

# Notice of general meeting and explanatory statement

ApplyDirect Limited ACN 123 129 162

**Date:** Monday, 22 January 2018

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

**Location:** MinterEllison, Level 23, 525 Collins Street, Melbourne Victoria 3000

## Important notice

This Notice of Meeting and Explanatory Statement contains an explanation of, and information about, the proposal to be considered at the general meeting of the Company on Monday, 22 January 2018. It is given to the Shareholders to help them determine how to vote on the Resolutions.

Shareholders should read this Notice of Meeting and Explanatory Statement in full before deciding if and how to vote on the Resolutions. If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

This Notice of Meeting and Explanatory Statement is dated 22 December 2017.

In this document you will find:

1. Notice of general meeting
2. An explanatory statement containing an explanation of, and information about, the Resolutions
3. Proxy form

# Notice of general meeting

## ApplyDirect Limited ACN 123 129 162

A general meeting of the members of ApplyDirect Limited (**Company**) will be held:

- on Monday, 22 January 2018
- at 11.00am (Melbourne time)
- at MinterEllison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000.

## Business

### **Resolution 1 – Ratification of issue of First Tranche Placement**

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

"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the issue by the Company under a placement made on 21 December 2017 of 28,432,546 new fully paid ordinary shares and 14,216,273 options to acquire new fully paid ordinary shares to sophisticated and professional investors on such terms as more particularly described in the explanatory statement which accompanies and forms part of this Notice of Meeting."

### **Resolution 2 – Approval of Second Tranche Placement**

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

"THAT for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue by the Company of 8,044,328 new fully paid ordinary shares and 4,022,164 options to acquire new fully paid ordinary shares to sophisticated and professional investors on such terms as more particularly described in the explanatory statement which accompanies and forms part of this Notice of Meeting."

### **Resolution 3 – Approval of issue of shares to Mr Michael Kay (Chairman)**

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

"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue by the Company of 1,111,110 new fully paid ordinary shares and 555,555 options to acquire new fully paid ordinary shares to Michael Kay or his nominee(s) on such terms as more particularly described in the explanatory statement which accompanies and forms part of this Notice of Meeting."

### **Resolution 4 – Approval of issue of shares to Mr Bryan Petereit (Director)**

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

"THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue by the Company of 555,554 new fully paid ordinary shares and 277,777 options to acquire new fully paid ordinary shares to Bryan Petereit or his nominee(s) on such terms as more particularly described in the explanatory statement which accompanies and forms part of this Notice of Meeting."

### **Resolution 5 – Approval of issue of shares to Mr Drew Ilsley (Director)**

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

“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue by the Company of 555,554 new fully paid ordinary shares and 277,777 options to acquire new fully paid ordinary shares to Drew Ilsley or his nominee(s) on such terms as more particularly described in the explanatory statement which accompanies and forms part of this Notice of Meeting.”

## **Resolution 6 – Approval of issue of shares to Mr Anthony Charles (Director)**

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

“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue by the Company of 277,776 new fully paid ordinary shares and 138,888 options to acquire new fully paid ordinary shares to Anthony Charles or his nominee(s) on such terms as more particularly described in the explanatory statement which accompanies and forms part of this Notice of Meeting.”

## **Voting exclusions**

1. The Company will disregard, for the purposes of Resolution 1, any votes cast in favour of Resolution 1 by or on behalf of:
  - (a) persons who have participated in the issue of the New Securities under the First Tranche Placement; and
  - (b) an associate of persons who have participated in the issue of the New Securities under the First Tranche Placement.
2. The Company will disregard, for the purposes of Resolution 2, any votes cast in favour of Resolution 2 by or on behalf of:
  - (a) persons who have participated, or will be participating, in the issue of the New Securities under the Second Tranche Placement; and
  - (b) an associate of persons who have participated, or will be participating, in the issue of the New Securities under the Second Tranche Placement.
3. The Company will disregard, for the purposes of Resolution 3, any votes cast in favour of Resolution 3 by or on behalf of:
  - (a) Michael Kay; and
  - (b) an associate of Michael Kay.
4. The Company will disregard, for the purposes of Resolution 4, any votes cast in favour of Resolution 4 by or on behalf of:
  - (a) Bryan Petereit; and
  - (b) an associate of Bryan Petereit.
5. The Company will disregard, for the purposes of Resolution 5, any votes cast in favour of Resolution 5 by or on behalf of:
  - (a) Drew Ilsley; and
  - (b) an associate of Drew Ilsley.
6. The Company will disregard, for the purposes of Resolution 6, any votes cast in favour of Resolution 6 by or on behalf of:
  - (a) Anthony Charles; and
  - (b) an associate of Anthony Charles.
7. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Voting entitlement time

- 8. The Company has determined, in accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that, for the purposes of the Meeting, the Company's shares will be taken to be held by the persons who are the registered Shareholders of the Company at 7.00pm (Melbourne time) on Saturday, 20 January 2018. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting.

## Proxies

- 9. A member who is entitled to vote at the Meeting may appoint:
  - (a) one proxy if the member is only entitled to one vote; or
  - (b) one or two proxies if the member is entitled to more than one vote.
- 10. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded.
- 11. A proxy need not be a member of the Company.
- 12. If you require an additional proxy form, the Company will supply it on request.
- 13. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 48 hours before the time for holding the meeting (ie. by no later than 11.00am (Melbourne time) on Saturday, 20 January 2018), at:
  - (a) online: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au);
  - (b) by mail: ApplyDirect Limited, c/- Link Market Services Limited, Reply Paid 1519, Sydney South NSW 1234 Australia;
  - (c) by fax: +61 2 9287 0309; or
  - (d) by hand: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 (please do not use this address for mailing purposes).
- 14. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised attorney.
- 15. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
- 16. If a Shareholder appoints the chairperson of the Meeting as the Shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that Shareholder, in favour of the item on a poll.

**Dated:** 22 December 2017

**By order of the Board**

A handwritten signature in black ink, appearing to be 'P. Hains', written over a dotted line.

Phillip Hains  
Secretary

# Explanatory statement

## 1. Introduction

The general meeting referred to in this Notice of Meeting is being held so the Company's shareholders can consider the Resolutions, which relate to matters that require the approval of Shareholders under ASX Listing Rules 7.1, 7.4 and 10.11. If the Resolutions are approved, the Company can proceed to complete the Second Tranche Placement without contravening the ASX Listing Rules.

## 2. Summary of the proposal

In summary, it is proposed that Shareholders:

- (a) approve and ratify the initial placement of 28,432,546 New Shares and 14,216,273 New Options that occurred on 21 December 2017 pursuant to the First Tranche Placement announced on 18 December 2017 (**Resolution 1**);
- (b) approve the placement of 8,044,328 New Shares and 4,022,164 New Options to be issued on or around 23 January 2018 pursuant to the Second Tranche Placement announced on 18 December 2017 (**Resolution 2**);
- (c) approve the issue of 1,111,110 New Shares and 555,555 New Options to Mr Michael Kay (Chairman) or his nominee(s) (**Resolution 3**);
- (d) approve the issue of 555,554 New Shares and 277,777 New Options to Mr Bryan Petereit (Executive Director) or his nominee(s) (**Resolution 4**);
- (e) approve the issue of 555,554 New Shares and 277,777 New Options to Mr Drew Ilsley (Director) or his nominee(s) (**Resolution 5**); and
- (f) approve the issue of 277,776 New Shares and 138,888 New Options to Mr Anthony Charles (Director) or his nominee(s) (**Resolution 6**).

## 3. Explanation and reasons for the proposal

### **Resolution 1**

#### **(a) Explanation**

The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the initial placement of 28,432,546 New Shares and 14,216,273 New Options that were issued on 21 December 2017 to sophisticated and professional investors pursuant to the First Tranche Placement, under the Company's capacity to issue securities pursuant to Listing Rules 7.1 and 7.1A.

Of the First Tranche Placement, a total of 11,286,546 New Shares and 14,216,273 New Options were issued under AD1's placement capacity under ASX Listing Rule 7.1 and a total of 17,146,000 New Shares were issued under AD1's placement capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, during a 12 month period, issue or agree to issue in excess of 15% of the number of securities on issue at the commencement of that 12 month period without shareholder approval. At the Company's annual general meeting held on 27 November 2017, shareholders approved a further 10% placement capacity pursuant to ASX Listing Rule 7.1A.

ASX Listing Rule 7.4 allows for the ratification of previous issues of securities which are not made with shareholder approval (or under another exception to ASX Listing Rule 7.1) provided that the issue of securities did not breach the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. If shareholders ratify the issue of securities at general meeting, those securities will be treated as having been made with approval for

the purpose of ASX Listing Rule 7.1. If the Company's shareholders ratify the issue of New Securities that occurred on 21 December 2017, these securities will be deemed to have been issued with Shareholder approval.

**(b) Reasons**

The effect of the ratification of the issue of New Securities under the First Tranche Placement is that the Company's placement capacity under the ASX Listing Rules will be reinstated, enabling it to issue further securities, subject to the ASX Listing Rules, in the next 12 months without shareholder approval.

**(c) Required information**

In compliance with ASX Listing Rule 7.5, the Company provides the following information:

<b>Number of securities issued</b>	28,432,546 New Shares and 14,216,273 New Options
<b>Fixed issue price per security</b>	The New Shares were issued at a price of \$0.09 per New Share. The New Options were issued at nil issue price per New Option and with each New Option having an exercise price of \$0.09.
<b>Recipients of issue</b>	Sophisticated and professional investors
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares and the New Options are options to acquire new fully paid ordinary shares (such options being granted on the terms and conditions contained in Schedule 1). The shares issued (including those to be issued on the exercise of the options) rank equally with other existing fully paid ordinary shares in the Company.
<b>Use of funds raised</b>	The proceeds of the First Tranche Placement will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships. Expenses associated with the First Tranche Placement will be paid out of the proceeds of the First Tranche Placement.

**(d) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(e) Board recommendation**

Your directors, Michael Kay, Bryan Petereit, Drew Ilsley and Anthony Charles, unanimously recommend that eligible shareholders vote in favour of Resolution 1 set out in the accompanying Notice of Meeting.

If Shareholders cannot attend the Meeting, they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and, in any event by 11.00am (Melbourne time) Saturday, 20 January 2018.

**Resolution 2**

**(a) Explanation**

The Company seeks shareholder approval pursuant to ASX Listing Rule 7.1 to undertake a further placement of 8,044,328 New Shares and 4,022,164 New Options to sophisticated and professional investors pursuant to the Second Tranche Placement, under the Company's capacity to issue securities under Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, during a 12 month period, issue or agree to issue in excess of 15% of the number of securities on issue at the commencement of that 12 month period without shareholder approval.

The Company now seeks shareholder approval under ASX Listing Rule 7.1 to issue further securities as part of the Second Tranche Placement. If approved, the securities issued under the Second Tranche Placement will not be included in the Company's placement capacity.

Note, the Second Tranche Placement comprises a total of 10,544,322 New Shares and 5,272,161 New Options. Of this total amount, Directors of the Company are applying for an aggregate of 2,499,994 New Shares and 1,249,997 New Options. The New Shares and New Options applied for by the Directors are the subject of Resolutions 3 to 6 (inclusive) and therefore do not form part of the Shareholder approval sought under Resolution 2.

**(b) Reasons**

The effect of the approval of the issue of securities under the Second Tranche Placement is that the Company's placement capacity under the ASX Listing Rules will be reinstated, enabling it to issue further securities in the next 12 months without shareholder approval, subject to the ASX Listing Rules.

**(c) Required information**

In compliance with ASX Listing Rule 7.3, the Company provides the following information:

<b>Number of securities to be issued</b>	8,044,328 New Shares and 4,022,164 New Options
<b>Fixed issue price per security</b>	The New Shares were issued at a price of \$0.09 per New Share. The New Options were issued at nil issue price per New Option and with each New Option having an exercise price of \$0.09.
<b>Issue price</b>	On or around 23 January 2018, and otherwise, no later than three months after the date of the Meeting.
<b>Recipients of issue</b>	Sophisticated and professional investors
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares and the New Options are options to acquire new fully paid ordinary shares (such options being granted on the terms and conditions contained in Schedule 1). The shares issued (including those to be issued on the exercise of the options) rank equally with other existing fully paid ordinary shares in the Company.
<b>Use of funds raised</b>	The proceeds of the Second Tranche Placement will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships. Expenses associated with the Second Tranche Placement will be paid



out of the proceeds of the Second Tranche Placement.

**(d) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(e) Board recommendation**

Your directors, Michael Kay, Bryan Petereit, Drew Ilsley and Anthony Charles, unanimously recommend that eligible shareholders vote in favour of Resolution 2 set out in the accompanying Notice of Meeting.

If Shareholders cannot attend the Meeting, they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and, in any event by 11.00am (Melbourne time) Saturday, 20 January 2018.

**Resolution 3**

**(a) Explanation**

Mr Michael Kay has agreed to, directly or through one or more nominees, participate in the Second Tranche Placement by applying for 1,111,110 New Shares at \$0.09 per Share and 555,555 New Options in accordance with the terms and conditions in Schedule 1, subject to Shareholder approval at the Meeting.

Mr Michael Kay currently has a relevant interest in approximately 1.00% of the Shares. After the Second Tranche Placement is completed, Michael Kay will have a relevant interest in approximately 1.48% of the Shares (assuming no New Options are exercised). In broad terms, a person has a relevant interest in securities if the person holds the securities or has the power to control the right to vote attached to them or dispose of them.

**(b) Reasons**

Under ASX Listing Rule 10.11, a listed company must obtain the approval of its shareholders before it can issue securities to a related party or a person whose relationship with the company or a related party is, in ASX's opinion, such that shareholders' approval should be obtained. The proposed issue of securities requires shareholder approval under ASX Listing Rule 10.11. Pursuant to ASX Listing Rule 7.2 (Exception 14), issues of securities that receive shareholder approval under ASX Listing Rule 10.11 do not take up any part of the Company's placement capacity.

**(c) Required information**

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

<b>Name of the person</b>	Mr Michael Kay or his nominee(s), Chairman of the Company and a related party of the Company pursuant to section 228(2) of the Corporations Act.
<b>Number of securities to be issued</b>	1,111,110 New Shares and 555,555 New Options, for a total subscription amount of \$100,000.
<b>Date by which the securities will be issued</b>	23 January 2018 and otherwise, no later than 30 days after the date of the Meeting.
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares and the New

Options are options to acquire new fully paid ordinary shares (such options being granted on the terms and conditions contained in Schedule 1). The shares issued (including those to be issued on the exercise of the options) rank equally with other existing fully paid ordinary shares in the Company.

**Issue price of the securities**

The New Shares were issued at a price of \$0.09 per New Share. The New Options were issued at nil issue price per New Option and with each New Option having an exercise price of \$0.09.

**Use of funds raised**

Michael Kay's proposed subscription forms part of the Second Tranche Placement. The proceeds of the Second Tranche Placement will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships. Expenses associated with the Second Tranche Placement will be paid out of the proceeds of the Second Tranche Placement.

**(d) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(e) Board recommendation**

Your directors (other than Michael Kay), Bryan Petereit, Drew Ilsley and Anthony Charles, unanimously recommend that eligible shareholders vote in favour of Resolution 3 set out in the accompanying Notice of Meeting.

If Shareholders cannot attend the Meeting, they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and, in any event by 11.00am (Melbourne time) Saturday, 20 January 2018.

**Resolution 4**

**(a) Explanation**

Mr Bryan Petereit has agreed to, directly or through one or more nominees, participate in the Second Tranche Placement by applying for 555,554 New Shares at \$0.09 per Share and 277,777 New Options in accordance with the terms and conditions in Schedule 1, subject to Shareholder approval at the Meeting.

Bryan Petereit currently has a relevant interest in approximately 10.35% of the Shares. After the Second Tranche Placement is completed, Bryan Petereit will have a relevant interest in approximately 10.09% of the Shares (assuming no New Options are exercised). In broad terms, a person has a relevant interest in securities if the person holds the securities or has the power to control the right to vote attached to them or dispose of them.

**(b) Reasons**

Under ASX Listing Rule 10.11 a listed company must obtain the approval of its shareholders before it can issue securities to a related party or a person whose relationship with the company or a related party is in ASX's opinion, such that shareholder

approval should be obtained. The proposed issue of securities requires shareholder approval under ASX Listing Rule 10.11. Pursuant to ASX Listing Rule 7.2 (Exception 14), issues of securities that receive shareholder approval under ASX Listing Rule 10.11 do not take up any part of the Company's placement capacity.

**(c) Required information**

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

<b>Name of the person</b>	Mr Bryan Petereit or his nominee(s), Director of the Company and a related party of the Company pursuant to section 228(2) of the Corporations Act.
<b>Number of securities to be issued</b>	555,554 New Shares and 277,777 New Options, for a total subscription amount of \$50,000.
<b>Date by which the securities will be issued</b>	23 January 2018 and otherwise, no later than 30 days after the date of the meeting.
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares and the New Options are options to acquire new fully paid ordinary shares (such options being granted on the terms and conditions contained in Schedule 1). The shares issued (including those to be issued on the exercise of the options) rank equally with other existing fully paid ordinary shares in the Company.
<b>Issue price of the securities</b>	The New Shares were issued at a price of \$0.09 per New Share. The New Options were issued at nil issue price per New Option and with each New Option having an exercise price of \$0.09.
<b>Use of funds raised</b>	Bryan Petereit's proposed subscription forms part of the Second Tranche Placement. The proceeds of the Second Tranche Placement will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships. Expenses associated with the Second Tranche Placement will be paid out of the proceeds of the Second Tranche Placement.

**(d) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(e) Board recommendation**

Your directors (other than Bryan Petereit), Michael Kay, Drew Ilsley and Anthony Charles , unanimously recommend that eligible shareholders vote in favour of Resolution 4 set out in the accompanying Notice of Meeting.

If Shareholders cannot attend the Meeting, they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and, in any event by 11.00am (Melbourne time) Saturday, 20 January 2018.

## **Resolution 5**

### **(a) Explanation**

Mr Drew Ilsley has agreed to, directly or through one or more nominees, participate in the Second Tranche Placement by applying for 555,554 New Shares at \$0.09 per Share and 277,777 New Options in accordance with the terms and conditions in Schedule 1, subject to Shareholder approval at the Meeting.

Drew Ilsley currently has a relevant interest in approximately 1.00% of the Shares. After the Second Tranche Placement is completed, Drew Ilsley will have a relevant interest in approximately 1.22% of the Shares (assuming no New Options are exercised). In broad terms, a person has a relevant interest in securities if the person holds the securities or has the power to control the right to vote attached to them or dispose of them.

### **(b) Reasons**

Under ASX Listing Rule 10.11, a listed company must obtain the approval of its shareholders before it can issue securities to a related party or a person whose relationship with the company or a related party is, in ASX's opinion, such that shareholders' approval should be obtained. The proposed issue of securities requires shareholder approval under ASX Listing Rule 10.11. Pursuant to ASX Listing Rule 7.2 (Exception 14), issues of securities that receive shareholder approval under ASX Listing Rule 10.11 do not take up any part of the Company's placement capacity.

### **(c) Required information**

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

<b>Name of the person</b>	Mr Drew Ilsley or his nominee(s), Chairman of the Company and a related party of the Company pursuant to section 228(2) of the Corporations Act.
<b>Number of securities to be issued</b>	555,554 New Shares and 277,777 New Options, for a total subscription amount of \$50,000.
<b>Date by which the securities will be issued</b>	23 January 2018 and otherwise, no later than 30 days after the date of the Meeting.
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares and the New Options are options to acquire new fully paid ordinary shares (such options being granted on the terms and conditions contained in Schedule 1). The shares issued (including those to be issued on the exercise of the options) rank equally with other existing fully paid ordinary shares in the Company.

**Issue price of the securities**

The New Shares were issued at a price of \$0.09 per New Share. The New Options were issued at nil issue price per New Option and with each New Option having an exercise price of \$0.09.

**Use of funds raised**

Drew Ilsley's proposed subscription forms part of the Second Tranche Placement. The proceeds of the Second Tranche Placement will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships. Expenses associated with the Second Tranche Placement will be paid out of the proceeds of the Second Tranche Placement.

**(d) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(e) Board recommendation**

Your directors (other than Drew Ilsley), Bryan Petereit, Michael Kay and Anthony Charles, unanimously recommend that eligible shareholders vote in favour of Resolution 5 set out in the accompanying Notice of Meeting.

If Shareholders cannot attend the Meeting, they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and, in any event by 11.00am (Melbourne time) Saturday, 20 January 2018.

**Resolution 6****(f) Explanation**

Mr Anthony Charles has agreed to, directly or through one or more nominees, participate in the Second Tranche Placement by applying for 277,776 New Shares at \$0.09 per Share and 138,888 New Options in accordance with the terms and conditions in Schedule 1, subject to Shareholder approval at the Meeting.

Anthony Charles currently has a relevant interest in approximately 0.13% of the Shares. After the Second Tranche Placement is completed, Anthony Charles will have a relevant interest in approximately 0.25% of the Shares (assuming no New Options are exercised). In broad terms, a person has a relevant interest in securities if the person holds the securities or has the power to control the right to vote attached to them or dispose of them.

**(g) Reasons**

Under ASX Listing Rule 10.11, a listed company must obtain the approval of its shareholders before it can issue securities to a related party or a person whose relationship with the company or a related party is, in ASX's opinion, such that shareholders' approval should be obtained. The proposed issue of securities requires shareholder approval under ASX Listing Rule 10.11. Pursuant to ASX Listing Rule 7.2 (Exception 14), issues of securities that receive shareholder approval under ASX Listing Rule 10.11 do not take up any part of the Company's placement capacity.

**(h) Required information**

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

<b>Name of the person</b>	Mr Anthony Charles or his nominee(s), Chairman of the Company and a related party of the Company pursuant to section 228(2) of the Corporations Act.
<b>Number of securities to be issued</b>	277,776 New Shares and 138,888 New Options, for a total subscription amount of \$25,000.
<b>Date by which the securities will be issued</b>	23 January 2018 and otherwise, no later than 30 days after the date of the Meeting.
<b>Terms of securities</b>	The New Shares are fully paid ordinary shares and the New Options are options to acquire new fully paid ordinary shares (such options being granted on the terms and conditions contained in Schedule 1). The shares issued (including those to be issued on the exercise of the options) rank equally with other existing fully paid ordinary shares in the Company.
<b>Issue price of the securities</b>	The New Shares were issued at a price of \$0.09 per New Share. The New Options were issued at nil issue price per New Option and with each New Option having an exercise price of \$0.09.
<b>Use of funds raised</b>	The proposed subscription of Anthony Charles forms part of the Second Tranche Placement. The proceeds of the Second Tranche Placement will be used for general working capital requirements and to increase resources available to pursue major clients and partnerships. Expenses associated with the Second Tranche Placement will be paid out of the proceeds of the Second Tranche Placement.

**(i) Voting**

Some voters may not be allowed to vote on the Resolution. Please refer to the voting exclusion statement in the Notice of Meeting.

**(j) Board recommendation**

Your directors (other than Anthony Charles), Bryan Petereit, Michael Kay and Drew Ilsley, unanimously recommend that eligible shareholders vote in favour of Resolution 6 set out in the accompanying Notice of Meeting.

If Shareholders cannot attend the Meeting, they are urged to complete the proxy form and return it (see proxy form for details) as soon as possible and, in any event by 11.00am (Melbourne time) Saturday, 20 January 2018.

## 4. Glossary

<b>AD1</b>	means ApplyDirect Limited ACN 123 129 162.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited or its financial market, the Australian Securities Exchange, as the context requires.
<b>ASX Listing Rules</b>	means the listing rules of ASX as they are amended from time to time.
<b>Board</b>	means the board of directors of AD1 from time to time.
<b>Company</b>	means AD1.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>First Tranche Placement</b>	means the initial placement of New Securities that were issued on 21 December 2017 to sophisticated and professional investors.
<b>Meeting</b>	means the general meeting of Shareholders called by the Notice of Meeting.
<b>New Options</b>	means the Options that have been or are proposed to be issued as part of AD1's capital raising initiative.
<b>New Securities</b>	means the New Shares and New Options.
<b>New Shares</b>	means the Shares that have been or are proposed to be issued as part of AD1's capital raising initiative.
<b>Notice or Notice of Meeting</b>	means this notice of general meeting and explanatory statement.
<b>Option</b>	means an option to acquire a new fully paid ordinary share in the capital of AD1 issued on the terms and conditions contained in Schedule 1.
<b>Resolutions</b>	means the resolutions set out in the Notice.
<b>Second Tranche Placement</b>	means the further placement of New Securities to sophisticated investors proposed to occur on or around 23 January 2018 and includes the placements the subject of Resolutions 3 and 4.
<b>Share</b>	means a fully paid ordinary share in the capital of AD1.
<b>Shareholder</b>	means a holder of one or more Shares.



# Schedule 1 – Terms of New Options

The rights and liabilities attaching to the New Options are summarised as follows:

## **Register**

The Company maintains a register of holders of options (which include the New Options) in accordance with section 168(1)(b) of the Corporations Act.

## **Transfer/transmission**

New Options will not be quoted on ASX. Options are transferable. However, upon transfer, the transferor must notify the Board of the transfer within 5 business days of the date of transfer.

## **Issue and lapse**

New Options issued to a holder will lapse on the relevant expiry date if not exercised on or before that date. The expiry date for the New Options is the date that is 2 years after the date of allotment.

## **Exercise**

A New Option may be exercised at any time prior to its expiry by delivery to the Company of a duly completed notice of exercise of the New Options (**Exercise Notice**), signed by the registered holder of the New Option, together with payment to the Company of the relevant exercise price per New Option being exercised and the relevant option certificate. The exercise price for each New Option is A\$0.09.

New Options which are validly exercised will be deemed to have been exercised on the date that an Exercise Notice in respect of those New Options is lodged with the Company. A notice of exercise of New Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

## **Dividend entitlement**

New Options do not carry any dividend entitlement until they are exercised. Fully paid ordinary shares in the Company (**Shares**) issued on the exercise of New Options rank equally with other Shares then on issue from their date of issue and are entitled to dividends paid on and from this date where the record date for the dividends occurs after the date of issue of the Shares.

## **Participation rights**

For determining entitlements to the issue, a holder of New Options may only participate in new issues of securities to holders of applicable Shares if the New Option has been exercised and a Share allotted in respect of the New Option before the relevant record date.

The Company must give at least 6 business days' notice to holders of New Options of any new issue before the relevant record date for determining entitlements to the issue in accordance with the ASX Listing Rules.

If between the date of issue and the date of exercise of a New Option the Company makes one or more rights issues (being a pro rata issue of Shares that is not a bonus issue) in accordance with the ASX Listing Rules, the exercise price of New Options on issue will be reduced in respect of each rights issue according to the following formula:



$$NE = OE - \frac{E[P - (S+D)]}{N + 1}$$

where:

**NE** is the new exercise price of the New Option;

**OE** is the old exercise price of the New Option;

**E** is the number of underlying Shares into which one New Option is exercisable;

**P** is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex-rights date or ex entitlements date (excluding special crossings and overnight sales);

**S** is the subscription price for a Share under the rights issue;

**D** is the dividend due but not yet paid on each Share at the relevant time; and

**N** is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares, the number of Shares over which the New Option is exercisable will be increased by the number of Shares which the holder of the New Option would have received if the New Option had been exercised before the relevant record date for the bonus issue.

### **Reconstructions and alteration of capital**

Any adjustment to the number of outstanding New Options and the exercise price under a reorganisation of the Company's share capital must be made in accordance with the ASX Listing Rules at the time of the reorganisation.

*This page is intentionally blank*



*This page is intentionally blank*

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

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



### BY FAX

+61 2 9287 0309



### BY HAND

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



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

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

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11.00am (Melbourne time) on Monday, 22 January 2018 at Minter Ellison, Level 23, Rialto Towers, 525 Collins Street, Melbourne Victoria 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

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

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

1 Ratification of issue of First Tranche Placement

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Approval of issue of shares to Mr Drew Ilsley (Director)

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Approval of Second Tranche Placement

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approval of issue of shares to Mr Anthony Charles (Director)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Approval of issue of shares to Mr Michael Kay (Chairman)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Approval of issue of shares to Mr Bryan Petereit (Director)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

--

Joint Shareholder 2 (Individual)

--

Joint Shareholder 3 (Individual)

--

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00am (Melbourne time) on Saturday, 20 January 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

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

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

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