
SECOS GROUP LIMITED

(ACN 064 755 237)

NOTICE OF ANNUAL GENERAL MEETING

Time: 1000 AEDT (10:00 am Melbourne time)
Date: Thursday, 30 November 2017
Place: Level 15, 333 Collins Street
Melbourne VIC 3000 (Patersons Securities)

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 0433369997.

SECOS GROUP LIMITED

(ACN 064 755 237)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“**AGM**” or “**Annual General Meeting**”) of Shareholders of Secos Group Limited (ACN 064 755 237) (ASX: SES) (“**Secos**” or “**the Company**”) will be held at Patersons Securities, Level 15, Boardroom, 333 Collins Street, Melbourne, Victoria 3000 on Thursday 30 November 2017 at 10:00am (AEDT) for the purposes of transacting the following business.

The Explanatory Memorandum and Proxy Form accompanying this Notice of Annual General Meeting are hereby incorporated in and comprise part of this Notice of Annual General Meeting.

AGENDA

FINANCIAL STATEMENTS, DIRECTORS’ REPORT, AND AUDITOR’S REPORT

To receive and consider the financial statements, the Directors’ Report, and the Independent Auditor’s Report for the Company for the financial year ended 30 June 2017.

Note: There is no requirement for Shareholders to approve these reports.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

“That, for the purposes of section 250R (2) of the Corporations Act 2001(Cth) and for all other purposes, the 2017 Remuneration Report as included in the Directors’ Report of the Annual Report of the Company for the financial year ended 30 June 2017 be adopted.”

The vote on this Resolution 1 is advisory only and does not bind the Company or the Directors.

Voting Exclusion Statement

In accordance with Section 250(R) of the *Corporations Act 2001* (Cth), a vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 (as set out above), and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman of the Meeting, and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and

- (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote all available proxies **in favour** of Resolution 1.

RESOLUTION 2: RE-ELECTION OF DIRECTORS

To consider, and if thought fit, to pass each of the following resolutions as separate **ordinary resolutions**:

- (a) *“That Mr Trevor Haines, who retires in accordance with ASX Listing Rule 14.4 and clause 4.2 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”*
- (b) *“That Mr Donald Haller Jr., who retires in accordance with ASX Listing Rule 14.4 and clause 4.2 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”*
- (c) *“That Mr Richard Tegoni, who retires in accordance with ASX Listing Rule 14.4 and clause 4.2 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”*

Further details in respect of Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

RESOLUTION 3: RATIFICATION OF ISSUE OF PLACEMENT SHARES

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, the prior allotment and issue of 10,740,500 fully paid ordinary shares in the capital of the Company at an issue price of \$0.08 per share to sophisticated and professional investors under the placement announced on 17 July 2017 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting, be ratified and approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 3 by:

- (a) any person or persons who participated in the issue; and
- (b) any associate of that person (or those persons).

However, the Company need not disregard a vote cast on Resolution 3 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the Proxy Form; or
- (d) the Chairman of the Annual General Meeting as a proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 3.

RESOLUTION 4: APPROVAL AND RATIFICATION OF ISSUE TO SOPHISTICATED INVESTORS OF UP TO 689,912.03 CONVERTIBLE NOTES

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

“That, for the purpose of ASX Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue, to the persons described in section 4.3(d) of the Explanatory Memorandum, of up to 689,912.03 Convertible Notes.”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 4 by:

- (a) any person or persons who participated in the issue (being those persons described in section 4.3(d) of the Explanatory Memorandum); and
- (b) an associate of any of those persons.

However, the Company need not disregard a vote cast on Resolution 4 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) the Chairman of the Annual General 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.

The Chairman intends to vote all available proxies **in favour** of Resolution 4.

RESOLUTION 5: APPROVAL OF THE CONVERTABILITY OF CONVERTIBLE NOTES ISSUED TO CHOCOLATE INVESTMENTS PTY LTD (ACN 117 009 935) (RELATED PARTY CONTROLLED BY MR RICHARD TEGONI)

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

“That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve the convertibility of the Convertible Notes issued to Chocolate Investments Pty Ltd (ACN 117 009 935), the conversion of which to be calculated in accordance with section 4.3(b) of the Explanatory Memorandum, and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 5 by:

- (a) Mr Richard Tegoni and Chocolate Investments Pty Ltd; and
- (b) an associate of Mr Richard Tegoni.

However, the Company need not disregard a vote cast on Resolution 5 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 5.

RESOLUTION 6: APPROVAL OF THE CONVERTABILITY OF CONVERTIBLE NOTES ISSUED TO MR DONALD HALLER JR.

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

“That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve the convertibility of the Convertible Notes issued to Mr Donald Haller Jr., the conversion of which to be calculated in accordance with section 4.3(b) of the Explanatory Memorandum, and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 6 by:

- (a) Mr Donald Haller Jr.; and
- (b) an associate of Mr Donald Haller Jr.

However, the Company need not disregard a vote cast on Resolution 6 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 6.

RESOLUTION 7: APPROVAL OF THE ISSUE TO SOPHISTICATED INVESTORS OF UP TO 1,207,692 CONVERTIBLE NOTES

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

“That, for the purpose of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the issue, to the person described in section 5.2(e) of the Explanatory Memorandum, of up to 1,207,692 Convertible Notes, and such number of fully paid ordinary shares in the capital of the Company on the conversion of the Convertible Notes calculated in accordance with section 5.2(c) of the Explanatory Memorandum, and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 7 by:

- (a) any person or persons who may participate in the proposed issue (being those the persons described in section 5.2(e) of the Explanatory Memorandum); and
- (b) an associate of those persons.

However, the Company need not disregard a vote cast on Resolution 7 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or

- (d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 7.

RESOLUTION 8: APPROVAL OF THE ISSUE OF 100,000 CONVERTIBLE NOTES TO MR RICHARD TEGONI AND CHOCOLATE INVESTMENTS PTY LTD (ACN 117 009 935) (RELATED PARTY CONTROLLED BY MR RICHARD TEGONI)

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

“That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 50,000 Convertible Notes to Mr Richard Tegoni and 50,000 Convertible Notes to Chocolate Investments Pty Ltd (ACN 117 009 935).”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 8 by:

- (a) Mr Richard Tegoni and Chocolate Investments Pty Ltd; and
(b) an associate of Mr Richard Tegoni.

However, the Company need not disregard a vote cast on Resolution 8 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
(d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 8.

RESOLUTION 9: APPROVAL OF THE ISSUE OF 192,308 CONVERTIBLE NOTES TO MR DONALD HALLER JR.

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

“That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 192,308 Convertible Notes to Mr Donald Haller Jr.”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 9 by:

- (a) Mr Donald Haller Jr.; and
(b) an associate of Mr Donald Haller Jr.

However, the Company need not disregard a vote cast on Resolution 9 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or

- (d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 9.

RESOLUTION 10: ISSUE OF SHARES TO MR RICHARD TEGONI UNDER THE LOAN SHARE PLAN

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

“That, for the purpose of ASX Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of up to 595,239 fully paid ordinary shares in the capital of the Company, at a deemed issue price of \$0.084 per share, to Mr Richard Tegoni (or his nominee) under the Loan Share Plan, in satisfaction of his part cash remuneration for the 12 month period to September 2018, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on the Resolution 10 by:

- (a) any Director of the Company who is eligible to participate in the Loan Share Plan; and
- (b) any associate of that person (or those persons).

However, the Company need not disregard a vote cast on Resolution 10 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 10.

RESOLUTION 11: ISSUE OF SHARES TO MR DONALD HALLER UNDER THE LOAN SHARE PLAN

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

“That, for the purpose of ASX Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of up to 178,572 fully paid ordinary shares in the capital of the Company, at a deemed issue price of \$0.084 per share, to Mr Donald Haller Jr. (or his nominee) under the Loan Share Plan, in satisfaction of his part cash remuneration for the 12 month period to September 2018, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on the Resolution 11 by:

- (a) any Director of the Company who is eligible to participate in the Loan Share Plan; and
- (b) any associate of that person (or those persons).

However, the Company need not disregard a vote cast on Resolution 11 if it is cast by:

- (c) a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (d) the Chairman of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

The Chairman intends to vote all available proxies **in favour** of Resolution 11.

RESOLUTION 12: APPROVAL OF ADDITIONAL PLACEMENT CAPACITY UNDER ASX LISTING RULE 7.1A

To consider, and if thought fit, to pass, with or without amendment, the following **Special Resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (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 in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 12 by:

- (a) any person (and any associates of such a person) who may participate in the proposed issue; and
- (b) any person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) if this Resolution is passed; and
- (c) any associate of that person (or those persons).

However, the Company will not disregard a vote cast on Resolution 12 if it is cast by:

- (d) a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (e) the Chairman of the Annual General 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.

The Chairman intends to vote all available proxies **in favour** of Resolution 12.

An explanation of the proposed Resolutions 1 to 12 is set out in the Explanatory Memorandum, which forms part of this Notice of Meeting.

PROXIES

Appointing a proxy

Members are entitled to appoint up to two proxies to act generally at the Annual General Meeting on their behalf, and to vote in accordance with their directions on the Proxy Form. A proxy need not be a Member. A personalised Proxy Form is attached to this Notice of Annual General Meeting.

Where two proxies are appointed, each proxy can be appointed to represent a specified proportion or number of the votes of the member. If no number or proportion of votes is specified, each proxy may exercise half of the member's votes. Neither proxy is entitled to vote on a show of hands if more than one proxy attends the Annual General Meeting.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each resolution by marking the appropriate boxes on the Proxy Form.

Completed Proxy Forms (together with any authority under which the Proxy Form was signed, or a certified copy of the authority) must be returned by 10.00 am on 28 November 2017.

- by mail to Share Registry – Advanced Share Registry, PO Box 1156, Nedlands, Western Australia 6909
- personally to Share Registry - Advanced Share Registry, 110 Stirling Highway, Nedlands, Western Australia- 6009
- by facsimile + 61 (08) 9262 3723
- by email: etern@secosgroup.com.au

Further instructions are on the reverse of the Proxy Form.

Undirected Proxies and Voting Restrictions

Where permitted, the Chairman of the Annual General Meeting will vote undirected proxies **in favour** of all the Resolutions. This will be on the basis that the Proxy Form expressly authorises the Chairman to vote undirected proxies even if the resolution is connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

If you appoint a Director (other than the Chairman of the meeting), or any of the Company's other Key Management Personnel or a Closely Related Party of that person, as your proxy and do not direct your proxy how to vote on Resolutions 1, 2, 5, 6, 7, 8 and 9 the proxy will not be permitted to vote as your proxy on those resolutions. Accordingly, if you want your vote to be counted on those Resolutions, you should direct your proxy how to vote in respect of those Resolutions.

Corporate representation

A corporation which is a member, or which has been appointed a proxy, may appoint an individual to act as a representative to vote at the Annual General Meeting. The appointment must comply with section 250D of the *Corporations Act 2001* (Cth). The representative should bring to the Annual General Meeting evidence of his or her appointment unless it has previously been provided to the Share Registry.

VOTING EXCLUSION

Where a voting exclusion applies, the Company need 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 Annual General 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.

ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING

All members may attend the Annual General Meeting. The Directors have determined that for the purposes of voting at the meeting, shares will be taken to be held by the persons who are registered as the holders of those shares as at 7 pm (AEDT) on **28 November 2017**.

The accompanying Explanatory Memorandum and Proxy Form including voting instructions form part of this Notice of Annual General Meeting.

BY ORDER OF THE BOARD OF

SECOS Group Limited

Edmond Tern

Company Secretary

Dated: **24 October 2017**

EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

This Explanatory Memorandum accompanies and forms part of the Secos Group Limited (ACN 064 755 237) (ASX: SES) (“Secos” or “the Company”) Notice of Annual General Meeting **to be held on 30 November 2017 at 10:00 am (AEDT)**. The Notice of Annual General Meeting should be read together with this Explanatory Memorandum.

BUSINESS

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON-BINDING)

1.1 Background

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

The Remuneration Report is contained in the Company’s 2017 Annual Report.

Shareholders may access the Company’s 2017 Annual Report by visiting the Company’s website (www.secosgroup.com.au) or may order a hard copy of the 2017 Annual Report by phoning +61 (0) 3-8566-6804 or emailing the Company Secretary at: etern@secosgroup.com.au.

The Remuneration Report:

- explains the Board’s policy for determining the nature and amount of remuneration of executive Directors and senior management of the Company;
- explains the relationship between the Board’s remuneration policy and the Company’s performance;
- sets out remuneration details for each Director and the most highly remunerated senior management of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior management of the Company.

The purpose of Resolution 1 is to lay before 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* (Cth), and vote on a non-binding resolution to adopt the Remuneration Report for the year ended 30 June 2017.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Section 250R (3) of the *Corporations Act 2001* (Cth) provides that Resolution 1 is advisory only and does not bind the Directors of the Company.

However, the *Corporations Act 2001* (Cth) has been amended by the *Corporations Amendment (Improving Accountability on Director of the Company and Executive Remuneration) Act 2011* (**Director and Executive Remuneration Act**) which received Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the *Corporations Act 2001* (Cth), giving Shareholders the opportunity to

remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to shareholders at the second annual general meeting a further resolution (the 'spill resolution') on whether another meeting (known as a 'spill meeting') should be held (within 90 days) at which all Directors (other than the Managing Director and any directors appointed since the applicable Directors' Report was approved by the Board) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the spill resolution is approved at the annual general meeting by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days of that second annual general to consider the composition of the Board.

The Company's 2015 and 2016 Remuneration Reports did not receive a "no" vote of 25% or more when they were tabled at the respective annual general meetings.

The Chairman of the Annual General Meeting, in accordance with section 250SA of the *Corporations Act 2001* (Cth), will give Shareholders a reasonable opportunity at the Meeting to ask questions about, and make comments on, the Remuneration Report and the Company's remuneration arrangements.

1.2 Voting exclusion statement

For the purposes of the voting exclusion statement:

- (a) **Key Management Personnel** of the Company and its subsidiaries are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries either directly or indirectly. The Key Management Personnel of the Company and its subsidiaries during the year ended 30 June 2017 are listed in the Annual Financial Report of the Company.
- (b) A **Closely Related Party** of a member of the Key Management Personnel for the Company and its subsidiaries means:
 - (i) a spouse or child of the member;
 - (ii) a child of the member's spouse;
 - (iii) a dependant of the member or of the member's spouse;
 - (iv) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
 - (v) a company the member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a Shareholder to attend and vote at the Meeting under a power of attorney, on the basis that references to persons attending and voting are read as references to persons attending and voting and references to an instrument under which the proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

1.3 Directors' Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as described in the Remuneration Report, the Directors unanimously recommend that Shareholders vote **in favour** of Resolution 1.

The Chairman intends to exercise all undirected proxies **in favour** of Resolution 1.

RESOLUTION 2: RE-ELECTION OF DIRECTORS

2.1 Background

In accordance with ASX Listing Rule 14.4 and clause 4.2 of the Company's Constitution, at every annual general meeting each Director appointed since the last annual general meeting must retire from office, and is eligible for re-election.

The following are the backgrounds of the Directors who are seeking re-election:

MR TREVOR HAINES

B.Com; FCPA

Trevor has more than 20 years of senior accounting and financial management roles in various divisions of ICI Australia, AVC and Orica.

Trevor had served as Group Chief Financial Officer until 31 July 2016 before taking the role of Corporate Development Director effective 1 August 2016.

He was appointed as Executive Director on 21 April 2015. He is a member of Risk and Audit committee.

MR DONALD HALLER JR.

Bachelor of Commerce and CPA (USA).

Don had a distinguished background in accounting, management consulting and leading practices of professional consultants. Donald was a lead consulting partner with IBM's Global Business Services Division and PriceWaterhouseCoopers. Donald was formerly CFO of a top 15 US insurance company and an Audit and Consulting Partner in the New York office of Ernst & Young.

He was appointed as non-executive Director on 1 September 2016. He is the Chair of Risk and Audit committee.

MR RICHARD TEGONI

MBA (AGSM), Diploma in Financial Markets (SIA)

Richard had held executive positions with various private large companies with strong background in Finance & Banking, Sales and Marketing.

He joined the Board as non-executive Director on 21 December 2012 before appointed as Executive Chairman on 16 September 2014. He is the Chair of the Board of Directors and member of Risk and Audit Committee.

2.2 Directors' Recommendation

The Directors (other than the relevant Director in relation to his own re-election) unanimously recommend that members vote **in favour** of Resolution 2.

RESOLUTION 3: RATIFICATION OF ISSUE OF PLACEMENT SHARES

3.1 Background

On 17 July 2017, the Company raised \$859,240 (before costs) via a placement offer to professional and sophisticated investors (**Placement**). A total of 10,740,500 fully paid ordinary shares were issued at 8.0 cents (\$0.08) per Share (**Placement Shares**). The Placement Shares were placed with professional and sophisticated investors.

These Placement Shares were issued under the Company's 15% placement capacity available pursuant to ASX Listing Rule 7.1.

Funds raised via the Placement have been used for general working capital requirements of the Company.

3.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that without the approval of shareholders, the Company must not issue or agree to issue more securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period, unless an exception in ASX Listing Rule 7.2 applies.

In addition, ASX Listing Rule 7.1A provides that the Company can place a further 10% of its issued capital where it has prior approval from shareholders.

ASX Listing Rule 7.4 further provides that an issue of securities without approval of shareholders under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if:

- (a) the issue of securities did not breach ASX Listing Rule 7.1; and
- (b) holders of ordinary securities subsequently approve the issue.

Resolution 3, seeks the approval of the Company's Shareholders' under ASX Listing Rule 7.4 to ratify the prior allotment and issue of the Placement Shares, so as to refresh the Company's ability to issue up to 15% of its share capital (in a 12 month period) pursuant to ASX Listing Rule 7.1.

3.3 Technical information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) Number of securities issued

10,740,500 Placement Shares were issued on 17 July 2017, pursuant to ASX Listing Rule 7.1.

(b) Issue price of securities

The Placement Shares were issued to the Placement recipients at a price of \$0.08 per Share.

(c) Terms of securities

All Placement Shares were issued as fully paid ordinary shares ranking equally with existing Shares on issue. The Placement Shares are not subject to escrow restrictions and are subject to the rights and obligations set out in the Company's Constitution.

(d) Names of allottees or the basis on which allottees were determined

The Placement Shares were issued to professional and sophisticated investors (within the meaning ascribed to those expressions in section 708 of the *Corporations Act 2001* (Cth)), the names of which appear in section 7.3(f) of the Explanatory Memorandum and no related parties were involved.

(e) Intended use of the funds raised

Funds raised from the Placement have been used for the general working capital requirements of the Company.

3.4 Voting Exclusion Statement

A voting exclusion statement for Resolution 3 is included in the Notice of Meeting accompanying the Explanatory Memorandum.

3.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote **in favour** of Resolution 3.

The Chairman intends to exercise all undirected proxies **in favour** of Resolution 3.

RESOLUTIONS 4 - 6: APPROVAL OF ISSUE OF CONVERTIBLE NOTES AND APPROVAL OF CONVERTIBILITY OF CONVERTIBLE NOTES

4.1 Background

On 23 December 2016, the Company entered into a Convertible Note Deed with sophisticated investors who have expressed an interest in investing in the Company, and each of Mr Richard Tegoni and Mr Donald Haller Jr. (the **Investors or Noteholders**, and each an **Investor or Noteholder**).

Under the Convertible Note Deed the Investors agreed to make available a \$995,758 convertible note facility to the Company (**Convertible Note Facility**). The Investors agreed to subscribe for unsecured Convertible Notes each with a face value of \$1.00 of an aggregate principal amount not at any time exceeding \$995,758 in the following approximate proportions:

- (a) Sophisticated Investors (identified in section 4.3(d) of the Explanatory Memorandum): 69.3%
- (b) Directors - Mr Richard Tegoni and Mr Donald Haller Jr.: 30.7%

The terms of the Convertible Notes issued to Chocolate Investments Pty Ltd (ACN 117 009 935) (an entity controlled by Mr Richard Tegoni) and Mr Donald Haller Jr. under Resolutions 5 and 6 were subject to an additional condition that the Convertible Notes issued to them would not be convertible until such time that approval under ASX Listing Rule 10.11 had been granted. For this reason, the Convertible Notes to be issued under Resolutions 5 and 6 are classified as debt until such time that their conversion is approved under the ASX Listing Rules, and will be classified as securities on Shareholder approval being obtained.

The Convertible Notes to be issued under Resolution 4 are Equity Securities and not debt because they are not subject to this additional condition. Otherwise, the terms and conditions of the Convertible Note Facility are identical as set out in Section 4.1 of the Explanatory Memorandum.

The Company may redeem the Convertible Note Facility at any time before the Maturity Date by giving three (3) months written notice to the Investors of its intention to repay the Convertible Notes (**Redemption Notice**). In that case each Investor may, within sixty (60) days of receipt of the Redemption Notice, give written notice to the Company (**Conversion Notice**), electing to have its Convertible Notes converted into Shares, subject to:

- (a) the Company obtaining all necessary approvals (including under the *Corporations Act 2001* (Cth), the ASX Listing Rules, and the Constitution of the Company (as applicable) in respect of the issue of Shares to the Investor;
- (b) the conversion of the Convertible Notes must not result in an Investor (or another person) having voting power in the Company that increases:
 - (i) from 20% or below to more than 20%; or
 - (ii) from a starting point that is above 20% and below 90%; and
- (c) the conversion of the Convertible Notes must not otherwise breach any law or the ASX Listing Rules.

The terms of each Convertible Notes provide that it will convert into ordinary shares in the capital of the Company at the Conversion Price (as detailed in section 4.3(c) below) at the election of the Investor:

- (a) on the expiry of the Conversion Period; or
- (b) at any time prior during the Conversion Period, by the Investor serving a Conversion Notice on the Company.

The **Conversion Period** is the period commencing six (6) months after the issue date of the Convertible Notes and ending on 23 December 2018 (**Maturity Date**). The **Issue Date** of the Convertible Notes was 23 December 2016.

Subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, the price at which each Convertible Note will convert into Shares (**Conversion Price**) is the lower of:

- (a) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
- (b) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

For example, if the VWAP of the Shares sold on ASX during the 10 trading period prior to the date on which the Conversion Notice is received is \$0.10, and, assuming no capital raising has been undertaken by the Company in the two months prior to the date the Conversion Notice was received by the Company, the Company will ensure that the issue price of the Shares will be no less than \$0.085, being 85% of VWAP.

Alternatively, if the VWAP of the Shares sold on ASX during the 10 trading period prior to the date on which the Conversion Notice is received is \$0.10, but, the Company had undertaken a

capital raising in the two months prior to the date the Conversion Notice was received by the Company at \$0.08, the Company will ensure that the issue price of the Shares will be no less than \$0.08, being the lower of 85% of VWAP or the capital raising price.

As at the date of this Notice of Meeting, there have been Convertible Notes issued having an aggregate face value of \$995,758. Approval is being sought under ASX Listing Rule 7.4 and ASX Listing Rule 10.11 for the issue of these Convertible Notes.

Summary of Key Terms of the Convertible Notes

The terms and conditions of the Convertible Notes (as referenced under Resolutions 4, 5 and 6) are as follows:

- The Convertible Notes have an aggregate principal amount of \$995,758, based on the closing price of the Company's shares on 22 December 2016.
- The Convertible Notes are unsecured.
- The Maturity Date of the Convertible Notes is 23 December 2018, being 2 years from Issue Date.
- The Convertible Notes will accrue interest at a rate of 10% per annum with interest paid quarterly in arrears.
- The Convertible Notes shall convert into ordinary shares in the capital of Secos Group Limited (the **Issuer**) at the Conversion Price, at the election of the Noteholder:
 - (a) on the expiry of the Conversion Period; or
 - (b) at any time during the Conversion Period, by the Investor serving a Conversion Notice on the Company.
- Subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, the price at which each Convertible Note will convert into Share (**Conversion Price**) is the lower of:
 - (a) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
 - (b) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.
- Subject to the Company obtaining all necessary approvals (including under the *Corporations Act 2001* (Cth), the ASX Listing Rules, and the Constitution of the Company (as applicable), and the conversion of the Convertible Notes not otherwise being a breach of any law or ASX Listing Rule, the Convertible Notes are able to be converted, at the election of the Noteholder, at any time during the Conversion Period.
- The Noteholder may demand immediate repayment of the Convertible Notes and the Company (Issuer) must immediately make the total payment so requested in cash upon the occurrence of any of the following events:
 - (a) any of the following occur:
 - (i) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed to the Company; or

- (ii) a liquidator or provision liquidator is appointed to the Company;
 - (b) the Convertible Note Facility Deed becomes void, voidable, or unenforceable in whole or in part in breach of the ASX Listing Rules;
 - (c) the Company breaches its obligation to pay interest on the Convertible Notes or defaults in fully performing its material obligations under the Convertible Note Facility Deed, provided that in the case of a default capable or remedied, that default has not been remedied within 20 Business Days of the occurrence of such default;
 - (d) at any time it becomes unlawful for the Company to perform any of its material obligations under the Convertible Note Facility Deed.
- Each Share issued as a result of the conversion of any Convertible Note will be allotted within 5 Business Days after the conversion of the Convertible Note and will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by ASX of all Shares issued upon conversion of the Convertible Note on or before the third Business Day on which ASX is open after the date of allotment of the Shares. The Company (Issuer) will procure that a holding statement for the Shares is given to the Noteholder in accordance with the ASTC Settlement Rules.
 - There are no participating rights or entitlement inherent in the Convertible Note and the Noteholder in its capacity as such will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Note.
 - In the event of reorganisation (including consolidation, sub-divisions, reduction or return) of the issued capital of the Company, the number of Shares into which the Convertible Note is convertible shall be reorganised (as appropriate) in the manner required by the ASX Listing Rules.
 - If, and to the extent, the preceding terms and conditions are inconsistent with the ASX Listing Rules, such rules will prevail in all respects with respect to the extent of the inconsistency.
 - The terms and conditions of the Convertible Note Facility are governed by the laws of the state of Victoria, and the Noteholder unconditionally submits to the jurisdiction of the courts of that state.

4.2 Information required for the purpose of ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that without the approval of shareholders the Company must not issue or agree to issue more securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be an amount that would exceed 15% of the issued shares at the commencement of that 12 month period, unless an exception in ASX Listing Rule 7.2 applies.

ASX Listing Rule 7.4 provides that an issue of securities made without approval of shareholders under ASX Listing Rule 7.1, is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if each of the following apply:

- (a) the issue of securities did not breach ASX Listing Rule 7.1; and
- (b) holders of ordinary securities subsequently approve the issue.

4.3 Technical information required by ASX Listing Rule 7.5 (Resolution 4)

In compliance with ASX Listing Rule 7.5, the following information is provided:

(a) Number of securities issued

689,912.03 Convertible Notes were issued on 23 December 2016 to non-related parties. Ratification under ASX Listing Rule 7.4 is being sought for a total of 689,912.03 Convertible Notes.

The Shares issued on conversion of the Convertible Notes will be issued on the terms and conditions set out above. The number of Shares to be issued on conversion of the Convertible Notes, will be determined in accordance with reference to the calculated Issue Price (as described in (b) below).

(b) Issue price of securities

Each Convertible Note has a face value of \$1.00, of an aggregated principal amount at any time not exceeding \$689,912.03.

On conversion of each Convertible Note, Shares will be issued, subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, at a price that is the lower of:

- (a) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
- (b) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(c) The terms of the securities

The terms and conditions of the Convertible Notes are outlined in Section 4.1. The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(d) Names of allottees or the basis on which allottees were determined

The following sophisticated investors determined by the Directors of the Company:

- (i) Belgravia Strategic Equities Pty Ltd (ACN 087 784 665);
- (ii) Mr Cristiano Nicolli & Mr John Du Bois as trustee for the Nicolli Family Super Fund;
- (iii) Mr Edmond Tern;
- (iv) Mr Gary Hedrick;
- (v) Mr Brendan O'Sullivan; and
- (vi) RK Edwards Investments LLC

The above allottees under Resolution 4 are not related parties of the Company.

(e) Intended use of the funds raised

The funds raised have been used for the general working capital requirements of the Company.

(f) Date of allotment (if applicable)

The Convertible Notes were issued on 23 December 2016.

(g) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting accompanying the Explanatory Memorandum.

4.4 Technical information required by ASX Listing Rule 10.13 (Resolutions 5 and 6)

In compliance with ASX Listing Rule 10.13, the following information is provided:

(a) Name of persons

Resolution 5

Chocolate Investments Pty Ltd (ACN 117 009 935). Chocolate Investments Pty Ltd is controlled by Mr Richard Tegoni who is a director of the Company. Therefore, pursuant to 228 of the *Corporations Act 2001* (Cth), Chocolate Investments Pty Ltd is deemed to be a related party of the Company.

Resolution 6

Mr Donald Haller Jr. Mr Haller is a Director of the Company

(b) Maximum number of securities

Resolution 5

100,000 Convertible Notes were issued to Chocolate Investments Pty Ltd on 23 December 2016. In accordance with ASX Listing 10.11, and the terms of the Convertible Note Facility, Shareholder approval is being sought for the issue of 100,000 Convertible Notes to Chocolate Investments Pty Ltd, and the issue of such number of fully paid ordinary Shares on conversion of the Convertible Notes as determined in accordance with the formula described in (d) below.

The Shares issued on conversion of the Convertible Notes will be issued on the terms and conditions set out above. The number of Shares to be issued on conversion of the Convertible Notes, will be determined in accordance with reference to the calculated Issue Price (as described in (d) below), and shall not exceed a total of 2,500,000 new ordinary shares.

Resolution 6

205,846 Convertible Notes were issued to Mr Donald Haller Jr. on 23 December 2016. In accordance with ASX Listing 10.11, and the terms of the Convertible Note Facility, Shareholder approval is being sought for the issue of 205,846 Convertible Notes to Mr Haller, and the issue of such number of fully paid ordinary Shares on conversion of the Convertible Notes as determined in accordance with the formula described in (d) below.

The Shares issued on conversion of the Convertible Notes will be issued on the terms and conditions set out above. The number of Shares to be issued on conversion of the Convertible Notes, will be determined in accordance with reference to the calculated Issue Price (as described in (d) below), and shall not exceed a total of 5,146,150 new ordinary shares.

(c) Date by which the securities will be issued

The Convertible Notes (under Resolution 5 and 6) will be subject to a variation of terms no later than 1 month from the date of the Annual General Meeting at which their convertibility is approved.

(d) Issue price of securities

Each Convertible Note has a face value of \$1.00, of an aggregated principal amount at any time not exceeding \$305,846.

On conversion of each Convertible Note, Shares will be issued, subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, at a price that is the lower of:

- (a) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
- (b) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(e) The terms of the securities

The terms and conditions of the Convertible Notes are outlined in Section 4.1. The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(f) Names of allottees or the basis on which allottees were determined

Resolution 5

Chocolate Investments Pty Ltd (ACN 117 009 935). Chocolate Investments Pty Ltd is controlled by Mr Richard Tegoni who is a director of the Company.

Resolution 6

Mr Donald Haller Jr. Mr Haller is a Director of the Company

(g) Intended use of the funds raised

The funds raised have been used for the general working capital requirements of the Company.

(h) Date of allotment (if applicable)

The Convertible Notes were issued on 23 December 2016.

(i) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting accompanying the Explanatory Memorandum.

RESOLUTIONS 7 - 9: APPROVAL OF ISSUE OF CONVERTIBLE NOTES

5.1 Background

The Company intends to enter into a Convertible Note Deed with sophisticated investors who have expressed an interest in investing in the Company, and each of Mr Richard Tegoni and Mr Donald Haller Jr. (the **Investors or Noteholders**, and each an **Investor or Noteholder**).

Under the Convertible Note Deed the Investors agree to make available a \$1,500,000 convertible note facility to the Company (**Convertible Note Facility**). The Investors agreed to subscribe for unsecured convertible notes each with a face value of \$1.00 of an aggregate principal amount not at any time exceeding \$1,500,000 in the following approximate proportions:

- (a) Sophisticated Investors: 80.5%
- (b) Directors - Mr Richard Tegoni and Mr Donald Haller Jr.: 19.5%

The Company may redeem the Convertible Note Facility at any time before the Maturity Date by giving three (3) months written notice to the Investors of its intention to repay the Convertible Notes (**Redemption Notice**). In that case each Investor may, within sixty (60) days of receipt of the Redemption Notice, give written notice to the Company (**Conversion Notice**), electing to have its Convertible Notes converted into Shares, subject to:

- (a) the Company obtaining all necessary approvals (including under the *Corporations Act 2001* (Cth), the ASX Listing Rules, and the Constitution of the Company (as applicable) in respect of the issue of Shares to the Investor;
- (b) the conversion of the Convertible Notes must not result in an Investor (or another person) having voting power in the Company that increases:
 - (i) from 20% or below to more than 20%; or
 - (ii) from a starting point that is above 20% and below 90%; and
- (c) the conversion of the Convertible Notes must not otherwise breach any law or the ASX Listing Rules.

The terms of each Convertible Notes provide that it will convert into ordinary shares in the capital of the Company at the Conversion Price (as detailed in section 5.2(c) below) at the election of the Investor:

- (a) on the expiry of the Conversion Period; or
- (b) at any time prior during the Conversion Period, by the Investor serving a Conversion Notice on the Company.

The **Issue Date** of the Convertible Notes will be within three (3) months of the AGM for those Convertible Notes issued to the Sophisticated Investors, and within (1) month of the AGM for those Convertible Notes issued to Mr Richard Tegoni, Chocolate Investments Pty Ltd and Mr Donald Haller Jr. The **Conversion Period** is the period commencing six (6) months after the issue date of the Convertible Notes and ending the date that is two (2) years after the Issue Date (**Maturity Date**).

Subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, the price at which each Convertible Note will convert into Share (**Conversion Price**) is the lower of:

- (a) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
- (b) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

For example, if the VWAP of the Shares sold on ASX during the 10 trading day period prior to the date on which the Conversion Notice is received is \$0.10, and, assuming no capital raising has been undertaken by the Company in the two months prior to the date the Conversion Notice was received by the Company, the Company will ensure that the issue price of the Shares will be no less than \$0.085, being 85% of VWAP.

Alternatively, if the VWAP of the Shares sold on ASX during the 10 trading period prior to the date on which the Conversion Notice is received is \$0.10, but, the Company had undertaken a capital raising in the two months prior to the date the Conversion Notice was received by the Company at \$0.08, the Company will ensure that the issue price of the Shares will be no less than \$0.08, being the lower of 85% of VWAP or the capital raising price.

The Company proposes to issue Convertible Notes having an aggregate face value of \$1,500,000. Approval is being sought under ASX Listing Rule 7.1 and ASX Listing Rule 10.11 for the issue of these Convertible Notes.

Summary of Key Terms of the Convertible Notes

The terms and conditions of the Convertible Notes (as referenced under Resolutions 7, 8 and 9) are as follows:

- the Convertible Notes will have an aggregate principal amount of \$1,500,000.
- The Convertible Notes will be unsecured.
- The Maturity Date of the Convertible Notes is the date that is two (2) years from Issue Date.
- The Convertible Notes will accrue interest at a rate of 10% per annum with interest paid quarterly in arrears.
- The Convertible Notes shall convert into ordinary shares in the capital of Secos Group Limited (the **Issuer**) at the Conversion Price, at the election of the Noteholder:
 - (a) on the expiry of the Conversion Period; or
 - (b) at any time prior during the Conversion Period, by the Investor serving a Conversion Notice on the Company.
- Subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, the price at which each Convertible Note will convert into Share (**Conversion Price**) is the lower of:
 - (a) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
 - (b) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

- Subject to the Company obtaining all necessary approvals (including under the *Corporations Act 2001* (Cth), the ASX Listing Rules, and the Constitution of the Company (as applicable), and the conversion of the Convertible Notes not otherwise being a breach of any law or ASX Listing Rule, the Convertible Notes are able to be converted, at the election of the Noteholder, at any time during the Conversion Period.
- The Noteholder may demand immediate repayment of the Convertible Notes and the Company (Issuer) must immediately make the total payment so requested in cash upon the occurrence of any of the following events:
 - (a) any of the following occur:
 - (i) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed to the Company; or
 - (ii) a liquidator or provision liquidator is appointed to the Company;
 - (b) the Convertible Note Facility Deed becomes void, voidable, or unenforceable in whole or in part in breach of the ASX Listing Rules;
 - (c) the Company breaches its obligation to pay interest on the Convertible Notes or defaults in fully performing its material obligations under the Convertible Note Facility Deed, provided that in the case of a default capable or remedied, that default has not been remedied within 20 Business Days of the occurrence of such default;
 - (d) at any time it becomes unlawful for the Company to perform any of its material obligations under the Convertible Note Facility Deed.
- Each Share issued as a result of the conversion of any Convertible Note will be allotted within 5 Business Days after the conversion of the Convertible Note and will rank *pari passu* in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by ASX of all Shares issued upon conversion of the Convertible Note on or before the third Business Day on which ASX is open after the date of allotment of the Shares. The Company (Issuer) will procure that a holding statement for the Shares is given to the Noteholder in accordance with the ASTC Settlement Rules.
- There are no participating rights or entitlement inherent in the Convertible Note and the Noteholder in its capacity as such will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Note.
- In the event of reorganisation (including consolidation, sub-divisions, reduction or return) of the issued capital of the Company, the number of Shares into which the Convertible Note is convertible shall be reorganised (as appropriate) in the manner required by the ASX Listing Rules.
- If, and to the extent, the preceding terms and conditions are inconsistent with the ASX Listing Rules, such rules will prevail in all respects with respect to the extent of the inconsistency.

The terms and conditions of the Convertible Note Facility are governed by the laws of the state of Victoria, and the Noteholder unconditionally submits to the jurisdiction of the courts of that state.

5.2 Technical information required by ASX Listing Rule 7.3 (Resolution 7)

In compliance with ASX Listing Rule 7.3, the following information is provided:

(a) Number of securities to be issued

1,207,692 Convertible Notes are to be issued to non-related parties. Approval under ASX Listing Rule 7.3 is being sought for a total of 1,207,692 Convertible Notes.

Based on the formula described under (c) below, the maximum number of ordinary shares to be issued on conversion of the Convertible Notes are 30,192,300 Ordinary Shares.

The Shares issued on conversion of the Convertible Notes will be issued on the terms and conditions set out above. The number of Shares to be issued on conversion of the Convertible Notes, will be determined in accordance with reference to the calculated Issue Price (as described in (c) below).

(b) Date by which the securities will be issued

The Convertible Notes will be issued no later than 3 months from the date of the Annual General Meeting unless a waiver from ASX is obtained or fresh Shareholder approval is obtained. The Convertible Notes issued under Resolutions 8 and 9 will be issued no later than 1 month from the date of the Annual General Meeting unless a waiver from ASX is obtained or fresh Shareholder approval is obtained.

(c) Issue price of securities

Each Convertible Note has a face value of \$1.00, of an aggregated principal amount at any time not exceeding \$1,207,692.

On conversion of each Convertible Note, Shares will be issued, subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, at a price that is the lower of:

- (c) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
- (d) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(d) The terms of the securities

The terms and conditions of the Convertible Notes are outlined in Section 5.1. The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(e) Allottees or the basis on which allottees were determined

The Convertible Notes will be issued to sophisticated investors determined by the Directors of the Company. The allottees under Resolution 7 will not be related parties of the Company.

(f) Intended use of the funds raised

The funds raised have been used for the general working capital requirements of the Company.

(g) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting accompanying the Explanatory Memorandum.

5.3 Technical information required by ASX Listing Rule 10.13 (Resolutions 8 and 9)

In compliance with ASX Listing Rule 10.13, the following information is provided:

(a) Name of persons

Resolution 8

Mr Richard Tegoni and Chocolate Investments Pty Ltd (ACN 117 009 935). Chocolate Investments Pty Ltd is controlled by Mr Richard Tegoni who is a director of the Company. Therefore, pursuant to 228 of the *Corporations Act 2001* (Cth), Chocolate Investments Pty Ltd is deemed to be a related party of the Company.

Resolution 9

Mr Donald Haller Jr. Mr Haller is a Director of the Company

(b) Maximum number of securities

Resolution 8

100,000 Convertible Notes are to be issued to Mr Richard Tegoni. In accordance with ASX Listing 10.11, and the terms of the Convertible Note Facility, Shareholder approval is being sought for the issue of 100,000 Convertible Notes to Chocolate Investments Pty Ltd, and the issue of such number of fully paid ordinary Shares on conversion of the Convertible Notes as determined in accordance with the formula described in (d) below.

The Shares issued on conversion of the Convertible Notes will be issued on the terms and conditions set out above. The number of Shares to be issued on conversion of the Convertible Notes, will be determined in accordance with reference to the calculated Issue Price (as described in (d) below), and shall not exceed a total of 2,500,000 new ordinary shares.

Resolution 9

192,308 Convertible Notes are to be issued to Mr Donald Haller Jr. In accordance with ASX Listing 10.11, and the terms of the Convertible Note Facility, Shareholder approval is being sought for the issue of 192,308 Convertible Notes to Mr Haller, and the issue of such number of fully paid ordinary Shares on conversion of the Convertible Notes as determined in accordance with the formula described in (d) below.

The Shares issued on conversion of the Convertible Notes will be issued on the terms and conditions set out above. The number of Shares to be issued on conversion of the Convertible Notes, will be determined in accordance with reference to the calculated Issue Price (as described in (d) below), and shall not exceed a total of 4,807,692 new ordinary shares.

(c) Date by which the securities will be issued

The Convertible Notes issued under Resolutions 8 and 9 will be issued no later than 1 month from the date of the Annual General Meeting unless a waiver from ASX is obtained or fresh Shareholder approval is obtained. If an ASX waiver or Shareholder approval is not obtained, the Convertible Notes must be repaid on or before the Maturity Date under the terms of the Convertible Note Facility.

(d) Issue price of securities

Each Convertible Note will have a face value of \$1.00, of an aggregated principal amount at any time not exceeding \$292,308.

On conversion of each Convertible Note, Shares will be issued, subject to a minimum price of \$0.04 per Share and a maximum price of \$0.12 per Share, at a price that is the lower of:

- (c) the price that is equivalent to 85% VWAP of the Company's Shares sold on ASX during the 10 trading day period immediately preceding the date on which the Conversion Notice is received by the Company; or
- (d) the price of any equity capital raising that occurred in the 2 month period prior to the date the Conversion Notice was received by the Company.

The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(e) The terms of the securities

The terms and conditions of the Convertible Notes are outlined in Section 5.1. The Shares issued on conversion of the Convertible Notes will rank pari passu with all existing Shares on issue.

(f) Names of allottees or the basis on which allottees were determined

Resolutions 8

Mr Richard Tegoni and Chocolate Investments Pty Ltd (ACN 117 009 935). Chocolate Investments Pty Ltd is controlled by Mr Richard Tegoni who is a director of the Company.

Resolutions 9

Mr Donald Haller Jr. Mr Haller is a Director of the Company

(g) Intended use of the funds raised

The funds raised have been used for the general working capital requirements of the Company.

(h) Date of allotment (if applicable)

The Convertible Notes will be issued following shareholder approval of the issue at the AGM, and no more than 1 month from the date such approval is given at the AGM.

(i) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting accompanying the Explanatory Memorandum.

RESOLUTIONS 10 & 11: ISSUE OF SHARES TO MR RICHARD TEGONI AND MR DONALD HALLER JR. UNDER THE LOAN SHARE PLAN

6.1 Background

To manage cash-flow, the Company is seeking Shareholder approval for the Company to, at the election of the Board, pay part of Director's total remuneration via the issue of Shares under the Loan Share Plan, rather than in cash, as follows:

- (a) Mr Tegoni's remuneration is \$100,000 per annum of which he has agreed to accept up to 50% (\$50,000) of remuneration to be paid by the issue of Shares.
- (b) Mr Haller's remuneration is \$30,000 per annum of which he has agreed to accept up to 50% (\$15,000) of remuneration to be paid by the issue of Shares.

To the extent that Shareholders do not approve the issue of Shares, the full amount of the above Directors' remuneration will be paid in cash.

The Company has adopted the Loan Share Plan, with Shareholders' approval at its last annual general meeting and is seeking to issue Shares to the above Directors, in lieu of their cash remuneration, in accordance with the Loan Share Plan.

6.2 ASX Listing Rule 10.14

Whilst the Board can make offers to issue shares to Directors under the Loan Share Plan, allotment is not able to proceed until after Shareholder approval is obtained under ASX Listing Rule 10.14.

ASX Listing Rule 10.14 provides that an entity must not permit a director of that entity to acquire securities under an employee incentive scheme without the approval of the members in general meeting, where the Notice of Meeting complies with the requirements of ASX Listing Rule 10.15.

Resolution 10, seeks the approval of the Company's Shareholders under ASX Listing Rule 10.14 to issue up to 595,239 fully paid ordinary shares in the capital of the Company, at a deemed issue price of \$0.084 per share (representing a value of up to \$50,000) (**Tegoni Loan Plan Shares**), to Mr Richard Tegoni (or his nominee), under the Loan Share Plan (by way of salary sacrifice of part cash remuneration (50%)), in accordance with the Resolution of the Board; and

Resolution 11, seeks approval of the Company's Shareholders under ASX Listing Rules 10.14 to issue up to 178,572 fully paid ordinary shares in the capital of the Company, at a deemed issue price of \$0.084 per share (representing a value of up to \$15,000) (**Haller Loan Plan Shares**), to Mr Donald Haller Jr. (or his nominee), under the Loan Share Plan (by way of salary sacrifice of part cash remuneration (approximately 50%)), in accordance with the Resolution of the Board.

The Tegoni Loan Plan Shares will be issued at quarterly intervals for the share component of remuneration due for that particular quarter (\$12,500 each quarter).

The Haller Loan Plan Shares will be issued at quarterly intervals for the share component of remuneration due for that particular quarter (\$3,750 each quarter).

6.3 Technical information required by ASX Listing Rule 10.15

Pursuant to ASX Listing Rule 10.15 the following information regarding Resolutions 10 and 11 is provided to Shareholders:

- (a) Shares will only be offered under the Loan Share Plan to Mr Richard Tegoni and Mr Donald Haller Jr. (the **Participating Directors**) or their nominees.
- (b) The Share component of Directors' remuneration for the 12 months period ending 30 September 2018 will be as follows:
 - (i) up to 595,239 fully paid ordinary shares in the capital of the Company, at a deemed issue price of \$0.084 per share to Mr Richard Tegoni (representing 50% of Mr Richard Tegoni's total remuneration for the period ending 30 September 2018);
 - (ii) up to 178,572 fully paid ordinary shares in the capital of the Company, at a deemed issue price of \$0.084 per share (representing 50% of Mr Donald Haller's total remuneration for the period ending 30 September 2018).
- (c) The maximum number of Shares which may be issued to the Participating Directors is determined by the Directors' remuneration that the Company has agreed to pay by issue of Shares to the Participating Directors for the 12 months period ending on 30 September 2018 divided by the deemed issue price of the Shares calculated in accordance with paragraph (e) below. The number of Shares issued each quarter will be a function of the deemed issue price and the proportion of remuneration that the Company decides to satisfy through issue of Shares.
- (d) The Shares will be issued for nil cash consideration as they will be issued in satisfaction of part of the Directors' remuneration agreed to be paid by the Company to the Participating Directors at quarterly intervals. The Shares will be deemed to have an issue price of no less than the volume weighted average sale price for each quarter of each year, subject to paragraph (c) above.
- (e) For the 12 months ending 30 September 2018, the maximum number of Shares that may be issued to the Participating Directors assuming a deemed issue price of \$0.084 per Share, being the closing share price to 26 September 2017, will be 773,811 Shares. For the previous 12 month period, 89,028 shares were issued to Mr Richard Tegoni, Mr Donald Haller Jr. and Mr Trevor Haines at a total value of \$7,489.05 at an average issue price of \$0.084 per Share.
- (f) The Board may, from time to time at its absolute discretion, declare that any Director, officer of the Company or a subsidiary of the Company is eligible to be offered to subscribe for Shares under the Loan Share Plan. The Board has determined that the Participating Directors are Mr Richard Tegoni and Mr Donald Haller Jr.
- (g) No loan will be provided in respect of the issue of Shares as they are being issued in consideration for Directors' remuneration which the Company has agreed to pay the Participating Directors for 12 months period to 30 September 2018.
- (h) The Shares will be issued to the Participating Directors within 12 months from the date of Annual General Meeting and will be issued on a quarterly basis according to the share component of Directors' remuneration owing to each of the Participating Director at that time, except to the extent the Company elects to pay the Directors' remuneration in cash.

6.4 Related Party Requirements of Chapter 2E of the Corporations Act 2001

Under Chapter 2E of the *Corporations Act 2001* (Cth), shareholder approval is not required because the Shares are being issued in satisfaction of Directors' remuneration owed by the Company to the Participating Directors on a quarterly basis. The issue of Shares constitutes

reasonable remuneration in accordance with Section 211 of the *Corporations Act 2001* (Cth) that has been calculated on commercial terms, having regard to the circumstances of the Company.

6.5 Voting Exclusion Statement

A voting exclusion statement is included for Resolutions 10 and 11 in the Notice of Meeting accompanying this Explanatory Memorandum.

6.6 Director's recommendations

The Directors (other than Mr Richard Tegoni, in relation to Resolution 10, and Mr Donald Haller, in relation to Resolution 11) unanimously recommend that Shareholders vote **in favour** of Resolutions 10 and 11.

The Chairman intends to exercise all undirected proxies **in favour** of Resolutions 10 and 11.

RESOLUTION 12: APPROVAL OF ADDITIONAL PLACEMENT CAPACITY UNDER ASX LISTING RULE 7.1A

7.1 Background

Listing Rule 7.1A came into effect on 1 August 2012 and enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity for the purposes of Listing Rule 7.1A as it is not included in the S&P /ASX 300 Index and has a market capitalisation of approximately \$13.79 million as at 5 October 2017.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(b) below).

The effect of Resolution 12 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the period up to 12 months after the Meeting without a further requirement to obtain the prior approval of Shareholders.

Resolution 12 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders' present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors of the Company believe that Resolution 12 is in the best interests of the Company and unanimously recommend that Shareholders vote **in favour** of this Resolution.

The Chairman intends to vote all available proxies **in favour** of Resolution 12.

7.2 ASX Listing Rule 7.1A

Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(b) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$A \times D = E$$

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

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 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;
- less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

E is the number of Equity Securities under 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 Rules 7.1 or 7.4.

(c) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue **179,777,155** ordinary shares and has a capacity to issue:

- (i) 26,966,573 Equity Securities under ASX Listing Rule 7.1 subject to Shareholder approval being obtained under Resolutions 3, 4, 5, 6, 7, 8, 9, 10, and 11; and
- (ii) subject to Shareholder approval being obtained under Resolution 12, a further 17,977,715 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 6.2(b) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 ASX trading days 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 paragraph (i) above, the date on which the Equity Securities are issued.

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**). The Equity Securities will be issued within the 10% Placement Period.

7.3 Information required by ASX Listing Rule 7.3A

ASX Listing Rule 7.3A sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of ASX Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 ASX trading days 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 paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (i) the market price for the Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below also 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 in accordance with the formula in Listing Rule 7.1A (2) as at the date of this Notice of Meeting.

The table also shows:

- (iii) 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 placement under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (iv) two examples of 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		
		50% decrease in Current Price	Current Issue Price	100% increase in Current Issue Price
		\$0.042	\$0.084	\$0.168
179,777,155 Current Variable “A”	10% Voting dilution	17,977,715 Ordinary Shares	17,977,715 Ordinary Shares	17,977,715 Ordinary Shares
	Funds raised	\$755,064	\$1,510,128	\$3,020,256
269,665,725 50% increase in current Variable “A”	10% Voting dilution	26,966,572 Ordinary Shares	26,966,572 Ordinary Shares	26,966,572 Ordinary Shares
	Funds raised	\$1,132,596	\$2,265,192	\$4,530,384
359,554,300 100% increase in current Variable “A”	10% Voting dilution	35,955,430 Ordinary Shares	35,955,430 Ordinary Shares	35,955,430 Ordinary Shares
	Funds raised	\$1,510,128	\$3,020,256	\$6,040,512

The table has been prepared on the following assumptions:

- The current issue price is \$0.084, being the closing price of the Company’s Shares on ASX on 26 September 2017.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- The 10% 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 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 Equity Securities under the 10% Placement Facility consists only of ordinary shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 12 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company seeks to issue the Equity Securities for cash consideration and intends to use the funds raised for working capital purposes including:
- (i) marketing and distribution expenses of the Company's products;
 - (ii) research and development of existing and new product applications;
 - (iii) maintenance of intellectual property;
 - (iv) staff and office costs, audit and compliance expenses, and ASX fees;
 - (v) for general working capital float to maintain minimum levels of inventories and cash liquidity in the business.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- the purpose of the issue;
 - alternative 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 Equity Securities on the control of the Company;
 - the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) For the purposes of ASX Listing Rule 7.3A.6 the following information is provided:
- The Company obtained Shareholder approval for the 10% Placement Capacity at its 2016 Annual General Meeting.

- The table below shows the total number of equity securities issued in the past 12 months preceding the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on the issue at the commencement of the 12 month period.

Equity securities issued in the prior 12 month period	<p>17,592,298 ordinary shares</p> <p>Of the above ordinary shares issued, no ordinary shares were issued under 10% placement capacity.</p> <p>689,912 Convertible Notes</p>
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	11.3%

The table below along with notes set out specific details for each issue of equity securities that have taken place in the 12 month period preceding the date of the Annual General Meeting.

Date	Number of Equity Securities Issued	Class of Equity Securities Issued	To whom Equity Securities were issued	Issue Price	Discount	Cash Consideration	Usage of fund ¹
29-Nov-16	833,333	Ordinary Shares	Group CFO sign-on shares	\$0.060 /Share	20%	\$50,000	Working capital
23-Dec-16	689,912	Convertible notes	Issued to sophisticated investors ²	\$1.00 ³ /Convertible Note	Nil ³	\$689,912	Working capital
4-Jan-17	213,816	Ordinary Shares	Directors fee in lieu of cash	\$0.076 /Share	NIL	\$16,250	Working capital
10-Apr-17	200,123	Ordinary Shares	Directors fee in lieu of cash	\$0.081 /Share	NIL	\$16,250	Working capital
10-Apr-17	342,857	Ordinary Shares	Professional consultant ⁴	\$0.070 /Share	14%	\$24,000	Working capital
4-Jul-17	5,087,500	Ordinary Shares	Share Purchase Plan ⁵	\$0.080 /Share	10%	\$407,000	Working capital
7-Jul-17	174,169	Ordinary Shares	Directors fee in lieu of cash	\$0.093 /Share	NIL	\$16,250	Working capital
17-Jul-17	10,740,500	Ordinary Shares	Professional and Sophisticated Investor ⁶	\$0.080 /Share	10%	\$859,240	Working capital
Total	17,592,298	Ordinary Shares					
	689,912	Convertible Notes					

¹ The use of the consideration for the issue of equity securities is working capital for the Company and is combined with the Company's consolidated funds. The purposes for which the working capital has and will be used (as appropriate) are outlined in section 7.3(d) of the Explanatory Memorandum. All funds received in relation to the equity securities issued as at the date of the AGM have been spent on these working capital purposes.

² The sophisticated investors are detailed in section 4(d) of the Explanatory Memorandum.

³ Price reflects the face value of the Convertible Notes issued. The value of the Shares issued on conversion of the Convertible Notes, and the discount applied to those Securities, is determined in accordance with the formulae for conversion in section 4(b) of the Explanatory Memorandum.

⁴ Issued to NWR Communications Pty Ltd in lieu of payment for shareholder media liaison services.

⁵ Issued to 73 participants in the Share Purchase Plan,

⁶ Issued to Mr Jonathan Diamond, Mr Gary Hedrick, Mr Donald Haller Jr, Maria and Bruce Schechner, Mr James McDermott, Mr Brendan O'Sullivan, R K Edwards Investments LLC and Belgravia Strategic Equities Pty Ltd.

7.4 Information required by ASX Listing Rule 7.3A.7 (Voting Exclusion)

A voting exclusion statement is included in the Notice of Meeting. As at the date of the Notice of Meeting, the Company has not approached any existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote **in favour** of Resolution 12.

OTHER MATTERS

The Directors are not aware of any other information that:

- (a) is reasonably required by members in order to decide whether it is in the Company's interests to pass each of the proposed Resolutions;
- (b) is known to the Company or to any of its Directors that has not previously been disclosed either direct to members or generally to the market in accordance with the Company's continuing disclosure obligations under the ASX Listing Rules.

GLOSSARY

In this Notice and the Explanatory Memorandum:

- **\$** means Australian Dollars
- **10% Placement Facility** has the meaning given in Section 7.1
- **10% Placement Period** has the meaning given in Section 7.2
- **AEDT** means Australian Eastern Daylight Saving Time, being the time in Melbourne, Victoria, Australia.
- **Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2017.
- **ASIC** means Australian Securities and Investments Commission.
- **Associate** has the same meaning as in the Corporation Act.
- **ASX** means ASX Limited or the Australian Securities Exchange, as the context requires.
- **ASX Listing Rules and Listing Rules** means the listing rules of the ASX.
- **Auditor** means the auditor of the Company.
- **Auditor's Report** means the auditor's report on the Financial Report.
- **Board** means the Directors of the Company as at the date of this Notice of Meeting.
- **Chair and Chairman** means the person appointed to chair the Meeting.
- **SECOS and Company** means SECOS Group Limited (ACN 064 755 237).
- **Closely Related Party** has the meaning given in section 9 of the Corporations Act.
- **Constitution** means the constitution of the Company as at the commencement of the Meeting.
- **Corporations Act** means the Corporations Act 2001 (Cth).
- **Director** means a director of the Company.
- **Equity Securities** has the meaning as in the ASX Listing Rules.
- **Explanatory Memorandum** means the explanatory memorandum to the Notice of Meeting.
- **Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.
- **Key Management Personnel** or **KMP** means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2017.
- **Loan Share Plan** means share plan as adopted by the Company at 2014 Annual General Meeting.

- **Managing Director** means the Managing Director of the Company.
- **Option** means an option which entitles the holder to subscribe for a Share in the Company.
- **Notice** or **Notice of Meeting** means this notice of Annual General Meeting.
- **Proxy Form** means the proxy form attached to the Notice of Meeting.
- **Remuneration Report** means the remuneration report contained in the Company's 2017 Annual Report.
- **Resolution** means a resolution contained in this Notice of Meeting.
- **Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.
- **Share** means fully paid ordinary share in the capital of the Company.
- **Shareholder** means a shareholder of the Company.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.



SES-85666800

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Sub-Register	CHESS
HIN / SRN	X87654321

ANNUAL GENERAL MEETING -VOTING/PROXY FORM

I/We being shareholder(s) of Secos Group Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the meeting **OR** **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

If no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting 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 law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Paterson Securities, Level 5, Boardroom, 333 Collins Street, Melbourne VIC 3000 on 30 November 2017 at 10:00 AM (AEDT)** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on each of Item 1 (except where I/we have indicated a different voting intention below) even though this item is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. The Chairman of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*
1 Approval to Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of the convertibility of convertible notes issued to Mr D Haller Jr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(a) Re-election of Mr T Haines as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of the issue to sophisticated investors of up to 1,207,692 convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(b) Re-election of Mr D Haller Jr as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval of the issue of 100,000 convertible notes to Mr R Tegoni and Chocolate Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(c) Re-election of Mr R Tegoni as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of issue of 192,308 convertible notes to Mr D Haller Jr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of shares to Mr R Tegoni under the loan share plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval and ratification of convertible notes to sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Shares to Mr D Haller Jr under the loan share plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the convertibility of convertible notes issued to Chocolate Investments Pty Ltd (related party controlled by Mr R Tegoni)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of additional placement capacity under ASX listing rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * If you mark the Abstain box for a particular Resolution, 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, all the shareholders should 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).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

STEP 1

STEP 2

STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

CHANGE OF ADDRESS

Your address as it appears on 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.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not vote on a poll in accordance with your directions or does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting, who is required to vote the proxies as directed.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each Resolution. 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 a Resolution 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 a given Resolution, your proxy may vote as they choose to the extent they are able. If you mark more than one box on a Resolution, your vote on that Resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Item 1, by marking the appropriate boxes. If you do not, your proxy will not be able to exercise your vote for Item 1.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on a Resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that Resolution), you will be expressly authorising the Chairman to vote as they see fit on that Resolution.

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 Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each 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
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated 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 Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00 AM (AEDT) on 28 November 2017, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE VOTE

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033