



ACN 123 129 162

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00am (AEDT)

REGISTRATION: 10.45 am (AEDT)

DATE: 27 November 2017

PLACE: Minter Ellison
Rialto Towers
Level 23
525 Collins Street
Melbourne Victoria 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.

13 October 2017

Dear Shareholder,

ApplyDirect Limited (the **Company**) has convened the Annual General Meeting (**AGM**) of Shareholders to be held on 27 November 2017 and we invite you to attend. The meeting will be held at Minter Ellison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000 to commence at 11:00am and will consider:

- The 2017 Annual Report
- Adoption of the Remuneration Report
- Re-election of Mr Bryan Petereit, who comes up for rotation at this AGM
- Approval of additional 10% placement capacity

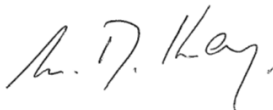
Attached to this letter is a Notice of the AGM and an Explanatory Memorandum setting out details on each of the resolutions to be proposed at the meeting.

If you are unable to attend the Meeting, I encourage you to vote using the Proxy Form, which is also enclosed. If you are able to attend, please bring this letter and package with you to facilitate your entitlement to vote. The Board recommends that you vote in favour of all resolutions.

My fellow directors and I look forward to meeting those Shareholders who can attend the Annual General Meeting in person.

Thank you for your continued support.

Yours sincerely



Michael Kay
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of ApplyDirect Limited will be held at Minter Ellison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000 at 11.00am (AEDT) on 27 November 2017

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

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 of the Company on 25 November 2017 at 7.00pm (AEDT).

AVAILABILITY OF 2017 ANNUAL REPORT

Shareholders are reminded that the 2017 Annual Report is only mailed to those Shareholders who have elected to receive a hard copy. The 2017 Annual Report can be viewed on the Company's web site at www.applydirect.com.au

BUSINESS

RECEIPT OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2017.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes 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 financial report for the year ended 30 June 2017."

RESOLUTION 2 – RE-ELECTION OF DIRECTOR, MR BRYAN PETEREIT

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

"That, for all purposes, Mr. Bryan Petereit, a director of the Company retires in accordance with clause 62.2 of the Constitution and, being eligible, is re-elected as a Director of the Company."

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

“That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve ApplyDirect having the additional capacity to issue Shares up to 10% of the issued capital of ApplyDirect (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

VOTING EXCLUSIONS

Special voting restrictions in relation to Resolution 1 and 3.

Special voting restrictions apply in relation to Resolution 1 and 3. Shareholders should read the Explanatory Memorandum for details relating to these restrictions.

DATED: 13 October 2017

By Order of the Board



**Mr Phillip Hains
Company Secretary
ApplyDirect Limited**

Important information for Shareholders:

1. The business of the Annual General Meeting affects your shareholding and your vote is important.
2. To vote in person, attend the Annual General Meeting on the date and at the place set out above.
3. To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and deliver the proxy form according to the instructions on the proxy form;

so that it is received **not later than** 11.00am (AEDT), 25 November 2017.

Proxy forms received later than this time will be invalid.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 11.00am (AEDT), 27 November 2017 at:

Minter Ellison
Rialto Towers
Level 23
525 Collins Street
Melbourne Victoria 3000

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

RECEIPT OF ANNUAL FINANCIAL REPORT

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2017.

In accordance with the Corporations Act 2001, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary, PO Box 655, Carlton South, VIC 3053 or fax it to (613) 9822 7735. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. A list of qualifying questions will be addressed at the Annual General Meeting.

Please note that all questions must be received at least five business days before the Annual General Meeting; that is by no later than 11.00am on 20 November 2017.

1 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Background

Pursuant to Section 250R(2) of the Corporations Act 2001, at the Annual General Meeting of a listed company, the Company must propose a resolution that the Remuneration Report be adopted.

The purpose of this resolution is to present to the Shareholders, the Company's Remuneration Report so that Shareholders may ask questions about or make comments on the management of the Company in accordance with the requirements of the Corporations Act 2001 and vote to adopt the Remuneration Report for the year ended 30 June 2017.

This resolution is advisory only and does not bind the Company. However, the Board will consider the outcome of the vote made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Under the Corporations Act 2001, if **25% or more of votes** that are cast at the meeting **are voted against** the adoption of the Remuneration Report at **two consecutive AGM's**, Shareholders will be required to vote at the second of those AGMs on a further resolution (a "**Spill Resolution**") that

another meeting be held within 90 days at which all of the Company's Directors (other than any Managing Director) must go up for re-election.

The Remuneration Report is contained within the 2017 Annual Report.

You may access the Annual Report by visiting the Company's website www.applydirect.com.au.

Voting Restrictions

Key Management Personnel (**KMP**) and their closely related parties are not permitted to vote on this Resolution. KMPs of ApplyDirect are the Directors of ApplyDirect and those other persons having authority and responsibility for planning, directing and controlling the activities of ApplyDirect, directly or indirectly. The Remuneration Report identifies ApplyDirect's KMPs for the financial year ending 30 June 2017. 'Closely related parties' are defined in the Corporations Act 2001, and include certain of their family members, dependents and companies they control.

However, a KMP may cast a proxy where the proxy specifies in writing how the KMP is to vote (except proxies cast on behalf of another KMP).

If you appoint the person chairing the meeting (Chair) as your proxy (or they are appointed by default) and you are not a KMP you are authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and you will be taken to have directed the Chair to vote in accordance with their stated intention to vote in favour of Resolution 1. If you have appointed the Chair as your proxy and you do not want your vote exercised in favour of Resolution 1, you should direct the Chair to vote "against" or to "abstain" from voting on Resolution 1.

If have not indicated who is to be appointed as your proxy or indicated your voting intention, the Chair will be appointed as your proxy by default and they will vote in favour of Resolution 1.

2 RESOLUTION 2 - RE-ELECTION OF DIRECTOR, MR BRYAN PETEREIT

Clause 62.2 of the Constitution states that no director except the Managing Director may hold office for a period in excess of 3 years without offering himself/herself for re-election, and that at every Annual General Meeting, one-third of the previously elected Directors must retire from office and be eligible for re-election.

Mr Petereit will retire at the Annual General Meeting and seeks re-election.

Mr Bryan Petereit – Executive Director & Chief Technology Officer – Appointed 14 December 2006

Bryan is the founder and Chief Technology Officer of ApplyDirect, and had been serving as the company's Managing Director and Chief Executive Officer until 12 September 2016. Bryan commenced his working career with IBM Australia. Subsequently, he worked in the IT sector in management roles with Ferntree Computer Corporation and, following its acquisition, with the IT division of GE Capital. Prior to his current role at ApplyDirect, Bryan commenced, ran and ultimately sold (to the Finite Group) his own IT recruitment business. Bryan holds a Master of Applied Finance from Macquarie University and a Bachelor of Science Degree, major in Computer Science.

The Directors, other than Mr Petereit who abstains, recommend that Shareholders vote in favour of this Resolution.

3 RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

Resolution 1 seeks Shareholder approval to permit ApplyDirect to issue an additional 10% of its issued capital over a 12 month period in accordance with Listing Rule 7.1A (**Additional Placement Capacity**).

Listing Rule 7.1 permits ApplyDirect to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Under Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and have a market capitalisation of \$300 million or less) can issue a further 10% of share capital in 12 months on a non-pro rata basis subject to the company obtaining shareholder approval.

ApplyDirect is an eligible entity as at the date of this Notice of Meeting.

The number of Shares that may be issued (if Shareholder approval is obtained at the Annual General Meeting) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

A is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 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% capacity pursuant to Listing Rule 7.1 without Shareholder approval; and
- (D) less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

For the purposes of Listing Rule 7.3A, ApplyDirect provides the following information:

Minimum price at which the equity securities may be issued	<p>The issue price of each share must be no less than 75% of the volume weighted average price for the shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none">the date on which the price, at which the securities are to be issued, is agreed; orif the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.
Risk of economic and voting dilution	<p>An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none">the market price for shares may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; andthe equity securities may be issued at a price that is at a discount to the market price for the shares on the issue date. <p>Under ASX Listing Rule 7.3A.2, a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>

Date by which the Company may issue the securities	<p>The period commencing on the date of the annual general meeting (to which this notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> the date which is 12 months after the date of the annual general meeting at which approval is obtained; and the date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 or 11.2. <p>The approval under ASX Listing Rule 7.1A will cease to be valid if holders of the Company's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>It is the Board's current intention that any funds raised under an issue of equity securities will be applied as follows:</p> <ul style="list-style-type: none"> working capital; <p>The Company reserves the right to issue shares for non-cash consideration, including for payment of service or consultancy fees and costs.</p>
Details of ApplyDirect's allocation policy for issues under approval	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to ASX Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p> <ul style="list-style-type: none"> the methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing security holders can participate; the effect of the issue of the ASX Listing Rule 7.1A shares on the control of the Company; the financial situation and solvency of the Company; and advice from corporate, financial and broking advisers (if applicable). <p>The allottees under the ASX Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial shareholders and new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the ASX Listing Rule 7.1A facility will be or include the vendors of the new assets or investments.</p>
Previous approvals under ASX Listing Rule 7.1A	Not applicable
Equity securities on issue as at 27 November 2016	168,388,135 Shares

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A” calculated under the formula in ASX Listing Rule 7.1A(2) as at the date of this notice.

The table shows two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders’ meeting.

The table also shows two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable ‘A’ in Listing Rule 7.1A.2		Dilution		
		\$0.100 50% decrease in Issue Price	\$0.200 Issue Price	\$0.400 100% increase in Issue Price
Current Variable A* 171,463,135 Shares	10% voting dilution	17,146,314	17,146,314	17,146,314
	Funds raised	\$1,714,631	\$3,429,263	\$6,858,525
50% increase in current Variable A* 257,194,703 Shares	10% voting dilution	25,719,470	25,719,470	25,719,470
	Funds raised	\$2,571,947	\$5,143,894	\$10,287,788
100% increase in current Variable A* 342,926,270 Shares	10% voting dilution	34,292,627	34,292,627	34,292,627
	Funds raised	\$3,429,263	\$6,858,525	\$13,717,051

*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2.

The table has been prepared on the following assumptions:

ApplyDirect issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval.

No Options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A.

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%.

The table does not show an example of dilution that may be caused to a particular shareholder by reason of Share issue under Listing Rule 7.1A, based on that shareholder’s holding at the date of the meeting.

The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The issue of securities under Listing Rule 7.1A consists only of Shares.

The issue price is \$0.200, being the closing price of the shares on ASX on 6 October 2017.

The Directors recommend that Shareholders vote in favour of this Resolution.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

ApplyDirect Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11.00am (AEDT) on Monday, 27 November 2017 at Minter Ellison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman 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 Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Re-election of Director - Mr Bryan Petereit

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Approval of Additional 10% Placement Capacity

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

AD1 PRX1701C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two 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 telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00am (AEDT) on Saturday, 25 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

ApplyDirect Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**