of the transfer is lodged less than a marketable parcel;</li><li>• the transfer does not comply with the terms of an employee incentive scheme; or</li></ul>

	<ul style="list-style-type: none"> <li>the Company is otherwise permitted or required to do so pursuant to the terms of issue of the shares.</li> </ul>
<b>Issue and allotment of securities</b>	The allotment and issue of shares is under the control of the Directors. Subject to restrictions on the allotment of shares to Directors or their Associates contained in the New Constitution, the Corporations Act and the Listing Rules, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.
<b>Variation of rights</b>	The rights, privileges and restrictions attaching to shares can be altered with the approval of a resolution passed at a general meeting of the holders of shares by a 75% majority of those holders, who being entitled to do so, vote at that meeting, or with written consent of the holders of at least 75% of the shares on issue.
<b>Directors</b>	The New Constitution of the Company contains provisions relating to the rotation of Directors (other than a managing director). A Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years, following that Director's last election or appointment.
<b>Non-Executive Director fee cap</b>	In accordance with shareholder approval obtained at the Company's 8 April 2016 Annual General Meeting, the New Constitution provides that the aggregate amount of Directors' fees that may be paid to the Company's Non-Executive Directors in any one year may not exceed \$250,000.

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# ANIMOCA BRANDS CORPORATION LIMITED

ACN: 122 921 813

## REGISTERED OFFICE:

LEVEL 1  
61 SPRING STREET  
MELBOURNE VIC 3000

## SHARE REGISTRY:

Security Transfer Australia Pty Ltd  
**All Correspondence to:**  
PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

«Company\_code» «Sequence\_number»

Code:

AB1

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am (Melbourne time) on Monday 29 May 2017 at Grant Thornton, The Rialto, Level 30, 525 Collins Street, Melbourne, Victoria, Australia and at any adjournment of that meeting.

**Important for Resolutions 1 and 9:** If the Chairperson of the meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairperson of the meeting to exercise the proxy in respect of Resolutions 1 and 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr David Kim as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Repeal and replacement of Company Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Yat Siu as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of Dr Nigel Finch as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5. Cancellation of forfeited Class B Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6. Approval of issue of shares under Proposed Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am (Melbourne time) on Saturday 27 May 2017.**

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My/Our contact details in case of enquiries are:

Name:

Number:

(   )

#### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

#### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

#### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

#### 5. SIGNING INSTRUCTIONS

**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:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

#### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Australia Pty Ltd

Online	<a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	<a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a>

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

