

**CIPHERPOINT LIMITED**

**ACN 120 658 497**

**NOTICE OF 2020 ANNUAL GENERAL MEETING**

Notice is given that the 2020 Annual General Meeting ("**Meeting**") of Cipherpoint Limited ("the **Company**" or "**Cipherpoint**") will be held by virtual technology on Tuesday, 25 August 2020 at 11.00am (Sydney time).

**IMPACTS OF COVID-19 ON THE MEETING**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19, in particular in Victoria. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct the Meeting virtually via Zoom.

Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chair as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice (being 11.00am, 23 August 2020). Instructions for lodging proxies are included on your personalised proxy form.

Arrangements for attendance by Zoom, with the ability to ask questions, can be made by contacting Steven Bliim, the Joint Company Secretary, by email at [steven.bliim@cipherpoint.com](mailto:steven.bliim@cipherpoint.com) at least two business days before the meeting. Arrangements will be made for direct voting at the virtual Meeting by shareholders, proxies, corporate representatives and holders of powers of attorney.

In addition, the Company is happy to accept and answer questions submitted at least two business days prior to the Meeting by email to [steven.bliim@cipherpoint.com](mailto:steven.bliim@cipherpoint.com). The Company reserves the right to not respond to any unreasonable and/or offensive questions at its discretion.

Because the conditions and potential restrictions and other requirements for meetings relating to COVID-19 are rapidly changing, if it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice of General Meeting the Company will announce the alternative arrangements to ASX. Shareholders are encouraged to check for announcements at the ASX website [www.asx.com.au](http://www.asx.com.au), search code "CPT".

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

**GENERAL BUSINESS**

**2020 Annual Financial Statements**

To lay before the meeting and consider the Annual Financial Statements of the Company for the year ended 31 March 2020 and comprising the Annual Financial Report, the Directors' Report and the Auditor's Report.

**RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT**

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

***"That the Company approve the adoption of the Remuneration Report, included in the Directors' Report, for the year ended 31 March 2020."***

***Voting Prohibition:***

*A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:*

- (a) *a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or*

(b) a closely related party of such a member (referred to herein as "**Restricted Voters**").

However, a person ("**voter**") may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chair may also exercise undirected proxies if the vote is cast on behalf of a person entitled to vote on Resolution 1 and the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.

**Voting Note:**

Directors of the Company who are key management personnel whose remuneration details are included in the 2020 Remuneration Report, any other key management personnel whose remuneration details are included in the 2020 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.

**RESOLUTION 2A: RE-ELECTION OF MR TED PRETTY AS A DIRECTOR**

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

***"That Mr Ted Pretty, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."***

**RESOLUTION 2B: ELECTION OF MR GRAHAM MIRABITO AS A DIRECTOR**

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

***"That Mr Graham Mirabito, a Director appointed to fill a casual vacancy on 1 November 2019, who retires in accordance with the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company."***

**RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY**

To consider, and if thought fit, pass the following resolution as a **special resolution**:

***"That for the purposes of ASX Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A.2 at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Memorandum which accompanied and formed part of this Notice."***

**Voting Note:**

If as at the time of the Meeting, the Company:

- is included in the S&P/ASX 300 Index; and
- has a market capitalisation of greater than AU\$300 million,

this Resolution will be withdrawn.

**RESOLUTION 4: RATIFICATION OF PRIOR PLACEMENT SHARES**

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

***“That for the purpose of ASX Listing Rule 7.4, and for all other purposes, shareholders ratify the prior issue of 19,000,000 ordinary fully paid shares to investors identified by the Company who were exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth) at an issue price of \$0.023 (2.3 cents) each, as described in the Memorandum which accompanied and formed part of this Notice.”***

**Voting Exclusion Statements:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- persons who participated in the issue or is a counterparty to the agreement being approved; or
- any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of the beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**RESOLUTION 5: RENEWAL OF PROPORTIONAL BID PROVISIONS IN THE CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

***“That for the purposes of Section 648G(4) of the Corporations Act 2001(Cth) and for all other purposes the members of the Company approve the renewal of the proportional takeover approval provisions in Article 35.6 of the Company’s Constitution for a period of three years from the date of the Meeting.”***

**RESOLUTION 6A: ADOPTION OF EMPLOYEE INCENTIVE SCHEME – LOAN SHARE PLAN**

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

***“That, for the purposes of ASX Listing Rule 7.2 Exception 13, and for all other purposes including sections 259B and 260C of the Corporations Act 2001 (Cth), approval is given for the Company to adopt an employee incentive scheme, being the Cipherpoint Loan Share Plan, as described in the Memorandum which accompanied and formed part of this Notice.”***

A voting exclusion statement as set out below in this Notice applies to this Resolution 6A.

**RESOLUTION 6B: ADOPTION OF EMPLOYEE INCENTIVE SCHEME –SHARE OPTION PLAN**

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

***“That, for the purposes of ASX Listing Rule 7.2 Exception 13, and for all other purposes, approval is given for the Company to adopt an employee incentive scheme, being the Cipherpoint Share Option Plan, as described in the Memorandum which accompanied and formed part of this Notice.”***

*A voting exclusion statement as set out below in this Notice applies to this Resolution 6B.*

#### **RESOLUTION 6C: ADOPTION OF EMPLOYEE INCENTIVE SCHEME – PERFORMANCE RIGHTS PLAN**

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

***“That, for the purposes of ASX Listing Rule 7.2 Exception 13, and for all other purposes, approval is given for the Company to adopt an employee incentive scheme, being the Cipherpoint Performance Rights Plan, as described in the Memorandum which accompanied and formed part of this Notice.”***

*A voting exclusion statement as set out below in this Notice applies to this Resolution 6C.*

#### **Voting Exclusion Statement – Resolution 6A – 6C:**

*The Company will disregard any votes cast in favour of any or all of Resolutions 6A to 6C by or on behalf of a person who is eligible to participate in the employee incentive scheme or any of their associates.*

*However, this does not apply to a vote cast in favour of any or all of Resolutions 6A to 6C by:*

- *a person as proxy or attorney for a person who is entitled to vote on any or all of Resolutions 6A to 6C, in accordance with the directions given to the proxy or attorney to vote on the resolution that way; or*
- *the chair of the meeting as proxy or attorney for a person who is entitled to vote on any or all of Resolutions 6A to 6C, in accordance with a direction given to the chair to vote on any or all of Resolutions 6A to 6C as the chair decides; or*
- *it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of the beneficiary provided the following conditions are met:*
  - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
  - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

#### **Voting Prohibition – Resolutions 6A – 6C:**

*Other than as set out below, a vote on Resolutions 6A to 6C must not be cast as proxy by a Restricted Voter.*

*A Restricted Voter may cast a vote on any or all of Resolutions 6A to 6C as a proxy if either:*

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

#### **RESOLUTION 7A: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS – GRAHAM MIRABITO**

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

**“That, for the purposes of ASX Listing Rule 10.14, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue a total of 500,000 performance rights under the Cipherpoint Performance Rights Plan, to Graham Mirabito (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

*A voting exclusion statement as set out below in this Notice applies to this Resolution 7A.*

#### **RESOLUTION 7B: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS – TED PRETTY**

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

**“That, for the purposes of ASX Listing Rule 10.14, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue a total of 2,750,000 performance rights under the Cipherpoint Performance Rights Plan, to Ted Pretty and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

*A voting exclusion statement as set out below in this Notice applies to this Resolution 7B.*

#### **RESOLUTION 7C: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS – STEVEN BLIIM**

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

**“That, for the purposes of ASX Listing Rule 10.14, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue a total of 2,500,000 performance rights under the Cipherpoint Performance Rights Plan, to Steven Bliim (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

*A voting exclusion statement as set out below in this Notice applies to this Resolution 7C.*

#### **Voting Exclusion Statement – Resolutions 7A – 7C**

*The Company will disregard any votes cast in favour of this any or all of Resolutions 7A to 7C inclusive by or on behalf of a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of their associates.*

*However, the Company need not disregard a vote if it is cast by:*

- *a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *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 Prohibition – Resolutions 7A to 7C**

*Other than as set out below, a vote on Resolutions 7A to 7C inclusive must not be cast as proxy by a Restricted Voter.*

*A Restricted Voter may cast a vote on any or all of Resolutions 7A to 7C inclusive as a proxy if either:*

- (a) *the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or*
- (b) *the Restricted Voter is the Chair and the written appointment of the Chair as proxy:*
  - (i) *does not specify the way the proxy is to vote on this Resolution; and*

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

#### **RESOLUTION 8: AMENDMENT OF CONSTITUTION**

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

***"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be amended as set out in Annexure F of the Memorandum which accompanied and formed part of the Notice with effect immediately upon passing of this Resolution."***

Dated: 24 July 2020

By the order of the Board



Ted Pretty  
Non-Executive Chairman of Cipherpoint Limited

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

## PROXY AND VOTING INSTRUCTIONS

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### Proxy Instructions

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

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

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

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

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

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

A proxy form is attached to this Notice.

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

### Corporate Representatives

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

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 11.00am on 23 August 2020 (Sydney time) are entitled to attend and vote at the meeting.

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

### How the Chair Will Vote Undirected Proxies

Subject to the restrictions set out below and in the Notice, The Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

### Voting Restrictions on Resolution 1 (Remuneration Report)

The Remuneration Report identifies key management personnel for the year ended 31 March 2020. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2020 Remuneration Report, any other key management personnel whose remuneration details are included in the 2020 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

### Special Resolution

Resolutions 3, 5 and 8 are proposed as a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

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

**2020 ANNUAL GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**

**PURPOSE OF INFORMATION**

This Explanatory Memorandum ("**Memorandum**") accompanies and forms part of the Company's Notice of Annual General Meeting ("**Notice**") for the 2020 Annual General Meeting ("**Meeting**") to be held by virtual technology on Tuesday, 25 August 2020 at 11.00am Melbourne time).

**Please refer to the note on the front cover of the Notice of General Meeting regarding COVID-19 related restrictions, lodging proxies and/or attending the Meeting by Zoom.**

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions set out therein to vote before the Meeting.

The Notice incorporates, and should be read together, with this Memorandum.

**BUSINESS**

**2020 Annual Financial Statements**

The Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 31 March 2020 will be laid before the meeting. Shareholders will have the opportunity to ask questions about, or make comments on, the 2020 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to Meeting to answer questions about the audit of the 2020 Annual Financial Statements.

The Company's 2020 Annual Financial Statements are set out in the Company's 2020 Annual Report which can be obtained from the Company's website, [www.cipherpoint.com](http://www.cipherpoint.com) or upon request to Steven Bliim, the COO and Executive Director, by telephone on +61 2 8412 8200.

There is no requirement for these reports to be formally approved by shareholders. No resolution is required to be moved in respect of this item.

**Resolution 1: Non-binding Resolution - Remuneration Report**

The Company is required pursuant to the Corporations Act 2001 (Cth) ("**the Corporations Act**"), to propose a non-binding resolution regarding the 2020 Remuneration Report, which forms part of the Director's Report in the 2020 Annual Financial Statements.

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

Shareholders attending the 2020 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the



Remuneration Report at two consecutive annual general meetings (“**AGM**”) (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a “**spill resolution**”) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2019 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event 25% or more of votes that are cast are against the adoption of the 2020 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2021 Remuneration Report, shareholders should be aware that if there is a ‘no’ vote of 25% or more for the same resolution at the 2021 AGM the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, Directors and other members of the key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of those persons must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

### **Resolution 2A: Re-Election of Mr Ted Pretty as a Director**

Resolution 2A is a resolution for re-election of Mr Ted Pretty as a Director of the Company.

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third (rounded up), but disregarding the Managing Director and Directors appointed to fill casual vacancies, are required to retire by rotation at each AGM.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

The Company currently has three Directors, one of whom is required to stand for re-election as he was appointed to fill a casual vacancy since the last annual general meeting. Accordingly, one other Director is required to retire by rotation at the Meeting. A Director who retires by rotation under the Constitution is eligible for re-election.

Accordingly and in accordance with the Constitution, Mr Ted Pretty retires by rotation and, being eligible seeks re-election pursuant to Resolution 2A of the Notice.

A biography for Ted is set out below:

*“Ted is a widely recognised senior technology and telecommunications executive with significant experience in complex networks, data hosting and security, as well as a deep knowledge of emerging trends in security and information technology. Ted joined Cipherpoint as Managing Director and Chief Executive Officer in January 2017 and has now transitioned to the role of Non-Executive Chairman.*

*Most recently, Ted was a senior adviser at Macquarie Capital, supporting principal investments in emerging companies, covering information governance, big data and analytics, security and encryption.*

*His career has included roles such as Managing Director of Technology Innovation and Product at Telstra Group, Chairman of Fujitsu Limited, Chairman of ASX-listed NEXTDC and RP Data Limited,*

*Advisory Chairman of Tech Mahindra and Managing Director and Chief Executive Officer of Hills Limited.”*

The Board (with Mr Ted Pretty abstaining) unanimously support the re-election of Mr Ted Pretty as a Director of the Company.

### **Resolution 2B: Election of Mr Graham Mirabito as a Director**

Resolution 2B is a resolution for the election of Mr Graham Mirabito as a Director of the Company.

Pursuant to the Constitution of the Company, a Director appointed to fill a casual vacancy holds office until the next annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who retire by rotation at that Meeting.

Mr Graham Mirabito, who was appointed to fill a casual vacancy on 1 November 2019, retires in accordance with the Constitution of the Company and, being eligible, offers himself for election.

A biography for Graham Mirabito is set out below:

*“Graham Mirabito has over 35 years’ experience in the information technology industry including 10 years in engineering and 25 years in sales, marketing, operations, mergers, acquisitions and general management. Graham has held senior roles at Telstra as MD Telstra Europe and EVP Telstra Asia.*

*Graham’s previous role for 12 years was as CEO of RP Data which he took public on the ASX in 2006 and was acquired by strategic shareholder CoreLogic in 2011. His last executive role was as CEO CoreLogic International responsible for operations in Australia, Asia and UK.*

*Graham holds an Associate Diploma in Electrical Engineering from Queensland University of Technology.”*

The Board (with Mr Graham Mirabito abstaining) unanimously support the election of Mr Graham Mirabito as a Director of the Company.

### **Resolution 3: Approval of 10% placement facility**

ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12-month period after an AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to a company’s 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less. The Company is, at the date of the Notice, an eligible entity.

The Company is 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 (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any issue(s) under the 10% Placement Facility for development of its existing business and any acquired business, or funding new projects or business opportunities and/or general working capital.

The Company obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2019 AGM. This Shareholder approval will lapse on the date of this Meeting.

The Company issued 7,700,000 securities under the capacity available to it under ASX Listing Rule 7.1A pursuant to approval obtained at the 2019 AGM prior to lapse of this capacity under ASX Listing Rule 7.1A on the date of this Meeting.

The Company seeks to refresh the shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the Meeting in accordance with ASX Listing Rule 7.1A.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### **DESCRIPTION OF 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 AGM.

- **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. The Company, as at the date of the Notice, has one class of quoted equity securities, ordinary shares (**CPT**).

- **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period (defined in section 2(f) below), issue a number of equity securities calculated in accordance with the following formula:

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

**where:**

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

(i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;

(ii) plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 where:

a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

b. the issue of, or agreement to issue, the convertible securities was approved, or take under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;

(iii) plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:

a. the agreement was entered into before the commencement of the relevant period; or

*b. the agreement or issue was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;*

*(iv) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;*

*(v) plus the number of partly paid shares that became fully paid in the 12 months;*

*(vi) less the number of fully paid shares cancelled in the 12 months.*

*Note: "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 issued or agreed to be issued under ASX 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 ASX Listing Rules 7.1 or 7.4.*

- ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

As at the date of this Meeting, the Company has 96,742,282 ordinary shares on issue and will therefore (subject to the passage of the other resolutions at the Meeting) have capacity to issue:

- (i) 14,511,342 equity securities under Listing Rule 7.1 (15% capacity); and
- (ii) subject to shareholders approving this Resolution 3,967,228 equity securities (provided such equity securities are in a class of quoted equity securities) under Listing Rule 7.1A (10% capacity).

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 ASX Listing Rule 7.1A.2 (refer above).

- Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or

if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the time and date of the next AGM of the Company; or
- (iii) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

- **ASX Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors of the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 3 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).

**SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- Any equity security issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days immediately before:
  - (i) The date on which the price at which the relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or
  - (ii) If the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- If Resolution 3 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:
  - (i) the market price for the Company's 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 Company's equity securities on the issue date,

which may have an effect on the quantum of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A"

calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the Notice. The table also shows:

- Two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders’ meeting.
- Two examples of where the price of ordinary shares has decreased by 50% and increased by 50% as against the current market price (being \$0.030 the closing price of the Company’s ordinary shares at close of trading on 7 July 2020).

Variable “A” in ASX Listing Rule 7.1A.2		Dilution		
		\$0.015 50% decrease in Deemed Price	\$0.030 Deemed Price	\$0.045 50% Increase in Deemed Price
Current Variable A 96,742,282 shares	10% Voting Dilution	9,674,228 shares	9,674,228 shares	9,674,228 shares
	Funds raised	\$145,113.42	\$290,226.84	\$435,340.26
50% increase in current Variable A 145,113,423 shares	10% Voting Dilution	14,511,342 shares	14,511,342 shares	14,511,342 shares
	Funds raised	\$217,670.13	\$435,340.26	\$653,010.39
100% increase in current Variable A 193,484,564 shares	10% Voting Dilution	19,348,456 shares	19,348,456 shares	19,348,456 shares
	Funds raised	\$290,226.84	\$580,453.68	\$870,680.52

***The table above has been prepared on the following assumptions:***

- *The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company’s shares on issue at the date of the Meeting.*
- *No options or warrants are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.*
- *The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder’s holding at the date of the Meeting.*
- *The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the “15% rule”.*

- *The deemed price in the table is indicative only and does not consider the maximum 25% discount to market that the securities may be placed at under ASX Listing Rule 7.1A.*
- *The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.*

The Company may seek to issue the equity securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards developing its existing business and any acquired business, or to fund new projects or business opportunities and/or general working capital.

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

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 equity securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

Due to the forward looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2019 AGM. During the 12-month period preceding the proposed date of the Meeting, being on and from 30 September 2019, the Company issued a total of 7,700,000 ordinary shares under the Company's 10% Placement Capacity under ASX Listing Rule 7.1A. Details as required by ASX Listing Rule 7.3A.6 for the issue are set out in Annexure A.

At the date of that Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Accordingly, no existing shareholder's votes will therefore be excluded and there is no voting exclusion for Resolution 3 in the Notice.

The directors of the Company unanimously recommend shareholders vote in favour of Resolution 3.

#### **RESOLUTION 4: RATIFICATION OF PRIOR PLACEMENT SHARES**

Resolution 4 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 19,000,000 ordinary fully paid shares at an issue price of \$0.023 (2.3 cents) per share to raise a total of \$437,000 (before costs). The shares were issued to investors identified by the Company who were exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth).

The shares were issued on 8 July 2020 and an Appendix 2A was released to ASX on that date. The shares were issued without shareholder approval under ASX Listing Rule 7.1 and 7.1A in the following proportions:

<b>Number of shares issued without shareholder approval under ASX Listing Rule 7.1</b>	11,300,000
<b>Number of shares issued without shareholder approval under ASX Listing Rule 7.1A</b>	7,700,000
<b>TOTAL</b>	<b>19,000,000</b>

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions including ASX Listing Rule 7.1A, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period. The Company obtained shareholder approval under ASX Listing Rule 7.1A to issue equity securities under the additional 10% placement capacity at its 2019 AGM.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 or ASX Listing Rule 7.1A (provided that the previous issue of securities did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 or 7.1A. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1 and 7.1A.

By ratifying the issue of 19,000,000 ordinary shares by passing Resolution 4, the Company will retain the flexibility to issue equity securities in the future up to the 25% annual placement capacity as provided for under Listing Rule 7.1 and 7.1A without being required to obtain prior shareholder approval. If shareholders pass Resolution 4 then these shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. If shareholders do not pass Resolution 4 then these shares will continue to use the placement capacity available to the Company under the ASX Listing Rules.

The following information is provided in respect of the shares which are the subject of Resolution 4 in accordance with the requirements of ASX Listing Rule 7.5:

- The shares were issued to sophisticated or professional investors or persons otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act, all of whom are not related parties of the Company. The recipients were parties identified by the Company.
- The total number of securities issued was 19,000,000 fully paid ordinary shares.
- The shares issued are fully paid ordinary shares having the same terms and rights as, and ranking equally with, the Company's existing fully paid ordinary shares.
- 
- The shares were issued on 8 July 2020
- The shares were issued at a price of \$0.023 (2.3 cents) per share, raising a total of \$437,000.



- Funds raised through the issues have been, or will be used as additional capital to allow the Company to accelerate its cloud development and the integration of its products with major collaboration platforms in the market, including Microsoft Teams.
- A voting exclusion statement is contained in the Notice accompanying this Memorandum.

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

#### **RESOLUTION 5: RENEWAL OF PROPORTIONAL BID PROVISIONS IN THE CONSTITUTION**

Article 35 of the Company's Constitution contains provisions dealing with member approval requirements if there was to be any proportional takeover bids (referred to in the Constitution as "Partial Takeover Plebiscites") for the Company's securities (**Proportional Bid Provisions**).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members. The Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Article 35) be renewed.

A soft copy of the Company's Constitution can be sent via email to any shareholder upon request made to the Company Secretary.

The Resolution to renew the Proportional Bid Provisions is proposed as a special resolution. Accordingly, to be passed at least 75% of the votes validly cast on the Resolution by shareholders eligible to vote of the Resolution by number of shares must be in favour of the Resolution.

If Resolution 5 is passed, shareholders holding at least 10% of the Company's issued ordinary shares may, within 21 days after the Meeting, apply to a court to have the purported renewal of the Proportional Bid Provisions set aside. The court may make an order setting aside the purported renewal of the Proportional Bid Provisions if it is satisfied that it is appropriate in the circumstances to do so.

In seeking the members' approval for the renewal of the Proportional Bid Provisions, the Corporations Act requires the below information to be provided to members.

#### **Effect of provisions proposed to be renewed**

Article 35 of the Constitution provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by the members at a general meeting of the Company (**Prescribed Resolution**). The person making the offer for the securities (**Offeror**) (and their associates) cannot vote on the Prescribed Resolution and the Prescribed Resolution requires the approval of more than 50% of members who are entitled to vote at that meeting.

Article 35 also provides that:

- (a) If a Prescribed Resolution is not voted upon at the end of the day before the relevant day in relation to the off-market bid under which offers have been made, the Prescribed Resolution is deemed approved, and

- (b) If the Prescribed Resolution is rejected, all unaccepted offers under the proportional takeover bid are deemed withdrawn and the Offeror must rescind each contract created as a result of the acceptance of an offer under that proportional takeover bid.

If shareholders pass this Resolution 5 then Article 35 as described above will continue to have effect for a period of three years from the date of the Meeting.

### **Reasons for the resolution**

Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Article 35 cease to apply at the end of 3 years from their adoption (or their last renewal).

The Proportional Bid Provisions were adopted by shareholders more than 3 years ago and therefore are due to be renewed.

Section 648(G)(4) enables the members to approve a renewal of Proportional Bid Provisions.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of **all** of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Article 35 needs to be renewed. If Article 35 is renewed and any proportional takeover bid (if any) is subsequently approved by members, each member will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities.

### **Awareness of current acquisition proposals**

As at the date of the Notice, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company.

### **Advantages and disadvantages of the Proportional Bid Provisions since last renewed**

As there have been no takeover bids made for any of the shares in the Company since the most recent renewal of the Proportional Bid Provisions, there has been no application of Article 35 with respect to the Company as at the date of the notice of meeting. It may be considered that the potential advantages and disadvantages described below have applied for the period since adoption of Article 35 as part of the Constitution.

### **Potential advantages and disadvantages of the proposed resolution for directors and members**

The potential advantages and disadvantages of renewing the Proportional Bid Provisions to directors include:

- (a) If the Directors consider a partial bid should be opposed they will be assisted in preventing the bidder from securing control of the Company as the bidder requires a majority of votes to be cast in its favour by the independent shareholders before the bid can succeed.
- (b) With the Proportional Bid Provisions in place, the Directors must call a meeting to seek the members' view if any partial takeover offer is made, even if the Directors believe the offer should be accepted.
- (c) Under the Proportional Bid Provisions the most effective view on a partial bid is the view expressed by the vote of the shareholders themselves, at the meeting.

- (d) The Proportional Bid Provisions may make it easier for Directors to discharge their fiduciary and statutory duties as Directors in the event of a partial takeover bid.
- (e) The Directors remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages of the renewal of the Proportional Bid Provisions for members include:

- (a) All members have an opportunity to study a proportional takeover bid, if made, and to attend or be represented by proxy at a meeting called specifically to vote on the proposal. A majority of shares voted at the meeting, excluding the shares of the bidder and its associates, will be required for the applicable resolution to be passed, following which members will be able to decide whether to accept the bid that may result in a change of the control of the Company.
- (b) Members are able to prevent a proportional takeover bid proceeding if they believe that control of the Company should not be permitted to pass under the bid and, accordingly, the terms of any future proportional takeover bid is likely to be structured in a manner that is attractive to a majority of members.
- (c) The Proportional Bid Provisions enable shareholders to act together to avoid the coercion of members that might otherwise arise where they believe a partial offer is inadequate, but nevertheless accept due to concerns that a significant number of shareholders may accept.
- (d) Members are protected against being coerced into accepting a partial bid at a high premium where the bidder indicates its intention to mount a subsequent bid for the remaining shares at a much reduced price, putting members under pressure to accept the initial bid to maximise returns.
- (e) If a partial bid is made, the Proportional Bid Provisions may make it more probable that a bidder will set its offer price at a level that is attractive to members.
- (f) Members, as a group, may more effectively advise, contribute to or guide the Directors' response to a partial bid.
- (g) The Proportional Bid Provisions may increase the likelihood that any takeover offer will be a full bid for the whole shareholding of each member, so that member will have the opportunity to dispose of all of their shares rather than only a portion.

The potential disadvantages to members of renewing the Proportional Bid Provisions include:

- (a) By placing obstacles in the way of partial offers, the proposal may tend to discourage partial offers, thus reducing the opportunity for members to sell a portion of their holdings.
- (b) The continued existence of the Proportional Bid Provisions might adversely affect the market value of the Company's shares by making a partial offer less likely, thus reducing any takeover speculation element in the share price.
- (c) An individual member that wishes to accept the partial offer will be unable to sell to the offeror unless a majority of members vote in favour of the partial takeover bid.
- (d) If a partial takeover bid is made, the Company will incur the costs of calling a shareholders meeting.

Balancing the above advantages and disadvantages, the Directors are of the view that the advantages of renewing the Proportional Bid Provisions outweigh any disadvantages and unanimously recommend the renewal.

#### **RESOLUTION 6A to 6C: ADOPTION OF EMPLOYEE INCENTIVE SCHEME**

Resolution 6A to 6C seek shareholder approval for the adoption of three separate employee incentive schemes (**Plans**), being the Cipherpoint Loan Share Plan (**LSP**), Cipherpoint Share Option Plan (**SOP**) and Cipherpoint Performance Rights Plan (**PRP**). A summary of each of the Plans forms Annexure B-D inclusive and a copy of the Plans (or any one of them) can be provided upon request to the Company.

The Plans were previously adopted by shareholders at a previous meeting.

No directors or their associates will participate in any of the Plans or receive any securities under any of the Plans unless and until further shareholder approval of specific issues to them is obtained.

#### *Regulation Requirements – ASX Listing Rules Chapter 7*

ASX Listing Rule 7.1 requires that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 Exception 13 provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years of shareholder approval of the scheme. The Company therefore seeks approval of the Plans under ASX Listing Rule 7.2 Exception 13 so that issues of securities under the Plans does not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

Details of any actual or proposed issued under the Plans are set out below:

- Since the last adoption of the LSP at the General Meeting of the Company on 7 August 2019 , the Company has issued 133,300 shares to Graham Mirabito, a director of the Company, at an issue price of \$0.30, under the LSP.
- No issue of securities have been made or are proposed to be made, under the SOP since its last adoption at the General Meeting of the Company on 7 August 2019.
- No issue of securities have been made or are proposed to be made, under the PRP since its last adoption at the General Meeting of the Company on 7 August 2019.

The Company may in future issue additional securities pursuant to the Plans, however the issues for which approval is sought in this Notice are the only immediate issues proposed under the Plans.

The maximum number of securities/rights that may be issued under the LSP, SOP and PRP (in aggregate) is 14,700,000 securities/rights. This does not include the PRP right which are the subject of the approvals in Resolutions 7A to 7C. The Company presently intends to issue 1,615,000 loan plan shares under LSP, 500,000 performance rights (in addition to, but having the same terms as, the performance rights the subject of Resolutions 7A to 7C) and 3,000,000 options under the SOP to existing employees and contractors, the remaining capacity (being 9,585,000 securities/rights) will be reserved for future issues subject to Board discretion at the relevant time.

Any issue or agreement to issue securities under any of the Plans will be announced to ASX.

*Corporations Act*

Approval is sought under Resolution 6A for the purposes of sections 259B and 260C of the Corporations Act 2001 (Cth).

The LSP provides that the Company may provide financial assistance (in the form of an interest free, limited recourse loan) to participants to fund the acquisition price of shares issued under the LSP, further details of which are set out in summary in Annexure B.

Under section 260C(4) of the Corporations Act, a company may financially assist a person to acquire its shares if the financial assistance is given under an employee share scheme that is approved by shareholders at a general meeting. The LSP provides that the Company may financial assist a person to acquire Loan Plan Shares by providing financial assistance in the form of a loan. This may be considered to be the Company providing financial the acquisition of its own shares or other securities. Accordingly Resolution 6A seeks approval of the Plan for the purposes of section 260C(4) of the Corporations Act.

The LSP also provides for the Company to take security over the shares issued under the LSP, and to place restrictions on transfer, as a means of security loan repayment obligations. This may also constitute taking security over its own shares. Section 259B(1) of the Corporations Act provides that a company must not take security over shares in itself except as permitted by the Corporations Act. Section 259B(2) provides that the Company may take security over shares in itself under an employee share scheme that has been approved by shareholders at a general meeting. Resolution 6A seeks approval of the LSP for the purposes of section 259B(2) of the Corporations Act.

*General*

A copy of each of the Plans is available for review by shareholders at the registered office of the Company until the date of the Meeting. A copy of each of the Plans can also be sent to shareholders upon request to the Company.

A voting exclusion statement as set out in the Notice applies to Resolution 6A to 6C.

**RESOLUTION 7A to 7C: ISSUE OF PERFORMANCE RIGHTS**

Resolutions 7A, 7B and 7C seek shareholder approval for the issue under the PRP of an aggregate of 5,750,000 performance rights (**Performance Rights**) to existing Director(s) of the Company as set out in the table below:

RECIPIENT	NUMBER	MILESTONES	EXPIRY DATE
Graham Mirabito	500,000	(a) 50% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.06 (6 cents) per share for any 5 ASX-trading day period;  (b) 25% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.08 (8 cents)	5 years from the issue date.

		<p>per share for any 5 ASX-trading day period; and</p> <p>(c) 25% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.10 (10 cents) per share for any 5 ASX-trading day period.</p>	
Ted Pretty	2,750,000	<p>(a) 50% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.06 (6 cents) per share for any 5 ASX-trading day period;</p> <p>(b) 25% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.08 (8 cents) per share for any 5 ASX-trading day period; and</p> <p>(c) 25% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.10 (10 cents) per share for any 5 ASX-trading day period.</p>	5 years from the issue date.
Steven Bliim	2,500,000	<p>(a) 50% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.06 (6 cents) per share for any 5 ASX-trading day period;</p> <p>(b) 25% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.08 (8 cents) per share for any 5 ASX-trading day period; and</p> <p>(c) 25% convert upon and subject to the volume weighted average price of ordinary shares of the Company being not less than \$0.10 (10 cents)</p>	5 years from the issue date.

		per share for any 5 ASX-trading day period.	
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*\*Performance Rights may be issued to nominee(s) as advised to the Company.*

Performance Rights automatically convert to fully paid ordinary shares upon achievement of the Milestone(s) without the requirement for payment of any additional consideration. Applicable Milestones must be satisfied prior to the Expiry Date. Any Performance Rights for which the applicable Milestone(s) are not satisfied prior to the Expiry Date will automatically lapse. The share price milestones will be adjusted in the event of a reconstruction of the Company's share capital as necessary to ensure the rights of the Company and the performance right holder are not affected.

If a recipient dies or becomes otherwise incapacitated then the Performance Rights granted to them shall remain in full force and shall inure for the benefit of their estate.

No loan has or will be made for the proposed issue or conversion of Performance Rights.

A summary of the terms of Performance Rights is set out in Annexure E to this Memorandum.

#### *ASX Listing Rules*

Shareholder approval is required for the grant of the Performance Rights under the PRP to Graham Mirabito, Ted Pretty and Steven Bliim under ASX Listing Rule 10.14 because they are Directors of the Company and therefore related parties under Chapter 10 of the ASX Listing Rules. As Shareholder approval is sought under ASX Listing Rule 10.14, approval under ASX Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights to Graham Mirabito, Ted Pretty and Steven Bliim will not reduce the Company's 15% capacity for the purposes of ASX Listing Rule 7.1.

If shareholders pass Resolutions 7A to 7C the Company will be able to issue the Performance Rights as set out in Resolutions 7A to 7C. If Performance Rights convert to ordinary shares, the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A) will be increased. If shareholders do not pass Resolutions 7A to 7C then the Company will not be able to issue the Performance Rights as set out in Resolutions 7A to 7C.

#### *Other Information provided in accordance with ASX Listing Rule 10.15*

ASX Listing Rule 10.15 provides that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 10.14:

- (a) The proposed recipients and the maximum number of Performance Rights to be issued under the PRP to each person for whom approval under ASX Listing Rule 10.14 is sought under Resolutions 7A and 7C is set out in the table below.

<b>RESOLUTION</b>	<b>RECIPIENT*</b>	<b>NUMBER OF PERFORMANCE RIGHTS</b>
7A	Graham Mirabito	500,000
7B	Ted Pretty	2,750,000
7C	Steven Bliim	2,500,000
<b>TOTAL</b>		<b>5,750,000</b>

Each of the above recipients are Directors of the Company and therefore shareholder approval is required to issue each of them the Performance Rights under the PRP as provided for in ASX Listing Rule 10.14.1.

- (b) The Performance Rights will be granted with the vesting conditions set out above.
- (c) Details of the remuneration package of each of Graham Mirabito, Ted Pretty and Steven Bliim is set out below:
  - a. Graham Mirabito: \$6,667 per month for acting as Non-executive Director of the Company;
  - b. Ted Pretty: \$11,000 consulting fee per month for acting as Non-Executive Chairman of the Company; and
  - c. Steven Bliim: €13,000 base salary plus an allowance for travel and home office of €225 per month for acting as COO and Executive Director of the Company.
- (d) There have been no rights issued under the PRP since it was adopted in 2019.
- (e) Full terms of the Performance Rights are set out in Annexure E.
- (f) The Company will issue the Performance Rights no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (g) The Performance Rights will be granted for nil consideration. Upon exercise, the Performance Rights will convert to Shares on a one for one basis on the same terms as the Company's existing Shares.
- (h) A summary of the terms of the PRP is set out in Annexure D.
- (i) The Company confirms the following:
  - a. Details of any securities issued under the PRP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14; and
  - b. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the PRP after these resolutions are approved and who were not named in the Notice will not participate until approval is obtained under ASX Listing Rule 10.14.



- (j) A voting exclusion statement for Resolutions 7A to 7C is included in the Notice.

### *Corporations Act*

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Each of the proposed recipients of Performance Rights under Resolutions 7A to 7C inclusive are Directors of the Company and are therefore related parties of the Company as defined under the Corporations Act.

Section 211 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the related party’s circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue is reasonable remuneration and, as such, fall within the exception set out in section 211 of the Corporations Act.

In reaching this view, the Company has considered the respective positions and responsibilities of each of the Directors, the need for the Company to effectively incentivize each of the Directors to attract and retain high calibre staff while aligning the incentive with increasing shareholder value, and the Company’s decision to move away from short-term incentive payments and further explore incentives that are linked with sales growth.

Notwithstanding the above, and although no Director participated in the discussion or decision making process in respect of performance rights proposed to be issued to them, the Directors acknowledge that Resolutions 7A to 7C separately relate to all directors of the Company. Accordingly, the Directors propose that Resolutions 7A to 7C each also be put to shareholders for the purposes of section 195(4) of the Corporations Act such that shareholders determine whether the named related parties will be issued Performance Rights as set out in the table on page 22 of this Memorandum.

If Resolutions 7A to 7C are passed, the related parties noted in the table on page 22 of this Memorandum will be issued the Performance Rights set out in the table on page 22 of this Memorandum.

### **RESOLUTION 8: AMENDMENT OF CONSTITUTION**

It is proposed that the Constitution of the Company be amended as set out in Annexure F. The amendments are proposed to update the Constitution of the Company to reflect changes to the ASX Listing Rules which took effect 1 December 2019, to update the name of the Company and to update the name of ASX in the Constitution.

In particular, an amendment is proposed to specifically address the new terms of ASX Listing Rule 15.12 which, subject to transitional arrangements for existing listed entities, provides that the constitution of a listed entity must include specific text. This specific text is included in Annexure F. An outline of the impact of these changes is set out below:

- adding that, if restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period applicable to those securities. This formalises prior requirements of ASX that each holder of restricted securities must sign a written restriction agreement with respect to those restricted securities;
- adding that a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the listing rules of ASX. This amendment contains similar content to ASX Listing Rule 7.24A which provides an entity must not return capital to holders of restricted securities; and
- other consequential drafting changes to clarify the application of ASX Listing Rule 15.12.

As the Company is already listed, any existing restricted securities on issue are subject to transitional arrangements. However, if the Company:

- undertakes a transaction requiring re-compliance with Chapters 1 & 2 of the ASX Listing Rules under ASX Listing Rule 11.1.3 (full re-compliance) involving the issue of restricted securities;
- issues restricted securities to a party referred to in ASX Listing Rule 10.1 for the acquisition of a substantial classified asset from that party,

it will be required to comply with the new terms of ASX Listing Rule 15.12 in respect of any of its restricted securities following the above transaction(s).

Noting the above, the Company considers the Meeting an opportunity to update its Constitution to address the changes to the ASX Listing Rules as described above.

Resolution 8 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 proposed amendments to the Constitution are set out in Annexure E.

The Directors of the Company unanimously recommend shareholders vote in favour of Resolution 8.

**Note:** unless otherwise specified, all monetary amounts are in Australia dollars.

**ANNEXURE A**

<b>Date</b>	<b>Quantity</b>	<b>Class</b>	<b>Recipients</b>	<b>Issue price and discount to Market Price (if applicable)</b>	<b>Cash</b>
8 July 2020	19,000,000	CPT	Issued to sophisticated investors identified by the Company	Issue price of \$0.023 (aggregate \$437,000). Market price at date of issue was \$0.040. Percentage discount of 73.91%.	Cash (\$437,000). Amount spent: \$0 Amount remaining: \$437,000 Funds raised have been, or will be, allocated toward the Company pursuing its cloud development and the integration of its products with the major collaboration platforms in the market, including Microsoft Teams and otherwise for meeting general working capital requirements.

## ANNEXURE B

### SUMMARY OF LOAN SHARE PLAN (LSP)

- (a) **Eligibility:** Participants in the LSP may be salaried employees or executive or (where approved by the Board) non-executive directors of the Company or any of its subsidiaries (**Employee Participants**).
- (b) **Administration of Plan:** The Board, or a duly appointed committee of the Board, is responsible for the operation of the LSP.
- (c) **Invitations:** The Board of Directors may issue an invitation to the Employee Participant to participate in the LSP. The invitation will:
  - (i) invite applications for the number of shares (**Plan Shares**) specified in the invitation;
  - (ii) specify the date of issue of the Plan Shares;
  - (iii) specify the issue price for the Plan Shares;
  - (iv) invite applications for a loan up to the amount payable in respect of the Plan Shares accepted by the Employee Participant in accordance with the invitation;
  - (v) any vesting conditions applicable to the Plan Shares; and
  - (vi) specify any other terms and conditions attaching to the Plan Shares.

The number of Plan Shares will be determined at the absolute discretion of the Board.

- (d) **Employee Loan:** An Employee Participant who is invited to subscribe for Plan Shares may also be invited to apply for a loan up to the amount payable in respect of the Plan Shares accepted by the Employee Participant (**Employee Loan**), on the following terms:
  - (i) the Employee Loan must be made solely to the Employee Participant and in the name of that Employee Participant;
  - (ii) the Employee Loan will be interest free;
  - (iii) the Employee Loan will be limited recourse, the effect of which is that if all of the Shares issued in respect of the Employee Loan are sold by the Company on behalf of the Employee Participant, the Employee Participant's liability is discharged regardless of the sale price;
  - (iv) the Employee Loan made available to an Employee Participant shall be applied by the Company directly toward payment of the issue price of the Plan Shares;
  - (v) the Employee Loan must be repaid on the earlier to occur of:
    - (A) a Liquidity Event (defined below) occurring;
    - (B) the date on which the Plan Shares have been compulsorily divested in accordance with the Plan rules; and
    - (C) the date on which an Employee Participant disposes of, or attempts to dispose of, the Plan Shares;
  - (vi) an Employee Participant may elect to repay the Employee Loan amount in respect of any or all of the Plan Shares at any time prior to expiry of the term of the Employee Loan;

- (vii) any fees, charges and stamp duty payable in respect of an Employee Loan will be payable by the Employee Participant;
  - (viii) the Company shall have security over the Plan Shares in respect of which an Employee Loan is outstanding and the company shall be entitled to sell those Plan Shares in accordance with the terms of the LSP; and
  - (ix) Plan Shares will not be tradeable by an Employee Participant until the Employee Loan amount in respect of those Plan Shares has been repaid and the Company will retain the share certificate in respect of such Plan Shares until the Employee Loan has been repaid.
- (e) **Divestment of Plan Shares:** If, prior to repayment of an Employee Loan by an Employee Participant, the Employee Participant:
- (i) ceases employment with the Company as a result of the Employee Participant's termination without notice, resignation, gross negligence or serious and willful misconduct (**Bad Leaver**), does not satisfy any relevant vesting conditions, acts fraudulently or dishonestly, becomes insolvent or fails to repay the Employee Loan on the due date for repayment,
    - (A) the Employee Participant will retain all vested Plan Shares; and
    - (B) all of the unvested Plan Shares will be compulsorily divested on a date determined by the Board;
  - (ii) ceases employment with the Company and is not a Bad Leaver (or the Board considers that the Employee Participant should not be treated as a Bad Leaver):
    - (A) the Employee Participant will retain all vested Plan Shares; and
    - (B) all of the Employee Participant's Plan Shares will be compulsorily divested on a date determined by the Board, unless the Board provides express written consent that the Employee Participant may retain any or all of such unvested Plan Shares.
- (f) **Liquidity Event:** If a change of control occurs (**Liquidity Event**), or the Board determines such event is likely to occur:
- (i) the Board may in its absolute discretion determine the manner in which any or all of the Employee Participant's Plan Shares (whether vested or unvested) will be dealt with which may include, without limitation, in a manner that allows the Employee Participant to participate in and/or benefit from any transaction arising from or in connection with the Liquidity Event and/or the resignation of any or all of the Employee Participant's Plan Shares; and
  - (ii) if required, the Employee Participant must do and procure all things the Board considers necessary or appropriate to facilitate the variation of the rights of their Plan Shares such that, following such variation, they are ordinary shares in the capital of the Company.
- (g) **Restriction on transfer:** Employee Participants may not sell or otherwise deal with a Plan Share until the Employee Loan amount in respect of that Plan Share has been repaid and until the expiry of the qualifying period in respect of the Plan Shares, if any, that may be imposed by the Board and set out in the invitation.
- (h) **Voting of Plan Shares:** Employee Participants grant to the Company an irrevocable power of attorney pursuant to which it appoints the Company Secretary as its proxy to vote the Plan Shares at its discretion; and
- (i) **Rights attaching to Plan Shares:** Plan Shares will rank equally in all respects (other than with respect to any restrictions on transfer specified above or otherwise imposed by the Board) with other Shares on issue.

## ANNEXURE C

### SUMMARY OF SHARE OPTION PLAN (SOP)

**(a) Eligibility**

The Board may invite full or part time employees and directors of the Company or a related body corporate of the Company who are resident in the United States of America (or other jurisdictions outside of Australia) to participate in the SOP (**Eligible Employee**).

**(b) Offer of Options or Shares**

The SOP will be administered by the Board which may, in its absolute discretion, offer Options or rights to subscribe for Shares (**Rights**) to any Eligible Employee from time to time as determined by the Board.

**(c) Number of Options**

The number of Options or Rights to be offered to an Eligible Employee will be determined by the Board in its discretion and in accordance with the rules of the SOP and applicable law.

**(d) Conversion**

Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company. The Rights will be convertible in accordance with their terms of grant.

**(e) Issue price**

The exercise price for Options offered, and for Rights granted, under the SOP will be determined by the Board but will not be less than 100% of the fair market value of Shares on the date of grant.

**(f) Issue conditions**

The Board may impose conditions on the right of a participant to exercise Options or Rights granted under the SOP.

**(g) Exercise of Options**

A participant in the SOP will be entitled to exercise their Options or Rights in respect of which the exercise conditions have been met provided the Options or Rights have not lapsed. A holder may exercise Options or Rights by delivering an exercise notice to the Company Secretary along with the Option certificate (if Options are issued under the SOP), and paying the applicable exercise price of the Options multiplied by the number of Options proposed to be exercised or the consideration for exercise of the Rights.

Within 20 Business Days of receipt of the required items, the Company will issue to the participant the relevant number of Shares.

**(h) Cessation of employment**

(i) For any reason (other than as a result of death or permanent disability, or for Cause)

If the participant in the SOP ceases to be an employee or director of, or render services to, the Company or a related body corporate for any reason (other than as a result of death or permanent disability, or for Cause) prior to the lapse of the Options, and the exercise conditions attaching to the Options have been met, the participant will be entitled to exercise their Options within 3 months after the employment of such participant ceases.

(ii) Death or permanent disability

If the participant in the SOP ceases to be an employee or director of, or render services to, the Company or a related body corporate as a result of death or permanent disability prior to the lapse of the Options, and the exercise conditions attaching to the Options have been met, the participant (or its estate) will be entitled to exercise their Options within 12 months after the employment of such participant ceases.

(iii) For Cause

If the participant in the SOP ceases to be an employee or director of, or render services to, the Company or a related body corporate for Cause prior to the lapse of the Options, and the exercise conditions attaching to the Options have been met, their Options will lapse automatically.

In this clause, “Cause” means (i) failure by the participant to substantially perform his or her duties and obligations to the Company or a related body corporate (other than any such failure resulting from his or her incapacity due to physical or mental illness); (ii) engaging in misconduct or a fiduciary breach which is or potentially is materially injurious to the Company or its shareholders; (iii) commission of an indictable offence; (iv) the commission of a crime against the Company which is or potentially is materially injurious to the Company; (v) a material breach of any written agreement between the participant and the Company or a related body corporate; or (vi) as otherwise provided in any written employment agreement between the participant and the Company or a related body corporate.

**(i) Lapse of Options and Rights**

Options and Rights held by a participant in the SOP will lapse after the expiration of five (5) years after the date the Option is granted.

**(j) Participation in Rights Issues and Bonus Issues**

The Options and Rights granted under the SOP do not give the holder any right to participate in new issues unless Shares are allotted pursuant to the exercise of the relevant Options or Rights prior to the record date for determining entitlements to such issue.

If there is a bonus issue to holders of Options or Rights, the number of Shares that the holder may be issued upon exercise of the Options or Rights may be increased by the number of Shares that the holder would have received if the Options or Rights had been exercised prior to the record date of the bonus issue. No adjustment will be made to the exercise price per Share of the Option or Right.

**(k) Reorganisation**

If there is a reorganisation of the issued capital of the Company, the Options and Rights will be reorganised in the same proportion as the issued capital of the Company is reorganised.

**(l) Change in Control**

Subject to the terms upon which Options were issued or Rights were granted, where a change of control event has occurred, or in the opinion of the Board, will occur, the Board may determine the manner in which Options will be dealt with so that each Option holder remains in a financial position in respect of the Options which is as near as possible as to that which existed prior to the change of control event.

**(m) Transfer**

Rights under the SOP may not be transferred. Options under the SOP may be transferred with the consent of the Board.

The SOP contains provisions which relate to compliance with various US taxation laws including section 409A and section 422 of the Internal Revenue Code of 1986.

## ANNEXURE D

### SUMMARY OF PERFORMANCE RIGHTS PLAN (PRP)

The Company proposes adopting the PRP as a long-term incentive plan aimed at creating a strong link between Director and key management personnel performance and reward and increasing shareholder value by enabling current or prospective Directors and key management personnel (each an **Eligible Person**) to have greater involvement, and share in, future growth and profitability of the Company.

Shareholder approval for adoption of the PRP will be sought at the Shareholder Meeting.

Under the PRP, the Board may offer rights to acquire shares (**Performance Rights**) to Eligible Persons. An Eligible Person (or their nominee) who validly accepts an offer becomes a participant in the PRP. Performance Rights may only be transferred upon a Participant becoming deceased.

Any issues of Performance Rights or agreements to issue Performance Rights under the PRP will be announced to ASX.

The Board will determine what Applicable Milestones apply to Performance Rights, including the date by which such Applicable Milestones must be satisfied and any applicable vesting conditions. Satisfaction of Applicable Milestones (including vesting) is as determined by the Board.

Upon satisfaction of all Applicable Milestones, shares will automatically issue and be transferred to the Participant (unless prohibited by the Corporations Act or if the Company is in a blackout period as defined in the Company's Securities Trading Policy) in which case the shares shall be transferred as soon as reasonably practicable.

Unless otherwise determined by the Board, the Performance Rights will lapse on the earlier of Applicable Milestones not being satisfied by the set date or if the Participant ceases to be an Eligible Person and has not been employed or otherwise engaged by the Company for a continuous period of 18 months from issue of the Performance Rights.

If an Eligible Person ceases their employment or office with the Company and/or its subsidiaries due to total and permanent disability or death, any Performance Rights inure for the benefit of the estate of the Participant.

The Board has discretion to administer the Plan (which may be delegated to a committee), including in the event of a variation to the Company's share capital to adjust the terms of Performance Rights, as well as determine to suspend, terminate or reinstate the Plan without notice. The Plan and any offers of Performance Rights under it are subject to the law, the ASX Listing Rules and the Constitution.



## ANNEXURE E

### SUMMARY OF TERMS OF PERFORMANCE RIGHTS

The terms of Performance Rights offered under the Employee and Advisor Offer are set out below:

- (a) A Performance Right is a right to receive a Share in the capital of the Company subject to satisfaction of an Applicable Milestone (refer to (l) below).
- (b) A Performance Right lapses five (5) years from issue (**Lapse Date**).
- (c) A Performance Right does not entitle the Holder to attend, or vote on any resolutions proposed at, a general meeting of shareholders of the Company.
- (d) A Performance Right does not entitle the Holder to any dividends.
- (e) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.
- (f) A Performance Right is not transferable unless otherwise determined by the Board.
- (g) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.
- (h) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right in an ordinary share in the Company (**Share**) in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.
- (i) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (l) Subject to paragraph (m) below, a Performance Right will convert into one fully paid ordinary share in the Company (a **Share**) if upon the achievement of the milestone applicable to that Performance Right prior to the Lapse Date (the **Applicable Milestone**). The Applicable Milestone for a Performance Right will be specified in the terms of issue of or invitation to apply for the Performance Right.
- (m) The continued service of the Holder is not a condition of the Performance Right, and those rights will not lapse if the Holder ceases to be an employee or director of the Company. .
- (n) In the event the Applicable Milestone(s) is satisfied prior to the Lapse Date, Performance Rights held by a Holder will convert into an equal number of Shares. Only those Performance Rights to which the satisfied Applicable Milestone was the milestone will convert to Shares and all other Performance Rights will remain unconverted until the earlier of satisfaction of the Applicable Milestone applying to them or the Lapse Date. The conversion of Performance Rights is subject to applicable laws and, in particular, the conversion not resulting in a breach of section 606 of the Corporations Act 2001 (Cth).

- (o) If the Applicable Milestone for a Performance Right is not achieved by the Lapse Date, all Performance Rights for which that milestone is the Applicable Milestone will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.
- (p) The Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (q) The conversion of Performance Rights is subject to compliance at all times with the Corporations Act and the Listing Rules of ASX (if the Company is listed on ASX at the relevant time).

## ANNEXURE F

### **Amendment to update name of Company**

Amend rule 1.1 of the Constitution by amending the definition of "Company" to read "Company means CIPHERPOINT LIMITED (ACN 120 658 497) or as it is from time to time named in accordance with the Corporations Act of this jurisdiction." and replacing all references in the constitution to "Covata Limited" with "CIPHERPOINT LIMITED".

### **Amendment to update name of ASX**

Amend Rule 1.1 of the Constitution by deleting the definition of "ASX" in full substituting "ASX means ASX Limited".

### **Amendment to give effect to new ASX Listing Rule 1.12**

Amend Rule 2.12 of the Constitution of the Company by deleting Rule 2.12 in full and substituting the following:

- "2.12 The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above, at times when the Company's shares are listed for quotation on the ASX, for so long as the Company has any Restricted Securities on issue, then despite any other provision in this Constitution:
- (a) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
  - (b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the entity's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
  - (c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
  - (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;
  - (e) if a holder of Restricted Securities breaches a restriction deed or a provision of the Company's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues; and
  - (f) in this Article 2.12, and for the purposes of this Constitution generally when used in connection with this Article 2.12 or its subject matter, the following words and phrases have the meaning given to them in the Listing Rules: "class"; "dispose" or "disposal" (which include using an asset as collateral - see chapter 19 of the Listing Rules); "holding lock"; "issuer sponsored sub-register"; "restriction deed"; and "securities"."