
LOVE GROUP GLOBAL LTD

ACN 009 027 178

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (AEST)

DATE: 16 November 2018

PLACE: JM Financial Group Ltd
Level 8, 140 Bourke Street
Melbourne, VIC 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9486 4036

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (AEST) on 16 November 2018 at:

JM Financial Group Ltd
Level 8, 140 Bourke Street
Melbourne, VIC 3000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11:00am (AEST) on 14 November 2017.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1 if the person is either:

- a member of the Key Management Personnel of the Company; or
 - a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TERENCE GRIGG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Terence Grigg, having been appointed on 30 November 2017 in accordance with Article 19.2(a) of the Company's constitution, and retiring in accordance with Article 19.2(b) of the Company's constitution and being eligible for re-election, be elected as a Director of the Company.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR TOD MCGROUTHER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Tod McGrouther, having been appointed on 1 February 2018 in accordance with Article 19.2(a) of the Company's constitution, and retiring in accordance with Article 19.2(b) of the Company's constitution and being eligible for re-election, be elected as a Director of the Company.”

4. RESOLUTION 4 - ISSUE OF DIRECTOR PERFORMANCE RIGHTS – MR MICHAEL YE

To consider and, if thought fit, pass with or without amendment the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of up to 2,000,000 Performance Rights for no consideration to Mr Michael Ye or his nominee, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement: *The Company will disregard any votes cast in favour of Resolution 4 (in any capacity) by or on behalf of Mr Michael Ye (or his associates).*

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

5. RESOLUTION 5 – APPROVAL OF SELECTIVE BUY-BACK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 257D of the Corporations Act and for all other purposes, approval is given for the Company to selectively buy-back and cancel 155,000 shares held by former director Mr Leigh Kelson, for nominal consideration on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: *The Company will disregard any votes cast in favour of Resolution 5 (in any capacity) by or on behalf of Mr Leigh Kelson (or his associates) (“Excluded Parties”). In accordance with section 257D(1)(a) of the Corporations Act 2001, no votes may be cast in favour of the resolution by Excluded Parties.*

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:


“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital (at the time of the issue), calculated in accordance with the formula

prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by any person who is expected to participate in, , or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 15 OCTOBER 2018

BY ORDER OF THE BOARD



**MR DANIEL SMITH
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.lovegroup.co/investors.html> or by contacting the Company on (08) 9486 4036.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ended 30 June 2018.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (other than the managing director) who were in office at the date of approval of the applicable directors' report (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will

cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Chair voting undirected proxies

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TERENCE GRIGG

Clause 19.2 of the Constitution provides that:

- (a) The directors may appoint any individual to be a director, either as an addition to the exiting directors or to fill a casual vacancy, but so that the total number of directors does not exceed the maximum number fixed under this constitution;
- (b) A director appointed under rule 19.2, who is not a managing director, holds office until the conclusion of the next AGM follow his or her appointment.

Mr Terence Grigg was appointed Non-Executive Chairman on 30 November 2017. Mr Grigg will retire in accordance with Clause 19.2 of the Constitution and being eligible seeks re-election. Mr Grigg is an experienced company director, having been involved in the investment community and capital markets for over 30 years, and was Vice President and Treasurer at the Richmond Football Club from 1994 to 2001. Mr Grigg is a Non-Executive Director of ASX-listed Enevis limited (ASX:ENE).

The Board (other than Mr Grigg) unanimously supports the re-election of Mr Grigg.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR TOD MCGROUTHER

Clause 19.2 of the Constitution is set out in section 3 above.

Mr Tod McGrouther was appointed Non-Executive Director on 1 February 2018. Mr McGrouther will retire in accordance with Clause 19.2 of the Constitution and being eligible seeks re-election. Mr McGrouther has a Bachelor of Law (First class honours) and University Medal from the University of Sydney, and a Bachelor of Commerce (First class honours) and University Medal majoring in finance from the University of New South Wales. Mr McGrouther has worked in the Australian corporate advisory industry since 1986 and has specialised in the provision of corporate services to both public and private companies.

The Board (other than Mr McGrouther) unanimously supports the re-election of Mr McGrouther.

5. RESOLUTION 4 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS – MR MICHAEL YE

To achieve its corporate objectives, the Company needs to attract and retain key executives and management in a competitive environment.

The Company has adopted a mixture of short term incentives (**STI**) and long term incentives (**LTI**). The use of an STI and LTI component is consistent with the Company's objectives for remuneration, which includes providing competitive remuneration packages to attract and retain high calibre senior executives, having a meaningful portion of remuneration "at risk", and importantly, a focus on growing shareholder value.

The grant of Performance Rights encourages Key Executives to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Directors consider that the incentives intended for Mr Michael Ye represented by the grant of these Performance Rights are a cost effective and efficient means for the Company to provide a reward and add incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

5.1 Overview of grant of Performance Rights

It is proposed that Mr Ye be granted the following maximum number of Performance Rights with various terms, as soon as practicable (but not more than 1 month) after the Meeting:

- (a) 666,667 Performance Rights (**Tranche 1 Performance Rights**);
- (b) 666,667 Performance Rights (**Tranche 2 Performance Rights**); and
- (c) 666,666 Performance Rights (**Tranche 3 Performance Rights**).

Additionally:

- (a) No funds will be raised by the issue; and
- (b) If Approval is given under listing rule 10.11, approval is not required under listing rule 7.1.

5.2 Performance Conditions

Subject to any ASX imposed escrow, the Performance Rights will vest and convert to ordinary shares in the event of the following:

- (a) Tranche 1 Performance Rights: 666,667 shares vesting upon achievement of \$0.40 share price over any 20-day VWAP on or before Jun 30, 2019, voluntarily escrowed until Jun 30, 2020, and remaining employed at end of FY2019;
- (b) Tranche 2 Performance Rights: 666,667 shares vesting upon achievement of \$0.60 share price over any 20-day VWAP on or before Jun 30, 2020, voluntarily escrowed until Jun 30, 2021, and remaining employed at end of FY2020; and
- (c) Tranche 3 Performance Rights: 666,666 shares vesting upon achievement of \$0.80 share price over any 20-day VWAP on or before Jun 30, 2021, voluntarily escrowed until Jun 30, 2022, and remaining employed at end of FY2021.

Notwithstanding the Performance Conditions above, all the Performance Rights will vest automatically if there is a trade sale of all or any part of the business or

assets of the Company or if the Company merges with another company or is the subject of a takeover of 50.1% or more.

Subject to achievement of the Performance Conditions one share will be issued for each Performance Right that has vested on the same terms and conditions as the Company's issued shares and will rank equally with all other issued shares from the issue date.

A copy of the terms of the Performance Rights is provided at **Schedule 1** of this Explanatory Statement.

5.3 Related Party Transactions

The issue of performance rights to a Director constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party unless either:

- (a) prior shareholder approval is obtained and the benefit is given within 15 months after obtaining such approval; or
- (b) the giving of the financial benefit falls within an exception to the provision set out in section 210 to 216 of the Corporations Act.

For the purposes of section 219 of the *Corporations Act*, the following information is provided in relation to the issue of the Performance Rights proposed to be issued to Mr Michael Ye, a related party of the Company.

5.4 Nature of the financial benefits

The financial benefit to be provided to the Director, Mr Ye, is the issue of the Performance Rights referred to above.

Mr Ye is not required to make any payment for the grant of the Performance Rights or on the automatic exercise of a vested Performance Right. The maximum number of Performance Rights that could vest, and hence be automatically exercised under Resolution 4 is a maximum of 2,000,000 Performance Rights.

5.5 Valuation of the financial benefits

According to AASB 2 paragraph 19, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods and services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

5.6 Market based vesting conditions

The Performance Rights will vest into ordinary shares in the Company upon the satisfaction of 5.2 above and are predominantly market based vesting conditions. It is noted that if Mr Ye leaves employment for any reason, the Performance Rights will lapse, unless the Board determines otherwise depending on the circumstances of leaving employment.

5.7 Methodology Adopted

The initial undiscounted value of the Performance Rights is the value of an underlying share in Love Group as traded on ASX at the date of grant of the Performance Rights. For the purpose of this valuation based on date of the grant being 3 September 2018, the Company undertook a valuation which used 7.0 cents being the latest price of one Love Group share as traded on ASX on 3 September 2018.

All of the Performance Rights have a market based vesting condition, in that they cannot vest until a market related condition has been met, being that the Love Group share price has reached a predetermined level for 20 continuous trading days in which trades in Shares are recorded as noted above. In terms of the A-IFRS Accounting Standard on Share Based payments, where there are market conditions, the fair value of the Performance Rights, a discount is applied to take into account the probability of the Performance Rights not vesting so that ordinary shares may be issued. On the assumption that there was a 100% probability that the vesting condition would be achieved, then no discount would be applied to 3 September 2018 value of a Love Group share trading on ASX. On the assumption that there was a 0% probability that vesting conditions (market based condition only) would be achieved, then a 100% discount would be applied to the 3 September 2018 share price of a Love Group share as traded on ASX.

It is noted that the shares have not traded over 40.0 cents in the past 12 months and from 1 July 2018 to 3 September 2018, the Love Group shares have traded in the 5.1 cent to 23.0 cent range. The Company has assessed the value of the financial benefit proposed to be issued to the Key Executive based on an assessment of the likelihood of the Performance Conditions being met within the specified terms as at the date of this Notice. The Company has attributed a combined value of \$35,000 to the 3 tranches of Performance Rights. The value of each tranche of Performance Right is set out in section 5.8 below.

5.8 Conclusion

Set out below are the Company's conclusions as to the value of the Performance Rights:

Item	Resolution 4		
	Tranche 1	Tranche 2	Tranche 3
Underlying Security Price	\$0.07	\$0.07	\$0.07
Exercise Price	Nil	Nil	Nil
Deemed Grant Date	3/9/2018	3/9/2018	3/9/2018
Expiration Date	30/06/2019	30/06/2020	30/06/2021
Vesting Condition – exercisable provided the price of shares on ASX is above the following prices at the time of exercise (in cents)	\$0.40	\$0.60	\$0.80
No. of times the vesting price is greater than share price as at 28 September 2017	5.714	8.851	11.429

Number of Rights	666,667	666,667	666,666
Valuation per Right	\$0.035	\$0.014	\$0.0035
Valuation per Tranche	\$23,333	\$9,333	\$2,333

The relevant interests of Mr Ye in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Performance Shares	Performance Rights
Mr Michael Ye	6,593,196	2,909,090	2,000,000 ¹

¹ These Performance Rights are the subject of Resolution 4.

The amounts paid from the Company to Mr Ye and his associates for the previous three financial years are set out below:

Related Party	30 June 2018	30 June 2017	30 June 2016
Mr Michael Ye	\$286,000	\$296,434	\$168,709

5.9 Directors' interests in the outcome of the Resolution

If Resolution 4 is passed, the Key Executive will become entitled to accept an offer of Performance Rights as set out above together with the rights and entitlements associated with being a holder of such Performance Rights.

None of the other Directors (apart from Mr Ye) have a relevant interest in the outcome of Resolution 4.

If all of the Performance Rights as proposed above vest and are exercised and the Company issues new shares to the Key Executive upon exercise, the effect will be to dilute the shareholding of existing Shareholders up to a maximum of 4.6%. In practice, the Performance Rights can only vest following achievement of the performance conditions set out in 5.2 above.

5.10 Directors' Recommendations

Messrs Grigg and McGrouther (who have no interest in the outcome of the Resolution recommend that Shareholders vote in favour of Resolution 4 as they believe the granting of these Performance Rights to Mr Ye will align his rewards with the long-term creation of value for shareholders.

Mr Ye declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the grant of Performance Rights to him.

6. RESOLUTION 5 – APPROVAL OF SELECTIVE BUY BACK

6.1 Introduction

Resolution 5 seeks shareholder approval to enable the Company to buy-back and cancel 155,000 shares held by Mr Leigh Kelson (a former Director of the Company), for nominal consideration (\$0.0001 per Share). The shares were acquired by Mr Kelson pursuant to a loan share agreement (Loan Share

Agreement) dated 19 November 2014 and the Company's Employee Incentive Plan (**Loan Shares**)(**Plan**).

Under the terms of the Loan Share Agreement, Mr Kelson's resignation as a director amounts to a termination event and as such the shares are to be forfeited.

The Company has entered into a conditional agreement with Mr Kelson to buy back and cancel the 155,000 shares upon such shareholder approval being obtained.

Details of Mr Kelson's shareholding in the Company pre and post buyback are set out in the table below.

	Current Shares	% Interest	Post Buyback shares	% Interest
Leigh Kelson	263,129	0.64%	108,129	0.26%

6.2 Section 257D of the Corporations Act

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interest of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the company's insolvency;
- (b) seeking to ensure fairness between the company's shareholders; and
- (c) requiring the company to disclose all material information.

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

The procedures required differ for each type of buy-back. The buy-back proposed by Resolution 5 is a selective buy-back.

Pursuant to section 257D(1) of the Corporations Act, a selective share buy-back must be approved by either:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates: or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

Pursuant to section 257D(2) of the Corporations Act, the Company must include with the Notice a statement setting out all information known to the Company

that is material to the decision on how to vote on the Resolution. However the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

Section 257H(3) of the Corporations Act provides that the shares are cancelled immediately after the registration of the transfer to the Company of the shares bought back.

6.3 Details of the buy-back

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing information to shareholders with a notice of meeting. This information is set out below:

(a) Shares on issue

The Company has 41,136,841 Shares on issue as at the date of this Notice;

(b) Number and percentage of Shares to be bought back

The number and percentage of Shares to be bought back are 155,000 Shares representing approximately 0.38% of the Shares on issue as at the date of this Notice.

There will be 40,981,841 Shares on issue upon completion of the selective buy back and cancellation.

(c) Particulars of the terms of the buy-back

The terms of the buy-back are set out in section 6.1 above:

(d) Offer price

The offer price is nominal, being \$0.0001 per Share, for total consideration of \$155.00.

(e) Reason for the buy-back

The reason for the buy-back is set out in section 6.1 above.

(f) Interests of any director who may participate in the buy-back.

No current directors will participate in the buy-back. Mr Leigh Kelson (a former Director of the Company) will participate in the buy back if approved by Shareholders.

(g) The financial effect of the buy-back on the Company

Minimal – the buyback is for nominal consideration (\$155.00). The Directors do not believe that the buy-back will have an adverse effect on the Company's ability to pay its creditors.

(h) Source of the funds for the buy-back

The nominal consideration will be funding by the Company's working capital.

(i) Advantages of the buy-back

The buy-back provides an opportunity for the Company to reduce its issued share capital, and therefore increase its value per Share, for nominal consideration.

(j) Disadvantages of the buy-back

Nil.

(k) Impact on control

There will not be a significant impact on control of the Company following completion of the buy-back and no person will increase their voting power to 20% or more as a result of the buy-back.

6.4 Other material information

This Notice contains all information known to the Company that is material to the decision whether to vote in favour of Resolution 5.

6.4 Director's recommendation

The Board believes that it is clearly in the best interests of all shareholders for the Company to acquire these shares, thereby decreasing the total number of shares outstanding and increasing the value per Share. The Board unanimously supports the selective buy-back.

7. RESOLUTION 6 - APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 7.2 below).

The effect of passing Resolution 6 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

7.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being Shares (ASX Code: LVE).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated as at the date of issue of the Equity Securities according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E 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 holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

7.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 7.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A cease to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.043 50% decrease in Issue Price	\$0.086 Current Issue Price	\$0.129 50% increase in Issue Price
41,136,841 (Current)	10% voting dilution	4,113,684 Shares	4,113,684 Shares	4,113,684 Shares
	Funds raised	\$176,888	\$353,777	\$530,665
61,705,261 (50% increase)	10% voting dilution	6,170,526 Shares	6,170,526 Shares	6,170,526 Shares
	Funds raised	\$265,333	\$530,665	\$795,998
82,273,682 (100% increase)	10% voting dilution	8,227,368 Shares	8,227,368 Shares	8,227,368 Shares
	Funds raised	\$353,777	\$707,554	\$1,061,330

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 7 September 2018.
2. The issue price set out above is the closing price of the Shares on the ASX on 7 September 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised towards the ongoing costs associated with its online and offline matchmaking services; or
- (ii) as non-cash consideration for the acquisition of new projects or otherwise as consideration for services rendered by non-related third parties to the Company, where it is considered appropriate by the board to do so. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company has previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A.

During the 12-month period preceding 16 November 2018, being the date of this Meeting, the Company issued a total of 100,000 Shares which represent 0.25% of the total number of Equity Securities on issue at 7 September 2018.

Information relating to issues of Equity Securities by the Company in the 12 months prior to 16 November 2018 is as follows:

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
21/05/2018	300,000	Note 1		N/A	Non-cash: issued to consultant of the Company to reward future performance. Deemed value of \$nil
2/07/2018	100,000	Ordinary shares		N/A -	Non-cash: Conversion of Performance Shares into ordinary shares on the achievement of performance milestone. Deemed value of \$8,600

Notes:

1. Performance Shares convertible into fully paid ordinary shares in the capital of the Company upon the achievement of various performance milestones.

The Company's cash balance on 26 November 2017 was approximately \$1,350,000. The Company has not raised any funds through the issue of securities in the previous 12 months. The Company's cash balance at the date of this Notice is approximately \$1,360,000.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give ASX:

- (i) A list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) The information required by Listing Rule 3.10.5A for release to the market.

7.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary, Mr Daniel Smith, on (+61 8) 9486 4036 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given to that term in section 7.1 of the Explanatory Statement.

AEST means Australian Eastern Standard Time as observed in New South Wales all year.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the Chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Love Group Global Ltd (ACN 009 027 178).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the Remuneration Report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2018.

Resolutions means the resolutions set out in this Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Variable A means "A" as set out in the calculation in section 7.2 of the Explanatory Statement.

VWAP means volume weighted average market price as defined in Chapter 19 of the ASX Listing Rules.

SCHEDULE 1 – Terms and conditions of Performance Rights

The Performance Rights entitle the holder to Shares on the following terms and conditions:

- (a) Subject to the satisfaction of the vesting condition set out in paragraph (b) and (c) below, each Performance Right vests to one Share.
- (b) Subject to paragraph (c) below, the Performance Rights shall vest and convert to Shares as follows:

TRANCHE	VESTING CONDITIONS	ESCROW EXPIRY DATE	TOTAL PERFORMANCE SHARES
Tranche 1	Performance Rights shall convert to Shares upon achievement of A\$0.40 share price over any 20-day VWAP on or before Jun 30, 2019	30-Jun-20	666,667
Tranche 2	Performance Rights shall convert to Shares upon achievement of A\$0.60 share price over any 20-day VWAP on or before Jun 30, 2020	30-Jun-21	666,667
Tranche 3	Performance Rights shall convert to Shares upon achievement of A\$0.80 share price over any 20-day VWAP on or before Jun 30, 2021	30-Jun-22	666,666
			2,000,000

- (c) Notwithstanding paragraph (b) above, subject to the Listing Rules, each Performance Right shall vest and convert to one Share in the event that the Company terminates the holder's employment with the Company without cause.
- (d) The Performance Rights shall expire at 5.00 pm (WST) on that date which is in (b) above (Expiry Date). Any Performance Right not vested before the Expiry Date shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.
- (e) The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the satisfaction of the Vesting Condition.
- (f) Immediately following the Expiry Date the Company shall notify the holder of that proportion of Performance Rights that have vest and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Expiry Date.
- (g) The Company will not apply for quotation of the Performance Rights on the ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.
- (h) All Shares allotted upon the vesting of Performance Rights will upon allotment rank pari passu in all respects with other Shares.
- (i) In addition to (a) to (h) above, all terms and conditions set out in the Love Group Global Ltd Employee Incentive Plan apply to the Performance Rights. For further details of these terms, please see:

<http://www.asx.com.au/asxpdf/20151125/pdf/43395yx9qkl171.pdf>

PROXY FORM

**APPOINTMENT OF PROXY
LOVE GROUP GLOBAL LTD
ACN 009 027 178**

ANNUAL GENERAL MEETING

I/We

of

being a member of Love Group Global Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given the Chairman intends to vote in favour of each item of business, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11:00am (AEST), on 16 November 2018 at the office of JM Financial Pty Ltd, Level 8, 140 Bourke Street Melbourne, VIC 3000 Australia and at any adjournment thereof.

Voting on Business of the Annual General Meeting

- Resolution 1 – Adoption of Remuneration Report
- Resolution 2 – Re-election of Director – Terence Grigg
- Resolution 3 – Re-election of Director – Tod McGrouther
- Resolution 4 – Issue of Director Performance Rights
- Resolution 5 – Selective Buyback
- Resolution 6 – Approval of 10% Placement Capacity – Shares

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

LOVE GROUP GLOBAL LTD
ACN 009 027 178

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Love Group Global Limited, PO Box 5638, St Georges Tce, Perth WA 6831; or
 - (b) facsimile to the Company on facsimile number (+61 8) 9486 4799,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.