



Dear Shareholder,

Covata Limited is holding an Extraordinary General Meeting on 5 April 2017, at 10.30am, at the Grace Hotel, 77 York Street, Sydney.

You are receiving this Notice of Meeting and accompanying Proxy Form as Covata is seeking shareholder approval for the issue of securities to its Directors, which form part of the Company's renewed Board.

Covata has recently made several changes to its Board to ensure that it has a team of highly skilled and experienced Directors who are well positioned globally to support the Company in its next phase of growth. These changes included the appointments of Trent Telford as Chairman, Edward (Ted) Pretty as CEO and Managing Director, Bill McCluggage as Executive Director, David Irvine and Lindsay Tanner as Non-Executive Directors, and the resignations as at 31 March 2017 of Charles (Chuck) Archer and Michael Quinert.

The bios of all your Board Members are on Covata's corporate website at <https://covata.com/company/board-members/>.

The Company considers it important that the Board and Executive are incentivised, and that their interests are well aligned with shareholders. For this reason, I encourage you to vote in favour of these resolutions.

Resolutions one through four relate to the issues of securities that form part of the remuneration packages of new Board members. These include the issue of options to David Irvine, Lindsay Tanner and Bill McCluggage, and the issue of Loan Plan Shares to Ted Pretty.

Resolution five is to permit a subscription by Ted Pretty of \$215,000 at \$0.0933 per share which he has agreed to purchase as part of the terms of his appointment as CEO.

Since Ted joined Covata on 23 January 2017, he has been undertaking a strategic review of the Company, having spent time in our Sydney, London and San Francisco offices. At the EGM, he will outline the outcomes of his review and present you with the strategic plan for Covata moving forward.

We hope you can join us in person at the upcoming EGM, but if you are unable to, then I encourage you to submit your Proxy Form either by voting electronically online, or submitting the paper version.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Trent Telford", with a long horizontal line extending to the right.

Trent Telford  
Chairman

Covata Limited

Level 4, 156 Clarence Street Sydney NSW 2000  
P +61 2 8412 8200 F +61 2 8412 8202  
covata.com

**COVATA LIMITED**  
**ACN 120 658 497**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is given that the General Meeting of Covata Limited (the **Company** or **Covata**) will be held at The Grace Hotel, York Room – Level 1, 77 York Street, Sydney, 2000, on Wednesday 5 April 2017 at 10.30am (Sydney, NSW time).

Further details in respect of each of the resolutions proposed in this Notice of General Meeting (**Notice**) are set out in the Explanatory Memorandum accompanying this Notice. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and forms part of this Notice.

**GENERAL BUSINESS**

**Resolution 1: Issue of Options to a Director – Mr. David Irvine**

To consider and, if thought fit, to pass the following as an ordinary resolution:

***‘That, for the purpose of ASX Listing Rule 10.11, approval is given for the issue of 1,000,000 unlisted options to acquire fully paid ordinary shares in the Company to Mr. David Irvine, a Director of the Company (or his nominee), as set out in the Explanatory Memorandum which accompanies and forms part of the Notice.’***

**Voting Exclusion Statements:**

*The Company will disregard any votes cast on this Resolution by Mr. David Irvine and any of his associates or cast as a proxy by a Restricted Voter (defined below).*

*However, the Company need not disregard a vote on this resolution if:*

- *it is cast by a person as 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 even though the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.*

*A “**Restricted Voter**” means a member of the Company’s key management personnel, details of whose remuneration is set out in the Company’s Remuneration Report, or a closely related party of such a member.*

**Resolution 2: Issue of Options to a Director – Mr. Lindsay Tanner**

To consider and, if thought fit, to pass the following as an ordinary resolution:

***‘That, for the purpose of ASX Listing Rule 10.11, approval is given for the issue of 1,000,000 unlisted options to acquire fully paid ordinary shares in the Company to Mr. Lindsay Tanner, a Director of the Company (or his nominee), as set out in the Explanatory Memorandum which accompanies and forms part of the Notice.’***

**Voting Exclusion Statements:**

*The Company will disregard any votes cast on this Resolution by Lindsay Tanner and any of his associates or cast as a proxy by a Restricted Voter (defined above).*

*However, the Company need not disregard a vote on this resolution if:*

- *it is cast by a person as 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 even though the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.*

### **Resolution 3: Issue of Options to a Director – Mr. Bill McCluggage**

To consider and, if thought fit, to pass the following as an ordinary resolution:

***‘That, for the purpose of ASX Listing Rule 10.11, approval is given for the issue of 1,000,000 unlisted options to acquire fully paid ordinary shares in the Company to Mr. Bill McCluggage, a Director of the Company (or his nominee), as set out in the Explanatory Memorandum which accompanies and forms part of the Notice.’***

#### **Voting Exclusion Statements:**

*The Company will disregard any votes cast on this Resolution by Bill McCluggage and any of his associates or cast as a proxy by a Restricted Voter (defined above).*

*However, the Company need not disregard a vote on this resolution if:*

- *it is cast by a person as 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 even though the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.*

### **Resolution 4: Issue of Loan Plan Shares to a Director – Mr. Ted Pretty**

To consider and, if thought fit, to pass the following as an ordinary resolution:

***‘That for the purpose of ASX Listing Rule 10.14, shareholders approve the issue of a total of 10,000,000 Loan Plan Shares pursuant to the Covata Limited Loan Share Plan to Mr. Ted Pretty, a Director of the Company (or his nominee), as set out in the Explanatory Memorandum which accompanies and forms part of the Notice.’***

#### **Voting Exclusion Statements:**

*The Company will disregard any votes cast on this Resolution by Mr. Ted Pretty and any of his associates or cast as a proxy by a Restricted Voter (defined above).*

*However, the Company need not disregard a vote on this resolution if:*

- *it is cast by a person as 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 even though the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.*

### **Resolution 5: Issue of Shares to a Director – Mr. Ted Pretty**

To consider and, if thought fit, to pass the following as an ordinary resolution:

***‘The for the purpose of ASX Listing Rule 10.11, approval is given for the issue of 2,304,395 fully paid ordinary shares at an issue price of \$0.0933 (9.33 cents) per share to Mr. Ted Pretty, a Director of the Company (or his nominee), as set out in the Explanatory Memorandum which accompanies and forms part of the Notice.’***

#### **Voting Exclusion Statements:**

*The Company will disregard any votes cast on this Resolution by Mr. Ted Pretty and any of his associates.*

*However, the Company need not disregard a vote on this resolution if:*

- *it is cast by a person as 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: 2 March 2017

By the order of the Board

A handwritten signature in blue ink, appearing to read 'Patrick Gowans', with a stylized flourish at the end.

Patrick Gowans  
Company Secretary

The accompanying Explanatory Memorandum and the Proxy and Voting Instructions form part of this Notice.

## PROXY AND VOTING INSTRUCTIONS

---

### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on + 61 (2) 9290 9655 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the Proxy Form proposes to vote.

The Proxy Form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A Proxy Form is attached to this Notice of General Meeting.

If you sign the Proxy Form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

### Voting entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7.00pm on 3 April 2017 (Sydney, NSW Time) are entitled to attend and vote at the Meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### Proxies that are undirected on Resolutions 1, 2, 3 and 4

Key management personnel and their closely related parties will not be able to vote undirected proxies held by them on Resolutions 1, 2, 3 or 4 (being resolutions which are connected, directly or indirectly, with the remuneration of key management personnel of the Company) provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the Proxy Form.

The Remuneration Report set out in the Company's 2016 Annual Report identifies key management personnel for the year ended 30 June 2016. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

### How the Chair will vote undirected proxies

Subject to the restriction set out above, the Chair of the Meeting will vote undirected proxies in favour of all the proposed Resolutions.

---

**COVATA LIMITED**  
**ACN 120 658 497**  
**("the Company")**

**EXTRAORDINARY GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**

**PURPOSE OF INFORMATION**

This Explanatory Memorandum (**Memorandum**) accompanies and forms part of the Company's Notice of Extraordinary General Meeting (**Notice**) for a Extraordinary General Meeting (**Meeting**) to be held at The Grace Hotel, York Room – Level 1, 77 York Street, Sydney, 2000, on Wednesday 5 April 2017 at 10.30am. (Sydney, NSW time). The Notice incorporates, and should be read together with, this Memorandum.

**BUSINESS**

**Resolutions 1, 2 and 3: Issue of options to Directors – Mr. David Irvine, Mr. Lindsay Tanner and Mr. Bill McCluggage**

Under ASX Listing Rule 10.11, shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

As part of its remuneration and incentive arrangements, the Company proposes to issue 1,000,000 unlisted options to each of Mr. David Irvine (or his nominee), Mr. Lindsay Tanner (or his nominee) and Mr. Bill McCluggage (or his nominee) who were each recent appointments to the Board. The unlisted options have an exercise price of \$0.20 (twenty cents), expire 5 years from the issue date and, upon exercise, entitle the holder to a fully paid ordinary share in the Company. The options will be subject to periodic vesting over a period of 3 years.

The Board has formed the view that the issue of options to Mr. David Irvine, Mr. Lindsay Tanner and Mr. Bill McCluggage does not require shareholder approval under section 208 of the Corporations Act, as the issue of options constitutes "reasonable remuneration" in accordance with section 211 of the Corporations Act. In reaching this view, the Company has considered the positions of Mr Irvine, Mr Tanner and Mr McCluggage, the responsibilities they have (and in future are likely to have), the overall remuneration package they are receiving from the Company, as well as the need of the Company to effectively incentivise its Directors, while aligning the incentive with increasing shareholder value and the desirability of preserving cash resources.

ASX Listing Rule 10.13 requires the meeting document concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 to include the following information:

Resolution 1

- The options will be issued to Mr. David Irvine, a Director of the Company (or his nominee).
- The maximum number of securities to be issued is 1,000,000 unlisted options to acquire fully paid ordinary shares.
- The options have an exercise price of \$0.20 (twenty cents) and expire 5 years from the issue date.
- The Company will issue the unlisted options in a single tranche as soon as practicable following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.
- Mr. David Irvine is a Director of the Company.

- No funds will be raised from the issue of the unlisted options. Any funds raised upon exercise of the unlisted options will be applied to the working capital requirements of the Company at the time of exercise.
- The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 1.
- A voting exclusion statement is contained in the Notice accompanying this Memorandum.

#### Resolution 2

- The options will be issued to Mr. Lindsay Tanner, a Director of the Company (or his nominee).
- The maximum number of securities to be issued is 1,000,000 unlisted options to acquire fully paid ordinary shares.
- The options have an exercise price of \$0.20 (twenty cents) and expire 5 years from the issue date.
- The Company will issue the unlisted options as soon as practicable following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.
- Mr. Lindsay Tanner is a Director of the Company.
- No funds will be raised from the issue of the unlisted options. Any funds raised upon exercise of the unlisted options will be applied to the working capital requirements of the Company at the time of exercise.
- The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 2.
- A voting exclusion statement is contained in the Notice accompanying this Memorandum.

#### Resolution 3

- The options will be issued to Mr. Bill McCluggage, a Director of the Company (or his nominee).
- The maximum number of securities to be issued is 1,000,000 unlisted options to acquire fully paid ordinary shares.
- The options have an exercise price of \$0.20 (twenty cents) and expire 5 years from the issue date.
- The Company will issue the unlisted options as soon as practicable following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.
- Mr. Bill McCluggage is a Director of the Company.
- No funds will be raised from the issue of the unlisted options. Any funds raised upon exercise of the unlisted options will be applied to the working capital requirements of the Company at the time of exercise.
- The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 3.
- A voting exclusion statement is contained in the Notice accompanying this Memorandum.

**Resolution 4: Issue of Loan Plan Shares to a Director – Mr. Ted Pretty**

Resolution 4 seeks shareholder approval pursuant to ASX Listing Rule 10.14 for the issue of 10,000,000 Loan Plan Shares to a Director of the Company, Mr Ted Pretty (or his nominee), pursuant to the Covata Limited Loan Share Plan adopted by shareholders on 23 September 2014 (**Plan**).

The terms of the Plan were released to ASX in full on 7 November 2014 and a copy of the Plan can be provided to shareholders upon request to the Company.

The Loan Plan Shares are described and vest as set out in the table below:

Series	Number of Loan Plan Shares	Vesting Date
A	2,000,000	Immediately upon issue, subject to a 12-month voluntary escrow period
B	2,000,000	23 January 2018
C	3,000,000	23 July 2018
D	3,000,000	23 January 2020

The Loan Plan Shares vest immediately upon expiration of the relevant Vesting Date set out above and are subject to the compulsory divestiture provisions of the Plan.

The Loan Plan Shares will also immediately vest where:

- (a) the volume weighted average price of the Company's ordinary shares over any 40 consecutive days on which trades in the Company's ordinary fully paid shares are recorded exceeds \$0.50 (50 cents); or
- (b) upon the occurrence of a Liquidity Event as defined under the Plan.

**Acquisition Price**

The acquisition price of the Loan Plan Shares for the purposes of determining the underlying loan repayable to the Company on disposal of the Loan Plan Shares is as follows:

- (a) The acquisition price of the series A and B Loan Plan Shares is \$0.0933 per share, being the 5-day VWAP of the Company's securities prior to 23 December 2016.
- (b) The acquisition price of series C and D Loan Plan Shares is \$0.20 per share.

**Disposal of Loan Plan Shares**

Loan Plan Shares may not be disposed of prior to:

- (a) vesting;
- (b) repayment, or arrangements to the Company's satisfaction for repayment, of the balance of any Loan provided by the Company for acquisition of the Loan Plan Shares; and



- (c) the expiration of any restriction relating to the Loan Plan Shares as provided for in the Plan or, in the case of Series A Loan Plan Shares, the expiration of the voluntary escrow period of 12 months on 23 January 2018.

### **Corporations Act**

The Board has formed the view that the issue of Loan Plan Shares to Mr. Ted Pretty does not require shareholder approval under section 208 of the Corporations Act, as the issue of Loan Plan Shares constitutes “reasonable remuneration” in accordance with section 211 of the Corporations Act. In reaching this view, the Company has considered the position of Mr. Ted Pretty, the responsibilities he has and in future is likely to have and the overall remuneration package he is receiving from the Company, as well as the need of the Company to effectively incentivise its Directors, while aligning the incentive with increasing shareholder value and the desirability of preserving cash resources within the Company.

### **ASX Listing Rules**

ASX Listing Rule 10.14 provides that an entity must not permit a director or an associate of a director to acquire securities under an employee incentive scheme without the approval of ordinary shareholders. Mr. Ted Pretty is a Director of the Company and therefore approval is sought for the proposed issue of Loan Plan Shares to him (or his nominee) under ASX Listing Rule 10.14.

Shareholder approval is being sought under Listing Rule 10.14 and therefore approval is not required under Listing Rule 7.1.

ASX Listing Rule 10.15 requires the meeting document concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.14 to include the following information:

- Mr. Ted Pretty is a Director of the Company.
- The maximum number of securities that may be acquired by persons for whom approval under ASX Listing Rule 10.14 is required under this Resolution 4 is 10,000,000 Loan Plan Shares. Any future proposed issues to Directors (or their associates) under the Plan would require a further shareholder approval at the time.
- The acquisition price of Loan Plan Shares is \$0.0933 per share for the Series A and B Loan Plan Shares and \$0.20 (20 cents) per share for the Series C and D Loan Plan Shares.
- A total of 3,225,000 shares were issued to persons referred to in ASX Listing Rule 10.14 under the Plan as part of the Company’s merger with Cocoon Data Holdings Pty Ltd (being Phil King 975,000, Trent Telford 1,500,000, Phil Argy 750,000). The Plan was adopted on 23 September 2014. Since the merger referred to above, no shares have been issued under the Plan.
- No other persons referred to in ASX Listing Rule 10.14 are entitled to participate in the Plan without further shareholder approvals.
- A voting exclusion statement for Resolution 4 is contained in the Notice accompanying this Memorandum.
- The Loan will be made by the Company to fund the acquisition price upon issue of the Loan Plan Shares. Terms of the Loan are set out in the Plan (and related documents) the key terms of which are:
  - A right for the Company to take security of the shares to provide comfort in respect of the recoverability of the underlying loan.
  - The Loan is interest free.

- The Loan is repayable in circumstances which include the disposal of the loan plan shares, the occurrence of a liquidity event (provided that the borrower receives procedure on the occurrence of that event), or the date which is 10 years after the issue date, although may be repaid earlier by the borrower.
- Notwithstanding the above, the loan is a limited recourse loan, such that the Company will have recourse only to the proceeds paid to the borrower on the disposal of the Loan Plan Shares and 100% of the borrower's after tax dividends or after-tax capital distributions.
- The Loan Plan Shares are expected to be issued and allotted in a single tranche shortly after the date of the Meeting, but in any case no later than twelve (12) months after the date of the Meeting (or such other date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission).

#### **Resolution 5: Issue of shares to a Director – Mr. Ted Pretty**

Under ASX Listing Rule 10.11, shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

As part of the terms of Mr Pretty's engagement as Managing Director, the Company proposes to issue 2,304,395 fully paid ordinary shares to a Director of the Company, Mr Ted Pretty (or his nominee), at an issue price of \$0.0933 (9.33 cents) per share (total consideration paid by Mr Pretty of \$215,000). The issue price is equal to the VWAP of the Company's ordinary shares for the 5 (five) days before the announcement of Mr. Ted Pretty's appointment. The obligation of Mr. Ted Pretty to subscribe for shares under this Resolution 5 is subject to shareholders passing Resolution 4 above.

ASX Listing Rule 10.13 requires the meeting document concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 to include the following information:

- The shares will be issued to Mr. Ted Pretty, a Director of the Company (or his nominee).
- The maximum number of securities to be issued is 2,304,395 fully paid ordinary shares.
- The shares are to be issued at an issue price of \$0.0933 (9.33 cents) per share (total subscription sum of \$215,000).
- The Company will issue the shares as soon as practicable following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.
- Mr. Ted Pretty is a Director of the Company.
- Funds raised upon issue of the shares will be applied to the Company's working capital requirements.
- The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 5.
- A voting exclusion statement is contained in the Notice accompanying this Memorandum.

NOTE: Unless otherwise specified, all monetary amounts are expressed in Australian dollars.



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (Sydney, NSW time) on Monday, 3 April 2017.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/covataegm2017](http://www.votingonline.com.au/covataegm2017)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.  
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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 your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (Sydney, NSW time) on Monday, 3 April 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** [www.votingonline.com.au/covataegm2017](http://www.votingonline.com.au/covataegm2017)
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Covata Limited**

ACN 120 658 497

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Covata Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **The Grace Hotel, York Room – Level 1, 77 York Street, Sydney, New South Wales, 2000 on Wednesday, 5 April 2017 at 10:30am (Sydney, NSW time)** and at any adjournment of that meeting, to act 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.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business.

**STEP 2 VOTING DIRECTIONS**  
\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Issue of Options to a Director – Mr. David Irvine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Options to a Director – Mr. Lindsay Tanner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to a Director – Mr. Bill McCluggage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Loan Plan Shares to a Director – Mr. Ted Pretty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to a Director – Mr. Ted Pretty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2017