



MONTECH HOLDINGS LIMITED

ACN 050 240 330

NOTICE OF MEETING

EXPLANATORY STATEMENT

PROXY FORM

TIME: 10:00am (AEST)

DATE: 16 April 2015

PLACE: Level 14, 167 Macquarie Street
Sydney, NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Shareholders of the Company should carefully consider the Independent Expert's Report (IER) prepared by RSM Bird Cameron before considering the Resolutions relevant to the Proposed Transactions in this Notice of Meeting. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole to the current non-associated Shareholders of the Company. RSM Bird Cameron has concluded that the Proposed Transactions are fair and reasonable to current Shareholders of the Company.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 8072 1400.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be at 10:00am (AEST) on 16 April 2015 at:

Level 14, 167 Macquarie Street
Sydney, NSW 2000

YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and either:

(a) deliver the proxy form:

(a) by hand to Suite 115, 3 Male Street, Brighton VIC 3186; or

(b) by post to Montech Holdings Limited, c/- PO Box 231, Brighton VIC 3186; or

(b) by facsimile to (+61 2) 9283 1970,

so that it is received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Montech Holdings Limited will be held at 10:00am (AEST) on 16 April 2015 at Level 14, 167 Macquarie Street, Sydney, NSW 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 7:00pm (AEST) on 14 April 2015. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Part A: Acquisition of Technology Effect and Breeze

1. RESOLUTION 1 – APPROVAL OF CHANGE TO SCALE OF ACTIVITIES

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

“That, subject to Resolutions 2 to 13 (inclusive) being passed, for the purposes of ASX Listing Rules 11.1.2, 11.1.3 and for all other purposes, the Company be authorised to make a significant change to the scale of its activities as set out in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole to the current Shareholders of the Company. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 1 by:

- (a) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) an associate of any person described in (a).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

2. RESOLUTION 2 – ACQUISITION OF RELEVANT INTEREST

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

“That, subject to Resolutions 1, 3 to 13 (inclusive) being passed, for the purposes of section 611 (item 7) of the Corporations Act and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 441,399,450 Shares at a deemed issue price of 2 cents (\$0.02) per Share to the Tech Effect Vendors (or their nominees), as part of the Tech Effect Consideration pursuant to the Tech Effect Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting power of the Tech Effect Vendors (or its nominees): As set out in Table 6 in the Explanatory Statement, the proposed maximum voting power of the Tech Effect Vendors (or their nominees) will range from 40.04% to 43.59%, depending on the price at which the New Shares Offer is conducted (for the purposes of Table 6, the minimum price of 3.5 cents and 4.0 cents have been used) and whether all outstanding options are exercised.

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole (which includes the acquisition of the voting power and relevant interest by the Tech Effect Vendors (or their nominees)). The IER has concluded that the acquisition of the voting power and relevant interest by the Tech Effect Vendors (or their nominees) are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 2 by:

- (a) each of the Tech Effect Vendors;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

3. RESOLUTION 3 – APPROVAL OF FUTURE ISSUE OF TECH EFFECT CONSIDERATION SHARES TO MATTHEW CHARLES GOGGIN & ROMILY JANE GOGGIN

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

“That, subject to Resolutions 1, 2, 4 to 13 (inclusive) being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 88,279,890 Shares at a deemed issue price of 2 cents (\$0.02) per Share to Matthew Charles Goggin & Romily Jane Goggin ATF Goggin Family Trust (or its nominee), as part of the Tech Effect Consideration Shares pursuant to the Tech Effect Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole, including the issue of Shares to Matthew Charles Goggin & Romily Jane Goggin ATF Goggin Family Trust (as one of the vendors of the Proposed Transactions), to the current Shareholders of the Company. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 by:

- (a) Matthew Charles Goggin & Romily Jane Goggin ATF Goggin Family Trust (or its nominee);
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

4. RESOLUTION 4 – RELATED PARTY APPROVAL OF FUTURE ISSUE OF TECH EFFECT CONSIDERATION SHARES TO KATHY LOUISE EDWARDS

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

“That, subject to Resolutions 1 to 3, 5 to 13 (inclusive) being passed, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 176,559,780 Shares at a deemed issue price of 2 cents (\$0.02) per Share to Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee), as part of the Tech Effect Consideration Shares pursuant to the Tech Effect Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole, including the issue of Shares to Kathy Louise Edwards ATF Jokat Investment Trust (as one of the vendors of the Proposed Transactions), to the current Shareholders of the Company. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by:

- (a) Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee);
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

5. RESOLUTION 5 – RELATED PARTY APPROVAL OF FUTURE ISSUE OF TECH EFFECT CONSIDERATION SHARES TO SCOTT MCKENZIE MCPHERSON

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

“That, subject to Resolutions 1 to 4, and 6 to 13 (inclusive) being passed, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 176,559,780 Shares at a deemed issue price of 2 cents (\$0.02) per Share to Scott McKenzie McPherson ATF Scott MacPherson Family Trust (or its nominee), as part of the Tech Effect Consideration Shares pursuant to the Tech Effect Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole, including the issue of Shares to Scott McKenzie McPherson ATF Scott MacPherson Family Trust (as one of the vendors of the Proposed Transactions), to the current Shareholders of the Company. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by:

- (a) Scott McKenzie McPherson ATF Scott MacPherson Family Trust;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

6. RESOLUTION 6 – APPROVAL OF FUTURE ISSUE OF BREEZE CONSIDERATION SHARES TO MICHAEL BADRAN

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

“That, subject to Resolutions 1 to 5, and 7 to 13 (inclusive) being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 70,833,334 Shares at a deemed issue price of 3 cents (\$0.03) per Share to Michael Badran (or his nominee), as part of the Breeze Consideration Shares pursuant to the Breeze Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole, including the issue of Shares to Michael Badran (as one of the vendors of the Proposed Transactions), to the current Shareholders of the Company. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 6 by:

- (a) Michael Badran (or his nominee);
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

7. RESOLUTION 7 – RELATED PARTY APPROVAL OF FUTURE ISSUE OF BREEZE CONSIDERATION SHARES TO NICOLA PAGE

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

“That, subject to Resolutions 1 to 6, and 8 to 13 (inclusive) being passed, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 70,833,333 Shares at a deemed issue price of 3 cents (\$0.03) per Share to Nicola Page (or her nominee), as part of the Breeze Consideration Shares pursuant to the Breeze Acquisition, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Independent Expert’s Report: Shareholders of the Company should carefully consider the Independent Expert’s Report (**IER**) that has been prepared by RSM Bird Cameron before voting on this Resolution. The IER comments on the fairness and reasonableness of the Proposed Transactions as a whole, including the issue of Shares to Nicola Page (as one of the vendors of the Proposed Transactions), to the current Shareholders of the Company. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 7 by:

- (a) Nicola Page (or her nominee);
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

8. RESOLUTION 8 – APPROVAL OF FUTURE ISSUE OF SHARES TO SAVVY BY NATURE PTY LTD

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

“That, subject to Resolutions 1 to 7, and 9 to 13 (inclusive) being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 2,242,857 Shares at a deemed issue price of 2.8 cents (\$0.028) per Share to Savvy By Nature Pty Ltd (or its nominee), as part of a debt to equity conversion, on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 8 by:

- (a) Savvy By Nature Pty Ltd (or its nominee);
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

Part B: Capital Raising

9. RESOLUTION 9 – APPROVAL OF FUTURE ISSUE OF EMPLOYEE SHARES PURSUANT TO CAPITAL RAISING

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

“That, subject to Resolutions 1 to 8, and 10 to 13 (inclusive) being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of a minimum of \$2,000 worth of Employee Shares per eligible applicant, up to an aggregate total of 12,000,000 Employee Shares at an issue price of 2.5 cents (\$0.025) per Employee Share to raise up to \$300,000, to employees of Tech Effect and Breeze who have been invited to subscribe for Employee Shares under a Prospectus to be issued by the Company, and otherwise on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 9 by:

- (a) a person who is proposing to participate in the issue;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

10. RESOLUTION 10 – APPROVAL OF FUTURE ISSUE OF NEW SHARES PURSUANT TO CAPITAL RAISING

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

“That, subject to Resolutions 1 to 9, and 11 to 13 (inclusive) being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of up to 114,285,714 New Shares at a minimum issue price of 3.5 cents (\$0.035) per New Share to raise \$4,000,000, to investors who have been invited to subscribe for New Shares under a Prospectus to be issued by the Company, and otherwise on the terms and conditions which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 10 by:

- (a) a person who is proposing to participate in the issue;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (c) an associate of any person described in (a) or (b).

However, the Company need not disregard a vote if:

- (i) it is cast by a person acting as a proxy for another person entitled to vote, in accordance with the direction on the proxy form; or
- (ii) it is cast by the person chairing the meeting (**Chair**) 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.

Part C: Election of Directors to New Board

11. RESOLUTION 11 – ELECTION OF MS NICOLA PAGE AS A DIRECTOR OF THE COMPANY

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

“That, subject to Resolutions 1 to 10, 12 and 13 (inclusive) being passed, for the purposes of clause 13.3 of the Company’s Constitution and for all other purposes, Ms Nicola Page, being eligible and having consented to act, be elected as a Director of the Company on and from the date of completion of the Proposed Transactions.”

12. RESOLUTION 12 – ELECTION OF MR JOE D’ADDIO AS A DIRECTOR OF THE COMPANY

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

“That, subject to Resolutions 1 to 11, and 13 (inclusive) being passed, for the purposes of clause 13.3 of the Company’s Constitution and for all other purposes, Mr Joe D’Addio, being eligible and having consented to act, be elected as a Director of the Company on and from the date of completion of the Proposed Transactions.”

13. RESOLUTION 13 – ELECTION OF MR SCOTT MCPHERSON AS A DIRECTOR OF THE COMPANY

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

“That, subject to Resolutions 1 to 12 (inclusive) being passed, for the purposes of clause 13.3 of the Company’s Constitution and for all other purposes, Mr Scott McPherson, being eligible and having consented to act, be elected as a Director of the Company on and from the date of completion of the Proposed Transactions.”

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at 10:00am (AEST) on 16 April 2015 at Level 14, 167 Macquarie Street, Sydney, NSW 2000.

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

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Extraordinary General Meeting are set out below.

Part A: Acquisition of Technology Effect and Breeze

Proposed acquisitions of Technology Effect Pty Ltd (**Tech Effect**) and Breeze Training Pty Ltd (**Breeze**) by the Company

Background

On 3 October 2014, the Company announced that it had signed separate binding heads of agreements to acquire 100% of the issued capital in two businesses, Tech Effect (**Tech Effect Acquisition**) and Breeze (**Breeze Acquisition**), subject to a number of conditions precedent being satisfied. The Tech Effect Acquisition and Breeze Acquisition will collectively be referred to as the **Proposed Transactions** in this Notice of Meeting.

Rational for the Proposed Transactions

Since recapitalisation and reinstatement to the Official List of the ASX on 25 July 2014, the Company has continued its core business of providing group ownership, strategy and oversight of a number of software and service enterprises via its hub and spoke model. The Company has consistently noted its desire to seek greater scale of its operations and assets, via the acquisition of businesses, including those in the IT software and services sector. Accordingly, the Proposed Transactions are aligned with the Company's strategy to develop, build and acquire a number of complementary Cloud focused technology businesses.

Upon completion, the Proposed Transactions will provide the Company with a platform to grow its Cloud managed services business, and develop Cloud products on the Microsoft Azure platform, which may in turn allow the Company to build a recurring revenue model.

Tech Effect Acquisition

Background

Founded in 2005, Tech Effect is a dynamic, innovative and client-focused organisation delivering superior Information Technology (IT) solutions. They offer a range of consulting, integration and managed services solutions in information communications technology and cloud related areas. The Tech Effect business has grown to approximately 60 staff members that collectively have over 350 years experience in the industry. Customers include Bank of Queensland, QSuper, Rio Tinto, Bidvest, BDO, Laing O'Rourke, SunSuper, Brisbane Catholic Education, Brisbane Airport Corporation, RP Data and Logan City Council.

Tech Effect's current business model is defined by the following focus areas:

Focus Area	Sub-category
Advisory and Consulting	<ul style="list-style-type: none">• Technology consulting• Project management
Integration and Deployment	<ul style="list-style-type: none">• Optimised platforms• Converged communications• Security
Support	<ul style="list-style-type: none">• Operational services and management

Its services are focused to assist clients through the entire life cycle of their ICT infrastructure related areas, including "End User Computing", "Data Centre", "Data Management", "Networking" and "Messaging".

Tech Effect's advisory and consulting arm services clients' needs by providing advice on the following areas:

Advisory and Consulting Area	Description
Strategy and planning	Providing assistance to clients to ensure alignment of technology and business objectives.
Architecture	Developing infrastructure architecture and associated operational models to ensure maximum alignment of investment and strategy.
Business continuity planning	Aligning with and planning for service continuity in the event of partial or complete failure, requiring disaster recovery.
Project and program management	Providing assistance with planning and delivery of new ICT initiatives.
ICT audit and review	Comprehensive review of strategy, operations, projects and programs.
Cloud services evaluation and audit	Technical and business evaluation and audit of cloud solutions and providers.
ICT security	Standards and compliance alignment as well as architecture, infrastructure and application security.
Financial analysis	Undertaking cost benefit and financial review of ICT operation, initiatives and projects.
ICT contract management and review	Review of vendor performance, service level analysis and competitive evaluation.

Tech Effect's integration and deployment arm offers a wide range of implementation related services across its key sub-categories. The services offered by this part of the Tech Effect business can be categorised into the following areas:

Integration and Deployment Area	Description
System upgrades	Providing assistance to clients with their upgrade requirements. The lifecycle of systems require the constant upgrade of hardware, operating systems and applications.
Proof-of-concept	Development of proof of concepts, to assist clients in assessing their needs within their respective environment prior to making hard commitments.
Details solution design	Development of carefully considered detailed solution designs for clients.
Health checks	Identification and review of causes which may undermine the stability and/or performance of a technical solution that has been implemented. Over the lifecycle of any solution, it is not uncommon for issues to arise.
Readiness	Conducting readiness checks to verify specifications and configurations prior to release of new or revised systems.
Implementation	Providing assistance to clients in implementing technology, whether through Tech Effect independently, or in a consultative role together with an existing team.

Tech Effect's support arm services clients' needs by providing advice on the following areas:

Support Area	Description
Break/Fix support	Provides ad-hoc break/fix support for a range of areas, with particular focus in the focus areas.
System admin support	Provides system administration support across a wide range of platforms, converged communications and security related areas.
Premium prepaid services	Provides clients with the flexibility of accessing and utilising Tech Effect's services, using a simplified costs structure.
Managed services	Most comprehensive operational services offering by Tech Effect. Provides key functions and service delivery disciplines across the following: core ICT operational functions, scheduled and on-demand services and resources to address the following planned and unplanned day to day requirements, service level objectives, and input to ICT strategy.

Tech Effect is led by an experienced executive team that will remain with the business post-completion of the Tech Effect Acquisition:

Joe D'Addio, Director – Operations

Joe is a co-founder and Director of Tech Effect. Joe has over 35 years' experience in the IT industry, with a particular focus on areas of professional services, system and network engineering and technology consulting. Over the last 20 years, he has held a number of key management and director positions, building and leading businesses in the IT industry, specifically with Com Tech Communications and Dimension Data.

Following completion of the Tech Effect Acquisition, Joe proposes to join the Board of the Company.

Scott McPherson, Director – Integration

Scott is a Director and co-founder of Tech Effect. Since forming the company in 2005, Tech Effect has grown from providing Infrastructure related Integration Services, to offering Consulting and Managed Services to assist their clients overcome both business and technical ICT related challenges.

Scott's position draws upon more than two decades of industry experience where he has worked for iconic market leaders Com Tech Communications and Dimension Data.

During this time, Scott has honed his engineering, management and people skills to create a customer-centric organisation that develops solutions that solve real business problems. These traits have contributed to building Tech Effect into the successful, highly respected organisation it is today.

As the business has grown, Scott's responsibilities have evolved to focus on managing the Integration Services Practice, along with setting the vision and go to market strategy for the 'Cloud World'.

Scott's technology career started at Queensland University of Technology where he studied for his Bachelor of Business degree in Information Management.

Following completion of the Tech Effect Acquisition, Scott proposes to join the Board of the Company.

Matthew Goggin, Director – Sales

Matthew "Matt" Goggin heads up Tech Effect's sales team.

Matt joined Tech Effect in 2009 to help the founders set new industry standards for professional collaboration and increase the sales impetus by building a knowledgeable and customer focused team.

Matt's first foray into Information Technology was as a classroom room teacher but quickly jumped into the commercial world as a Technical Services Manager at the Bank of QLD. This lead to a role at Com Tech / Dimension Data where he was responsible for establishment and Management of the Managed Services line of business in QLD. His career at Com Tech introduced him to fellow Directors Scott McPherson and Joe D'Addio who would later enlist him to become part of the Tech Effect team.

Industry Recognition

In addition to achieving the highest levels of affiliation with many of the leading IT vendors (Microsoft Partner Gold, Windows Azure Circle Partner, Microsoft Cloud Accelerate Partner, Cisco Premier Partner, Citrix Partner Gold Solution Advisor, EMC Velocity² Signature Partner, VMware Partner (Enterprise Solution Provider, Infrastructure Virtualisation), Riverbed Partner Network (VAR), IBM Business Partner, Sophos Platinum Partner, Polycom Certified Partner (Video) and Activio Partner), Tech Effect has received broad recognition in the industry for its services:

- Microsoft Australia Finalist 2014 – Datacentre
- Microsoft Australia Finalist 2013 – Management & Virtualisation
- EMC Outstanding Achievement Award for Australian Premier Partners Finalist 2012
- CRN Fast50 2012
- Sophos Partner of the Year 2010

Tech Effect Share Sale and Purchase Agreement

On 3 February 2015, the Company announced that it had finalised its due diligence of the Tech Effect business, and had entered into a Share Sale and Purchase Agreement (**Tech Effect SPA**) with the shareholders of Tech Effect (**Tech Effect Vendors**) to acquire 100% of Tech Effect, which includes all the intellectual property, employees, customer contracts and business operations of Tech Effect.

The Tech Effect Vendors consist of the following shareholders:

Table 1 – Tech Effect Vendors

Tech Effect Vendor	Description
Jokat Investment Trust (Mrs Kathy Edwards)	Entity controlled by Mrs Kathy Edwards, wife of Mr Joe D’Addio, Director of Tech Effect. In the event that the terms of the Tech Effect SPA are satisfied and the Company gets re-admitted to the Official List of the ASX, it is proposed that Mr D’Addio join the Board as a Director of the Company and as Chief Operating Officer of the Montech Group. As a related party for the purposes of the Corporations Act and ASX Listing Rules, the issue of Shares under the Tech Effect Acquisition to Mrs Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee) is being considered under Resolution 4 in this Notice of Meeting.
Scott MacPherson Family Trust (Mr Scott McPherson)	Entity controlled by Mr Scott McPherson, Director of Tech Effect. In the event that the terms of the Tech Effect SPA are satisfied and the Company gets re-admitted to the Official List of the ASX, it is proposed that Mr McPherson join the Board as a Director of the Company. As a related party for the purposes of the Corporations Act and ASX Listing Rules, the issue of Shares under the Tech Effect Acquisition to Mr Scott McKenzie McPherson ATF Scott MacPherson Family Trust (or its nominee) is being considered under Resolution 5 in this Notice of Meeting.
Goggin Family Trust (Mr Matthew Goggin & Mrs Romily Goggin)	Entity controlled by Mr Matthew Goggin, Director of Tech Effect, and his wife, Mrs Romily Jane Goggin. Neither Mr nor Mrs Goggin proposes to join the Board as a Director of the Company. Therefore, as a non-related party for the purposes of the Corporations Act and ASX Listing Rules, the issue of Shares under the Tech Effect Acquisition to Mr Matthew Charles Goggin & Mrs Romily Jane Goggin ATF Goggin Family Trust (or its nominee) is being considered under Resolution 3 in this Notice of Meeting.

Under the terms of the Tech Effect SPA, 100% of the issued capital of Tech Effect has been valued to be \$11,827,989. In consideration for 100% of the issued capital of Tech Effect, the Company has agreed to issue 441,399,450 fully paid ordinary shares in the Company (**Tech Effect Consideration Shares**) and make a payment of up to \$3,000,000 to the Tech Effect Vendors (the issue of Tech Effect Consideration Shares and the payment of cash collectively known as the **Tech Effect Consideration**).

Other material terms of the Tech Effect SPA are as follows:

Conditions precedent

Completion under the Tech Effect SPA is subject to a number of conditions precedent being satisfied (or waived, as applicable), as follows:

- any indebtedness of Tech Effect to any of its related parties being repaid, discharged or satisfied and a valid release being given to Tech Effect in relation to all such indebtedness;
- any indebtedness of any related parties to Tech Effect being repaid, satisfied or otherwise discharged;
- the shareholder's deed currently in place, with respect to Tech Effect being validly terminated;
- the Tech Effect Vendors delivering to the Company:
 - certain confirmations relating to the lease of Tech Effect's premises; and
 - certain confirmations being provided to the Company in relation to the Personal Property Securities Register and the register of members.
- Messrs Joe D'Addio, Scott McPherson and Matthew Goggin entering into employment and executive services agreements (wherever applicable) in a form agreed between the respective parties, and the Company;
- Mr David Shein remaining as the Non-Executive Chairman of the Company;
- the Company obtaining Shareholder approval for all the Resolutions set out in this Notice of Meeting (which are required to effect completion);
- the Company successfully completing the Capital Raising which will be undertaken via the Prospectus, which will be in agreed form;
- the Company successfully re-complying with Chapters 1 and 2 of the Listing Rules, and any conditions required by ASX, and its Shares being re-admitted to Official Quotation at completion; and
- the Company obtaining all necessary regulatory approvals for the Tech Effect Acquisition, including approvals required from ASX and ASIC.

Conduct prior to completion

There are standard restrictions on the conduct of the Company and Tech Effect between execution of the Tech Effect SPA and completion of the Tech Effect Acquisition.

Adjustment to the purchase price

Both Tech Effect and the Company have agreed to an adjustment mechanism to completion accounts based on the actual balance sheet at completion.

Warranties and indemnities

The Tech Effect SPA is subject to a number of warranties and indemnities, provided by the Tech Effect Vendors. These are standard and normal for a transaction of this nature and include warranties as to title and capacity; corporate structure of Tech Effect; books, records, accounts and financial position of Tech Effect; business of Tech Effect; material contracts entered into by Tech Effect; assets, security interests, intellectual property and insurance held by Tech Effect; litigation and investigation; taxation and matters related to Tech Effect;

Tech Effect employees and superannuation; and all information disclosed to the Company in connection with the Tech Effect SPA.

The Tech Effect Vendors have agreed to provide further warranties to the Company, in respect of capacity (including, as applicable, as a sophisticated investor pursuant to Corporations Act), trust and solvency.

The Company has agreed to provide standard commercial warranties to the Tech Effect Vendors, in respect to title and capacity; insolvency; its constitution; any material term of any security arrangement to which it is bound; and any writ, order or injunction, judgement, or law or regulation to which it is a party or is subject or by which it is bound.

Escrow of Tech Effect Consideration Shares

As a minimum, the Tech Effect Consideration Shares will be escrowed as follows:

- All escrowed for 12 months following completion;
- Two thirds escrowed for 24 months following completion; and
- One third escrowed for 36 months following completion.

(collectively referred to as **Minimum Escrow Restrictions**)

These agreed Minimum Escrow Restrictions will be set out in an escrow deed, which will be executed by each of the Tech Effect Vendors prior to completion of the Tech Effect Acquisition.

The Tech Effect Vendors have acknowledged that in the event that the ASX imposes further mandatory escrow restrictions on any of the Tech Effect Consideration Shares that these further escrow restrictions will apply to the Tech Effect Consideration Shares in addition to the agreed Minimum Escrow Restrictions.

Termination

The Company can terminate the Tech Effect SPA prior to completion if:

- (a) Tech Effect or any of the Tech Effect Vendors breaches the Tech Effect SPA in any material respect, and if that breach, if capable of being remedied is not remedied within 10 Business Days of notice being served by the Company to the party in breach, or the breach is not capable of being remedied;
- (b) any warranties provided by Tech Effect or any of the Tech Effect Vendors is found to have been incorrect or misleading when made or prior or completion, and the total claim is reasonably likely to exceed an agreed threshold, unless the breach is with respect to an agreed set of individual vendor warranties, wherein the threshold does not apply; or
- (c) an insolvency event occurs with respect to Tech Effect.

The Tech Effect Vendors, acting jointly, can terminate the Tech Effect SPA prior to completion if:

- (a) the Company breaches the Tech Effect SPA in any material respect, and if that breach, if capable of being remedied is not remedied within 10 Business Days of

notice being served by the Tech Effect Vendors, acting jointly, to the Company, or the breach is not capable of being remedied;

- (b) any warranties provided by the Company is found to have been incorrect or misleading when made or prior or completion; or
- (c) an insolvency event occurs with respect to the Company.

Sunset date

The parties have agreed to a sunset date of 31 May 2015, which may be varied in writing by the Company and the Tech Effect Vendors.

Restraint

There are standard restraints on the conduct of each of the Tech Effect Vendors for a period of up to 3 years from completion.

Tech Effect Consideration

Under the terms of the Tech Effect SPA, the Tech Effect Consideration will be allocated amongst the Tech Effect Vendors as follows:

Table 2 – Tech Effect Consideration

Proposed new Shareholder	No. of Tech Effect Consideration Shares^(a)	Cash component of Tech Effect Consideration^(b)	% of Montech (No Capital Raising and undiluted)^(c)	% of Montech (Capital Raising at min. price complete and undiluted)^(d)	% of Montech (Capital Raising at min. price complete and fully diluted)^(e)
Mrs Kathy Edwards ATF Jokat Investment Trust (or its nominee)	176,559,780	Up to \$1,200,000	19.65%	17.19%	16.01%
Mr Scott McPherson ATF Scott MacPherson Family Trust (or its nominee)	176,559,780	Up to \$1,200,000	19.65%	17.19%	16.01%
Mr Matthew Goggin & Mrs Romily Goggin ATF Goggin Family Trust (or its nominee)	88,279,890	Up to \$600,000	9.83%	8.60%	8.01%
Total	441,399,450	Up to \$3,000,000	49.13%	42.98%	40.04%

Notes:

^(a) All Tech Effect Consideration Shares will be subject to voluntary escrow.

^(b) Pursuant to the terms of the Tech Effect SPA, from the total cash component of up to \$3,000,000, a sum of \$200,000 will be held in escrow for adjustment to purchase price purposes.

(c) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

(d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

(e) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

As Messrs D'Addio and McPherson propose to join the Board of the Company following completion, the issue of the Tech Effect Consideration Shares to each of their related entities (or their nominees) require related party approvals under Resolutions 4 and 5 of this Notice of Meeting. Neither Mr Goggin nor Mrs Goggin proposes to join the Board of the Company following completion, therefore, the issue of Tech Effect Consideration Shares to their related entity (or its nominee) is considered as an ordinary non-related party approval under Resolution 3 of this Notice of Meeting.

Breeze Acquisition

Background

Founded in 1998, Breeze is a Microsoft Gold Partner and is one of Australia's leading technology integration companies, specialising in application integration and development, cloud computing integration and migration, and mobile development. As the technological landscape continues to shift at a rapid pace, the Breeze business looks to assist its clients to understand cloud computing and harness its strengths for their respective operations and to this end, offers a number of products and packaged solutions. Some of the products (software solutions) that Breeze has developed include Cloud Lab Manager, Cloud Data Manager and Cloud Feeds Manager.

Breeze's current services and products on offer are as follows:

Services and products

- Full development life cycle
- Architectural design and consulting
- Application lifecycle management best practices
- Rapid solution development
- Development of orchestrations, schemas, maps, pipelines, custom pipeline components, adapters
- Performance tuning targeting high through-put and low latency scenarios
- Production environment reviews
- Application installation, upgrades and migrations
- High availability & disaster recovery
- Middleware installation and enterprise clustering
- Customised on-site training
- Roadmap for cloud integration & migration
- Hybrid cloud integration solutions
- SharePoint to Office 365 migration & customisations
- Support & managed services

Broadly, these services and products constitute the body of Breeze's offerings, which can be categorised amongst the following operational groups – "Application Integration & Development", "Cloud Integration", "Cloud Migration", "Mobile & Devices Development", "Training" and "Managed Services".

In addition, Breeze offers its array of Cloud products:

Cloud Products	Description
Cloud Lab Manager	Cloud Lab Manager gives businesses an easy, secure and intuitive way to create complex computing environments in the Cloud. Using the power of modern Cloud computing, Breeze has created a powerful scalable platform that enables dynamic workloads such as development and testing, software demonstrations and evaluations, and virtual training to be provisioned in seconds ready for several customers/students concurrently.
Cloud Data Manager	Cloud Data Manager turns independent silos of data into real-time visibility and intelligence so businesses gain insight to their own business within minutes. Cloud Data Manager gives businesses better collaboration by capturing disparate data from hundreds of breach sites and turns it into valuable business intelligence all via the Cloud. Suited to a hub and spoke business model looking for a light-weight integration tool at a Cloud pay-as-you-go pricing model.
Cloud Feeds Manager	Cloud Feeds Manager is an online gaming platform that provides the ability to scale the business's existing betting platforms to pre-built components, removing the bottleneck from the business's on premise infrastructure and maximising the scalability and reliability of the Cloud on a per consumption pricing model.

Breeze is led by an experienced executive team that will remain with the business post-completion of the Breeze Acquisition:

Nicola (Nicki) Page, Chief Executive Officer

Nicki has over 20 years in the IT industry in both the UK and Australia as a Computer Scientist. She was appointed as a Director and Chief Executive Officer of Breeze in 2013, having joined Breeze a year earlier as a Business Development Manager. With a background in Technical and Sales with companies such as KAZ Computing and Microsoft, she spearheaded efforts to develop a sales and marketing strategy and business capability for Breeze, as the business transitioned from a traditional services company to a cloud solutions & products business. Nicki was recently awarded in the industry as the 2014 ARN Women in ICT Entrepreneur of the year.

Following completion of the Breeze Acquisition, Nicola proposes to join the Board of the Company.

Michael (Mick) Badran, Chief Technology Officer

Mick is a Director of Breeze who has been with the company since its inception in 1998. He currently leads the Breeze technical team as its Chief Technology Officer. Mick is an Azure Integration Specialist awarded the Microsoft most Valuable Professional (MVP) award with a strong focus on Microsoft integration technologies such as BizTalk, Azure, SharePoint, .NET and SQL. With over 20 years' experience, Mick is the mastermind behind projects that have achieved global recognition and is renowned for his ability to architect innovative integration solutions whether on-premises, in the cloud or a hybrid of both.

Mick has been re-awarded a Microsoft MVP every year since 2005.

Industry Recognition

Under the executive team's management, Breeze has received global and local recognition from its peers and the industry heavyweights such as Microsoft. Since 2012, Breeze has won the following awards:

- New South Wales State iAward 2014 – Health Category
- Microsoft Australia Winner 2014 – Health Partner of the Year
- Microsoft Australia Winner 2014 – Application Development
- Microsoft Worldwide Winner 2014 – Application Integration
- Microsoft APAC Winner 2013 – Application Development
- Microsoft Worldwide Winner 2012 – Application Integration

Breeze Share Sale and Purchase Agreement

On 3 February 2015, the Company announced that it had finalised its due diligence of the Breeze business, and had entered into a Share Sale and Purchase Agreement (**Breeze SPA**) with the shareholders of Breeze (**Breeze Vendors**) to acquire 100% of Breeze, which includes all the intellectual property, employees, customer contracts and business operations of Breeze (including OneBet – details of which are set out later in this Explanatory Statement).

The Breeze Vendors consist of the following shareholders:

Table 3 – Breeze Vendors

Breeze Vendor	Description
Ms Nicola Page	Ms Nicola Page is the Chief Executive Officer of Breeze. In the event that the terms of the Breeze SPA are satisfied and the Company gets re-admitted to the Official List of the ASX, it is proposed that Ms Page join the Board as a Director of the Company and Chief Executive Officer of the Montech Group. As a related party for the purposes of the Corporations Act and ASX Listing Rules, the issue of Shares under the Breeze Acquisition to Ms Page (or her nominee) is being considered under Resolution 7 in this Notice of Meeting.
Mr Michael Badran	Mr Michael Badran is the Chief Technology Officer of Breeze. Mr Badran does not propose to join the Board as a Director of the Company. Therefore, as a non-related party for the purposes of the Corporations Act and ASX Listing Rules, the issue of Shares under the Breeze Acquisition to Mr Badran (or his nominee) is being considered under Resolution 6 in this Notice of Meeting.

Under the terms of the Breeze SPA, 100% of the issued capital of Breeze has been valued to be \$5,000,000. In consideration for 100% of the issued capital of Breeze, the Company has agreed to issue 141,666,667 fully paid ordinary shares in the Company (**Breeze Consideration Shares**) and make a payment of up to \$750,000 to the Breeze Vendors (the issue of Breeze Consideration Shares and the payment of cash collectively known as the **Breeze Consideration**).

Other material terms of the Breeze SPA are as follows:

Conditions precedent

Completion under the Breeze SPA is subject to a number of conditions precedent being satisfied (or waived, as applicable), as follows:

- the Breeze Vendors delivering to the Company certain confirmations relating to the lease of Breeze's premises, share certificates and register of members;
- the Company completing its due diligence on OneBet, and depending on the outcome of the due diligence, implementation of arrangements to the satisfaction of the Company;
- other than the cash loan being provided to Breeze by SBN, any indebtedness of Breeze to any of its related parties or OneBet being repaid, discharged or satisfied;
- any indebtedness of any related parties to Breeze being repaid, satisfied or otherwise discharged;
- appointment of Ms Page as a Director of Breeze;
- Breeze fully repaying any amounts owed to an identified financial institution, including any amounts secured by identified PPS registration numbers;
- Breeze terminating all overdraft facilities granted by any financial institution;
- Breeze paying out the annual leave entitlements of the Breeze Vendors, leaving no more than 30 days accrued annual leave entitlements for each of the Breeze Vendors;
- Ms Page and Mr Badran entering into employment agreements in a form agreed with the respective parties, with the Company;
- the Company appointing Mr D'Addio (of Tech Effect) as the Chief Operating Officer of the Company;
- the satisfaction or waiver of all conditions precedent in the Tech Effect SPA, or where such conditions precedent are not satisfied or waived, the completion of the Tech Effect Acquisition;
- the Company obtaining Shareholder approval for all the Resolutions set out in this Notice of Meeting (which are required to effect completion);
- the Company successfully completing the Capital Raising which will be undertaken via the Prospectus, which will be in agreed form;
- the Company successfully re-complying with Chapters 1 and 2 of the Listing Rules, and any conditions required by ASX, and its Shares being re-admitted to Official Quotation at completion; and
- the Company obtaining all necessary regulatory approvals for the Breeze Acquisition, including approvals required from ASX and ASIC.

Conduct prior to completion

There are standard restrictions on the conduct of the Company and Breeze between execution of the Breeze SPA and completion of the Breeze Acquisition.

Adjustment to the purchase price

Both Breeze and the Company have agreed to an adjustment mechanism to completion accounts based on the actual balance sheet at completion.

Warranties and indemnities

The Breeze SPA is subject to a number of warranties and indemnities, provided by the Breeze Vendors. These are standard and normal for a transaction of this nature and include warranties as to title and capacity; corporate structure of Breeze; books, records, accounts and financial position of Breeze; business of Breeze; material contracts entered into by Breeze; assets, security interests, intellectual property and insurance held by Breeze; litigation and investigation; taxation and matters related to Breeze; Breeze employees and superannuation; and all information disclosed to the Company in connection with the Breeze SPA.

The Breeze Vendors have agreed to provide further warranties to the Company, in respect of capacity (including, as applicable, as a sophisticated investor pursuant to Corporations Act), solvency and beneficial holding.

The Company has agreed to provide standard commercial warranties to the Breeze Vendors, in respect to title and capacity; insolvency; its constitution; any material term of any security arrangement to which it is bound; and any writ, order or injunction, judgement, or law or regulation to which it is a party or is subject or by which it is bound.

Escrow of Breeze Consideration Shares

As a minimum, the Breeze Consideration Shares will be escrowed as follows:

- All escrowed for 12 months following completion;
- Two thirds escrowed for 24 months following completion; and
- One third escrowed for 36 months following completion.

(collectively referred to as **Minimum Escrow Restrictions**)

These agreed Minimum Escrow Restrictions will be set out in an escrow deed, which will be executed by each of the Breeze Vendors prior to completion of the Breeze Acquisition.

The Breeze Vendors have acknowledged that in the event that the ASX imposes further mandatory escrow restrictions on any of the Breeze Consideration Shares that these further escrow restrictions will apply to the Breeze Consideration Shares in addition to the agreed Minimum Escrow Restrictions.

Termination

The Company can terminate the Breeze SPA prior to completion if:

- (a) Breeze or any of the Breeze Vendors breaches the Breeze SPA in any material respect, and if that breach, if capable of being remedied is not remedied within 10 Business Days of notice being served by the Company to the party in breach, or the breach is not capable of being remedied;
- (b) any warranties provided by Breeze or any of the Breeze Vendors is found to have been incorrect or misleading when made or prior or completion, and the total claim is reasonably likely to exceed an agreed threshold, unless the breach is with respect to an agreed set of individual vendor warranties, wherein the threshold does not apply; or
- (c) an insolvency event occurs with respect to Breeze.

The Breeze Vendors, acting jointly, can terminate the Breeze SPA prior to completion if:

- (a) the Company breaches the Breeze SPA in any material respect, and if that breach, if capable of being remedied is not remedied within 10 Business Days of notice being served by the Breeze Vendors, acting jointly, to the Company, or the breach is not capable of being remedied;
- (b) any warranties provided by the Company is found to have been incorrect or misleading when made or prior or completion; or
- (c) an insolvency event occurs with respect to the Company.

Sunset date

The parties have agreed to a sunset date of 31 May 2015, which may be varied in writing by the Company and the Breeze Vendors.

Restraint

There are standard restraints on the conduct of each of the Breeze Vendors for a period of up to 3 years from completion.

Breeze Consideration

Under the terms of the Breeze SPA, the Breeze Consideration will be allocated amongst the Breeze Vendors as follows:

Table 4 – Breeze Consideration

Proposed new Shareholder	No. of Breeze Consideration Shares^(a)	Cash component of Breeze Consideration^(b)	% of Montech (No Capital Raising and undiluted)^(c)	% of Montech (Capital Raising at min. price complete and undiluted)^(d)	% of Montech (Capital Raising at min. price complete and fully diluted)^(e)
Ms Nicola Page (or her nominee)	70,833,333	Up to \$375,000	7.88%	6.90%	6.42%
Mr Michael Badran (or his nominee)	70,833,334	Up to \$375,000	7.88%	6.90%	6.42%
Total	141,666,667	Up to \$750,000	15.77%	13.79%	12.85%

Notes:

(a) All Breeze Consideration Shares will be subject to voluntary escrow.

(b) Pursuant to the terms of the Breeze SPA, from the total cash component of up to \$750,000, a sum of \$100,000 will be held in escrow for adjustment to purchase price purposes.

(c) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

(d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

^(e) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

As Ms Page proposes to join the Board of the Company following completion, the issue of the Breeze Consideration Shares to her (or her nominee) require related party approval under Resolution 7 of this Notice of Meeting. Mr Badran does not propose to join the Board of the Company following completion, therefore, the issue of Breeze Consideration Shares to him (or his nominee) is considered as an ordinary non-related party approval under Resolution 6 of this Notice of Meeting.

Breeze acquisition of OneBet

Breeze has also agreed to acquire 100% of the issued capital in OneBet Trading Pty Ltd and OneBet IP Pty Ltd (collectively referred to as **OneBet**), an early stage product offering suited to the wagering sector. Therefore, in the event that the Breeze Acquisition completes, the Company will acquire and gain full control of OneBet, through its ownership of Breeze.

In the interim, a third party, Savvy By Nature Pty Ltd (**SBN**), has agreed to provide a cash loan of \$62,800 to Breeze for the continued funding of OneBet. SBN has agreed, in the event that the Breeze Acquisition completes, to be repaid the loan via a debt to equity conversion, wherein, the Company will issue 2,242,857 fully paid ordinary shares in full and final satisfaction of the debt. Shareholder approval for the issue of shares to SBN pursuant to a possible debt to equity conversion is being sought under Resolution 8 of this Notice of Meeting.

Parts B and C: Capital Raising and New Board

Capital raising to fund the Proposed Transactions

As part of the Proposed Transactions, the Company will seek to raise a minimum of \$4,000,000 via a prospectus (**Prospectus**) to fund the cash components of the Tech Effect Acquisition (up to \$3,000,000) and the Breeze Acquisition (up to \$750,000). The raising of funds under the Prospectus will be referred to herein as the **Capital Raising**.

Any remaining funds under the Capital Raising (following payment of the cash components) will be applied by the Company towards general working capital purposes, and expenses related to the Capital Raising and other professional fees and disbursements incurred as part of the Proposed Transactions.

Shareholder approval for the issue of fully paid ordinary shares pursuant to the Capital Raising are being sought under Resolutions 9 and 10 of this Notice of Meeting. Further details of the Capital Raising is set out in the Explanatory Statement for Resolutions 9 and 10 (Part B).

New Board of the Company

The Board currently consists of the following members:

- David Shein, Non-Executive Chairman
- Joseph Fridman, Non-Executive Director
- Jonathan Pager, Non-Executive Director
- Michael Pollak, Non-Executive Director

Following completion of the Proposed Transactions, the following Tech Effect and Breeze executives propose to join the Board of the Company:

- Nicola Page, Executive Director and Chief Executive Officer
- Joe D'Addio, Executive Director and Chief Operating Officer
- Scott McPherson, Executive Director

Together, they will form the **New Board**. Shareholder approval for the election of Ms Page and Messrs D'Addio and McPherson are being sought under Resolutions 11, 12 and 13 respectively of this Notice of Meeting.

Indicative Timetable**

If all Resolutions under this Notice of Meeting are passed, the Company anticipates that the Company will undertake the Capital Raising and the application for re-instatement to ASX as follows:

Action	Date
Dispatch Notice of Meeting	13 March 2015
Lodgement of the Prospectus with ASIC	3 April 2015
Suspension of the Company's Securities from trading on the ASX (at the close of trade)	15 April 2015
Extraordinary General Meeting	16 April 2015
Opening date for Offers under the Prospectus	16 April 2015
Closing date for Offers under the Prospectus	28 April 2015
Allotment of Securities under this Notice of Meeting and the Prospectus	30 April 2015
Completion of Proposed Transactions	30 April 2015
Pre-quotation disclosure to ASX	7 May 2015
Anticipated date the suspension is lifted and the Company's Securities re-commence trading on ASX	12 May 2015

** The Company's Securities will continue to remain suspended from the Official List of the ASX until such time as the Proposed Transactions have been completed and the Company has complied with all pre-quotation requirements of ASX. Accordingly, there will be no trading in the Company's Securities until the Company has been reinstated to the Official List of the ASX.

Summary of Reasons for Resolutions under this Notice of Meeting

Table 5 – Resolutions under this Notice of Meeting

Consequences from Completion of Proposed Transactions	Details	Resolution under this Notice of Meeting
Approval of change to scale of activities	In the event that the Proposed Transactions complete, there will be a significant change in the Company's consolidated total assets, equity interests, revenue, profit and operations.	Resolution 1
Acquisition of relevant interest	If the Tech Effect Acquisition completes, the Tech Effect Vendors will collectively hold more than 20% of the total issued capital in the Company.	Resolution 2
Approval of future issue of Tech Effect Consideration Shares to Matthew Charles Goggin & Romily Jane Goggin	As part of the Tech Effect Acquisition, Tech Effect Consideration Shares will be issued to the Tech Effect Vendors (or their nominees), in exchange for their respective shareholdings in Tech Effect. This Resolution seeks Shareholder approval for the issue of Tech Effect Consideration Shares to Mr Matthew Goggin & Mrs Romily Goggin ATF Goggin Family Trust (or its nominee).	Resolution 3
Related party approval of future issue of Tech Effect Consideration Shares to Kathy Edwards	As part of the Tech Effect Acquisition, Mrs Kathy Edwards ATF Jokat Investment Trust will be issued Tech Effect Consideration Shares. Mrs Edwards is the wife of Mr Joe D'Addio, who proposes to join the New Board as an Executive Director and Chief Operating Officer. Accordingly, this Resolution seeks related party Shareholder approval for the issue of Tech Effect Consideration Shares to Mrs Kathy Edwards ATF Jokat Investment Trust (or its nominee).	Resolution 4
Related party approval of future issue of Tech Effect Consideration Shares to Scott McPherson	As part of the Tech Effect Acquisition, Mr Scott McPherson ATF Scott MacPherson Family Trust will be issued Tech Effect Consideration Shares. Mr McPherson proposes to join the New Board as an Executive Director. Accordingly, this Resolution seeks related Shareholder approval for the issue of Tech Effect Consideration Shares to Mr Scott McPherson ATF Scott MacPherson Family Trust (or his nominee).	Resolution 5
Approval of future issue of Breeze Consideration Shares to Michael Badran	As part of the Breeze Acquisition, Breeze Consideration Shares will be issued to the Breeze Vendors (or their nominees), in exchange for their respective shareholdings in Breeze. This Resolution seeks Shareholder approval for the issue of Breeze Consideration Shares to Mr Badran (or his nominee).	Resolution 6
Related party approval of future issue of Breeze Consideration Shares to Nicola Page	Ms Page proposes to join the New Board as an Executive Director and Chief Executive Officer. Ms Page is also a Breeze Vendor. Accordingly, Ms Page (or her nominee) will be issued Breeze Consideration Shares as part of the Breeze Acquisition. This Resolution seeks related party Shareholder approval for the issue of Breeze Consideration Shares to Ms Page (or her nominee).	Resolution 7

Approval of future issue of shares to Savvy By Nature Pty Ltd	SBN has agreed to provide a cash loan to Breeze for the continued funding of OneBet. In the event that the Breeze Acquisition completes, SBN has agreed to be repaid this loan via a debt to equity conversion, wherein, the Company will issue SBN (or its nominee) with 2,242,857 fully paid ordinary shares in the Company in full and final satisfaction of the debt.	Resolution 8
Approval of future issue of Employee Shares pursuant to Capital Raising	Issue of up to 12,000,000 Employee Shares at 2.5 cents (\$0.025) per Employee Share to employees of Tech Effect and Breeze invited by the Company to subscribe Employee Shares under a Prospectus that will be issued by the Company pursuant to the Capital Raising, to raise up to \$300,000 before estimated expenses.	Resolution 9
Approval of future issue of New Shares pursuant to Capital Raising	Issue of up to 114,285,714 New Shares at a minimum of 3.5 cents (\$0.035) per New Share to investors invited by the Company to subscribe for New Shares under a Prospectus that will be issued by the Company pursuant to the Capital Raising, to raise \$4,000,000 before estimated expenses.	Resolution 10
Election of Ms Nicola Page as a Director	As part of the Breeze Acquisition, Ms Page will be elected to the New Board as an Executive Director and appointed Chief Executive Officer of the Company.	Resolution 11
Election of Mr Joe D'Addio as a Director	As part of the Tech Effect Acquisition, Mr D'Addio will be elected to the New Board as an Executive Director and appointed Chief Operating Officer of the Company.	Resolution 12
Election of Mr Scott McPherson as a Director	As part of the Tech Effect Acquisition, Mr McPherson will be elected to the New Board as an Executive Director.	Resolution 13

RESOLUTION 1 – APPROVAL OF CHANGE TO SCALE OF ACTIVITIES

Information Required by ASX Listing Rule 11.1.2

Overview and Information of Proposed Transactions

Pursuant to the Proposed Transactions, the Company seeks to acquire 100% of the issued capital of Tech Effect and Breeze, two separate businesses that are analogous and synergistic with the Company's main businesses and publicly stated strategy of developing, building and acquiring a number of complementary technology-focused businesses to achieve greater scale of its operations.

Tech Effect is a leading Brisbane-based organisation known for its innovative, customer-focused practices and for delivering superior IT solutions. They offer a range of consulting, integration and managed service solutions in information communications technology infrastructure and Cloud related areas. Founded in 2005, it has grown to over 60 staff with its customer base largely in Queensland and a strong focus on mid-tier enterprises and the public sector. Customers include Bank of Queensland, QSuper, Rio Tinto, Bidvest, BDO, Laing O'Rourke, SunSuper, Brisbane Catholic Education, Brisbane Airport Corporation, RP Data and Logan City Council.

Breeze is a leading Sydney-based application integration company with over 20 employees. Its portfolio of offerings covers application development and Cloud integration products and solutions. Since its inception, Breeze has worked closely with Microsoft. It recently won the 2014 Worldwide and Australia Microsoft Partner of the Year Award in three categories: Application Integration, Application Development and Health Partner of the Year. Customers of Breeze include BUPA, Dental Corporation, Sydney Adventist Hospital, Caltex, Sportingbet and Centrebet.

Further details of the Tech Effect and Breeze businesses are set out in Part A of the Explanatory Statement in this Notice of Meeting.

In the event that the Proposed Transactions complete, there will be a significant change in the Company's consolidated total assets, equity interests, revenue and profit. Therefore, the practical effect of completing the Proposed Transactions is that a significant change will take place with respect to the scale of the Company's activities.

In the event that the Proposed Transactions do not complete, the Company will continue to undertake an operational review of its existing assets, which includes its Pinnacle software. The Company will also continue to consider the acquisition and development of other investments, both within the ICT industry as well as in unrelated market segments, as identified by the Company.

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On the basis that approval pursuant to Resolution 1 is obtained, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. Compliance with the admission requirements involves, amongst other things, the following:

- (a) having a structure and operations that are appropriate for a listed entity;
- (b) issuing a prospectus or information memorandum;
- (c) meeting the minimum spread requirements;

- (d) meeting the ASX's profit test or assets test;
- (e) complying with Chapter 9 of the ASX Listing Rules in relation to any "restricted securities" it has on issue or is proposing to issue;
- (f) having the entity's quoted securities (except options) issued or sold for at least 20 cents in cash;
- (g) having any options the entity has issued exercisable for at least 20 cents in cash; and
- (h) satisfying ASX that each director or proposed director, at the date of admission, is of good fame and character.

The Company notes that with respect to re-compliance conditions in paragraphs (f) and (g) above, the Company has obtained a waiver from ASX. This will allow the Company to re-list without having to issue securities at a minimum price of 20 cents per Share, nor undertake a consolidation to ensure that the exercise price of current options is at least 20 cents per Option.

Shareholders should be aware that following the Extraordinary General Meeting, the Company's Securities will be suspended by the ASX until it has re-complied with Chapters 1 and 2 of the ASX Listing Rules. It is the Company's intention to meet these requirements as soon as practicable after the Meeting pursuant to this Notice of Meeting is held, and following the completion of the Capital Raising.

Advantages of Change to Scale of Activities of the Company

The Board believes that the Proposed Transactions offer a number of advantages to Shareholders of the Company, which can be described as follows:

- (a) *Opportunity to acquire complementary technology-focused businesses:* The proposed acquisitions of the Tech Effect and Breeze businesses will provide the Company with an opportunity to acquire two synergistic and growing businesses in the ICT industry. Completion of the Proposed Transactions will allow the Company to grow its Cloud managed services business, and develop Cloud products on the Microsoft Azure platform, which will allow the Company to take advantage of the noticeable shift towards Cloud computing services, and position itself in a calculated position for future growth.
- (b) *Acquisition of quality industry recognised businesses:* Tech Effect was founded in 2005 and Breeze was founded in 1998. Since then, both businesses have grown to become leaders in their respective fields having earned various awards in the Information and Communications Technology (ICT) industry. Summary of each of Tech Effect and Breeze's recent awards and recognitions are set out in Part A of this Explanatory Statement.
- (c) *Experienced New Board with interests aligned with Shareholders:* The founders of the Tech Effect and Breeze businesses have been with their respective companies from early beginnings, and have been instrumental in their growth and mainly continue to be involved in the day to day management of their respective operations. As part of the Proposed Transactions, Messrs Joe D'Addio (Executive Director of Tech Effect) and Scott McPherson (Executive Director of Tech Effect) and Ms Nicola Page (Chief Executive Officer of Breeze) will be joining the New Board as Directors of the Company. Together, they will bring a wealth of industry experience and business knowledge to the Company. Also, as they will be receiving Consideration Shares as

part of the Proposed Transactions, they will become significant Shareholders of the Company. These Consideration Shares will be subject to a tiered escrow arrangement which will assist in aligning their interests with the Shareholders of the Company.

The existing members of the Board will remain as Directors of the New Board. These Directors collectively have a broad cross section of experience in the sectors in which the Company operates, which will allow the Company to seek out further acquisitions and other investment opportunities to achieve greater scale in its operations. In particular, Mr David Shein will remain as the Non-Executive Chairman of the Company, which is a condition precedent of the Tech Effect Acquisition completing.

As previously disclosed, Mr Shein established Com Tech Communications with \$10,000 capital and built it up to annual revenues of \$700 million, profits of \$40 million and 1,400 employees in 2001 when it was acquired by Dimension Data. Since then, Mr Shein has been involved in investing and managing a number of start-up and early stage technology companies, many of which have been successfully exited. Most recently, he was the Chairman and a founding investor of Macromatix, a provider of specialist cloud based retail software solutions with offices in Australia and the USA. Macromatix was sold to USA-based TPG Ventures in 2012. Mr Shein actively mentors management teams including his role as Non-Executive Chairman of Centric Wealth which was owned by CHAMP Private Equity and sold to Findex in 2014. Some of the other companies that Mr Shein mentors and where he has an investment include Pocketbook, ShopReply, Clipp, Assetic, OneBigSwitch, ZipMoney, RANGEme and OurCrowd.

- (d) *Scalability of its operations:* The Proposed Transactions bring scale to Montech through the inclusion of the operating activities of Tech Effect and Breeze. Both businesses have active operations which will provide meaningful operational and financial contribution to Montech compared to the Company's existing activities. It is the Board's current strategy that these operations are the base upon which it can continue to attract other suitable and synergistic acquisition opportunities, particularly those in the IT and Cloud sectors, which may further enhance the Company's size and leverage off the Company's head office, administrative and corporate group structure currently in place.
- (e) *Greater market capitalisation and trading liquidity in the Company's shares:* By virtue of the proposed issuance of capital associated with the Proposed Transactions and Capital Raising there will be substantially more shares on issue in Montech and a larger market capitalisation for the Company. This provides potential for increased trading in the Company's shares alongside potential for greater interest by the investment community, improved access to equity capital markets and increased liquidity in the Company's shares.

Disadvantages of Change to Scale of Activities of the Company

The Board believes that the Proposed Transactions offer a number of disadvantages to Shareholders of the Company, which can be described as follows:

- (a) *Change to Scale of Activities of the Company:* The manner in which the change to scale of the Company's activities is being achieved may not be consistent with the objective of all Shareholders of the Company.
- (b) *Dilution of existing Shareholdings in the Company:* If the Proposed Transactions complete and Shareholder approval is obtained by the Company under this Notice of Meeting for all the Resolutions, the issue of the Tech Effect Consideration Shares and Breeze Consideration Shares to the Tech Effect Vendors (or their nominees) and

Breeze Vendors (or their nominees) respectively, will have a significant dilutionary effect on existing shareholdings of the current Shareholders of the Company. The proposed Capital Raising, which is a condition to the Proposed Transactions completing, will also further dilute Shareholders of the Company.

- (c) *Possibility of unrealised potential for future growth:* Whilst the Tech Effect and Breeze businesses have demonstrated significant growth since their inceptions, there is no guarantee that the potential for future growth in the Cloud computing space will ever be realised by the respective businesses under ownership of the Company. Therefore, the potential of the Proposed Transactions to add significant value to the Company may never be realised by its Shareholders.
- (d) *Re-compliance with Chapters 1 and 2 of the ASX Listing Rules:* As noted previously, if Shareholder approval is obtained for all Resolutions under this Notice of Meeting, the Company will be suspended from the Official List of the ASX, and as soon as practical thereafter, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that the Company will successfully re-comply with the requirements or that the ASX will re-admit to quotation the Securities of the Company upon passing of all the Resolutions.
- (e) *Increased exposure to wider array of risks:* There are many risks associated with the proposed change to scale of activities of the Company. Some of these are explored in greater detail below.

Risks

- (a) *Changes to vendor and customer agreements:* There is a risk that Tech Effect and Breeze will be unable to maintain or renew key vendor and customer agreements that it currently has in place. Any adverse changes to its commercial relationships with the vendors or customers would materially affect its financial position and prospects.
- (b) *Vendor agreements not formally exclusive:* The agreements that Tech Effect and Breeze currently have in place with its vendors are not exclusive. This means that the vendors are free to engage with other service providers, who will naturally become competitors of the Tech Effect and Breeze businesses. There is no guarantee that upon completion of the Proposed Transactions, the Company will be able to maintain or grow its share of the marketplace. This will place pressure on the Tech Effect and Breeze businesses to continue to innovate to maintain and grow its position in the industry. Furthermore, there is no guarantee that the vendors will continue their agreements with the Company.
- (c) *Integration risk:* As part of the Proposed Transactions, the Company intends to integrate the two businesses under one collaborative management, with the intention to draw synergies between the businesses to solidify their presence in the ICT industry and promote future growth of both businesses. There is a risk that the integration will not be successful or prove costly for the Company.
- (d) *Rate of adoption of Cloud computing:* The future success of the business that Tech Effect and Breeze operates is highly contingent on the continued adoption and development of the ICT industry in Australia, and specifically, Clouding computing practices and systems amongst businesses, organisations and individuals in Australia. There is no guarantee that this will occur, and if the ICT industry was to stagnate or deflect in a direction that is not consistent with the Company's vision and/or offerings, this may have a negative effect on the profitability of the Company.

- (e) *Slowdown in technical innovation:* As Tech Effect and Breeze are operationally dependent on their ability to work with and compliment software created by vendors, it is important for the future growth of the Company that it continues to innovate and seamlessly move with technological changes and advancements. Developments in the ICT industry generally occur at a much quicker pace and the need to maintain a disruptive, proactive stance is more prevalent in the ICT industry than compared to other industries. In the event that Tech Effect and Breeze are unable to keep up with the demands of the changing market, there is a risk that this will affect the profitability and scalability of the combined Tech Effect and Breeze's operations. There is no guarantee that whatever innovations Tech Effect and Breeze develop will be successful in the marketplace.
- (f) *Security and privacy risks:* As Tech Effect and Breeze both use Cloud computing practices as part of their services and product offerings to customers, there are additional technical and security risks which could adversely affect the Company's operations in the future.
- (g) *Changes in regulatory environment:* Changes to laws, regulations and accounting standards which apply to the Tech Effect and/or the Breeze businesses from time to time could materially and adversely impact upon the operating and financial performance and cash flows of the Company.
- (h) *Economic and government:* There is a risk that the price of the Company's Shares may be affected by changes in local and world economic conditions, interest rates, taxation rates, government legislation or intervention, inflation or inflationary expectations, natural disasters, social upheaval or conflict in Australia or overseas, and other factors beyond the control of the Company.
- (i) *Changes to partnerships:* There is a risk that the Company (including Tech Effect and Breeze) will be unable to maintain or renew partnerships with its key partners on current terms which may adversely affect the financial position of the Company.
- (j) *Protection of intellectual property:* Whilst the Company (including Tech Effect and Breeze) will remain diligent in its effort to protect its intellectual property to the fullest extent, there is no guarantee that disputes will not arise in the future that could prove costly for the Company.
- (k) *Future capital needs:* Further funding may be required to advance the business objectives of the Tech Effect and/or the Breeze businesses in the future. There can be no assurance that alternative funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the financial condition of the Company and consequently, the value of its Shares.
- (l) *Reliance on key management:* The responsibility of overseeing the day to day operations and the strategic management of the Company (including Tech Effect and Breeze) is substantially dependent upon its management and its key personnel. As noted previously, certain key personnel will be joining the New Board of the Company. Whilst these key personnel will be entering into service agreements with the Company (wherever applicable), there can be no assurance given that there will no detrimental impact on the Company if one or a number of these key personnel cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. The ability to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.

- (m) *Share market conditions*: The price of the Company's Shares will be influenced by international and domestic factors affecting conditions in equity, financial and technology markets. These factors may affect the general level of prices for listed securities of technological services companies quoted on ASX.
- (n) *Non-completion of either the Tech Effect Acquisition or the Breeze Acquisition*: There are number of conditions precedent in the Tech Effect SPA and the Breeze SPA. There is a risk that all of the conditions precedent are not satisfied and/or waived (as the case may be), which would result in the Proposed Transactions not completing.

ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must obtain the approval of its Shareholders and it must set out in detail the terms of the Proposed Transactions.

Independent Expert's Report

The Corporations Act provides that an IER on the acquisition of the relevant interest in the Company by the Tech Effect Vendors (or their nominees) must be provided to Shareholders of the Company. Given the size of the Proposed Transactions, the Board of the Company has considered it appropriate for the scope of the IER to cover the Proposed Transactions as a whole, which provides an opinion on the fairness and reasonableness of the Proposed Transactions to the current non-associated Shareholders of the Company. A copy of the IER, prepared by RSM Bird Cameron, is contained in Annexure A of this Notice of Meeting.

As part of its review, the IER has also provided a valuation of the Company pre and post completion of the Proposed Transactions. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 1.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

Directors' recommendation

The Board considers that it is in the best interests of the Company that it completes the Proposed Transactions, and accordingly recommends that Shareholders vote in favour of Resolution 1.

Forward looking statements

The forward looking statements in this Notice of Meeting are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Board of Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Notice of Meeting. These risks include but are not limited to, the risks referred to above. Forward looking statements include those containing words such as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions.

RESOLUTION 2 – ACQUISITION OF RELEVANT INTEREST

Tech Effect Vendors

As set out in Part A of the Explanatory Statement to this Notice of Meeting, the Company proposes to acquire 100% of the issued capital in Tech Effect.

The terms of the Tech Effect Acquisition are captured in the Tech Effect SPA. As part of the Tech Effect Consideration, the Company proposes to issue 441,399,450 Tech Effect Consideration Shares to the Tech Effect Vendors (or their nominees). This will result in the Tech Effect Vendors individually and collectively becoming substantial Shareholders of the Company.

Whilst individually, none of the Tech Effect Vendors are projected to hold more than 20% of the Shares in the Company (following completion of the Capital Raising, which is a condition precedent to the Proposed Transactions completing), collectively, the Tech Effect Vendors are projected to hold more than 20% of the Shares in the Company.

As the Tech Effect SPA sets out the composition of the proposed new Board of the Company, following completion of the Tech Effect Acquisition, the Tech Effect Vendors may be associates for the purpose of Chapter 6 of the Corporations Act, therefore Shareholder approval for the collective acquisition of this relevant interest is being sought under this Resolution 2.

Shareholder approvals for each of the individual Tech Effect Vendors are being sought under Resolutions 3, 4 and 5 of this Notice of Meeting.

Information Required pursuant to Chapter 6 of the Corporations Act

Section 606(1) of the Corporations Act states that a person must not acquire a relevant interest in the issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the Company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a Company involves determining the voting shares in the Company in which the person and the person's associates have a relevant interest.

A person (**Second Person**) will be an 'associate' of the other person (**First Person**) if one or more of the following paragraph applies:

- (a) the First Person is a body corporate and the Second Person is:
 - (i) a body corporate the First Person controls;
 - (ii) a body corporate that controls the First Person; or
 - (iii) a body corporate that is controlled by an entity that controls the First Person;

- (b) the Second Person has entered or proposes to enter into a relevant agreement with the First Person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs;
- (c) the Second Person is a person with whom the First Person is acting or proposed to act, in concert in relation to the Company's affairs.

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition, whereby a person may make an otherwise prohibited acquisition of a relevant interest in a company's voting shares with Shareholder approval.

The following information is required to be provided to Shareholders pursuant to the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining Shareholder approval under the exception for the passing of this Resolution. Shareholders are also referred to Independent Expert's Report (**IER**) contained in Annexure A of this Notice of Meeting.

Why is approval under the exception in item 7 of section 611 of the Corporations Act needed?

Shareholder approval under item 7 of section 611 of the Corporations Act is required because the Tech Effect Vendors (or their nominees) may be associated with one another, as they have entered into a relevant agreement for the purpose of influencing the composition of the MOQ Board.

Following completion of Tech Effect Acquisition, the Tech Effect Vendors (or their nominees) will no longer be associates for the purposes of Chapter 6 of the Corporations Act. However, for present purposes and the terms of the Tech Effect SPA, it is arguable that the interests of the Tech Effect Vendors should be aggregated, thus triggering Chapter 6 of the Corporations Act. Accordingly, the collective relevant interest of the Tech Effect Vendors in the Company after implementation of all Resolutions (when aggregated) will exceed 20% of the issued capital of the Company.

Relevant interests, voting power and proposed capital structure of the Company

Table 2 (set out earlier in the Explanatory Statement to this Notice of Meeting) outlines the dilutive effect and the maximum number of Tech Effect Consideration Shares that each of the Tech Effect Vendors (or their nominees) will be entitled to under a different set of scenarios.

The following Table 6 outlines the individual and collective voting power of the Tech Effect Vendors (or their nominees) after implementation of all Resolutions under this Notice of

Meeting, and assuming that the Capital Raising has been completed at two possible New Share prices (3.5 cents and 4.0 cents).

It is important to ascertain the maximum voting power of the Tech Effect Vendors assuming the Capital Raising has completed, as the completion of the Capital Raising is a condition precedent to the completion of the Proposed Transactions.

As of the date of this Notice of Meeting, the Tech Effect Vendors do not have any existing shareholdings in the Company.

Table 6 – Maximum voting power

Tech Effect Vendors	No. of Tech Effect Consideration Shares ^(a)	Max. Voting Power (New Shares Offer at 3.5cents complete and undiluted) ^(b)	Max. Voting Power (New Shares Offer at 3.5cents complete and fully diluted) ^(c)	Max. Voting Power (New Shares Offer at 4.0cents complete and undiluted) ^(d)	Max. Voting Power (New Shares Offer at 4.0cents complete and fully diluted) ^(e)
Mrs Kathy Edwards ATF Jokat Investment Trust (or its nominee)	176,559,780	17.19%	16.01%	17.43%	16.22%
Mr Scott McPherson ATF Scott MacPherson Family Trust (or its nominee)	176,559,780	17.19%	16.01%	17.43%	16.22%
Mr Matthew Goggin & Mrs Romily Goggin ATF Goggin Family Trust (or its nominee)	88,279,890	8.60%	8.01%	8.72%	8.11%
Total	441,399,450	42.98%	40.04%	43.59%	40.56%

Notes:

(a) All Tech Effect Consideration Shares will be subject to voluntary escrow.

(b) Following completion of the Proposed Transactions, Capital Raising (Employee Shares Offer fully subscribed, and \$4M under New Shares Offer raised at 3.5 cents per New Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

(c) Following completion of the Proposed Transactions, Capital Raising (Employee Shares Offer fully subscribed, and \$4M under New Shares Offer raised at 3.5 cents per New Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

(d) Following completion of the Proposed Transactions, Capital Raising (Employee Shares Offer fully subscribed, and \$4M under New Shares Offer raised at 4.0 cents per New Share) and undiluted. These percentages are based on a total sum of 1,012,718,831 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 100,000,000 (full subscription of New Shares).

(e) Following completion of the Proposed Transactions, Capital Raising (Employee Shares Offer fully subscribed, and \$4M under New Shares Offer raised at 4.0 cents per New Share) and fully diluted. These percentages are based on a total sum of 1,088,218,831 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) +

12,000,000 (full subscription of Employee Shares) + 100,000,000 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

The maximum voting power the Tech Effect Vendors will hold after implementation of all Resolutions and completion of the Proposed Transactions, will range from 40.04% to 43.59%, depending on the price at which the New Shares Offer is conducted (for the purposes of the Table above, have used the minimum price of 3.5 cents and 4.0 cents) and whether all outstanding options are exercised.

Intentions of the Tech Effect Vendors (or their nominees)

The Company understands that, in the event that all the Resolutions under this Notice of Meeting are passed by Shareholders, it is the Tech Effect Vendors' intention to:

- (a) continue the growth of the Tech Effect business; and
- (b) not either transfer any property between the Company and any person associated with it, or change the Company's existing policies in relation to financial matters.

Specifically, all the Tech Effect Vendors will continue in their current roles in Tech Effect. Two nominees of the Tech Effect Vendors (being Messrs Joe D'Addio and Scott McPherson) propose to join the current Board of the Company in an executive and non-executive role respectively.

Advantages, disadvantages and risks of the Tech Effect Acquisition (which forms part of the Proposed Transactions)

The Directors consider that the Tech Effect Acquisition has the following main advantages and disadvantages:

- *Opportunity to acquire a growing technology-focused business:* The proposed acquisition of the Tech Effect business will allow the Company to acquire a growing business in the ICT industry. There are further advantages of acquiring the Tech Effect business together with the Breeze business, which are set out in the Explanatory Statement of Resolution 1 under this Notice of Meeting.
- *Acquisition of quality industry recognised business:* Tech Effect was founded in 2005, and since then, the business has grown to become a leader in its field of ICT expertise having earned various awards in the ICT industry. Summary of Tech Effect's recent awards and recognitions are set out in Part A of this Explanatory Statement.
- *Disadvantage – concentration of ownership within the Tech Effect Vendors:* The Shares to be placed to the Tech Effect Vendors will constitute up to approximately 40% of the Company's fully diluted capital (as set out in Table 6). There will therefore be a concentration of ownership of the Company among the Tech Effect Vendors (and their nominees). This may allow the Tech Effect Vendors to exert significant influence over matters relating to the Company, including the election of future Directors or the approval of future transactions involving the Company. Also, given the size of the Shareholdings, there may be an impact on the liquidity of the Company's securities.

However, it should be noted that (as noted previously) following completion of the Tech Effect Acquisition, the Tech Effect Vendors (or their nominees) will no longer be associates for the purposes of Chapter 6 of the Corporations Act. Therefore, this disadvantage should not be taken as a representation that the Tech Effect Vendors (and their nominees) will likely exercise their voting rights as Shareholders in the same

manner; or that the Tech Effect Vendors (and their nominees) as a whole are associated parties, post-completion of the Tech Effect Acquisition.

Independent Expert's Report

The Corporations Act provides that an IER on the Tech Effect Acquisition (which forms part of the Proposed Transactions and includes the acquisition of the relevant interest in the Company by the Tech Effect Vendors (or their nominees)) must be provided to Shareholders of the Company. A copy of the IER, prepared by RSM Bird Cameron, is contained in Annexure A of this Notice of Meeting.

The IER provides an opinion as to whether the Proposed Transactions as a whole (which includes the acquisition of the voting power and relevant interest by the Tech Effect Vendors (or their nominees)) are fair/not fair and reasonable/not reasonable to the current non-associated Shareholders of the Company.

The IER has concluded that the acquisition of the voting power and relevant interest by the Tech Effect Vendors (or their nominees) is fair and reasonable to the current Shareholders of the Company.

The advantages and disadvantages of the acquisition of the voting power and interest by Tech Effect Vendors are outlined in the IER and are provided to assist the non-associated Shareholders of the Company in making their determination whether they are better off if the acquisition of the voting power and relevant interest by the Tech Effect Vendors (or their nominees) did not proceed.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 2.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

Directors' recommendation

The Board considers that it is in the best interests of the Company that it completes the Proposed Transactions (which includes the Tech Effect Acquisition), and accordingly recommends that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – APPROVAL OF FUTURE ISSUE OF TECH EFFECT CONSIDERATION SHARES TO MATTHEW CHARLES GOGGIN & ROMILY JANE GOGGIN

The Company seeks approval for the issue and allotment of 88,279,890 fully paid ordinary shares of the Company, as part of the Tech Effect Consideration Shares pursuant to the Tech Effect Acquisition, to Mr Matthew Charles Goggin & Mrs Romily Jane Goggin ATF Goggin Family Trust (or its nominee) (**Goggin Entity**).

Neither Mr nor Mrs Goggin are not considered to be a related party for the purposes of the Corporations Act and ASX Listing Rules, as they will not be joining the New Board of the Company post completion of the Proposed Transactions. The projected shareholding of the Goggin Entity (or its nominee) and the dilutionary effect it will have on existing Shareholders is set out in Table 2 and the Table below.

Table 7 – Potential interest (Goggin Entity (or its nominee))

Proposed new Shareholder	No. of Tech Effect Consideration Shares ^(a)	% of Montech (No Capital Raising and undiluted) ^(b)	% of Montech (Capital Raising at min. price complete and undiluted) ^(c)	% of Montech (Capital Raising at min. price complete and fully diluted) ^(d)
Goggin Entity (or its nominee)	88,279,890	9.83%	8.60%	8.01%

Notes:

^(a) All Tech Effect Consideration Shares will be subject to voluntary escrow.

^(b) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

^(c) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

^(d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

In addition to the Tech Effect Consideration Shares noted above, the Goggin Entity (or its nominee) will receive up to \$600,000 as part of its cash portion of the Tech Effect Consideration.

The effect of this Resolution is for Shareholders to approve the issue of the Tech Effect Consideration Shares to the Goggin Entity (or its nominee) and for the issue of these Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these Shares without using the Company's annual 15% placement capacity.

Given the size of the Proposed Transactions, the Board of the Company has considered it appropriate for the scope of the IER to cover the Proposed Transactions as a whole (which includes the issue of Shares to the Goggin Entity (or its nominees)), which provides an opinion on the fairness and reasonableness of the Proposed Transactions to the current non-associated Shareholders of the Company. A copy of the IER, prepared by RSM Bird

Cameron, is contained in Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 3.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

Information Required by ASX Listing Rule 7.3

The following information in relation to the issue of the Tech Effect Consideration Shares to the Goggin Entity (or its nominee) is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of Tech Effect Consideration Shares to be issued is 88,279,890.
- (b) These Tech Effect Consideration Shares will be issued by 16 July 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These Tech Effect Consideration Shares are deemed to have an issue price of 2 cents per Share.
- (d) The allottee is Mr Matthew Charles Goggin & Mrs Romily Jane Goggin ATF Goggin Family Trust (or its nominee), who is receiving these Tech Effect Consideration Shares as part of the Tech Effect Consideration pursuant to the Tech Effect Acquisition. Neither Mr nor Mrs Goggin is a related party of the Company for the purposes of the Corporations Act and the ASX Listing Rules.
- (e) These Tech Effect Consideration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Tech Effect Consideration Shares are being issued as part of the Tech Effect Consideration to enable the Company to acquire 100% of the issued share capital of Tech Effect pursuant to the Tech Effect Acquisition.
- (g) All Tech Effect Consideration Shares (including these being issued to the Goggin Entity (or its nominee)) will be voluntarily escrowed as follows:
 - a. All escrowed for 12 months following completion of Tech Effect Acquisition;
 - b. Two thirds escrowed for 24 months following completion of Tech Effect Acquisition; and
 - c. One third escrowed for 36 months following completion of Tech Effect Acquisition.

In the event that any escrow requirements imposed by the ASX are more restrictive than the time frames stipulated above, the Goggin Entity (or its nominee) has agreed to be bound by the ASX imposed escrow requirements.

RESOLUTION 4 – RELATED PARTY APPROVAL OF FUTURE ISSUE OF TECH EFFECT CONSIDERATION SHARES TO KATHY LOUISE EDWARDS

The Company seeks approval for the issue and allotment of 176,559,780 fully paid ordinary shares of the Company, as part of the Tech Effect Consideration Shares pursuant to the Tech Effect Acquisition, to Mrs Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee) (**Edwards Entity**).

Mrs Edwards is the wife of Mr Joe D'Addio. Mr D'Addio is a co-founder and current Director of Tech Effect. Joe has over 35 years' experience in the IT industry, with a particular focus on areas of professional services, system and network engineering and technology consulting. Over the last 20 years, he has held a number of key management and director positions, building and leading businesses in the IT industry, specifically with Com Tech Communications and Dimension Data.

In the event that the Proposed Transactions complete, Mr D'Addio will join the New Board as an Executive Director and Chief Operating Officer of the Company. Shareholder approval for the election of Mr D'Addio as a Director of the Company is being sought under Resolution 12 of this Notice of Meeting.

ASX Listing Rule 10.11 provides that a listed company must not issue equity securities to a related party without Shareholder approval.

A "related party" for the purposes of the ASX Listing Rules is widely defined and includes a director of a public company or a spouse of a director of a public company. The definition of 'related party' also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company in the future.

Given that Mr D'Addio is proposed to join the New Board, there are reasonable grounds to believe that he will become a "related party" of the Company. Therefore, for the purposes of Chapter 2E of the Corporations Act, the Edwards Entity is a related party (as Mrs Edwards, trustee of the Edwards Entity, is the spouse of a proposed director of a public company) and the issue of securities to the Edwards Entity (or its nominee) constitutes the giving of a financial benefit.

As noted above, under this Resolution, the Company seeks approval for the issue and allotment of 176,559,780 Tech Effect Consideration Shares to the Edwards Entity (or its nominee) as part of the Tech Effect Consideration pursuant to the Tech Effect Acquisition.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The Board believes that the issue of these Tech Effect Consideration Shares to the Edwards Entity (or its nominee) could fall within the "arm's length terms" exception set out in section 210 of the Corporations Act. The Board have based their belief on the following fact:

- (a) Non-related parties are receiving the same consideration for their shareholdings in Tech Effect, on a pro-rate basis.

However, notwithstanding the above, the Board considered it prudent to seek related party approval for the issue of these Tech Effect Consideration Shares to the Edwards Entity (or its nominee).

Information Required by ASX Listing Rule 10.13

The following information in relation to the issue of these Tech Effect Consideration Shares to the Edwards Entity (or its nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The related party is Mrs Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee). Mrs Edwards' husband, Mr Joe D'Addio, is a proposed Director of the Company.
- (b) The maximum number of Tech Effect Consideration Shares to be issued to the Edwards Entity (or its nominee) is 176,559,780.
- (c) These Tech Effect Consideration Shares will be issued by 16 May 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) These Tech Effect Consideration Shares are deemed to have an issue price of 2 cents per Share.
- (e) These Tech Effect Consideration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Tech Effect Consideration Shares are being issued as part of the Tech Effect Consideration to enable the Company to acquire 100% of the issued share capital of Tech Effect pursuant to the Tech Effect Acquisition.
- (g) All Tech Effect Consideration Shares (including these being issued to the Edwards Entity (or its nominee)) will be voluntarily escrowed as follows:
 - a. All escrowed for 12 months following completion of Tech Effect Acquisition;
 - b. Two thirds escrowed for 24 months following completion of Tech Effect Acquisition; and
 - c. One third escrowed for 36 months following completion of Tech Effect Acquisition.

In the event that any escrow requirements imposed by the ASX are more restrictive than the time frames stipulated above, the Edwards Entity (or its nominee) has agreed to be bound by the ASX imposed escrow requirements.

Information Required by Chapter 2E of the Corporations Act

Identity of the related party

- (a) Mrs Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee) is a related party of the Company to whom Resolution 4 would permit the financial benefit to be given.

Nature of the financial benefit and other remuneration to be received by the Edwards Entity

- (b) The nature of the financial benefit to be given to the Edwards Entity (or its nominee) is the issue of 176,559,780 Tech Effect Consideration Shares.
- (c) Mrs Edwards does not propose to join the New Board or participate in the management of the Company, and will not be provided to any other remuneration. However, as noted previously, Mr D'Addio (husband of Mrs Edwards) proposes to join the New Board in the event that the Proposed Transactions complete. For the 2014/2015 financial year, Mr D'Addio will also receive remuneration as follows:
 - a. Salary (not including superannuation) of \$200,000.
 - b. Annual incentive payment of up to \$81,217.
 - c. Mr D'Addio has agreed to receive no Director fees.
- (d) As noted previously, the Tech Effect Consideration Shares that will be issued to the Edwards Entity (or its nominee) will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (e) The Tech Effect Consideration Shares that will be issued to the Edwards Entity (or its nominee) forms part of the Tech Effect Consideration that is payable to it under the terms of the Tech Effect SPA. As set out in Table 2, there is a cash component to the Tech Effect Consideration. Therefore, in addition to the Tech Effect Consideration Shares noted above, the Edwards Entity (or its nominee) will receive up to \$1,200,000 as part of his cash portion of the Tech Effect Consideration.

Directors' recommendation and basis of financial benefit

- (f) Non-related parties are receiving the same consideration for their shareholdings in Tech Effect, on a pro-rate basis. Therefore, as noted previously, the Board believes that the issue of these Tech Effect Consideration Shares to the Edwards Entity (or its nominee) could arguably fall within the "arm's length terms" exception set out in section 210 of the Corporations Act.
- (g) The Board's view is supported by the Independent Expert's Report prepared by RSM Bird Cameron to determine if the Proposed Transactions are fair and reasonable to the current Shareholders of the Company (**IER**). A copy of the IER is located at Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions, which includes the issue of Tech Effect Consideration Shares to the Edwards Entity (or its nominee), are fair and reasonable to the current Shareholders of the Company.
- (h) The Board believes that completion of the Proposed Transactions is in the best interests of the Company. Accordingly, the Board believes that the issue of the Tech Effect Consideration Shares to the Edwards Entity (or its nominee) is also in the best interests of the Company. The Board recommends that Shareholders vote in favour of Resolution 4.

Dilutionary effect to existing Shareholders' interests

Table 8 – Dilutionary effect (All Tech Effect and Breeze Consideration Shares)

Degree of dilution	Shares
Current number of Shares	315,409,857
Issue of all Tech Effect Consideration Shares	441,399,450
Issue of all Breeze Consideration Shares	141,666,667
<u>Total number of Consideration Shares</u>	<u>583,066,117</u>
<u>Total number of Shares upon completion of Proposed Transactions</u>	<u>898,475,974</u>
<u>Percentage of dilution of existing Shareholders' interests</u>	<u>64.90%</u>

Table 9 – Dilutionary effect (Tech Effect Consideration Shares to Edwards Entity)

Degree of dilution	Shares
Current number of Shares	315,409,857
Issue of Tech Effect Consideration Shares to the Edwards Entity (or its nominee)	176,559,780
<u>Total number of Shares upon completion of Proposed Transactions</u>	<u>898,475,974</u>
<u>Percentage of dilution of existing Shareholders' interests</u>	<u>19.65%</u>

- (i) Tech Effect Consideration Shares will not be issued to the Edwards Entity (or its nominee) as a standalone transaction, and will only be issued in the event that all Resolutions under this Notice of Meeting are passed by Shareholders and the Proposed Transactions complete. Therefore, the Board considers that the calculation in Table 8 above is more accurate for the purposes of calculating the projected dilutionary effect on existing Shareholders' interests, compared to the standalone dilutionary effect calculation noted in Table 9.

Existing and potential relevant interests

- (j) The Edwards Entity currently does not, either directly or indirectly, hold any Shares or Options in the Company.
- (k) Table 10 below outlines its potential interest in the Company:

Table 10 – Potential interest (Edwards Entity (or its nominee))

Proposed new Shareholder	No. of Tech Effect Consideration Shares ^(a)	% of Montech (No Capital Raising and undiluted) ^(b)	% of Montech (Capital Raising at min. price complete and undiluted) ^(c)	% of Montech (Capital Raising at min. price complete and fully diluted) ^(d)
Edwards Entity (or its nominee)	176,559,780	19.65%	17.19%	16.01%

Notes:

^(a) All Tech Effect Consideration Shares will be subject to escrow.

^(b) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the

Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

(c) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

(d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

- (l) The fully diluted percentages are based on the assumption that all Options are exercised and should be treated with caution as there is no certainty that any of the Options will be exercised.

Independent Expert's Report and valuation of the financial benefit

- (m) Given the size of the Proposed Transactions, the Board of the Company has considered it appropriate for the scope of the IER to cover the Proposed Transactions as a whole (which includes a valuation of the financial benefit being provided to the vendors of the Proposed Transactions (which includes related parties)), which provides an opinion on the fairness and reasonableness of the Proposed Transactions to the current non-associated Shareholders of the Company. A copy of the IER, prepared by RSM Bird Cameron, is contained in Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.
- (n) Valuation of Tech Effect is set out in section 9 of the IER. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 4.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

RESOLUTION 5 – RELATED PARTY APPROVAL OF FUTURE ISSUE OF TECH EFFECT CONSIDERATION SHARES TO SCOTT MCPHERSON

The Company seeks approval for the issue and allotment of 176,559,780 fully paid ordinary shares of the Company, as part of the Tech Effect Consideration Shares pursuant to the Tech Effect Acquisition, to Mr Scott McKenzie McPherson ATF Scott MacPherson Family Trust (or its nominee) (**McPherson Entity**).

Scott is a Director and co-founder of Tech Effect. Since forming the company in 2005, Tech Effect has grown from providing Infrastructure related Integration Services, to offering Consulting and Managed Services to assist their clients overcome both business and technical ICT related challenges.

Scott's position draws upon more than two decades of industry experience where he has worked for iconic market leaders Com Tech Communications and Dimension Data.

During this time, Scott has honed his engineering, management and people skills to create a customer-centric organisation that develops solutions that solve real business problems. These traits have contributed to building Tech Effect into the successful, highly respected organisation it is today.

As the business has grown, Scott's responsibilities have evolved to focus on managing the Integration Services Practice, along with setting the vision and go to market strategy for the 'Cloud World'.

Scott's technology career started at Queensland University of Technology where he studied for his Bachelor of Business degree in Information Management.

In the event that the Proposed Transactions complete, Mr McPherson will join the New Board as an Executive Director of the Company. Shareholder approval for the election of Mr McPherson as a Director of the Company is being sought under Resolution 13 of this Notice of Meeting.

ASX Listing Rule 10.11 provides that a listed company must not issue equity securities to a related party without Shareholder approval.

A "related party" for the purposes of the ASX Listing Rules is widely defined and includes a director of a public company or a spouse of a director of a public company. The definition of 'related party' also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company in the future.

Given that Mr McPherson is proposed to join the New Board, there are reasonable grounds to believe that he will become a "related party" of the Company. Therefore, for the purposes of Chapter 2E of the Corporations Act, Mr McPherson is a related party and the issue of securities to the McPherson Entity (or its nominee) constitutes the giving of a financial benefit.

As noted above, under this Resolution, the Company seeks approval for the issue and allotment of 176,559,780 Tech Effect Consideration Shares to the McPherson Entity (or its nominee) as part of the Tech Effect Consideration pursuant to the Tech Effect Acquisition.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The Board believes that the issue of these Tech Effect Consideration Shares to the McPherson Entity (or its nominee) could fall within the “arm’s length terms” exception set out in section 210 of the Corporations Act. The Board have based their belief on the following fact:

- (a) Non-related parties are receiving the same consideration for their shareholdings in Tech Effect, on a pro-rate basis.

However, notwithstanding the above, the Board considered it prudent to seek related party approval for the issue of these Tech Effect Consideration Shares to the McPherson Entity (or its nominee).

Information Required by ASX Listing Rule 10.13

The following information in relation to the issue of these Tech Effect Consideration Shares to the McPherson Entity (or its nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The related party is Mr Scott McKenzie McPherson ATF Scott MacPherson Family Trust (or its nominee). Mr McPherson is a proposed Director of the Company.
- (b) The maximum number of Tech Effect Consideration Shares to be issued to the McPherson Entity (or its nominee) is 176,559,780.
- (c) These Tech Effect Consideration Shares will be issued by 16 May 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) These Tech Effect Consideration Shares are deemed to have an issue price of 2 cents per Share.
- (e) These Tech Effect Consideration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Tech Effect Consideration Shares are being issued as part of the Tech Effect Consideration to enable the Company to acquire 100% of the issued share capital of Tech Effect pursuant to the Tech Effect Acquisition.
- (g) All Tech Effect Consideration Shares (including these being issued to the McPherson Entity (or its nominee)) will be voluntarily escrowed as follows:
 - a. All escrowed for 12 months following completion of Tech Effect Acquisition;
 - b. Two thirds escrowed for 24 months following completion of Tech Effect Acquisition; and
 - c. One third escrowed for 36 months following completion of Tech Effect Acquisition.

In the event that any escrow requirements imposed by the ASX are more restrictive than the time frames stipulated above, the McPherson Entity (or its nominee) has agreed to be bound by the ASX imposed escrow requirements.

Information Required by Chapter 2E of the Corporations Act

Identity of the related party

- (a) Mr Scott McKenzie McPherson ATF Scott MacPherson Family Trust (or its nominee) is a related party of the Company to whom Resolution 5 would permit the financial benefit to be given.

Nature of the financial benefit and other remuneration to be received by the McPherson Entity

- (b) The nature of the financial benefit to be given to the McPherson Entity (or its nominee) is the issue of 176,559,780 Tech Effect Consideration Shares.
- (c) In addition to the financial benefit outlined above in paragraph (b), for the 2014/2015 financial year, Mr McPherson will also receive other remuneration as follows:
 - a. Salary (including superannuation) of \$200,000.
 - b. Annual incentive payment of up to \$81,217.
 - c. Mr McPherson has agreed to receive no Director fees.
- (d) As noted previously, the Tech Effect Consideration Shares that will be issued to the McPherson Entity (or its nominee) will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (e) The Tech Effect Consideration Shares that will be issued to the McPherson Entity (or its nominee) forms part of the Tech Effect Consideration that is payable to him under the terms of the Tech Effect SPA. As set out in Table 2, there is a cash component to the Tech Effect Consideration. Therefore, in addition to the Tech Effect Consideration Shares noted above, the McPherson Entity (or its nominee) will receive up to \$1,200,000 as part of his cash portion of the Tech Effect Consideration.

Directors' recommendation and basis of financial benefit

- (f) Non-related parties are receiving the same consideration for their shareholdings in Tech Effect, on a pro-rate basis. Therefore, as noted previously, the Board believes that the issue of these Tech Effect Consideration Shares to the McPherson Entity (or its nominee) could arguably fall within the "arm's length terms" exception set out in section 210 of the Corporations Act.
- (g) The Board's view is supported by the Independent Expert's Report prepared by RSM Bird Cameron to determine if the Proposed Transactions are fair and reasonable to the current Shareholders of the Company (IER). A copy of the IER is located at Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions, which includes the issue of Tech Effect Consideration Shares to the McPherson Entity (or its nominee), are fair and reasonable to the current Shareholders of the Company.
- (h) The Board believes that completion of the Proposed Transactions is in the best interests of the Company. Accordingly, the Board believes that the issue of the Tech

Effect Consideration Shares to the McPherson Entity (or its nominee) is also in the best interests of the Company. The Board recommends that Shareholders vote in favour of Resolution 5.

Dilutionary effect to existing Shareholders' interests

Table 11 – Dilutionary effect (All Tech Effect and Breeze Consideration Shares)

Degree of dilution	Shares
Current number of Shares	315,409,857
Issue of all Tech Effect Consideration Shares	441,399,450
Issue of all Breeze Consideration Shares	141,666,667
<u>Total number of Consideration Shares</u>	<u>583,066,117</u>
<u>Total number of Shares upon completion of Proposed Transactions</u>	<u>898,475,974</u>
<u>Percentage of dilution of existing Shareholders' interests</u>	<u>64.90%</u>

Table 12 – Dilutionary effect (Tech Effect Consideration Shares to McPherson Entity)

Degree of dilution	Shares
Current number of Shares	315,409,857
Issue of Tech Effect Consideration Shares to the McPherson Entity (or its nominee)	176,559,780
<u>Total number of Shares upon completion of Proposed Transactions</u>	<u>898,475,974</u>
<u>Percentage of dilution of existing Shareholders' interests</u>	<u>19.65%</u>

- (i) Tech Effect Consideration Shares will not be issued to the McPherson Entity (or its nominee) as a standalone transaction, and will only be issued in the event that all Resolutions under this Notice of Meeting are passed by Shareholders and the Proposed Transactions complete. Therefore, the Board considers that the calculation in Table 11 above is more accurate for the purposes of calculating the projected dilutionary effect on existing Shareholders' interests, compared to the standalone dilutionary effect calculation noted in Table 12.

Existing and potential relevant interests

- (j) The McPherson Entity currently does not, either directly or indirectly, hold any Shares or Options in the Company.
- (k) Table 13 below outlines his potential interest in the Company:

Table 13 – Potential interest (McPherson Entity (or its nominee))

Proposed new Shareholder	No. of Tech Effect Consideration Shares ^(a)	% of Montech (No Capital Raising and undiluted) ^(b)	% of Montech (Capital Raising at min. price complete and undiluted) ^(c)	% of Montech (Capital Raising at min. price complete and fully diluted) ^(d)
McPherson Entity (or its nominee)	176,559,780	19.65%	17.19%	16.01%

Notes:

- (a) All Tech Effect Consideration Shares will be subject to voluntary escrow.
- (b) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).
- (c) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).
- (d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).
- (l) The fully diluted percentages are based on the assumption that all Options are exercised and should be treated with caution as there is no certainty that any of the Options will be exercised.

Independent Expert's Report and valuation of the financial benefit

- (m) Given the size of the Proposed Transactions, the Board of the Company has considered it appropriate for the scope of the IER to cover the Proposed Transactions as a whole (which includes a valuation of the financial benefit being provided to the vendors of the Proposed Transactions (which includes related parties)), which provides an opinion on the fairness and reasonableness of the Proposed Transactions to the current non-associated Shareholders of the Company. A copy of the IER, prepared by RSM Bird Cameron, is contained in Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.
- (n) Valuation of Tech Effect is set out in section 9 of the IER. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 5.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

RESOLUTION 6 – APPROVAL OF FUTURE ISSUE OF BREEZE CONSIDERATION SHARES TO MICHAEL BADRAN

The Company seeks approval for the issue and allotment of 70,833,334 fully paid ordinary shares of the Company, as part of the Breeze Consideration Shares pursuant to the Breeze Acquisition, to Mr Michael Badran (or his nominee).

Mr Badran is not considered to be a related party for the purposes of the Corporations Act and ASX Listing Rules, as he will not be joining the New Board of the Company post completion of the Proposed Transactions. The projected shareholding of Mr Badran (or his nominee) and the dilutionary effect it will have on existing Shareholders is set out in Table 4 and the Table below.

Table 14 – Potential interest (Michael Badran (or his nominee))

Proposed new Shareholder	No. of Breeze Consideration Shares ^(a)	% of Montech (No Capital Raising and undiluted) ^(b)	% of Montech (Capital Raising at min. price complete and undiluted) ^(c)	% of Montech (Capital Raising at min. price complete and fully diluted) ^(d)
Mr Badran (or his nominee)	70,833,334	7.88%	6.90%	6.42%

Notes:

^(a) All Breeze Consideration Shares will be subject to voluntary escrow.

^(b) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

^(c) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

^(d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

In addition to the Breeze Consideration Shares noted above, Mr Badran (or his nominee) will receive up to \$375,000 as part of his cash portion of the Breeze Consideration.

The effect of this Resolution is for Shareholders to approve the issue of the Breeze Consideration Shares to Mr Badran (or his nominee) and for the issue of these Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these Shares without using the Company's annual 15% placement capacity.

Given the size of the Proposed Transactions, the Board of the Company has considered it appropriate for the scope of the IER to cover the Proposed Transactions as a whole (which includes the issue of Shares to Mr Michael Badran (or his nominee)), which provides an opinion on the fairness and reasonableness of the Proposed Transactions to the current non-associated Shareholders of the Company. A copy of the IER, prepared by RSM Bird Cameron, is contained in Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 6.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

Information Required by ASX Listing Rule 7.3

The following information in relation to the issue of the Breeze Consideration Shares to Mr Badran (or his nominee) is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of Breeze Consideration Shares to be issued is 70,833,334.
- (b) These Breeze Consideration Shares will be issued by 16 July 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These Breeze Consideration Shares are deemed to have an issue price of 3 cents per Share.
- (d) The allottee is Mr Michael Badran (or his nominee), who is receiving these Breeze Consideration Shares as part of the Breeze Consideration pursuant to the Breeze Acquisition. Mr Badran is not a related party of the Company for the purposes of the Corporations Act and the ASX Listing Rules.
- (e) These Breeze Consideration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Breeze Consideration Shares are being issued as part of the Breeze Consideration to enable the Company to acquire 100% of the issued share capital of Breeze pursuant to the Breeze Acquisition.
- (g) All Breeze Consideration Shares (including these being issued to Mr Badran (or his nominee) will be voluntarily escrowed as follows:
 - a. All escrowed for 12 months following completion of Breeze Acquisition;
 - b. Two thirds escrowed for 24 months following completion of Breeze Acquisition; and
 - c. One third escrowed for 36 months following completion of Breeze Acquisition.

In the event that any escrow requirements imposed by the ASX are more restrictive than the time frames stipulated above, Mr Badran (or his nominee) has agreed to be bound by the ASX imposed escrow requirements.

RESOLUTION 7 – RELATED PARTY APPROVAL OF FUTURE ISSUE OF BREEZE CONSIDERATION SHARES TO NICOLA PAGE

Ms Nicola (Nicki) Page has over 20 years in the IT industry in both the UK and Australia as a Computer Scientist. She was appointed as a Director and Chief Executive Officer of Breeze in 2013, having joined Breeze a year earlier as a Business Development Manager. With a background in Technical and Sales with companies such as KAZ Computing and Microsoft, she spearheaded efforts to develop a sales and marketing strategy and business capability for Breeze, as the business transitioned from a traditional services company to a cloud solutions & products business. Nicki was recently awarded in the industry as the 2014 ARN Women in ICT Entrepreneur of the year.

In the event that the Proposed Transactions complete, Ms Page will join the New Board as an Executive Director and Chief Executive Officer of the Company. Shareholder approval for the election of Ms Page as a Director of the Company is being sought under Resolution 11 of this Notice of Meeting.

ASX Listing Rule 10.11 provides that a listed company must not issue equity securities to a related party without Shareholder approval.

A “related party” for the purposes of the ASX Listing Rules is widely defined and includes a director of a public company or a spouse of a director of a public company. The definition of ‘related party’ also includes a person whom there is reasonable grounds to believe will become a “related party” of a public company in the future.

Given that Ms Page is proposed to join the New Board, there are reasonable grounds to believe that she will become a “related party” of the Company. Therefore, for the purposes of Chapter 2E of the Corporations Act, Ms Page is a related party and the issue of securities to her (or her nominee) constitutes the giving of a financial benefit.

Under this Resolution, the Company seeks approval for the issue and allotment of 70,833,333 Breeze Consideration Shares to Ms Page (or her nominee) as part of the Breeze Consideration pursuant to the Breeze Acquisition.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The Board believes that the issue of these Breeze Consideration Shares to Ms Page (or her nominee) could fall within the “arm’s length terms” exception set out in section 210 of the Corporations Act. The Board have based their belief on the following fact:

- (a) Mr Badran, being a non-related party is receiving the same consideration for his shareholding in Breeze, on a pro-rate basis.

However, notwithstanding the above, the Board considered it prudent to seek related party approval for the issue of these Breeze Consideration Shares to Ms Page (or her nominee).

Information Required by ASX Listing Rule 10.13

The following information in relation to the issue of these Breeze Consideration Shares to Ms Page (or her nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The related party is Ms Nicola Page, a proposed Director of the Company.
- (b) The maximum number of Breeze Consideration Shares to be issued to Ms Page (or her nominee) is 70,833,333.
- (c) These Breeze Consideration Shares will be issued by 16 May 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) These Breeze Consideration Shares are deemed to have an issue price of 3 cents per Share.
- (e) These Breeze Consideration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Breeze Consideration Shares are being issued as part of the Breeze Consideration to enable the Company to acquire 100% of the issued share capital of Breeze pursuant to the Breeze Acquisition.
- (g) All Breeze Consideration Shares (including these being issued to Ms Page (or her nominee)) will be voluntarily escrowed as follows:
 - a. All escrowed for 12 months following completion of Breeze Acquisition;
 - b. Two thirds escrowed for 24 months following completion of Breeze Acquisition; and
 - c. One third escrowed for 36 months following completion of Breeze Acquisition.

In the event that any escrow requirements imposed by the ASX are more restrictive than the time frames stipulated above, Ms Page (or her nominee) has agreed to be bound by the ASX escrow requirements.

Information Required by Chapter 2E of the Corporations Act

Identity of the related party

- (a) Ms Page is a related party of the Company to whom Resolution 7 would permit the financial benefit to be given.

Nature of the financial benefit and other remuneration to be received by Ms Page

- (b) The nature of the financial benefit to be given to Ms Page is the issue of 70,833,333 Breeze Consideration Shares.
- (c) In addition to the financial benefit outlined above in paragraph (b), for the 2014/2015 financial year, Ms Page will also receive other remuneration as follows:
 - a. Salary (not including superannuation) of \$250,000.
 - b. Ms Page has agreed to receive no Director fees.

- (d) As noted previously, the Breeze Consideration Shares that will be issued to Ms Page (or her nominee) will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (e) The Breeze Consideration Shares that will be issued to Ms Page (or her nominee) forms part of the Breeze Consideration that is payable to her under the terms of the Breeze SPA. As set out in Table 4, there is a cash component to the Breeze Consideration. Therefore, in addition to the Breeze Consideration Shares noted above, Ms Page (or her nominee) will receive up to \$375,000 as part of her cash portion of the Breeze Consideration.

Directors' recommendation and basis of financial benefit

- (f) Mr Badran, being a non-related party is receiving the same consideration for his shareholding in Breeze, on a pro-rate basis. Therefore, as noted previously, the Board believes that the issue of these Breeze Consideration Shares to Ms Page (or her nominee) could arguably fall within the "arm's length terms" exception set out in section 210 of the Corporations Act.
- (g) The Board's view is supported by the Independent Expert's Report prepared by RSM Bird Cameron to determine if the Proposed Transactions are fair and reasonable to the current Shareholders of the Company (**IER**). A copy of the IER is located at Annexure A of this Notice of Meeting. The IER has concluded that the Proposed Transactions, which includes the issue of Breeze Consideration Shares to Ms Page (or her nominee), are fair and reasonable to the current Shareholders of the Company.
- (h) The Board believes that completion of the Proposed Transactions is in the best interests of the Company. Accordingly, the Board believes that the issue of the Breeze Consideration Shares to Ms Page (or her nominee) is also in the best interests of the Company. The Board recommends that Shareholders vote in favour of Resolution 7.

Dilutionary effect to existing Shareholders' interests

Table 15 – Dilutionary effect (All Breeze and Tech Effect Consideration Shares)

Degree of dilution	Shares
Current number of Shares	315,409,857
Issue of all Breeze Consideration Shares	141,666,667
Issue of all Tech effect Consideration Shares	441,399,450
<u>Total number of Consideration Shares</u>	<u>583,066,117</u>
<u>Total number of Shares upon completion of Proposed Transactions</u>	<u>898,475,974</u>
<u>Percentage of dilution of existing Shareholders' interests</u>	<u>64.90%</u>

Table 16 – Dilutionary effect (Breeze Consideration Shares to Ms Page)

Degree of dilution	Shares
Current number of Shares	315,409,857
Issue of Breeze Consideration Shares to Ms Page (or her nominee)	70,833,333
<u>Total number of Shares upon completion of Proposed Transactions</u>	<u>898,475,974</u>
<u>Percentage of dilution of existing Shareholders' interests</u>	<u>7.88%</u>

- (i) Breeze Consideration Shares will not issued to Ms Page (or her nominee) as a standalone transaction, and will only be issued in the event that all Resolutions under this Notice of Meeting are passed by Shareholders and the Proposed Transactions complete. Therefore, the Board considers that the calculation in Table 15 above is more accurate for the purposes of calculating the projected dilutionary effect on existing Shareholders' interests, compared to the standalone dilutionary effect calculation noted in Table 16.

Existing and potential relevant interests

- (j) Ms Page currently does not, either directly or indirectly, hold any Shares or Options in the Company.
- (k) Table 17 below outlines her potential interest in the Company:

Table 17 – Potential interest (Nicola Page (or her nominee))

Proposed new Shareholder	No. of Breeze Consideration Shares ^(a)	% of Montech (No Capital Raising and undiluted) ^(b)	% of Montech (Capital Raising at min. price complete and undiluted) ^(c)	% of Montech (Capital Raising at min. price complete and fully diluted) ^(d)
Ms Page (or her nominee)	70,833,333	7.88%	6.90%	6.42%

Notes:

(a) All Breeze Consideration Shares will be subject to voluntary escrow.

(b) Following completion of the Proposed Transactions, but prior to completion of Capital Raising and undiluted. These percentages are based on a total sum of 898,475,974 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

(c) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and undiluted. These percentages are based on a total sum of 1,027,004,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares).

(d) Following completion of the Proposed Transactions, Capital Raising (\$4M raised at 3.5 cents per Share) and fully diluted. These percentages are based on a total sum of 1,102,504,545 fully paid ordinary shares of the Company, which have been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares) + 2,242,857 (issue of Shares to SBN) + 12,000,000 (full subscription of Employee Shares) + 114,285,714 (full subscription of New Shares) + 75,500,001 (Exercise of all existing options).

- (l) The fully diluted percentages are based on the assumption that all Options are exercised and should be treated with caution as there is no certainty that any of the Options will be exercised.

Independent Expert's Report and valuation of the financial benefit

- (m) Given the size of the Proposed Transactions, the Board of the Company has considered it appropriate for the scope of the IER to cover the Proposed Transactions as a whole (which includes a valuation of the financial benefit being provided to the vendors of the Proposed Transactions (which includes related parties)), which provides an opinion on the fairness and reasonableness of the Proposed Transactions to the current non-associated Shareholders of the Company. A copy of the IER, prepared by RSM Bird Cameron, is contained in Annexure A of this Notice of Meeting.

The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

- (n) Valuation of Breeze is set out in section 10 of the IER. The IER has concluded that the Proposed Transactions are fair and reasonable to the current Shareholders of the Company.

Shareholders are urged to carefully read the IER before deciding how to vote on Resolution 7.

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

RESOLUTION 8 – APPROVAL OF FUTURE ISSUE OF SHARES TO SAVVY BY NATURE PTY LTD

The Company seeks approval for the issue and allotment of 2,242,857 fully paid ordinary shares to Savvy By Nature Pty Ltd (**SBN**), a third party who has agreed to provide a cash loan to Breeze for the continued funding of OneBet.

The issue of Shares will be made, as part of a debt to equity conversion, to fully satisfy Breeze's debt to SBN.

The effect of this Resolution is for Shareholders to approve the issue of Shares to SBN (or its nominee) and for the issue of these Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these Shares without using the Company's annual 15% placement capacity.

Information Required by ASX Listing Rule 7.3

The following information in relation to the issue of Shares to SBN is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of Shares to be issued is 2,242,857.
- (b) These Shares will be issued by 16 July 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These Shares are deemed to have an issue price of 2.8 cents per Share.
- (d) The allottee is SBN (or its nominee).
- (e) These Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) These Shares are being issued as part of the debt to equity conversion, to fully satisfy Breeze's debt to SBN.
- (g) None of these Shares will be escrowed as ASX have confirmed that these Shares will be granted cash formula relief pursuant to the ASX Listing Rules.

Part B: Capital Raising

Background

As part of the Company's strategy to develop, build and acquire a number of complementary technology-focused businesses, the Company proposes to acquire 100% of the issued capital in Tech Effect and Breeze.

The Company proposes to fund the cash components of the Tech Effect Acquisition (up to \$3,000,000) and the Breeze Acquisition (up to \$750,000) by raising up to \$4,300,000 via a Prospectus that will be issued by the Company, in the event that Shareholder approval is obtained for all the Resolutions under this Notice of Meeting.

The Prospectus will have two offers, as follows:

Table 18 – Details of Offers

Type of Offer	Terms of Offer
Employee Shares Offer	For the offer of a minimum of \$2,000 worth of Employee Shares per eligible applicant, up to 12,000,000 Shares (Employee Shares) at an issue price of 2.5 cents (\$0.025) per Employee Share, to employees of Tech Effect and Breeze who are invited to subscribe for Employee Shares under the Prospectus pursuant to the Capital Raising, to raise up to \$300,000.
New Shares Offer	For the offer of up to 114,285,714 Shares (New Shares) at a minimum issue price of 3.5 cents (\$0.035) per New Share, to investors who are invited to subscribe for New Shares under the Prospectus pursuant to the Capital Raising, to raise \$4,000,000.

Shareholder approval for the issue of Employee Shares and New Shares are considered in Resolutions 9 and 10 under this Notice of Meeting, respectively.

The pro-forma capital structure of the Company will depend on the level of subscription achieved by the Company under a Prospectus and the price at which the New Shares Offer is conducted by the Company.

In the event that the Prospectus is fully subscribed and the New Shares are priced at 3.5 cents per New Share, the projected share capital of the Company will be as follows:

Table 19 – Pro-forma capital structure (3.5 cents per New Share)

Capital Structure	Shares
Total number of Shares upon completion of Proposed Transactions ^(a)	898,475,974
Issue of Shares to SBN under debt/equity conversion	2,242,857
Employee Shares Offer (fully subscribed)	12,000,000
New Shares Offer (3.5 cents per New Share)	114,285,714
<u>Total number of Shares on issue</u>	<u>1,027,004,545</u>

Notes:

^(a) Following completion of the Proposed Transactions and undiluted. This figure has been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

In the event that the Prospectus is fully subscribed and the New Shares are priced at 4.0 cents per New Share, the projected share capital of the Company will be as follows:

Table 20 – Pro-forma capital structure (4.0 cents per New Share)

Capital Structure	Shares
Total number of Shares upon completion of Proposed Transactions ^(a)	898,475,974
Issue of Shares to SBN under debt/equity conversion	2,242,857
Employee Shares Offer (fully subscribed)	12,000,000
New Shares Offer (4.0 cents per New Share)	100,000,000
<u>Total number of Shares on issue</u>	<u>1,012,718,831</u>

Notes:

^(a) Following completion of the Proposed Transactions and undiluted. This figure has been calculated as follows: 315,409,857 (current share capital) + 441,399,450 (Tech Effect Consideration Shares) + 141,666,667 (Breeze Consideration Shares).

RESOLUTION 9 – APPROVAL FOR FUTURE ISSUE OF EMPLOYEE SHARES PURSUANT TO CAPITAL RAISING

This Resolution seeks Shareholder approval to issue and allot of a minimum of \$2,000 worth of Employee Shares per eligible applicant, up to 12,000,000 Employee Shares to employees of Tech Effect and Breeze who are invited to subscribe for Employee Shares in the Company, at an issue price of 2.5 cents (\$0.025) per Employee Share, to raise up to \$300,000 under the Prospectus pursuant to the Capital Raising.

The effect of this Resolution is for Shareholders to approve the issue of these Employee Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these Employee Shares without using the Company's annual 15% placement capacity.

Information Required by ASX Listing Rule 7.3

The following information in relation to these Employee Shares is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of Employee Shares to be issued is 12,000,000.
- (b) These Employee Shares will be issued by 16 July 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These Employee Shares will be offered at an issue price of 2.5 cents (\$0.025) per Employee Share.
- (d) The allottees are employees of Tech Effect and Breeze invited to subscribe for Employee Shares under the Prospectus pursuant to the Capital Raising.
- (e) These Employee Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) Funds raised pursuant to this Resolution will primarily be used by the Company towards the cash components of the Tech Effect Consideration and/or the Breeze Consideration. Any remaining funds will be applied by the Company towards general working capital purposes.

RESOLUTION 10 – APPROVAL FOR FUTURE ISSUE OF NEW SHARES PURSUANT TO CAPITAL RAISING

This Resolution seeks Shareholder approval to issue and allot up to 114,285,714 New Shares to investors who are invited to subscribe for New Shares in the Company, at a minimum issue price of 3.5 cents (\$0.035) per New Share, to raise \$4,000,000 under the Prospectus pursuant to the Capital Raising.

The effect of this Resolution is for Shareholders to approve the issue of these New Shares to fall within an exception to ASX Listing Rule 7.1, which will allow the Directors to issue these New Shares without using the Company's annual 15% placement capacity.

Information Required by ASX Listing Rule 7.3

The following information in relation to these New Shares is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of New Shares to be issued is 114,285,714.
- (b) These New Shares will be issued by 16 July 2015 (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) These New Shares will be offered at a minimum issue price of 3.5 cents (\$0.035) per New Share.
- (d) The allottees are investors invited to subscribe for New Shares under the Prospectus pursuant to the Capital Raising.
- (e) These New Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (f) Funds raised pursuant to this Resolution will primarily be used by the Company towards the cash components of the Tech Effect Consideration and/or the Breeze Consideration. Any remaining funds will be applied by the Company towards general working capital purposes.

Part C: New Board

RESOLUTIONS 11, 12 and 13 – ELECTION OF DIRECTORS

Set out below is a summary of the backgrounds of the Directors being elected to the New Board.

Ms Nicola (Nicki) Page, Executive Director and Chief Executive Officer – Resolution 11

As noted previously in the Explanatory Statement, Nicki has over 20 years in the IT industry in both the UK and Australia as a Computer Scientist. She was appointed as a Director and Chief Executive Officer of Breeze in 2013, having joined Breeze a year earlier as a Business Development Manager. With a background in Technical and Sales with companies such as KAZ Computing and Microsoft, she spearheaded efforts to develop a sales and marketing strategy and business capability for Breeze, as the business transitioned from a traditional services company to a cloud solutions & products business. Nicki was recently awarded in the industry as the 2014 ARN Women in ICT Entrepreneur of the year.

Post-completion of the Proposed Transactions, Nicki intends to continue in her role as CEO of Breeze. In addition, she proposes to join the New Board of the Company as an Executive Director, as well as take on the role as CEO of the merged Montech group.

Mr Joe D’Addio, Executive Director and Chief Operating Officer – Resolution 12

As noted previously in the Explanatory Statement, Joe is a co-founder and Director of Tech Effect. Joe has over 35 years’ experience in the IT industry, with a particular focus on areas of professional services, system and network engineering and technology consulting. Over the last 20 years, he has held a number of key management and director positions, building and leading businesses in the IT industry, specifically with Com Tech Communications and Dimension Data.

Post-completion of the Proposed Transactions, Joe intends to continue in his executive role with Tech Effect. In addition, he proposes to join the New Board of the Company as an Executive Director, as well as take on the role as COO of the merged Montech group.

Mr Scott McPherson, Executive Director – Resolution 13

As noted previously in the Explanatory Statement,

Scott is a Director and co-founder of Tech Effect. Since forming the company in 2005, Tech Effect has grown from providing Infrastructure related Integration Services, to offering Consulting and Managed Services to assist their clients overcome both business and technical ICT related challenges.

Scott’s position draws upon more than two decades of industry experience where he has worked for iconic market leaders Com Tech Communications and Dimension Data.

During this time, Scott has honed his engineering, management and people skills to create a customer-centric organisation that develops solutions that solve real business problems. These traits have contributed to building Tech Effect into the successful, highly respected organisation it is today.

As the business has grown, Scott's responsibilities have evolved to focus on managing the Integration Services Practice, along with setting the vision and go to market strategy for the 'Cloud World'.

Scott's technology career started at Queensland University of Technology where he studied for his Bachelor of Business degree in Information Management.

Post-completion of the Proposed Transactions, Scott intends to continue in his executive role with Tech Effect. In addition, he proposes to join the New Board of the Company as an Executive Director of the merged Montech group.

Directors' Recommendation

Given their experience with the businesses subject of the Proposed Transactions, the Board considers that the appointment of these Tech Effect and Breeze executives to the New Board is in the best interests of the Company.

The Board unanimously recommends that Shareholders vote in favour of Resolutions 11, 12 and 13.

ENQUIRIES

Shareholders are asked to contact the Company Secretary, on (+61 2) 8072 1400 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

ASIC means Australian Securities and Investment Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the current board of Directors of the Company.

Breeze means Breeze Training Pty Ltd (ACN 085 353 715) of Suite 5A, 2 New McLean Street, Edgecliff NSW 2027.

Breeze Acquisition means the proposed acquisition of 100% of the issued capital in Breeze, as announced by the Company on 3 October 2014.

Breeze Considerations means the Breeze Considerations Shares and the cash payment of up to \$750,000 to the Breeze Vendors, pursuant to the terms of the Breeze SPA, to acquire 100% of the issued capital in Breeze.

Breeze Consideration Shares means 141,666,667 fully paid ordinary shares in the Company, which will form part of the Breeze Consideration, to acquire 100% of the issued capital in Breeze.

Breeze SPA means the Share Sale and Purchase Agreement between the Company, Breeze and the Breeze Vendors, the execution of which was announced by the Company on 3 February 2015.

Breeze Vendors means the shareholders of Breeze, as identified in the Breeze SPA.

Business Day means a day on which trading takes place on the stock market of ASX.

Capital Raising means collectively, the New Shares Offer and the Employee Shares Offer, which will be conducted via the Prospectus, under which the Company will raise a minimum of \$4,000,000.

Company or **MOQ** means Montech Holdings Limited (ACN 050 240 330) of Level 5, 137-139 Bathurst Street, Sydney NSW 2000.

Corporations Act means the *Corporations Act* 2001 (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Dollar or “\$” means Australian dollars.

Edwards Entity means Mrs Kathy Louise Edwards ATF Jokat Investment Trust (or its nominee).

Employee Shares means up to 12,000,000 Shares at an issue price of 2.5 cents (\$0.025) per Share that will be offered as part of the Employee Shares Offer, which will be conducted under the Prospectus.

Employee Shares Offer means the offer of Employee Shares to employees of Tech Effect and Breeze, who will be invited to subscribe for Employee Shares under the Prospectus pursuant to the Capital Raising, to raise up to \$300,000.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Extraordinary General Meeting or **Meeting** means the meeting of the Company's members convened by this Notice of Meeting.

Goggin Entity means Mr Matthew Charles Goggin & Mrs Romily Jane Goggin ATF Goggin Family Trust (or its nominee).

ICT means Information and Communications Technology.

IER means an Independent Expert's Report prepared by RSM Bird Cameron which is contained in Annexure A of this Notice of Meeting.

McPherson Entity means Mr Scott McKenzie McPherson ATF Scott MacPherson Family Trust (or its nominee).

Minimum Escrow Restrictions means the minimum escrow periods by which the Tech Effect Vendors and Breeze Vendors have agreed to be bound by, subject to any further restrictions imposed by ASX.

New Board means the proposed board of the Directors of the Company, following completion of the Proposed Transactions.

New Shares means up to 114,285,714 Shares at a minimum issue price of 3.5 cents (\$0.035) per Share that will be offered as part of the New Shares Offer, which will be conducted under the Prospectus.

New Shares Offer means the offer of New Shares to investors who are invited to subscribe for New Shares under the Prospectus pursuant to the Capital Raising, to raise \$4,000,000.

Notice of Meeting or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting dated 13 March 2015 including the Explanatory Statement.

OneBet means collectively, OneBet Trading Pty Ltd (ACN 600 519 579) and OneBet IP Pty Ltd (ACN 600 027 889).

Proposed Transactions means collectively, the Tech Effect Acquisition and the Breeze Acquisition.

Prospectus means the prospectus that will be issued by the Company to conduct the Capital Raising, pursuant to terms of the Tech Effect SPA and Breeze SPA.

Proxy Form means the proxy form attached to this Notice of Meeting.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

RSM Bird Cameron means RSM Bird Cameron Corporate Pty Limited (ACN 050 508 024) of Level 12, 60 Castlereagh Street, Sydney NSW 2000.

SBN means Savvy By Nature Pty Ltd (ACN 169 963 491), a third party that has agreed to provide a cash loan to Breeze for the continued funding of OneBet.

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Tech Effect means Technology Effect Pty Ltd (ACN 112 930 515) of G166 Wickham Terrace, Spring Hill, QLD 4000.

Tech Effect Acquisition means the proposed acquisition of 100% of the issued capital in Tech Effect, as announced by the Company on 3 October 2014.

Tech Effect Considerations means the Tech Effect Considerations Shares and the cash payment of up to \$3,000,000 to the Tech Effect Vendors, pursuant to the terms of the Tech Effect SPA, to acquire 100% of the issued capital in Tech Effect.

Tech Effect Consideration Shares means 441,399,450 fully paid ordinary shares in the Company, which will form part of the Tech Effect Consideration, to acquire 100% of the issued capital in Tech Effect.

Tech Effect SPA means the Share Sale and Purchase Agreement between the Company, Tech Effect and the Tech Effect Vendors, the execution of which was announced by the Company on 3 February 2015.

Tech Effect Vendors means the shareholders of Tech Effect, as identified in the Tech Effect SPA.

Montech Holdings Limited

ACN 050 240 330

Proxy Form

STEP 1: APPOINT A PROXY TO VOTE ON YOUR BEHALF

Full name of security holder(s):.....

Address:.....

I/We being a member/s of Montech Holdings Limited (ACN 050 240 330) ("**Company**") and entitled to attend and vote at the meeting of the Company to be held at 10:00am (AEST) on 16 April 2015 appoint:

☐

the Chairman of the meeting.

OR

☐

(mark box)

(mark box)

.....
(Full name of proxy or the office of the proxy)

or if the person or body corporate named above fails to attend the Extraordinary General Meeting, or if no person/body corporate is named, the Chairman of the Extraordinary General Meeting as my/our proxy to attend that meeting and vote on my/our behalf at that Extraordinary General Meeting and any adjournment or postponement of that Extraordinary General Meeting in accordance with the following directions (or if no directions have been given, as the proxy sees fit). If two proxies are appointed, the proportion of voting rights this proxy represent is%.

STEP 2: VOTING DIRECTIONS ON ALL RESOLUTIONS

You may direct your proxy (which may be the Chairman, if so appointed) on how to vote on Resolutions 1 to 12 (inclusive) by marking one of the boxes with an "X" for each Resolution. If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that particular Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of this Extraordinary General Meeting intends to vote undirected proxies IN FAVOUR ("FOR") of all Resolutions.

I/We direct that my proxy vote in the following manner (please mark relevant boxes with (X) to indicate your directions):

Resolution		For	Against	Abstain*
1	Approval of Change to Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Acquisition of Relevant Interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of Future Issue of Tech Effect Consideration Shares to Matthew Goggin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Related Party Approval of Future Issue of Tech Effect Consideration Shares to Joe D'Addio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Related Party Approval of Future Issue of Tech Effect Consideration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Shares to Scott McPherson			
6	Approval of Future Issue of Breeze Consideration Shares to Michael Badran	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Related Party Approval of Future Issue of Breeze Consideration Shares to Nicola Page	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval of Future Issue of Shares to Savvy By Nature Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Approval of Future Issue of Employee Shares pursuant to Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Approval of Future Issue of New Shares pursuant to Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Election of Ms Nicola Page as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Election of Mr Joe D'Addio as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Election of Mr Scott McPherson as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Please note if you mark **abstain**, you are directing your proxy not to vote on that Resolution.

STEP 3: SIGNATURE OF SECURITYHOLDER(S)

	Individual or Securityholder 1	Securityholder 2	Securityholder 3

	Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Date:	/ /	/ /	/ /

In addition to signing this Proxy Form, please provide the following information in case we need to contact you:

Contact name	Contact daytime telephone
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STEP 4: LODGING YOUR PROXY FORM

You must lodge your Proxy Form at least 48 hours before the commencement of the Meeting.

Please read carefully and follow the instructions overleaf.

How to complete this Proxy Form

For your proxy vote to be effective, your completed Proxy Form must be received at least 48 hours before the commencement of the Meeting.

Step 1: Appointing a proxy

If you are entitled to attend and vote at the meeting, you may appoint a proxy to attend the meeting and vote on your behalf. A proxy can be an individual or a body corporate and need not be a securityholder. You may select the Chairman of the meeting as your proxy.

Appointing a second proxy: You can appoint up to two proxies. If you appoint two proxies, you must specify the proportion or number of votes each proxy may exercise. If no percentage is specified, each proxy may exercise half of your votes. Fractions of votes will be disregarded. A separate Proxy Form must be used for each proxy.

Default to the Chairman of the meeting: Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote those proxies as directed.

Additional Proxy Forms: You can obtain additional Proxy Forms by telephoning the Company or you may copy this Form. Please lodge both Proxy Forms together.

Step 2: Voting directions

You may direct your proxy how to vote by placing a mark (✕) in one of the boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you mark the "Abstain" box for an item, you are directing your proxy not to vote on that item. If you mark more than one box for an item, your vote on that item will be invalid.

Voting a portion of your holding: You may indicate that only a portion of your voting rights are to be voted on any item by inserting a percentage or the number of securities you wish to vote in the appropriate box or boxes. The total of votes cast, or the percentage for or against, an item must not exceed your voting entitlement or 100%.

No directions: If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses.

Step 3: Signing instructions

Individual: The Proxy Form must be signed by the securityholder personally or by Power of Attorney (see below).

Joint holding: The Proxy Form must be signed by each of the joint securityholders personally or by Power of Attorney (see below).

Power of Attorney: To sign under Power of Attorney, you must have already lodged the Power of Attorney with the Company. If you have not previously lodged that document, please attach a certified copy of the Power of Attorney to this Proxy Form when you return it.

Companies: For a corporate securityholder, if the company has a sole director who is also the sole company secretary, that person must sign this Proxy Form. If the company does not have a company secretary (under section 204A of the Corporations Act 2001 ("Act")), its sole director must sign this Proxy Form. Otherwise, a director must sign jointly with either another director or a company secretary in accordance with section 127 of Act. Please indicate the office held by signing in the appropriate place.

Corporate representative: If a representative of a corporate securityholder or proxy is to attend the meeting, the appropriate *Certificate of appointment of Corporate Representative* must be produced before the meeting. A form of the certificate may be obtained by telephoning the Company.

Step 4: Lodging your Proxy Form

This Proxy Form must be received by the Company at least 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be effective for the meeting. You can return this Proxy Form (and any Power of Attorney under which it is signed):

- **by post** to Montech Holdings Limited, c/- PO Box 231, Brighton NSW 3186;
- **by facsimile** to (+61 2) 9283 1970; or
- **by hand delivery** to Suite 115, 3 Male Street, Brighton VIC 3186.



RSM Bird Cameron Corporate Pty Ltd

**Montech Holdings Limited
Financial Services Guide and
Independent Experts Report
3 March 2015**

Financial Services Guide

RSM Bird Cameron Corporate Pty Ltd ABN 82 050 508 024 (RSM Bird Cameron Corporate or we or us or ours as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (FSG). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under Australian Financial Services Licence No. 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
 - a) basic deposit products;
 - b) deposit products other than basic deposit products.
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engaged us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither RSM Bird Cameron Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Bird Cameron Corporate is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

From time to time, RSM Bird Cameron Corporate, RSM Bird Cameron Partners, RSM Bird Cameron and / or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report to which this FSG is appended.

3 March 2015

The Independent Directors
Montech Holdings Limited
Level 3A, 148 Elizabeth Street
SYDNEY NSW 2000

Dear Directors

Independent Expert's Report (IER or the report)

Introduction

On 3 October 2014, Montech Holdings Limited (Montech or the Company) announced it had entered into Heads of Agreement (the Agreement) to acquire 100% of two Cloud focussed software and service businesses - Technology Effect Pty Limited (Technology Effect) and Breeze Training Pty Limited (Breeze).

Under the terms of the Agreement, Montech will issue cash and shares to the founders / vendors of Technology Effect and Breeze in exchange for all the equity in Technology Effect and Breeze (the Proposed Transactions).

The Proposed Transactions are subject to certain conditions precedent, including the Company completing satisfactory due diligence, receipt of all relevant regulatory approvals and raising \$4.0 million pursuant to a Prospectus (the capital raising) which will be issued subsequent to the Notice of Extraordinary General Meeting and Explanatory Statement (NoM) in which this IER has been included. The Montech directors (the Directors) have determined that any new shares issued in the capital raising will be undertaken with a minimum price of \$0.035 per new Montech ordinary share.

RSM Bird Cameron Corporate Pty Ltd (RSMBCC) has been engaged by the independent directors of Montech to prepare an IER which includes an opinion as to whether, in RSMBCC's view, the proposed acquisitions of Breeze and Technology Effect on the terms set out in the Agreement are fair and reasonable to the shareholders of Montech.

In forming our opinion we have considered the impact of the Proposed Transactions as a whole.

Parties to the Proposed Transactions

Montech

Montech is an Australian public company listed on the Australian Securities Exchange (ASX) with a strategy to develop, build and acquire a number of complementary Cloud focussed technology businesses.

Technology Effect

Technology Effect is a Brisbane based information and communication technology (ICT) business which offers a range of consulting, integration and managed services solutions in the information, communications, technology, infrastructure and Cloud related areas. Founded in 2005, Technology Effect has a focus on mid-tier corporates and the public sector in Queensland and a staff of over 60 people.

Breeze

Breeze is a Sydney based application company with around 20 employees. Its product suite includes application development and Cloud integration products and solutions.

Summary of the Proposed Transactions

Under the terms of the Proposed Transactions, Montech will:

- issue the founders / vendors of Technology Effect with 441,399,450 ordinary shares in the Company and pay them cash of \$3.0 million as consideration for 100% of the equity in Technology Effect. Resolutions 2, 3, 4 and 5 in the NOM seek approval for the proposed Technology Effect acquisition.

After the share issue, the Technology Effect vendors will hold approximately 45% of Montech (fully diluted basis) before any new capital is raised and 40% (fully diluted) after the capital raising (assuming \$4.0 million is raised at \$0.035 per new share); and

- issue the founders / vendors of Breeze with 141,666,667 ordinary shares in the Company and pay them cash of \$750k as consideration for 100% of the equity in Breeze. Resolutions 6 and 7 in the NOM seek approval for the proposed Breeze acquisition.

After the share issue, the Breeze vendors will hold approximately 14% of Montech (fully diluted basis) before any new capital is raised and 13% (fully diluted) after the capital raising (assuming \$4.0 million is raised at \$0.035 per new share).

Conditions precedent to the Proposed Transactions include:

- execution of share sale agreements in a form satisfactory to the parties;
- key personnel entering into employment agreements in a form satisfactory to all parties;
- receipt of ASX, Australian Securities and Investment Commission (ASIC) and other regulatory approvals; and
- approval of the Montech shareholders.

Further, the Agreement specifies certain additional key transactional terms:

- Breeze and Technology Effect will be required to have a minimum level of working capital and cash at the time of completion of the Proposed Transactions;
- Montech shares issued to the vendors will be in escrow as to 100% for 12 months, 66.67% for 24 months and 33.33% for 36 months post completion;
- the Technology Effect transaction is conditional upon Montech successfully completing a capital raising of at least \$4.0 million. We are advised by the Directors of Montech that the capital raising will be completed at not less than \$0.035c per share and that the maximum accepted under the capital raising will be \$4.0 million. Resolution 10 in the NOM seeks approval for the proposed capital raising; and
- the Breeze transaction is conditional upon Montech entering into a share sale agreement to acquire 100% of the shares or business of Technology Effect and completing that transaction.

In addition to the Proposed Transactions, the Directors are seeking approval from shareholders for:

- the issue of up to 12,000,000 shares to employees at \$0.025 per share to raise up to \$300,000 (the employee share offer). Resolution 9 in the NOM seeks approval for the employee share scheme; and
- the issue of 2,242,857 shares to SBN at \$0.028 per share in satisfaction of a debt owed by Breeze to Savvy By Nature Pty Limited (SBN) (the SBN issue). The SBN issue is discussed further in section 5 of this report. Resolution 8 in the NOM seeks approval for the SBN issue.

Should the Proposed Transactions and be approved by the existing shareholders of Montech and the associated capital raising be completed on the terms described herein (assuming maximum proceeds from the capital raising) they will be diluted from 100% of the equity in Montech (undiluted) to around 29% (fully diluted).

Should shareholders approve the employee share offer and the SBN issue, and assuming the employee share offer is fully subscribed and the SBN issue completes, the existing shareholders will be diluted a further 0.4% (fully diluted).

Further detail on the Proposed Transactions, the employee share offer and the SBN issue is included in the shareholder documentation to which this IER is appended. Readers of this report should read the shareholder documentation and other accompanying and related documents in full.

Requirement for this IER

We understand the directors of Montech have received advice that an IER is not required under either the ASX Listing Rules.

We note, however, that the proposed acquisition of Technology Effect may be considered a breach of section 606(1) in Chapter 6 of the Corporations Act, 2001 (the Act) and an IER be required under s 611(7) of the Act (as described below).

The Act

Section 606(1) of the Act provides that, subject to limited specified exemptions, a person must not acquire a 'relevant interest' in issued voting shares in a public company, if as a result of the acquisition any person's voting power in the company would increase from 19.99% or below to 20% or greater. In broad terms, a person has a "relevant interest" in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person's voting power in a company is the number of voting shares in which the person (and its associates) has a relevant interest compared with the total number of voting shares in a company.

Should the Proposed Transactions be approved and subsequently complete, the Technology Effect vendors will (collectively) hold over 20% of the Montech shares, although no single Technology Effect vendor will hold over 20%.

We understand that prior to the Proposed Transactions, the Technology Effect vendors may be deemed to be associates for the purposes of Chapter 6 of the Act as they have entered into a relevant agreement for the purpose of influencing the Montech Board. Should the Proposed Transactions be approved and subsequently complete, however, they will no longer be associates for the purposes of Chapter 6 of the Act.

Section 611(7) provides an exemption to the rule whereby a party (and its associates) are allowed to acquire a relevant interest in shares that would otherwise be prohibited under section 606(1) of the Act if the proposed acquisition is approved in advance by a resolution passed at a general meeting of the company, and:

- no votes are cast in favour of the resolution by the proposed acquirer or respective associates; and
- there was full disclosure to shareholders of all information that was known to the proposed acquirer or its associates or known to the company that was material to a decision on how to vote on the resolution.

Further, section 611 states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC advises the commissioning of an IER in such circumstances and provides guidance on the content.

The directors of Montech have engaged RSMBCC to prepare an IER in which we assess whether the Proposed Transactions are fair and reasonable to Montech's shareholders.

Resolution 2 – Acquisition of Relevant Interest, together with Resolutions 3, 4 and 5, address the proposed Technology Effect acquisition. The proposed acquisition of Technology Effect is conditional upon approval, and completion, of the capital raising (Resolution 10). Further, the proposed Breeze transaction is conditional upon the completion of the proposed Technology Effect acquisition.

Due to the conditionality and interdependence of the proposed acquisitions and the proposed capital raising, for the purposes of assessing the proposed Technology Effect acquisition (in the context of section 611(7)), we have considered the Proposed Transactions a whole.

Accordingly, our opinion in relation to Resolution 2 – Acquisition of a Relevant Interest (pursuant to section 611(7)) has been determined after considering the impact of approval of all resolutions which relate to the Proposed Transactions.

This IER is to be included in the NoM and related documents to be sent to shareholders in relation to the Proposed Transactions.

Basis of evaluation

In determining whether the Proposed Transactions are 'fair' and 'reasonable' to the non-associated shareholders we have given regard to the views expressed by the ASIC in Regulatory Guide 111 – Content of Experts Reports (RG 111).

According to RG 111, in forming an opinion as to whether the Proposed Transactions are fair and reasonable, the expert should:

- consider the Proposed Transactions fair if the value of a Montech share prior to the Proposed Transactions being completed is less than or equal to the value of a Montech share should the Proposed Transactions be approved and completed; and
- assess the Proposed Transactions as reasonable if it is fair or, despite it not being fair, assess it as reasonable if the advantages to Montech shareholders accruing from completing the transaction outweigh the disadvantages.

As discussed above, in forming our opinion we have considered the impact of the Proposed Transactions as a whole. In doing so, we have incorporated the impact of the capital raising in our analysis. We have done so as a successful capital raising is a condition precedent to the Proposed Transactions and we understand the funds raised will be used, inter alia, to contribute to the cash consideration paid to the vendors.

The basis of evaluation is discussed further at Section 2 of this report.

We have not incorporated the impact of shareholders approving the employee share offer or the SBN issue when forming our opinion on the Proposed Transactions. For illustrative purposes only however, we have conducted, and present herein, limited valuation analysis on the basis that the employee share offer is fully subscribed and the SBN issue completes.

Opinion

In our opinion, and for the reasons set out in the balance of this report (as summarised below), the Proposed Transactions are fair and reasonable to the shareholders of Montech.

Fairness

In order to assess the fairness of the Proposed Transactions, we have valued a share in Montech prior to, and immediately after, the Proposed Transactions to determine whether a Montech shareholder would be better or worse off should the Proposed Transactions be approved.

The Proposed Transactions will be fair when the value of a Montech share post the Proposed Transactions are equal to or greater than the value of a Montech share pre the Proposed Transactions.

Our assessed values are summarised in the table below.

Fairness evaluation	Low \$	High
Value of a Montech share pre the Proposed Transactions (control)	0.0047	0.0047
Value of a Montech share post the Proposed Transactions (minority)	0.010	0.012

Source: RSMBCC analysis

In our opinion, the Proposed Transactions are fair to the shareholders as the value of a Montech share (minority basis) post the Proposed Transactions exceeds the value of a Montech share (control basis) prior to the Proposed Transactions.

For illustrative purposes only, we have estimated the minority value of a Montech share post the Proposed Transactions, and assuming the employee share offer and SBN issue are approved and complete, would remain in the range \$0.010 to \$0.012.

Reasonableness

As the Proposed Transactions are fair, according to RG 111 they must be reasonable. In completing our analysis as to whether the Proposed Transactions are reasonable for the non-associated shareholders, we have also considered:

- The future prospects of Montech if the Proposed Transactions does not proceed; and
- Any other commercial advantages and disadvantages to the non-associated shareholders as a consequence of the Proposed Transactions proceeding.

Future prospects of Montech if the Proposed Transactions do not proceed

The Directors of Montech have advised that prior to the announcement of the Proposed Transactions, the Company actively sought and considered a range of new business ventures, however, none were progressed to the point of executing a formal agreement. Should the Proposed Transactions not proceed (for any reason), the Directors will continue to consider, assess and pursue other technology related acquisitions, as well as the potential development of the Company's existing assets.

Further, if the Proposed Transactions do not proceed, we understand Montech will remain with limited operations in the near term and continue to incur compliance and administrative costs. Depending on the timing to find another transaction, this may necessitate a need to raise additional capital to fund working capital.

Commercial advantages of the Proposed Transactions

In our opinion, key advantages to the existing shareholders in approving the Proposed Transactions are:

- The Proposed Transactions are fair;
- Technology Effect and Breeze are platform acquisitions on which to build a broader base of complementary Cloud focused technology businesses;
- Through the Proposed Transactions, Montech will have access to executive management with a proven track record in the IT industry and who will become actively involved in the direction of the group, complementing the strategy as set by the Board;
- A potential increase in market capitalisation may lead to increased coverage from the investment community, with improved access to equity capital markets and increased liquidity in the Company's shares.
- The Company will have active operations and the potential to earn profits. On a standalone basis, Montech has a limited material operating business and has to meet the cost of administration and compliance from shareholders' funds. The acquisitions of Breeze and Technology Effect may allow the directors to operate Montech profitably and potentially return funds to shareholders through dividends and capital appreciation;
- The Company may be able to restore shareholder value through the opportunity to participate in the future opportunities and any potential commercial upside of the Technology Effect and Breeze businesses;
- No alternatives – the directors have advised there are no alternative offers for Montech shares. Other than a similar 'backdoor' transaction, we consider the likelihood of an alternative transaction for Montech shareholders to be low.

Commercial disadvantages of the Proposed Transactions

In our opinion, key disadvantages to the existing shareholders in approving the Proposed Transactions are:

- Existing Montech shareholders ownership in the Company will be diluted by the shares being received by the Technology Effect and Breeze vendors together with the impact of new shares issued under the capital raising;
- Change of business - the new business model may not fit with the risk profile of the existing shareholders. However, affected shareholders may choose to dispose of their shareholding in these circumstances; and
- Shareholders will lose control of Montech.

The risks identified by the Directors of Montech in relation to the new operations of the Company, should the Proposed Transactions proceed, is included in the NoM.

After consideration of the above matters we are of the opinion that, on balance, the Proposed Transactions are reasonable to the existing shareholders.

Further, in our opinion, should the Proposed Transactions proceed, the disadvantages noted above would not place the Montech shareholders in a worse position than if the Proposed Transactions did not proceed.

Other matters

Our opinion is based solely on information available as at the date of this report.

Our advice does not consider the financial situation, objectives or needs of individual shareholders. The ultimate decision whether to approve the Proposed Transactions should be based on each shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position, and expectations as to value and future market conditions.

If in doubt about the Proposed Transactions or matters dealt with in this IER, shareholders should seek independent professional advice.

RSMBCC's report has been prepared in accordance applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting the shareholders in considering the Proposed Transactions. RSMBCC does not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

No part of this report, including its attachments or any reference to this report may be included in or attached to any document, other than the shareholder documentation to be sent to Montech shareholders in relation to the Proposed Transactions, without the prior written consent of RSMBCC.

RSMBCC's opinion should be considered in conjunction with the information set out in the remainder of this report, including the appendices.

All currency amounts in this report are denominated in Australian dollars unless otherwise stated.

Yours faithfully



Ian Douglas
Director and Authorised Representative
RSM Bird Cameron Corporate Pty Ltd



Glyn Yates
Director and Authorised Representative
RSM Bird Cameron Corporate Pty Ltd

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1. The Proposed Transactions

Under the terms of the Proposed Transactions, Montech will:

- issue the founders / vendors of Technology Effect with 441,399,450 ordinary shares in the Company and pay them cash of \$3.0 million as consideration for 100% of the equity in Technology Effect. After the share issue, the Technology Effect vendors will hold approximately 45% of Montech (fully diluted) before any new capital is raised and 40% (fully diluted) after the capital raising (assuming \$4.0 million is raised at \$0.035 per new share); and
- issue the founders / vendors of Breeze with 141,666,667 ordinary shares in the Company and pay them cash of \$750k as consideration for 100% of the equity in Breeze. After the share issue, the Breeze vendors will hold approximately 14% of Montech (fully diluted) before any new capital is raised and 13% (fully diluted) after the capital raising (assuming \$4.0 million is raised at \$0.035 per new share).

Conditions precedent to the Proposed Transactions include:

- execution of share sale agreements in a form satisfactory to the parties;
- key personnel entering into employment agreements in a form satisfactory to all parties;
- receipt of ASX, Australian Securities and Investment Commission (ASIC) and other regulatory approvals; and
- approval of the Montech shareholders.

Further, the Agreement specifies certain additional key transactional terms:

- Breeze and Technology Effect will be required to have a minimum level of working capital and cash at the time of completion of the Proposed Transactions;
- Montech shares issued to the vendors will be in escrow as to 100% for 12 months, 66.67% for 24 months and 33.33% for 36 months post completion;
- the Technology Effect transaction is conditional upon Montech successfully completing a capital raising of at least \$4.0 million. We are advised by the Directors of Montech that the capital raising will be completed at not less than \$0.035c per share and that the maximum accepted under the capital raising will be \$4.0 million ; and
- the Breeze transaction is conditional upon Montech entering into a share sale agreement to acquire 100% of the shares or business of Technology Effect and completing that transaction.

In addition to the Proposed Transactions, the Directors are seeking approval from shareholders for:

- the issue of up to 12,000,000 shares to employees at \$0.025 per share to raise up to \$300,000; and
- the issue of 2,242,857 shares to SBN at \$0.028 per share in satisfaction of a debt owed by Breeze to SBN. The SBN issue is discussed further in section 5 of this report.

Should the Proposed Transactions and be approved by the existing shareholders of Montech and the associated capital raising be completed on the terms described herein (assuming maximum proceeds from the capital raising) they will be diluted from 100% of the equity in Montech (undiluted) to around 29% (fully diluted).

Shares on issue	Prior to the Proposed Transactions		Post the Proposed Transactions		Post capital raising		Post employee share offer & SBN issue	
Existing shareholders	315,409,857	80%	315,409,857	32%	315,409,857	29%	315,409,857	29%
Technology Effect vendors	-		441,399,450	45%	441,399,450	40%	441,399,450	40%
Breeze vendors	-		141,666,667	14%	141,666,667	13%	141,666,667	13%
Capital raising ¹	-		-		114,285,714	11%	114,285,714	10%
Employee share issue ²	-		-		-		12,000,000	1%
SBN issue ³	-		-		-		2,242,857	0%
Total shares	315,409,857	80%	898,475,974	92%	1,012,761,688	93%	1,027,004,545	93%
Options on issue	78,693,334	20%	78,693,334	8%	76,693,334	7%	76,693,334	7%
Total – fully diluted	394,103,191	100%	977,169,308	100%	1,091,455,022	100%	1,105,697,879	100%

Source: Montech and RSM analysis (rounded)

Notes:

1. Assumes ordinary Montech shares issued at \$0.035 to raise \$4.0 million.
2. Assumes ordinary Montech shares issued at \$0.025 to raise \$300,000
3. Assumes ordinary Montech shares issued at \$0.028 to extinguish Breeze's debt to SBN of \$62,800

Should shareholders approve the employee share offer and the SBN issue, and assuming the employee share offer is fully subscribed and the SBN issue completes, the existing shareholders will be diluted a further 0.4% (fully diluted).

Full details in relation to Technology Effect, Breeze and the Proposed Transactions are included in the shareholder documentation sent to Montech shareholders to which this IER is appended. Montech shareholders should refer to these documents for a detailed description of the Proposed Transactions and the other resolutions being put to shareholders.

2. Purpose and scope of this report

We understand the directors of Montech have received advice that an IER is not required under either the ASX Listing Rules.

We note, however, that the proposed acquisition of Technology Effect may be considered a breach of section 606(1) in Chapter 6 of the Act and an IER be required under s 611(7) of the Act (as described below).

The Act

Section 606(1) of the Act provides that, subject to limited specified exemptions, a person must not acquire a 'relevant interest' in issued voting shares in a public company, if as a result of the acquisition any person's voting power in the company would increase from 19.99% or below to 20% or greater. In broad terms, a person has a "relevant interest" in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person's voting power in a company is the number of voting shares in which the person (and its associates) has a relevant interest compared with the total number of voting shares in a company.

Should the Proposed Transactions be approved and subsequently complete, the Technology Effect vendors will (collectively) hold over 20% of the Montech shares, although no single Technology Effect vendor will hold over 20%.

We understand that prior to the Proposed Transactions, the Technology Effect vendors may be deemed to be associates for the purposes of Chapter 6 of the Act as they have entered into a relevant agreement for the purpose of influencing the Montech Board. Should the Proposed Transactions be approved and subsequently complete, however, they will no longer be associates for the purposes of Chapter 6 of the Act.

Section 611(7) provides an exemption to the rule whereby a party (and its associates) are allowed to acquire a relevant interest in shares that would otherwise be prohibited under section 606(1) of the Act if the proposed acquisition is approved in advance by a resolution passed at a general meeting of the company, and:

- no votes are cast in favour of the resolution by the proposed acquirer or respective associates; and
- there was full disclosure to shareholders of all information that was known to the proposed acquirer or its associates or known to the company that was material to a decision on how to vote on the resolution.

Further, section 611 states that shareholders must be given all information that is material to the decision on how to vote at the meeting. ASIC advises the commissioning of an IER in such circumstances and provides guidance on the content.

The directors of Montech have engaged RSMBCC to prepare an IER in which we assess whether the Proposed Transactions are fair and reasonable to Montech's shareholders.

Resolution 2 – Acquisition of Relevant Interest, together with Resolutions 3, 4 and 5, address the proposed Technology Effect acquisition. The proposed acquisition of Technology Effect is conditional upon approval, and completion, of the capital raising (Resolution 10). Further, the proposed Breeze transaction is conditional upon the completion of the proposed Technology Effect acquisition.

Due to the conditionality and interdependence of the proposed acquisitions and the proposed capital raising, for the purposes of assessing the proposed Technology Effect acquisition (in the context of section 611(7)), we have considered the Proposed Transactions a whole.

Accordingly, our opinion in relation to Resolution 2 – Acquisition of a Relevant Interest (pursuant to section 611(7)) has been determined after considering the impact of approval of all resolutions which relate to the Proposed Transactions.

Basis of evaluation

In determining whether the Proposed Transactions are 'fair' and 'reasonable' to the existing shareholders we have given regard to the views expressed by the ASIC in RG 111.

RG 111

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically it gives guidance to experts on how to evaluate whether or not a Proposed Transactions are 'fair' and 'reasonable'.

RG 111 states that the expert report should focus on:

- The issues facing the security holders for whom the report is being prepared; and
- The substance of the transaction rather than the legal mechanism used to achieve it.

Furthermore RG111 states that in relation to related party transactions the expert's assessment of fair and reasonable should not be applied on a composite test - that is there should be a separate assessment of whether the transaction is "fair and reasonable" as in a control transaction.

Consistent with the guidelines in RG 111, in determining whether the Proposed Transactions are 'fair' and reasonable' to the non-associated shareholders, the analysis undertaken is as follows:

- A comparison of the fair value of an ordinary share in Montech prior to and immediately following the Proposed Transactions, being the 'consideration' for non-associated shareholders – fairness; and
- A review of other significant factors which non-associated shareholders might consider prior to approving or voting against the Proposed Transactions – reasonableness.

In particular, we have considered the advantages and disadvantages of the Proposed Transactions in the event that the Proposed Transactions proceed or do not proceed, including:

- The future prospects of the company if the Proposed Transactions does not proceed; and
- Any other commercial advantages and disadvantages to the non-associated shareholders as a consequence of the Proposed Transactions proceeding.

RG 111.63 states that, generally, an expert need only conduct one analysis of the whether the transaction is fair and reasonable, even where the report has been prepared for a reason other than the transaction being with a related party (e.g. if item 7 s611 approval is also required).

We have not incorporated the impact of shareholders approving the employee share offer or the SBN issue when forming our opinion on the Proposed Transactions. For illustrative purposes only however, we have conducted, and present herein, limited valuation analysis on the basis that the employee share offer is fully subscribed and the SBN issue completes.

3. The Cloud computing industry

Overview

Cloud computing, put simply, means 'internet computing'. The internet is commonly visualized as clouds; hence the term 'Cloud computing' for computation done through the internet. Using Cloud computing, users can access database resources via the internet from anywhere, for as long as they need, without concerns about system maintenance or management.

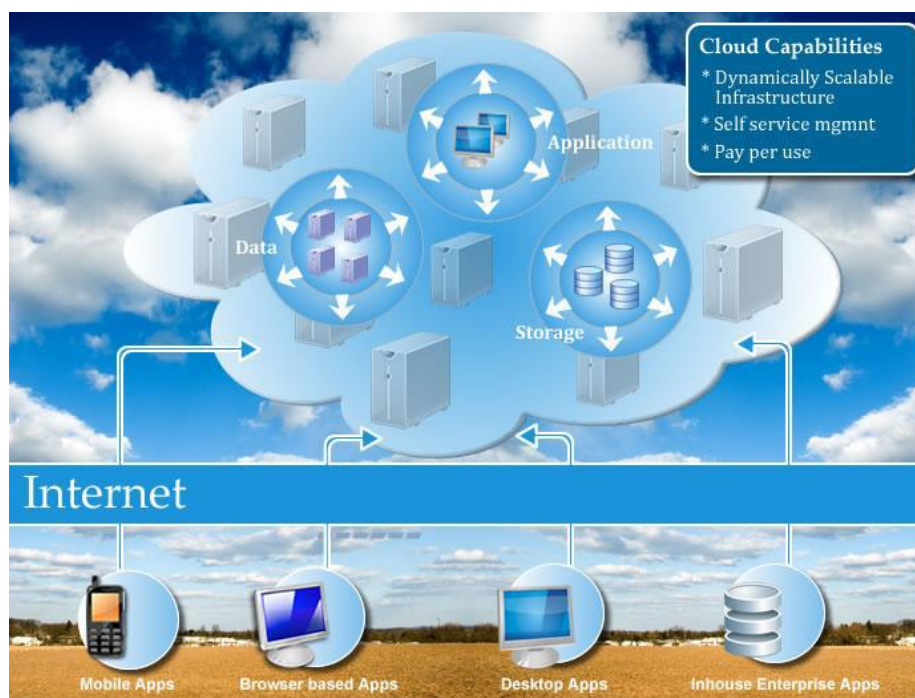
Cloud computing is a computing paradigm, where a large pool of systems are connected in private or public networks, to provide dynamically scalable infrastructure for application, data and file storage. With the advent of Cloud computing and related technology, the cost of computation, application hosting, content storage and delivery is reduced significantly.

In lay terms, Cloud computing allows the use of computer power, files and applications at any time as data and software are located on remote servers rather than on a local computer or server. A Cloud service provider facilitates the process through the provision of IT infrastructure, storage and / or software over a public or private network.

The idea of Cloud computing is based on a very fundamental principal of 'reusability of IT capabilities'. The difference that Cloud computing brings compared to traditional concepts of 'grid computing', 'distributed computing', 'utility computing', or 'autonomic computing' is to broaden horizons across organisational boundaries. The antecedents of Cloud computing date back to the 1950's when the significant cost of computing power led consumers (mainly governments and corporations) to acquire 'mainframes' and access them through dumb terminals.

Forrester defines Cloud computing as: *"A pool of abstracted, highly scalable, and managed compute infrastructure capable of hosting end-customer applications and billed by consumption."*

The diagram below offers a conceptual view of Cloud computing:



Source: Torry Harris – Cloud Computing – An overview

Cloud providers offer services that can be grouped into three categories.

- **Software as a Service (SaaS):** Under the SaaS model, a complete application is offered to the customer, as a service on demand. A single instance of the service runs on the Cloud and multiple end users are serviced. On the customers side, there is no need for upfront investment in servers or software licenses, while for the provider, the costs are lowered, since only a single application needs to be hosted and maintained.

SaaS is offered by companies such as Google, Salesforce, Microsoft and Zoho.

- **Platform as a Service (PaaS):** PaaS is a layer of software, or development environment which is encapsulated and offered as a service, upon which other higher levels of service can be built. The customer has the freedom to build their own applications, which run on the provider's infrastructure. To meet manageability and scalability requirements of the

applications, PaaS providers offer a predefined combination of OS and application servers, such as LAMP platform (Linux, Apache, MySQL and PHP), restricted J2EE and Ruby.

Google's App Engine and Force.com are some of the popular PaaS examples.

- **Infrastructure as a Service (IaaS):** IaaS provides basic storage and computing capabilities as standardised services over the network. Servers, storage systems, networking equipment, data centre space etc. are pooled and made available to handle workloads. The customer would typically deploy their own software on the infrastructure.

Some common examples are Amazon, GoGrid and 3 Tera.

The selection of the Cloud service is customer dependent and will be based on the needs and capabilities in each specific instance.

Public and private Clouds

Enterprises can choose to deploy applications on public, private or hybrid Clouds. Cloud integrators can play a vital part in determining the right Cloud path for each organisation.

Public Cloud – public Clouds are owned and operated by third parties; they deliver superior economies of scale to customers, as the infrastructure costs are spread among a mix of users, giving each individual client an attractive low-cost, "Pay-as-you-go" model. All customers share the same infrastructure pool with limited configuration, security protections, and availability variances. These are managed and supported by the Cloud provider. One of the advantages of a public Cloud is that they may be larger than an enterprises Cloud, thus providing the ability to scale seamlessly, on demand.

Private Clouds – private Clouds are built exclusively for a single enterprise. They aim to address concerns on data security and offer greater control, which is typically lacking in a public Cloud. There are two variations to a private Cloud:

- **On-premise private Clouds** - also known as internal Clouds and are hosted within one's own data centre. This model provides a more standardised process and protection, but is limited in aspects of size and scalability. IT departments also need to incur the capital and operational costs for the physical resources. This is best suited for applications which require complete control and configurability of the infrastructure and security; and
- **Externally hosted private Clouds** - hosted externally with a Cloud provider, where the provider facilitates an exclusive Cloud environment with full guarantee of privacy. This is best suited for enterprises that do not prefer a public Cloud due to sharing of physical resources.

Hybrid Cloud - combines both public and private Cloud models. With a hybrid Cloud, service providers can utilise third party Cloud providers in a full or partial manner thus increasing the flexibility of computing. The hybrid Cloud environment is capable of providing on-demand, externally provisioned scale. The ability to augment a private Cloud with the resources of a public Cloud can be used to manage any unexpected surges in workload.

Cloud computing benefits

The typical benefit from utilisation of a Cloud computing environment are generally stated as:

Reduced IT spend - there are a number of reasons to attribute Cloud technology with lower costs. Capital expense is reduced as major server infrastructure is not directly purchased and recurring expenses are much lower than traditional computing. The billing model is pay as per usage and as the infrastructure is not purchased or owned, maintenance costs should be reduced.

Increased storage availability - with the massive Infrastructure that is offered by Cloud providers, storage and maintenance of large volumes of data is available to most users. Short term workload spikes can be managed effectively and efficiently since the Cloud can scale dynamically.

Flexibility – corporates increasingly have to adapt to changing business conditions and speed to deliver is critical. Cloud computing allows a client to get applications to market very quickly by using the most appropriate building blocks necessary for deployment.

Cloud computing challenges

Despite its growing influence, concerns regarding Cloud computing still remain. Some common challenges identified include:

Data protection - data security is a crucial element that warrants scrutiny. Companies and governments are reluctant to buy the assurance of business data security from vendors due to the concern of losing data to competition and the data confidentiality of consumers. In many instances, the data storage location is not disclosed which may increase the security concerns of certain public enterprises and corporates.

Under traditional computing models, firewalls across data centres (owned by the entities) can protect sensitive information. In the Cloud model, Cloud service providers are responsible for maintaining data security and enterprises have to rely on the providers' security protocols.

Data recovery and availability - all business applications have service level agreements that are stringently followed. Operational teams play a key role in management of service level agreements and runtime governance of applications. In production environments, operational teams support:

- Appropriate clustering and Fail over;
- Data Replication;
- System monitoring (Transactions monitoring, logs monitoring and others);
- Maintenance (Runtime Governance);
- Disaster recovery; and
- Capacity and performance management.

If any of the above is under served by a company's Cloud provider, the impact (both reputational and financial) could be significant.

Management capabilities - despite there being multiple Cloud providers, the management of platform and infrastructure is still in its infancy.

Regulatory and compliance restrictions - In some of the European countries, Government regulations do not allow a customer's personal information and other sensitive information to be physically located outside the state or country. In order to meet such requirements, Cloud providers need to setup a data centre or a storage site exclusively within the country to comply with regulations. Having such an infrastructure may not always be feasible and is a significant challenge for Cloud providers.

Growth in the Cloud computing industry in Australia

According to research conducted by Frost & Sullivan (F&S), and released in their report 'State of Cloud Computing in Australia 2014', Australia's demand for Cloud services is being driven by the increasing use of data intensive applications, which necessitates the use of back-end Cloud applications needed to store and analyse this data.

The Australian Cloud computing market has now emerged from the early adopter stage to the early growth stage of adoption by the wider market. Strong growth in Cloud adoption has continued into 2014 however F&S note it will eventually taper off as the market reaches a higher state of maturity.

In 2013, SaaS, IaaS and PaaS, which together make up the majority of the Australian Cloud computing market, generated revenues of \$1.23 billion. F&S state that the Australian Cloud computing market is expected to grow strongly over the next five years, averaging a CAGR of 30% from 2013 to 2018, when it is forecast to reach revenues of \$4.55 billion. IaaS and PaaS will grow at faster rates than SaaS, albeit from much lower bases.

Cost saving continues to be a key push factor for Cloud with organisations reporting an average IT cost savings of 12% through the use of Cloud computing services. Deterred by the high cost of hiring IT staff, a growing proportion of IT requirements are being outsourced, and IT departments are shrinking in size and number. This trend will continue to be a strong proponent of Cloud computing and is a key reason Australia is one of the leading adopters of Cloud solutions globally according to F&S.

The F&S report also notes that many companies are hesitant to move to the Cloud due to security concerns and is primarily centred on giving away control over key business processes and data. According to F&S, the dynamic nature of the Cloud environment makes it more vulnerable to security threats as IT security requirements increase in complexity. 38% of organisations are more concerned about IT security since adopting Cloud computing, and data security threats remain the key challenge, especially for public Cloud deployments. Few Cloud providers currently provide comprehensive security features built into their services, so companies must implement appropriate security policies to address these issues.

Strong growth in local data centres is alleviating customer concerns surrounding latency and data sovereignty for the IaaS market. Led by Amazon Web Services (AWS), there is intensive price competition in a maturing market resulting in declining margins on IaaS solutions. A fragmented and competitive market, especially at the commodity end of the market with public Cloud services is likely to see consolidation over 2015 and 2016.

4. Profile of Montech

History

Montech was formerly known as Sirius Corporation (Sirius) and commenced trading on the ASX in December 2000. Sirius' principal activity was the ownership and oversight of a number of software and service enterprises.

Sirius was placed into voluntary administration (VA) on 30 August 2013.

The Administrator sought proposals for the reconstruction of the Company, and a proposal put forward by Pager Partners (on behalf of a syndicate of investors) was accepted at a meeting of the Company's creditors on 17 October 2013. The Deed of Company Arrangement (DOCA) was signed on 7 November 2013.

Under the DOCA, \$500,000 was paid to the Deed Administrator for distribution pursuant to the terms of the DOCA. The funds were used to pay the Deed Administrators fees, the Administrators fees and the balance distributed to creditors of the Company. As a result of the payments, all creditors (secured and unsecured) released Sirius from any claims against the Company.

At an Extraordinary General Meeting of the Company held on 7 April 2014, the shareholders of Sirius approved a number of resolutions to effect a restructure and recapitalisation of the company. The approvals sought related to:

- Consolidation of capital on a ratio of 20:1;
- Issue of shares and options under the 'first placement' to raise \$376,875;
- Issue of shares pursuant to a prospectus (the 'second placement') to raise up to \$1,500,000;
- Acquisition of a relevant interest (85.11%) in Sirius by members of a syndicate proposed in the Pager Partners reconstruction plan;
- The re-election of certain directors (Messrs Shein, Pollak, Pager & Fridman);
- A change of company name to Montech;
- Adoption of a new constitution;
- Section 195 (related party) approvals; and
- Appointment on a new auditor.

Montech advised the market that all resolutions were passed at the meeting. A Prospectus was issued on 28 May 2014 to effect the capital raisings contemplated in the NoM and approved by shareholders. The raising was successfully completed and the shares in Montech were readmitted to the Official List on 25 July 2014.

Operating activities

On 27 May 2014, the Company announced that its wholly owned subsidiary, Pinnacle Software (Australia) Pty Limited (PSA), had granted an exclusive perpetual licence to FMTech Pty Limited (FMT) under which FMT can develop and distribute PSA's Pinnacle software in return for an upfront fee and a royalty arrangement. Montech retains a right to act as an approved reseller of the Pinnacle software. The Pinnacle software is an asset management tool covering administrative, equipment, property, fleet and leased assets.

The Company also announced it would review remaining operations with a view to assessing whether the company would benefit from operating other assets which had been retained. The remaining assets / operations include:

- provision of asset management solutions for government and industry using the Pinnacle software;
- provision of fax streaming and call centre support using the Sirius Managed Services software owned by the Company;
- provision of other on-line technologies, products and services;
- design development and acquisition of new software solutions; and
- provision of technology and business process consulting services on assignment that offer low-cost revenue generation.

However, the Directors note that the Administrator had terminated all customer supplier and employee contracts in relation to the Company's assets. Accordingly, the Company had no other revenue generating operating activities as at the date of this report.

According to the Prospectus, the Company intends to assess the acquisition and developments of any investments in the technology and unrelated market sectors. The proposed acquisitions have arisen as a consequence of the operational review.

Financial information

Historical financial performance

Set out below is the historical audited financial performance of Montech for the two years ended 30 June 2014.

We note the auditor issued a disclaimed opinion in relation to the financial statements for the year ended 30 June 2014. The FY 2014 financial statements in which the relevant audit opinion is included can be found on the ASX website.

Montech Financial performance \$ (rounded)	30 June 2013 Audited	30 June 2014 Audited
Revenue		
Services	5,877,108	6,150
Total revenue	5,877,108	6,150
Expenses		
Cost of goods sold	(107,479)	-
Employee costs	(4,758,738)	(44,286)
Occupancy expenses	(412,859)	-
Travel and accommodation	(219,280)	-
Professional and legal fees	(224,673)	(119,903)
Amortisation	(564,542)	-
Depreciation	(61,322)	-
Telecommunication	(114,748)	-
Insurance	(47,026)	(15,192)
Other	(202,700)	(13,616)
Total expenses	(6,713,367)	(192,997)
Loss from operations	(836,259)	(186,847)
Finance costs	(312,241)	-
Provision for doubtful debts	(108,247)	-
Write off income in advance	249,933	-
Impairment charges	(926,446)	-
Creditors claims in administration	(738,298)	-
Other	1,434	-
Total impairment and finance	(1,833,865)	-
Profit before tax	(2,670,124)	(186,846)
Income tax	-	-
Profit from continuing operations after tax	(2,670,124)	(186,846)
Gain from discontinued operations after tax	-	3,406,349
Total profit after tax	(2,670,124)	3,219,502

Source: Montech

In relation the Montech's financial performance for the year ended 30 June 2014, we note:

- The company was placed in VA on 30 August 2013 and did not trade after that date;
- No material revenues were generated during the period;
- Employee benefits included salaries, fees and leave paid to key management;
- Professional fees were the most significant expenses incurred over the period and incorporated legal fees of approximately \$80k.
- Other expenses consist of printing and stationary expenses, fines and other administrative costs.
- The profit from discontinued operations related to the cessation of business and the satisfaction of all creditors claims under the DOCA. The net gain comprised the net of satisfaction of the net liability position of the Company through the DOCA, payment to the creditors trust and the net operating result from the year.
- Other than as described above, the Company has no revenue producing assets.

Financial position

Montech's audited financial position as at 30 June 2013 and 30 June 2014, together with the unaudited financial position at 30 September 2014 is summarised in the table below.

Montech Financial position \$ (rounded)	30 June 2013 Audited	30 June 2014 Audited	30 Sep 2014 Unaudited
Current assets			
Cash and cash equivalents	176,078	857,995	1,181,166
Trade and other receivables	1,289,838	13,217	-
Other assets	1,434	-	-
Total current assets	1,467,350	871,212	1,181,166
Non-current assets			
Property plant and equipment	38,326	4,587	4,587
Intangible assets	645,029	63,636	63,636
Total non-current assets	683,355	68,223	68,223
Total assets	2,150,705	939,435	1,249,389
Current liabilities			
Trade and other payables	1,830,073	206,181	75,714
Short term borrowings	2,577,024	-	-
Other liabilities	1,550,724	-	(15,038)
Short t-term provisions	31,011	-	-
Syndicate loan	-	500,000	-
Funds held in trust for equity yet be issued	-	851,879	-
Total current liabilities	5,988,832	1,558,060	60,676
Total liabilities	5,988,832	1,558,060	60,676
Net assets	(3,838,127)	(618,625)	1,188,713

Source: Montech

In relation to Montech's financial position as at 30 June 2014 and 30 September 2014, we note:

- Cash includes proceeds from the capital raising conducted during 2014;
- Trade and other receivables as at 30 June 2014 relate to a GST refund receivable due from the Australian Taxation Office which was subsequently received;
- Trade and other payables include in accrued expenses relating to accounting, consulting, legal and audit fees;
- Other liabilities includes approximately \$20,000 of income tax and GST receivable;
- The Syndicate loan was provided under the DOCA and the funds have been used to pay the Administrator's fees and to satisfy the pre VA creditors of the Company; and
- The funds held in trust relate to the capital raising conducted in May 2014.

Montech directors

As at the date of this report, the directors of Montech were:

Individual	Position
Mr David Shein	Non-Executive Chairman
Mr Michael Pollak	Non-Executive Director
Mr Jonathan Pager	Non-Executive Director
Mr Joseph Fridman	Non-Executive Director

Source: Montech

A summary of the Directors' qualifications and experience has been provided to the existing shareholders in previous shareholder communications.

Montech capital structure

Montech's capital structure consists of a single class of ordinary share. Montech holds no debt as at the date of this report.

Share capital

The following table illustrates the company's top twenty shareholders as at the 7 November 2014.

Shareholder	Ordinary shares	Percentage of total
Monash Private Capital Pty Ltd	143,950,000	45.64%
United Equity Partners Pty Ltd	19,800,000	6.28%
Holloway Cove Pty Ltd	18,000,000	5.71%
Davcol Nominees Pty Ltd	16,666,667	5.28%
Jarren Investments Pty Ltd	15,833,333	5.02%
Citicorp Nominees Pty Limited	6,642,203	2.11%
Oceanview Super Fund Pty Ltd	5,000,000	1.59%
Polfam Pty Ltd	5,000,000	1.59%
Myaldali Pty Ltd	4,950,000	1.57%
Marathon Road Pty Limited	3,750,000	1.19%
HSBC Custody Nominees(Australia) Limited	3,454,450	1.10%
Mr Jack Leon Fridman	2,725,000	0.86%
Chastain Corporate Pty Ltd	2,354,603	0.75%
Armada Trading Pty Ltd	2,179,935	0.69%
Jamiad Pty Ltd	2,000,000	0.63%
Mrs Michelle Kalinko	2,000,000	0.63%
Pager Partners Corporate Advisory Pty Ltd	2,000,000	0.63%
Ncn Investments Pty Ltd	2,000,000	0.63%
Mr Gregory Chalom	1,800,000	0.57%
Maxim Capital Pty Ltd	1,500,000	0.48%
Top 20 shareholders	266,068,805	84.36%
Other shareholders	49,341,802	15.64%
Total issued capital	315,409,857	100%

Source: Montech

The following table illustrates the distribution of shareholders in Montech as at 26 August 2014.

Range	Number of ordinary shareholders	% of shares
1-1,000 shares	195	0.02%
1,001 – 10,000 shares	64	0.08%
10,001 – 100,000	45	0.74%
100,001 – and over	118	99.17%
Total	422	100.00%

Source: Montech

In addition to the above, the Company had certain outstanding unlisted options over unissued capital outstanding as at the date of this report. The exercise price, number and expiry date of the option is summarised in the table below.

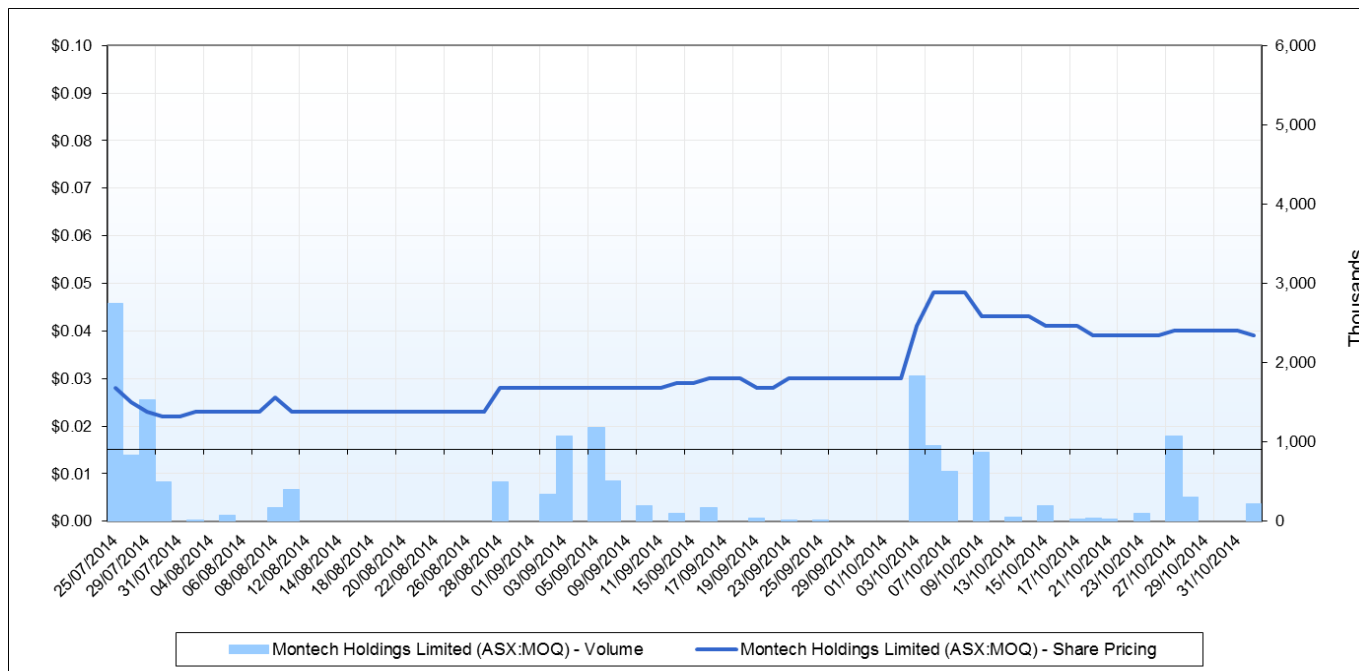
Options on issue	Number	Expiry date
Exercise price - \$0.01	75,000,000	30 June 2017
Exercise price - \$0.70	3,193,334	9 December 2014
Exercise price - \$0.70	500,000	12 February 2016
Total	78,693,334	

Source: Montech

Share trading

Montech's shares were suspended from trading prior to the company entering VA.

Accordingly we have limited our analysis of trading in Montech's shares to the period from the date when the Company attained readmission to the Official List of the ASX (subsequent to the execution of the DOCA and related reconstruction) on 25 July 2014 up to the date of the announcement of the Proposed Transactions, 7 November 2014.



Source: Capital IQ

The following table outlines key developments of Montech announced on the ASX since the company's readmission to the ASX's Official List to the announcement of the Proposed Transactions.

Date	Event
23 July 2014	Readmission to the Official List of the ASX
31 July 2014	Appendix 4C released
1 September 2014	Appendix 4E released
2 October 2014	Request for trading halt pending announcement
3 October 2014	Announcement of the Proposed Transactions
20 October 2014	Notice of 2013 / 2014 annual general meeting
30 October 2014	Appendix 4C released

Source: ASX

Since the Company's readmission to the Official List of the ASX, trading in the stock has been in the range \$0.02 to \$0.05. The maximum share price over the period up to the announcement of the Proposed Transactions was \$0.03.

It is evident that the shares have been relatively thinly traded. In the period from readmission to the announcement of the Proposed Transactions, trades occurred in the range \$0.02 to \$0.03 on 10 of 48 trading days and around 3% of the stock was traded.

The share price responded favourably upon the announcement of the Proposed Transactions, increasing from \$0.03 to \$0.05 on increased volume. Since that date the share price has declined with the last trade in the period to 3 November 2014 (pre the Proposed Transactions) at \$0.04.

Since the announcement, Montech shares have traded in the range \$0.03 to \$0.05 with the last trade on the date of this report (9 February 2015) being at \$0.04.

5. Profile of Technology Effect

History

Technology Effect is a Brisbane based ICT business which offers a range of consulting, integration and managed services solution in the information, communications, technology, infrastructure and Cloud related areas. Founded in 2005, Technology Effect has grown to over 60 staff and has a focus on mid-tier corporates and the public sector in Queensland.

Overview of operations

The business model has been developed to ensure a high standard of capability is focused in the following areas:

- Advisory and consulting;
- Technology architecture;
- Integration and deployment; and
- Operational management of ICT infrastructure.

Technology Effect has focussed on a strategy of 'working for and with the client' to complement and supplement the client's skills with their specialist capabilities. Management consider this approach has been a point of differentiation in a market where the majority of competitors align closely with vendors and vendor interests, rather than client outcomes.

Technology Effect has established itself as an ICT advisor and consulting partner of choice for over twenty Queensland based organisations in the commercial and government sectors.

Products and services

The ICT consulting team within Technology Effect is responsible for providing advice and consulting services and is focused in the following areas:

- Strategy and Planning – providing assistance to clients to ensure alignment of technology and business objectives;
- Architecture – developing Infrastructure Architecture and associated operational models to ensure maximum alignment of investment and strategy;
- Business Continuity Planning – aligning with and planning for service continuity in the event of partial or complete failure, requiring disaster recovery;
- Project and Program management – assist with planning and delivery of new ICT initiatives;
- Project Recovery to ensure ICT Audit and Review – comprehensive review of Strategy, Operations, Projects and Programs;
- Cloud Services evaluation and Audit – technical and business evaluation and audit of Cloud solutions and providers; and
- ICT Security – standards and compliance alignment as well as architecture, infrastructure and application security.

Key clients

During 2014, key clients were drawn from a range of industry sectors, however the education, infrastructure and financial services sectors were strongly represented. In the year to 30 June 2014, the key clients of Technology Effect were:

Top ten clients - 2014		\$
St Joseph's College (Gregory Terrace)		1,996,070
Sunshine Coast University		1,859,253
Brisbane Airport Corporation		1,504,319
Logan City Council		1,451,325
JBS Australia formerly Swift Australia Pty Ltd		1,144,931
ERM Power Limited		1,117,233
Brisbane Catholic Education		1,069,825
RP Data		995,976
Sun Water		882,967
Morgans Financial Ltd (was RBS Morgans Ltd)		861,476
Total		12,833,375

Source: Technology Effect

Technology Effect's top 10 customers accounted for around 49% of total revenue for the year and the top 20 accounted for approximately 70% of revenue.

Key suppliers

Technology Effect has developed a relationship with tier 1 vendors including Microsoft, Cisco, Citrix and EMC. Microsoft has shortlisted Technology Effect as a national Cloud partner of choice. Technology Effect also has a range of key technology distributors from whom they source infrastructure and hardware for clients.

Management of Technology Effect

The following table illustrates key management personnel and their roles as at the date of this report:

Individual	Role
Joe D'Addio	Director and Chief Executive Officer
Scott McPherson	Director of Integration
Mathew Goggin	Director of Sales

Source: Technology Effect

As part of the acquisition, Technology Effect will be entitled to two positions on the new Montech Board and we understand these roles will be filled by Mr D'Addio and Mr McPherson. Mr D'Addio will be appointed Chief Operating Officer of the Company.

Financial information

Financial position

Set out below is the audited financial position of Technology Effect as at 30 June 2014:

Technology Effect Consolidated financial position \$ (rounded)	30 June 2014 Audited
Current assets	
Cash	3,078,656
Trade & other receivables	3,262,568
Other	164,466
Total current assets	6,505,690
Non-current assets	
Property, plant & equipment	76,991
Deferred tax assets	187,471
Total non-current assets	264,462
Total assets	6,770,152
Current liabilities	
Trade creditors	3,563,912
Financial liabilities	572,065
Employee provisions	469,407
Tax liabilities	300,413
Other current liabilities	409,034
Total current liabilities	5,314,831
Non-current liabilities	-
Employee provisions	-
Total non-current liabilities	-
Total liabilities	5,314,831
Net assets	1,455,321

Source: Technology Effect

We note the following with respect to the audited financial position of Technology Effect as at 30 June 2014:

- We are advised that cash (\$3.1 million at 30 June 2014) has since decreased due to timing impact of various working capital balances and a dividend of \$1.3 million after 30 June 2014

We note the terms of the Proposed Transaction require the company to have a cash balance of at least \$1.051 million as at the date of completion;

- Trade and other receivables were around \$3.3 million as at 30 June 2014 and comprised trade debtors of \$3.2 million, a bank guarantee of \$25,000 and sundry debtors of around \$40,000.
- Total assets of \$6.8 million had increased by around \$1.0 million over total assets as at 30 June 2013 (\$5.8 million);
- Trade creditors were \$2.5 million with the balance of other creditors (around \$1.1 million) comprising commissions and bonuses payable (around \$760,000), GST received and payable (\$125,000 (net)) and sundry accruals and provisions;
- Financial liabilities relate to shareholder loans which we understand will be settled prior to any transaction; and
- Technology Effect had no non-current liabilities as at 30 June 2014.

The net asset position of Technology Effect was \$1.455 million as at 30 June 2014.

We have held discussions with management and reviewed the Technology Effect balance sheet for surplus assets or liabilities. Other than a significant cash balance (\$3.1million as at 30 June 2014), our review has not identified any assets or liabilities which are surplus to the ongoing operation of the businesses.

We note, however, that the terms of the Proposed Transaction require Technology Effect to have a cash balance of not less than \$1.051 million as at the date of completion which we understand to be reasonable level for ongoing working capital purposes.

Financial performance

Summarised below is the unaudited financial performance of Technology Effect for the year ended 30 June 2012 (extracted from management accounts), together with audited financial performance for the two years ended 30 June 2014.

Technology Effect Financial performance \$	30 June 2012 Management	30 June 2013 Audited	30 June 2014 Audited
Revenue			
Technology	11,922,315	14,012,723	16,787,303
Managed services	936,301	1,445,530	1,703,549
Professional services	7,631,801	8,814,568	7,856,569
Total revenue	20,490,417	24,272,821	26,347,421
Cost of sales			
Technology	(10,043,530)	(11,744,946)	(13,987,678)
Managed services	(676,199)	(1,316,071)	(1,477,969)
Professional services	(5,685,316)	(6,026,859)	(5,400,793)
Total cost of sales	(16,405,045)	(19,087,876)	(20,866,440)
Gross profit	4,085,372	5,184,945	5,480,981
<i>Gross margin</i>	20%	21%	21%
Operating expenses			
Business promotion	(111,098)	(131,555)	(163,450)
Professional costs	(15,185)	(22,094)	(42,634)
Insurance	(32,273)	(40,788)	(54,027)
Occupancy	(74,503)	(123,701)	(129,887)
Telecommunication	(68,195)	(73,848)	(92,162)
Travel and accommodation	(58,933)	(106,507)	(86,969)
Employment costs	(2,357,727)	(2,636,947)	(2,364,048)
Other	(195,435)	(285,137)	(212,625)
Total operating expenses	(2,913,349)	(3,420,577)	(3,145,802)
EBITDA	1,172,023	1,764,368	2,335,179
<i>EBITDA margin</i>	6%	7%	9%
Depreciation	(65,926)	(75,696)	(62,249)
EBIT	1,106,097	1,688,672	2,272,930
Interest received	31,404	39,203	39,966
Interest paid	(113,119)	(120,362)	(114,008)
Net profit before tax	1,024,382	1,607,513	2,198,888
Income tax	(329,516)	(510,513)	(688,555)
Profit after tax	694,866	1,097,000	1,510,333

Source: Technology Effect

We note the following with respect to the financial performance of Technology Effect for the periods presented above:

- Total revenue has grown over the two years to 30 June 2014, with technology sales being the primary source of income.
- Gross margin for each of the key revenue areas over the two years to 30 June 2014 were:
 - Technology – 16% (2013) and 17% (2014);
 - Managed services – 9% (2013) and 13% (2014); and
 - Professional services – 32% (2013) and 31% (2014);
- Overall gross margin has remained stable over the period at around 20% to 21% of revenue and was approximately \$5.5 million in FY2014;
- Total operating expenses have decreased (in nominal terms) over the period to 30 June 2014 and, based on the annualised performance, are expected to continue to decrease. Operating expenses decreased from 14% of sales in FY2013 to 12% in FY2014
- We are advised that employment costs include above market salaries for the directors in their executive roles. Technology Effect management have estimated market salaries are approximately \$200,000 less than paid in each year presented above;
- EBITDA increased from \$1.7 million in FY2012 to \$2.36 million in FY2014;
- Depreciation relates to office fit out and technology owned by the Company;
- Interest is received on cash balances and is paid at market rates on interest bearing loans; and
- Technology Effect has no tax losses and has been in a tax paying position for the period presented.

Technology Effect has increased profit after tax in each of the three years presented. In FY 2014 profit after tax was around \$1.5 million which was an increase of approximately \$400,000 over the prior year.

6. Profile of Breeze

History

Founded in 1998 as a Microsoft training company, Breeze transformed during the economic downturn in 2009 (when training budgets were severely curtailed) to become a provider of application development and Cloud integration products and services and new technology innovation.

Overview of operations

Historically, Breeze has developed technology integration components which address individual client hardware capacity and other technology problems to provide bespoke solutions.

Breeze was the first Microsoft hybrid Cloud partner with reference sites and case studies in Australia, and are the only Australian company to be awarded the Microsoft Worldwide Application Integration Partner of the year Award.

Breeze specialises in application development, Cloud integration and business intelligence solutions that drive business efficiencies, through technology, engineering expertise, people and systems.

In recent times Breeze has been creating its own intellectual property (IP) and commercialising the IP through a software licensing model to develop annuity revenue. The main business activities of Breeze include:

- Professional services;
- Development;
- Consulting services; and
- Training.

Products and services

Breeze has been able to commercialise its IP through the development of the Breeze Framework. The Breeze Framework is a Cloud based platform that enables the adaptation of modules specific to company integration functions. These modules have been commercialised as Breeze licensed products and include:

Cloud Lab Manager - Cloud Lab Manager gives businesses a secure and intuitive way to create complex computing environments in the Cloud. Breeze created a scalable platform that enables dynamic workloads such as development and testing, software demos and evaluations, and virtual training to be quickly provisioned ready for several customers/students concurrently.

Cloud Data Manager - Cloud Data Manager turns independent silos of data into real-time visibility and intelligence to allow insight into a business within minutes. Cloud Data Manager offers improved business collaboration through the ability to capture data from many of branch sites create meaningful business intelligence at a single point (e.g. Head office) via the Cloud.

Cloud Feeds Manager - Cloud Feeds Manager is a next-generation and fully featured sports betting feeds platform. The Cloud Feeds Manager architecture is modular in design, robust, proven and highly scalable, allowing the same basic system to be tailored to both large-scale operations as well as smaller managed solutions.

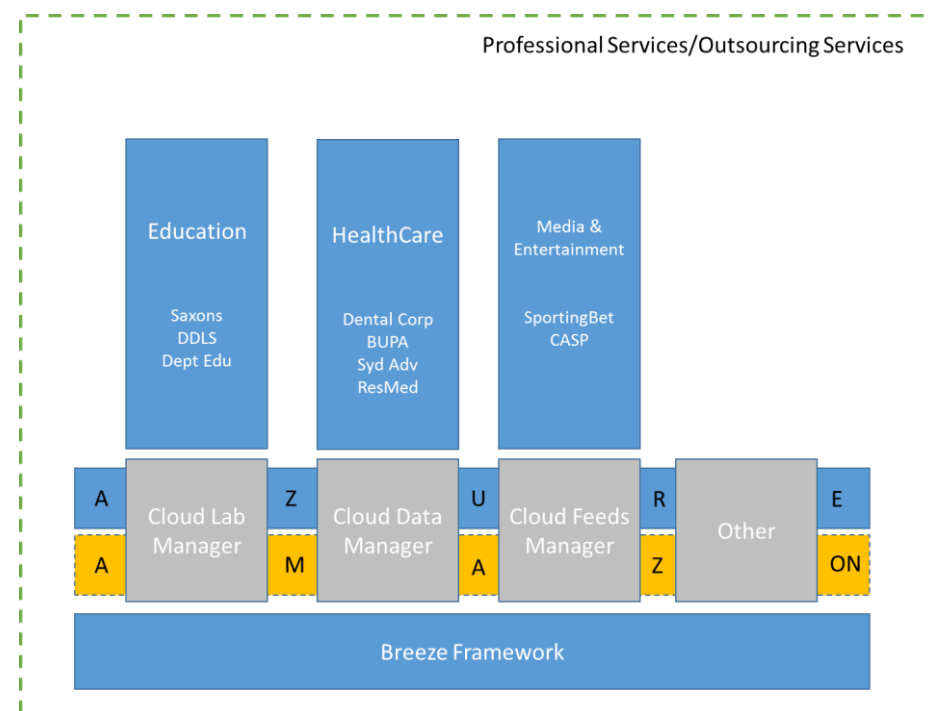
The Breeze Framework is based on Microsoft AZURE Cloud service, however we are advised the framework can be easily adapted to other Cloud based services.

Breeze acquisition of OneBet

Breeze has agreed to acquire 100% of the issued capital in OneBet Trading Pty Ltd and OneBet IP Pty Ltd (collectively referred to as OneBet), an early stage product offering suited to the wagering sector. In the event that the Breeze acquisition completes, the Company will acquire and gain full control of OneBet, through its ownership of Breeze.

In the interim, a third party, SBN, has agreed to provide a cash loan of \$62,800 to Breeze for the continued funding of OneBet. SBN has agreed, in the event that the Breeze acquisition completes, to be repaid the loan via a debt to equity conversion, wherein, the Company will issue 2,242,857 fully paid ordinary shares in full and final satisfaction of the debt.

The Breeze Framework and all its modules are wrapped around Breeze's professional and outsourcing services and are represented in the schematic below.



Source: Breeze

Key clients

Breeze operates primarily in the NSW region and has developed relationships with a number of high profile clients across the healthcare, education, financial services and media and entertainment sectors. Breeze's top ten clients in 2014 accounted for around 95% of revenue and are summarised in the table below.

Top ten clients - 2014		\$
Dental Corp Limited		1,165,168
Sportingbet Australia Pty Limited		264,610
Club All Sports Pty Ltd		259,506
Rabobank - ESB Project		153,310
Department of Education – Tasmania		124,692
Sydney Adventist Hospital		78,200
GrainCorp Limited		68,489
Wise Education Group		57,300
Microsoft Australia		55,416
Rabobank - Financial claims scheme		16,800
Total		2,243,491

Source: Breeze

Key suppliers

Breeze uses products provided by Microsoft (Azure) in providing Cloud services to its clients.

Management of Breeze

The following table illustrates key management personnel and their roles as at the date of this report:

Individual	Position	Role
Ms Nicki Page	CEO	Responsible for strategy, implementation and administration
Mr Michael Badron	CTO	Technical expertise and sales

Source: Breeze

As part of the Breeze Acquisition, Ms Page will be elected to the new Montech Board as an Executive Director and appointed Chief Executive Officer of the Company. Mr Badron has also agreed to accept a new employment contract.

Financial information

Financial position

Set out below is the audited financial position of Breeze as at 30 June 2014.

Breeze Financial position \$ (rounded)	30 June 2014 Audited
Current assets	
Cash and cash equivalents	498,852
Trade and other receivables	149,589
Other assets	48,320
Total current assets	696,761
Non-current assets	
Property plant and equipment	108,205
Other assets	90,885
Total non-current assets	190,090
Total assets	895,851
Current liabilities	
Trade and other payables	189,199
Current tax liabilities	39,807
Provisions	125,822
Total current liabilities	354,828
Total liabilities	354,828
Net assets	541,023

Source: Breeze

We note the following with respect to the financial position of Breeze as at 30 June 2014:

- Cash on hand as at 30 June 2014 of approximately \$500,000 is held in the company's bank account as it was required for working capital purposes. We note the terms of the proposed transaction require the company to have a cash balance of at least \$300,000 (less any leave liabilities to be paid down) as at the date of the proposed transaction;
- Trade receivables include a provision for impairment of approximately \$156,000 which related to work undertaken for a new product line within Breeze which were incubated outside the company;
- Other receivables include loans to directors of around \$38,000. We understands these amounts will be settled prior to completion of the proposed transaction;
- Other current assets include accrued income of \$22,000 and prepayments of 26,000;
- Plant and equipment includes technology and other equipment with a cost of \$201,000 against which depreciation of \$146,000 has been charged to 30 June 2014;
- Included in plant and equipment are leased motor vehicles with a written down value of \$53,000
- Trade and other payables include trade creditors of around \$43,000 together with sundry and other payables; and
- Provisions relate to employee entitlements. We note these provision have increased approximately \$36,000 since 30 June 2013.

As at 30 June 2014, the net asset position of Breeze was \$541,000.

We have held discussions with management and reviewed the Breeze balance sheet for surplus assets or liabilities and our review did not identify any assets or liabilities which are surplus to the ongoing operation of the businesses.

We note that the terms of the Proposed Transaction require Breeze to have a cash balance of not less than \$300k (less any leave liabilities to be paid down) as at the date of completion which we understand to be reasonable level for ongoing working capital purposes.

Financial performance

Summarised below is the unaudited financial performance for the year ended 30 June 2012 (extracted from management accounts) together with the audited financial performance of Breeze for the two years ended 30 June 2014.

Breeze Financial performance \$ (rounded)	30 June 2012 Management	30 June 2013 Audited	30 June 2014 Audited
Revenue			
Consulting income	1,198,107	1,699,295	2,274,031
Other revenue	74,766	76,346	82,226
Total revenue	1,272,873	1,775,641	2,356,257
Cost of sales			
Consultants	(551,867)	(829,574)	(1,049,330)
Total cost of sales	(551,867)	(829,574)	(1,049,330)
Gross profit	721,006	946,067	1,306,927
<i>Gross profit margin</i>	<i>57%</i>	<i>53%</i>	<i>55%</i>
Other income	-	-	12,596
Employment expenses	(151,007)	(251,561)	(384,416)
Occupancy	(56,571)	(56,480)	(60,424)
Other expenses	(224,116)	(452,933)	(639,381)
Total expenses	(431,694)	(760,974)	(1,084,221)
EBITDA	289,312	185,093	235,302
<i>EBITDA margin</i>	<i>23%</i>	<i>10%</i>	<i>10%</i>
Depreciation	(55,507)	(42,893)	(48,883)
EBIT	233,805	142,200	186,419
Interest income	-	1,355	791
Interest expenses	(1,052)	(4,070)	(370)
Profit before tax	232,753	139,485	186,840
Income tax	(69,932)	(13,470)	(6,132)
Profit after tax	162,821	126,015	180,712

Source: Breeze

We note the following with respect to the financial performance of Breeze for the periods presented above:

- Consulting income has continued to grow across the period presented from \$1.2 million to \$2.3 million (CAGR of 35%);
- Other revenue consists of development income, training income and reimbursed expenses;
- Cost of sales consists of consultant costs, which has grown in line with revenue;
- Gross profit margin has remained in the range 53% to 57% across the three years to 30 June 2014 and gross profit was around \$1.3 million in FY 2014 (up from \$946,000 in FY 2013);
- Operating expenses have increased over the period. Employment expenses and other expenses have increased significantly to support the revenue growth experienced. Rent has remained relatively stable as Breeze has continued to operate from the same premises in Edgecliff;
- EBITDA margin was stable over the two years to 30 June 2014 (at 10% of revenue) having decreased from around 23% in FY2012. The decrease in EBITDA post FY2012 was primarily driven by the increase in operating costs required to support the company's revenue generating operations; and
- Breeze had no tax losses as at 30 June 2014.

Breeze has been profitable for each of the three years presented. In FY2014 profit after tax was around \$181,000 which was an increase of approximately \$55,000 over the prior year and in line with FY2012 profit.

7. Valuation approach

In assessing the Proposed Transactions, we have had regard to RG 111 which applies the 'fair' and 'reasonable' test as two distinct criteria.

In order to assess the fairness of the Proposed Transactions, we have assessed the value of a share in Montech prior to and immediately after the Proposed Transactions to determine whether a non-associated Montech shareholder would be better or worse off should the Proposed Transactions be approved.

For the purposes of determining 'value' in this report we have used the commonly used definition of fair value, as set out below:

"The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction".

Valuation methodologies

In assessing the value of the shares in Montech, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow (DCF) method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cashflows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution for the company's net assets, on a going concern basis;
- the quoted price for listed securities; and
- any recent genuine offers received.

Market based methods

Market based methods estimate value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include:

- The quoted price for listed securities; and
- Industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally rules of thumb provide less persuasive evidence of the fair value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- Capitalisation of maintainable earnings; and
- Discounted cash flow methods.

The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the future maintainable earnings of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

Asset based methods

Asset based methodologies estimate the value of a company's securities based on the market value of its identifiable net assets. Asset based methods are particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows, and include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

Selected valuation approach for Montech pre the Proposed Transactions

As mentioned above, Montech's share trading has been relatively thin since relisting on the ASX in July 2014.

Given the lack of operating assets or profitable trading history (or projections) under the current corporate structure, we do not consider the income or market approaches as relevant for the valuation of Montech.

In light of the above, we consider the most appropriate valuation methodology for valuing the shares in entities in a similar financial position to Montech, is on the basis of the fair market value of the underlying net assets. Accordingly, our valuation has been based on the net assets of Montech as at 30 September 2014 on a going concern basis.

We have cross checked our valuation by reference to the recent capital raising and recent share trading in Montech shares.

In accordance with RG 111, we have assessed the value of Montech's shares on a 100% interest basis. Our valuation analysis is included at Section 8 of this report.

Selected valuation approach for Breeze

Breeze is a small private company which has been trading profitably in the three full financial years presented in this report. We have not been provided with, and understand Breeze does not prepare, long or medium term budgets or cash flow projections.

Accordingly, we have based our valuation analysis on the historical information provided and adopted the market approach.

Our valuation analysis for Breeze is included at Section 9 of this report.

Selected valuation approach for Technology Effect

Technology Effect is a private company which has been trading profitability over the past five years and is budgeted to remain profitable. We have not been provided with, and understand Technology Effect does not prepare, long or medium term budgets or cash flow projections.

Accordingly, we have based our valuation analysis on the historical information provided and adopted the market approach.

Our valuation analysis for Technology Effect is included at Section 10 of this report.

Selected valuation approach for Montech post the Proposed Transactions

The value of a Montech share post the Proposed Transactions are based on the value of Montech pre the Proposed Transactions plus the net increment to the value of Montech as a result of the Proposed Transactions, divided by the total number of post transaction shares on issue.

Given the Proposed Transactions are subject to the capital raising, any net increment in the value of Montech as a result of the proposed acquisitions should also consider the value to Montech arising from the issue of approximately 114m shares (at a minimum of \$0.035 each) to raise \$4.0m.

As Montech currently has limited operations and Breeze and Technology Effect have had completely separate operations to date, the Directors consider there are limited opportunities for immediately quantifiable synergy benefits from the Proposed Transactions.

Accordingly, we have assessed the value of the businesses of Montech, Technology Effect and Breeze on a stand-alone basis for the purposes of our analysis. In assessing the value of a Montech share post the Proposed Transactions we have calculated a theoretical value of the merged entity.

As discussed earlier in this report, should the Breeze acquisition complete, new contracts will be executed with Ms Page and Mr Badron in relation to their ongoing employment with Montech (and / or Breeze). The terms of the new employment contracts are such that their aggregate annual remuneration impact will be an increase of \$250,000 per annum in employment costs to the group. As this cost will only be borne if the Proposed Transactions are approved and completed, we have incorporated the capitalised impact of the additional employment cost in our assessment of the Post Transaction value of the Montech shares.

Our analysis in this regard is included at Section 11 of this report.

8. Valuation of Montech

As mentioned above, we have assessed the value of a Montech share by employing the net assets on a going concern basis.

Accordingly, our valuation assessment does not consider any special synergies or benefits which may be available to an acquirer of the listed shell, and represents the market value of the net assets of Montech. We note members of the Montech Board have experience in building large IT focussed businesses (amongst others), however, no additional value has been attributed to the Boards experience in our net asset approach.

In undertaking our valuation using the net assets on a going concern basis methodology, we have considered the following:

- The audited financial position of Montech as at 30 June 2014 being the date of the latest audited accounts prior to the Proposed Transactions;
- The unaudited financial position of Montech as at 30 September 2014; and
- Any potential adjustments to the financial position of Montech to restate individual balances to recoverable market values.

Net asset approach

In considering the value of Montech pre the Proposed Transactions, we have based our analysis on the net assets of Montech as at 30 September 2014 and our estimate of the market value of Montech's business assets.

In forming our opinion, we have considered the following:

- Our analysis of, and discussions with the directors of Montech in relation to, the assets and liabilities of Montech as stated in the financial statements;
- The Appendix 4C of Montech which was released on the ASX on 31 January 2015 in which it was disclosed the cash balance of the Company had reduced from \$1.181 million as at 30 September 2014 to \$966,000 at 31 December 2014; and
- Montech is a listed shell. Based on discussions with analysts, we understand the typical value of a listed shell is in the range \$400,000 to \$600,000. As a cross check we have considered the likely costs of an initial public offer (IPO) which are avoided by undertaking a backdoor listed. In our experience, the costs of an IPO for a company of similar size to Montech (post the Proposed Transactions) would not be dissimilar to the range presented above. Accordingly, we have adopted a value of \$500,000 for the listed shell.

In light of the above, we have assessed the market value of the net assets (and therefore the equity) in Montech pre the Proposed Transactions to be \$1.475 million.

Based on Montech's current outstanding share balance of 315,409,857, our valuation range implies a value of approximately \$0.0047 per share.

Our findings are summarised in the table below.

Valuation of Montech - pre Proposed Transactions \$ (rounded)	
Cash	966,000
Other asset and liabilities	7,547
Value of the listed shell	500,000
Value of 100% of equity (control basis)	1,474,547
Total shares outstanding in Montech	315,409,857
Value of a share in Montech (control basis)	\$0.0047

Source: RSMBCC analysis

Capital raising

The company completed a general capital raising of \$1.877 million in May 2014. The raising was completed through the issue of:

- 150 million shares at \$0.0025 to raise \$375,000 – the first placement
- 75 million options at \$0.000025 to raise \$1,875 – the first placement options
- 150 million shares at \$0.01 to raise \$1.5 million – the second placement

We note the first placement and the first placement options, together with up to 110 million of the 150 million shares offered under the second placement were approved for issue to related parties.

Analysis of share trading in Montech

The share trading history of a deeply traded stock in an informed and liquid public market can normally be expected to provide evidence of the fair market value of the shares in a company.

We note Montech's shares have traded on the ASX since relisting and the market is kept informed through the regular release of quarterly updates and other announcements.

It is evident that the shares have been relatively thinly traded. In the period from readmission to the announcement of the Proposed Transactions, trades occurred in the range \$0.02 to \$0.03 on 10 of 48 trading days and around 3% of the stock was traded.

We note the recent traded share price has been in excess of the net assets and of the recent capital raising. As there are no operating assets in Montech, we consider this difference arises from market expectations of future creation of value in Montech, however as this value has not been delivered we consider it speculative and have placed limited reliance on the traded share price.

Conclusion

In light of the analysis above, we have assessed the fair market value of 100% on Montech to \$1.475 million and the value of the ordinary shares in Montech (on a control basis) to be \$0.0047 per share.

9. Valuation of Technology Effect

As outlined above, we have valued the equity in Technology Effect using the market approach. In undertaking our valuation, we have used EBITDA as our measure of earnings. We have elected to use EBITDA as:

- analysis based on EBITDA is not affected by different financing structures and effective tax rates;
- EBITDA is not affected by different depreciation policies across companies (although we note that IT companies are not typically capital intensive).

When performing our valuation we have considered the following key issues:

- analysis of the historical financial performance and management's expectation of the future financial performance of Technology Effect to assist us in assessing the future maintainable earnings (EBITDA) for Technology Effect;
- trading multiples of companies with activities comparable to Technology Effect and its key activities;
- multiples implied in transactions involving companies with activities comparable to Technology Effect;
- the level of debt carried in Technology Effect; and
- the value of any surplus assets or liabilities held by Technology Effect as at the date of our valuation.

Assessment of future maintainable EBITDA for Technology Effect

We have been provided with audited historical financial information for the three years ended 30 June 2014 as presented at Section 5 of this IER. In addition we have reviewed and discussed the FY2015 budget and year to date performance with management of Technology Effect. No forecast information has been made available for publication in this IER.

Accordingly, our assessment of future maintainable EBITDA is based on the above information, together with our discussions with Technology Effect management.

EBITDA analysis \$ (rounded)	FY 2012 Management	FY 2013 Audited	FY 2014 Audited
Revenue	20,490,417	24,272,821	26,347,421
Reported EBITDA	1,172,023	1,764,368	2,335,179
Normalisation adjustments: Directors salaries ⁽¹⁾	200,000	200,000	200,000
Normalised EBITDA	1,372,023	1,964,368	2,535,179
<i>Normalised EBITDA margin</i>	<i>6.7%</i>	<i>8.1%</i>	<i>9.6%</i>

Source: Technology Effect

Notes:

- (1) Based on advice from Technology Effect Management and our analysis, we have adjusted for non-arm's length salaries paid to the directors of the company.

We have been provided with unaudited management accounts for Technology Effect for the four months to 31 October 2014 which show revenue of around \$8.221 million for the period. We have annualised the revenue (\$24.7 million) and applied the normalised FY 2014 EBITDA margin of 9.6% to arrive at an indicative annualised FY 2015 EBITDA of \$2.4 million for Technology Effect which supports our assessed maintainable EBITDA range.

We note the unaudited management accounts of Technology Effect record an EBITDA for the four months to 31 October 2014 of approximately \$730,000.

Accordingly, for the purposes of our valuation analysis we have adopted future maintainable EBITDA in the range \$2.4m to \$2.6 million. We note our selected range is not inconsistent with management's budget expectations for FY2015.

Selection of an EBITDA multiple

The process of assessing a capitalisation multiple appropriate to apply to the future maintainable EBITDA of Technology Effect requires consideration of the following:

- The stability and quality of earnings of Technology Effect;
- The quality of the management and the likely continuity of management employed across the business;
- The nature and size of the business operated;
- The spread and financial standing of customers;

- The multiples attributed by share market investors to listed companies involved in similar activities or the same broad industry sectors, including an assessment of whether a premium for control is appropriate;
- The multiples paid in recent acquisitions of businesses involved in, inter alia, in similar activities or to the same broad industry sectors; and
- The future prospects of the business including the growth potential of the Cloud computing industry, strength of competitors, barriers to entry.

In selecting a capitalisation multiple to apply in the valuation of Technology Effect, we considered the trading multiples of Australian listed companies with Cloud related operations. We then assessed the comparability of these companies to Technology Effect.

The following table provides a summary of the comparable companies identified together with their respective EV/EBITDA multiples (as at 3 February 2015) based on historical and forecast financial information.

As we are valuing 100% of Technology Effect we have incorporated a control premium at the equity level in the data presented. RSM Bird Cameron has undertaken a survey of control premiums paid over a 7 year period to 30 June 2012 in 345 successful takeovers and schemes of arrangements of companies listed on the ASX ('RSMBC Control Premium Study 2013').

In determining the control premium, we compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, the closing share price of the acquiring company on the day prior to the date of the offer was used.

Our study concluded that the median control premiums in takeovers and schemes of arrangements involving Australian companies were in the range of 25% to 30%. Based on the above, we have elected to use a control premium of 25% in our analysis.

The enterprise value EV/EBITDA ratios of a number of companies have been excluded from our average and mean calculations on the basis that they were considered to be outliers.

Ticker	Company Name	Country	Market Capitalisation	Trailing 12M Revenue	EBITDA (FY 2014)	NPAT (FY 2014)	Forecast EBITDA (FY 2015)	EV/EBITDA (FY 2014)	EV/EBITDA (FY 2015)
Australia									
ASX:AMM	Am com Telecomm unications Ltd.	Australia	949.0	170.4	46.0	22.4	52.2	20.4x	18.0x
ASX:ASZ	ASG Group Limited	Australia	171.8	159.1	19.4	9.0	22.6	10.0x	8.6x
ASX:BPF	Bulletproof Group Limited	Australia	36.1	17.9	1.4	-3.1	4.5	27.3x	8.2x
ASX:DTL	Data#3 Ltd.	Australia	127.0	832.1	11.4	7.5	15.4	2.2x	1.6x
ASX:DWS	DWS Limited	Australia	178.2	94.4	18.5	12.9	17.5	8.7x	9.2x
ASX:EPD	Empire Limited	Australia	91.7	66.8	4.4	3.8	12.3	22.3x	7.9x
ASX:HSN	Hansen Technologies Ltd.	Australia	351.9	86.0	22.5	14.8	27.7	15.9x	12.9x
ASX:IIN	iiNet Ltd.	Australia	1,471.6	1,005.5	169.7	63.0	210.2	10.4x	8.4x
ASX:IAB	Inabox Group Limited	Australia	16.5	46.9	2.4	1.1	n/a	5.6x	n/a
ASX:MNF	My Net Fone Limited	Australia	221.0	59.3	8.9	5.8	11.6	23.9x	18.4x
ASX:RKN	Reckon Ltd.	Australia	267.6	99.8	26.0	17.8	38.5	10.7x	7.2x
ASX:RXP	RXP Services Limited	Australia	68.5	55.7	9.1	6.5	11.6	5.5x	4.3x
ASX:SLM	Salmat Limited	Australia	316.4	452.8	16.7	0.3	17.2	16.5x	15.9x
Min				17.9	1.4	-3.1	4.5	2.2x	1.6x
Max				1,005.5	169.7	63.0	210.2	20.4x	18.0x
Average				242.1	27.4	12.4	36.8	10.6x	9.6x
Median				94.4	16.7	7.5	17.4	10.2x	8.6x

Note: Outliers (highlighted yellow) are excluded from min, max, average and median analysis.
Source: S&P Capital IQ

Whilst we found that the operations of these companies are not necessarily identical to those of Technology Effect, we consider the selected companies to be broadly comparable as they perform similar operations and thus are influenced by similar demand drivers and are exposed to similar risks as Technology Effect.

Accordingly, we are satisfied that they provide an appropriate benchmark against which to determine a capitalisation multiple for the valuation of Technology Effect.

In making our selection, we have excluded those companies with a negative EBITDA or with insufficient forecast data to allow us to determine a prospective EBITDA multiple.

Further information on these companies has been included at Appendix 2 to this IER.

Discounts and premiums

Control premium

As noted above we have incorporated a control premium of 25% (at the equity level) in our analysis.

Size discount

Empirical evidence suggests that smaller companies will trade, all other things being equal, at lower multiples than larger companies. The discount may be due to, inter alia, less diversification, limited geographic and customer spread together with other additional risks faced by smaller entities. We note Technology Effect is smaller than most of the comparable companies and have incorporated a discount in selecting our multiple for our valuation.

Other issues

Some of the selected companies are leaders in their service offerings with strong market positioning and brand prominence. These companies are likely to be exposed to significantly less company specific risk than smaller competitors such as Technology Effect

EBITDA multiple for Technology Effect

We note the average prospective (FY2015) EV/EBITDA multiple for the comparable companies presented above was 9.6x (median – 8.6x)

For the purpose of our valuation, and after considering the issues discussed above, we have selected a prospective EBITDA multiple in the range 4.5x to 5.0x to apply to our assessed future maintainable EBITDA. We note the range is lower than the average calculated above and reflects, in our opinion:

- the size of the Technology Effect as compared to comparable companies;
- the business risks faced by the Technology Effect operations; and
- the growth potential inherent in the businesses.

Enterprise valuation

In light of the above, we have estimated the enterprise value of the Technology Effect is in the range \$10.8 million to \$13.0 million with a midpoint of \$11.9 million as summarised in the table below.

EBITDA analysis \$'000 (rounded)	Low	High
FM EBITDA	2,400	2,600
EBITDA multiple	4.5	5.0
EV of Technology Effect (marketable, control)	10,800	13,000

Source: RSMBCC analysis

Surplus assets

We have analysed the financial position of Technology Effect and discussed the balance sheet with management. Other than a significant cash balance (\$3.1million as at 30 June 2014), our review did not identify any assets or liabilities which are surplus to the ongoing operation of the businesses.

We note, however, that the terms of the Proposed Transaction require Technology Effect to have a cash balance of not less than \$1.051 million as at the date of completion which we understand to be reasonable level for ongoing working capital purposes.

Net debt

We note the company has no external debt, and that any director / shareholder related debt is to be repaid prior to completion. Accordingly, we have not allowed for any net debt balance in our valuation analysis.

Valuation summary – Technology Effect

We have assessed the value of the equity in Technology Effect to be in the range \$10.8 million to \$13.0 million with a midpoint of approximately \$10.9 million. Our analysis is summarised in the table below:

Value of the equity in Technology Effect \$'000 (rounded)	Low	High
Enterprise value	10,800	13,000
Add:		
Surplus cash	-	-
Net debt	-	-
Value of the equity in Technology Effect (marketable, control)	10,800	13,000

Source: RSMBCC analysis

10. Valuation of Breeze

As outlined above, we have valued the equity in Breeze using the market approach. In undertaking our valuation, we have used EBITDA as our measure of earnings. We have elected to use EBITDA as:

- analysis based on EBITDA is not affected by different financing structures and effective tax rates;
- EBITDA is not affected by different depreciation policies across companies (although we note that IT companies are not typically capital intensive).

When performing our valuation we have considered the following key issues:

- analysis of the historical financial performance and management's expectation of the future financial performance of Breeze to assist us in assessing the future maintainable earnings (EBITDA) for Breeze;
- trading multiples of companies with activities comparable to Breeze and its key activities;
- multiples implied in transactions involving companies with activities comparable to Breeze;
- the level of debt carried in Breeze; and
- the value of any surplus assets or liabilities held by Breeze as at the date of our valuation.

Assessment of future maintainable EBITDA for Breeze

We have been provided with audited historical financial information for the three years ended 30 June 2014 as presented at Section 5 of this IER. In addition we have reviewed and discussed the FY2015 budget and year to date performance with management of Breeze. No forecast information has been made available for publication in this IER.

Accordingly, our assessment of future maintainable EBITDA is based on the above information, together with our discussions with Breeze management.

EBITDA analysis \$ (rounded)	FY 2012 Management	FY 2013 Audited	FY 2014 Audited
Revenue	1,272,873	1,775,641	2,347,925
Reported EBITDA	285,125	185,172	233,852
Normalisation adjustments: Sale of assets ⁽¹⁾	-	-	(12,596)
Normalised EBITDA	285,125	185,172	221,256
<i>Normalised EBITDA margin</i>	<i>22.4%</i>	<i>10.4%</i>	<i>9.4%</i>

Source: Breeze

Notes:

1. We have normalised the one-off effect of the sale of non-current assets in FY 2014

We have been provided with unaudited management accounts for Breeze for the four months to 31 October 2014 which indicate revenue of around \$740,000 for the period. We have annualised the revenue (\$2.2 million) and applied the normalised FY 2014 EBITDA margin of 9.4% to arrive at an indicative annualised FY 2015 EBITDA of \$210,000.

We note the unaudited management accounts of Breeze record an EBITDA loss for the four months to 31 October 2014 of approximately \$128,000.

Accordingly, for the purposes of our valuation analysis we have adopted future maintainable EBITDA in the range \$200,000 to \$250,000.

Selection of an EBITDA multiple

The process of assessing a capitalisation multiple appropriate to apply to the future maintainable EBITDA of Breeze requires consideration of the following:

- The stability and quality of earnings of Breeze;
- The quality of the management and the likely continuity of management employed across the business;
- The nature and size of the business operated;
- The spread and financial standing of customers;
- The multiples attributed by share market investors to listed companies involved in similar activities or the same broad industry sectors;

- The multiples paid in recent acquisitions of businesses involved in similar activities or to the same broad industry sectors;
- The future prospects of the business including the growth potential of the Cloud computing industry, strength of competitors, barriers to entry, etc.; and
- The extent to which a premium for control is appropriate.

EBITDA multiple for Breeze

We note the average prospective (FY2015) EV/EBITDA multiple for the comparable companies presented in the section above was 9.6x (median – 8.6x)

For the purpose of our valuation, and after considering the issues discussed above, we have selected a prospective EBITDA multiple in the range 4.0x to 4.5x to apply to our assessed future maintainable EBITDA. We note the range is slightly lower than the range of multiples selected for Technology Effect and reflects, in our opinion:

- the smaller size of Breeze as compared to Technology Effect (and the comparable companies);
- the business risks faced by the Breeze operations; and
- the growth potential inherent in the businesses.

Enterprise valuation

In light of the above, we have estimated the enterprise value of the Breeze is in the range \$800,000 to \$1.125 million with a midpoint of \$1.18 million as summarised in the table below.

EBITDA analysis \$'000 (rounded)	Low	High
FM EBITDA	200	250
EBITDA multiple	4.0	4.5
Enterprise value of Breeze (marketable, control)	800	1,125

Source: RSMBCC analysis

Surplus assets

We have analysed the financial position of Breeze and discussed the balance sheet with management, however our review did not identify any assets or liabilities which are surplus to the ongoing operation of the businesses.

We note, however, that the terms of the Proposed Transaction require Breeze to have a cash balance of not less than \$300k (less any annual leave liabilities to be paid down) as at the date of completion which we understand to be reasonable level for ongoing working capital purposes.

Net debt

We note the company has no external debt, and that any director / shareholder related debt is to be repaid prior to completion. Accordingly, we have not allowed for any net debt balance in our valuation analysis.

Valuation summary – Breeze

We have assessed the value of the equity in Breeze to be in the range \$800,000 to \$1.125 million with a midpoint of \$1.18 million. Our analysis is summarised in the table below:

Value of the equity in Breeze \$'000 (rounded)	Low	High
Enterprise value	800	1,125
Add:		
Surplus cash	-	-
Net debt	-	-
Value of the equity in Breeze (marketable, control)	800	1,125

Source: RSMBCC analysis

11. Valuation of Montech post the Proposed Transactions

In considering the position of the existing shareholders post the Proposed Transactions, we have assessed the value of a Montech share assuming completion of the Proposed Transactions and after the proposed capital raising (the success of which is a condition precedent to the Proposed Transactions).

We have undertaken our analysis in this form to allow assessment of the Proposed Transactions on its own merits and after all conditions precedent have been met.

As Montech has had limited operations since emerging from the DOCA, we understand there are limited opportunities for synergy benefits from the Proposed Transactions. Accordingly, our analysis does not incorporate the effect of any operational or financial synergies which might otherwise be achieved by a merged group.

Value of a Montech share post the Proposed Transactions

As mentioned above, we have undertaken our valuation of Montech post the Proposed Transaction after considering the:

- value of Montech pre the Proposed Transactions; plus
- net increment to value as a result to the Proposed Transactions; and
- net funds received in the proposed capital raising; less
- cash consideration paid to the vendors; and
- costs of the capital raising; and
- capitalised incremental employment cost for Ms Page and Mr Badron.

We have used, as the basis of our analysis, the information and valuation opinions set out in the prior sections of this IER.

In relation to the proposed capital raising, we have been advised:

- the company intends to raise \$4.0 million (in accordance with the conditions precedent to the Proposed Transactions);
- the Directors intend to offer the shares at no less than \$0.035 per share;
- estimated costs of the capital raising are estimated to be \$250,000

Accordingly, our assessed value of Montech post the Proposed Transactions is the range \$12.4 million to \$14.9 million, with a midpoint of \$13.6 million as summarised in the table below.

On the basis of 1,012,761,688 shares outstanding, the value of a post transaction Montech share (minority basis) is estimated to be in the range \$0.010 to \$0.012, with a midpoint of \$0.011, as calculated below.

Valuation of Montech - post Proposed Transactions \$'000 (rounded)	Low	High
Value of equity in Montech pre the Proposed Transactions	1,474	1,474
Add:		
Value of equity in Technology Effect	10,800	13,000
Value of equity in Breeze	800	1,125
Funds raised in the capital raising (maximum)	4,000	4,000
Less		
Cash paid to the vendors	(3,750)	(3,750)
Estimated cash costs of the capital raising	(250)	(250)
Capitalised incremental employment costs ¹	(700)	(700)
Value of equity in Montech - post the Proposed Transactions (control, marketable)	12,374	14,894
Ordinary shares on issue		
Prior to the Proposed Transactions	315,409,857	315,409,857
Technology Effect vendors	441,390,451	441,390,451
Breeze vendors	141,666,667	141,666,667
New shareholders under the capital raising (maximum)	114,285,714	114,285,714
Ordinary shares on issue post the Proposed Transactions	1,012,761,688	1,012,761,688
Post transaction analysis		
Value of a Montech share (control, marketable)	\$0.012	\$0.015
Less Minority discount (20%)	(\$0.002)	(\$0.003)
Value of a Montech share (minority, marketable)	\$0.010	\$0.012

Source: RSMBCC analysis

Notes:

1. Calculated as \$250,000 incremental employment costs for Ms Page and Mr Badron x 70% (post tax) x 4.0 (multiple used in Breeze valuation)

We note that in the event the Proposed Transactions proceed and Montech's shares continue to be quoted on the ASX, the company's shares may trade at levels significantly different to our post transaction valuation. Reasons for the variation may include:

- Individual investors may have their own views on the prospects and value of Breeze and Technology Effect, which will be the primary income asset held by Montech post the Proposed Transactions; and
- Shareholder, and potential shareholders, views as to the ability of Montech to grow profitably through organic means and / or acquisitions;
- The level of liquidity in Montech will vary and may have an impact on trading price and volumes; and
- Market movements and economic conditions generally.

Employee share offer and SBN issue

Should the employee share offer be subscribed in full and the SBN issue be completed, the Company will raise an additional \$300,000 and have a further 14,242,857 shares on issue. By holding all other variables constant, and for illustrative purposes only, we have estimated the value of a Montech share under these circumstances would be in the range \$0.010 to \$0.012 as calculated in the table below.

Valuation of Montech - post Proposed Transactions, employee share offer and SBN issue \$'000 (rounded)	Low	High
Value of equity in Montech pre the Proposed Transactions	1,474	1,474
Add:		
Value of equity in Technology Effect	10,800	13,000
Value of equity in Breeze	800	1,125
Funds raised in the capital raising (maximum)	4,000	4,000
Funds raised from the employee share scheme	300	300
Less		
Cash paid to the vendors	(3,750)	(3,750)
Estimated cash costs of the capital raising	(250)	(250)
Capitalised incremental employment costs ¹	(700)	(700)
Value of equity in Montech-post the Proposed Transactions , employee share and SBN issues	12,674	15,199
Ordinary shares on issue		
Prior to the Proposed Transactions	315,409,857	315,409,857
Technology Effect vendors	441,390,451	441,390,451
Breeze vendors	141,666,667	141,666,667
New shareholders under the capital raising (maximum)	114,285,714	114,285,714
Employee share offer	12,000,000	12,000,000
SBN issue	2,242,857	2,242,857
Ordinary shares on issue post the Proposed Transactions	1,027,004,545	1,027,004,545
Post transaction analysis		
Value of a Montech share (control, marketable)	\$0.012	\$0.015
Less Minority discount (20%)	(\$0.002)	(\$0.003)
Value of a Montech share (minority, marketable)	\$0.010	\$0.012

Source: RSMBCC analysis

Notes:

1. Calculated as \$250,000 incremental employment costs for Ms Page and Mr Badron x 70% (post tax) x 4.0 (multiple used in Breeze valuation)

12. Summary of assessment

Fairness

As our assessed value of a Montech share pre the Proposed Transactions of \$0.0047 is lower than our assessed value of a Montech share post the Proposed Transactions of \$0.010 to \$0.012, with a midpoint of \$0.011, we are of the opinion that the Proposed Transactions are fair to the shareholders of Montech.

The analysis we have undertaken to support our opinion is set out in the earlier sections of this report and summarised in the table below:

Fairness evaluation \$ (rounded)	Low	High
Value of a Montech share pre the Proposed Transactions (control)	0.0047	0.0047
Value of a Montech share post the Proposed Transactions (minority)	0.010	0.012

Source: RSMBCC analysis

In addition we note the Proposed Transactions remain fair on diluted basis (assuming all 'in the money' options are exercised). In assessing the impact of dilution we have assumed the \$0.01 exercise price options will be exercised, contributing an additional \$750k in cash to Montech for the issue of 75 million shares.

Reasonableness

With regard to control transactions, according to RG 111, an offer is considered reasonable if it is considered fair. However, in certain situations an offer may be considered not fair but reasonable. In such circumstances, other significant factors such as advantages and disadvantages for the non-associated shareholders if the Proposed Transactions were to proceed, is taken into consideration.

According to RG 111, despite a transaction not being fair, it may be reasonable if the expert considers there are sufficient reasons for the relevant shareholders to vote for the proposal.

In completing our analysis of the Proposed Transactions we have considered the advantages and disadvantages to the non-associated shareholders of the Proposed Transactions.

Advantages and disadvantages of the Proposed Transactions

The Montech directors have set out in the NoM, their view of the advantages and disadvantages of the Proposed Transactions.

In forming our opinion, we have considered the following points:

Reasonableness

As the Proposed Transactions are fair, according to RG 111 it must be reasonable. In completing our analysis as to whether the Proposed Transactions are reasonable for the non-associated shareholders, we have also considered:

- The future prospects of Montech if the Proposed Transactions does not proceed; and
- Any other commercial advantages and disadvantages to the non-associated shareholders as a consequence of the Proposed Transactions proceeding.

Future prospects of Montech if the Proposed Transactions do not proceed

The directors of Montech have advised that prior to the announcement of the Proposed Transactions, the Company actively sought and considered a range of new business ventures, however none were progressed to the point of executing a formal agreement. Should the Proposed Transactions not proceed (for any reason), the Directors will continue to consider, assess and pursue other technology related acquisitions, as well as the potential development of the Company's existing assets.

Further, if the Proposed Transactions do not proceed, we understand Montech will remain with limited operations in the near term and continue to incur compliance and administrative costs. Depending on the timing to find another transaction, it may necessitate a potential need to raise additional capital to fund working capital.

Commercial advantages of the Proposed Transactions

In our opinion, key advantages to the existing shareholders in approving the Proposed Transactions are:

- The Proposed Transactions are fair;
- Technology Effect and Breeze are platform acquisitions on which to build a broader base of complementary Cloud focused technology businesses;
- Through the Proposed Transactions, Montech will have access to executive management with a proven track record in the IT industry and who will become actively involved in the direction of the group, complementing the strategy as set by the Board;
- A potential increase in market capitalisation may lead to increased coverage from the investment community, with improved access to equity capital markets and increased liquidity in the company's shares.
- The Company will have active operations and the potential to earn profits. On a standalone basis, Montech has no material operating business and has to meet the cost of administration and compliance from shareholders' funds. The acquisitions of Breeze and Technology Effect may allow the directors to operate Montech profitably and potentially return funds to shareholders through dividends and capital appreciation;
- The company may be able to restore shareholder value through the opportunity to participate in the future opportunities and any potential commercial upside of the Technology Effect and Breeze businesses; and
- No alternatives – the directors have advised there are no alternative offers for Montech shares. Other than a similar 'backdoor' transaction, we consider the likelihood of an alternative transaction for Montech shareholders to be low.

Commercial disadvantages of the Proposed Transactions

In our opinion, key disadvantages to the existing shareholders in approving the Proposed Transactions are:

- Existing Montech shareholders' ownership in the Company will be diluted by the shares being received by the Technology Effect and Breeze vendors together with the new shares to be issued under the proposed capital raising;
- Change of business - the new business model may not fit with the risk profile of the existing shareholders. However, affected shareholders may choose to dispose of their shareholding in these circumstances; and
- Shareholders will lose control of Montech.

The risks identified by the directors of Montech in relation to the new operations of the company should the Proposed Transactions proceed are included in the NoM.

After consideration of the above matters, we consider, on balance, the Proposed Transactions are reasonable to the existing shareholders. Further, in our opinion, should the Proposed Transactions proceed, the disadvantages noted above would not place the Montech shareholders in a worse position than if the Proposed Transactions did not proceed.

Appendix 1 - Glossary

<i>Act, the</i>	Corporations Act, 2001
<i>Agreement, the</i>	The Heads of Agreement whereby Montech has conditionally agreed to acquire the 100% of the equity in Technology Effect and Breeze
<i>ASIC</i>	Australian Securities and Investment Commission
<i>ASX</i>	Australian Securities Exchange Limited
<i>Breeze</i>	Breeze Training Pty Limited
<i>CAGR</i>	Cumulative annual growth rate
<i>Capital raising, the</i>	The issue of 114,285,714 shares at a minimum of \$0.035 each to raise \$4.0 million
<i>Company, the</i>	Montech Holdings Limited
<i>DCF</i>	Discounted cash flow
<i>DOCA</i>	Deed of Company Arrangement
<i>EBITDA</i>	Earnings before interest, tax, depreciation and amortisation
<i>Employee share offer</i>	The issue of up to 12,000,000 shares at \$0.025 each to raise up to \$300,000
<i>EV</i>	Enterprise value
<i>F&S</i>	Frost & Sullivan
<i>FOS</i>	Financial Ombudsman Service
<i>FSG</i>	Financial Services Guide
<i>FY</i>	Financial year (e.g. FY2014)
<i>IaaS</i>	Infrastructure as a service
<i>ICT</i>	Information and communication technology
<i>IER</i>	Independent Expert's Report
<i>IP</i>	Intellectual property
<i>k</i>	thousand
<i>Montech</i>	Montech Holdings Limited
<i>m</i>	million
<i>NoM</i>	Montech's Notice of Extraordinary General Meeting to be issued in February 2015
<i>OneBet</i>	OneBet Trading Pty Ltd and OneBet IP Pty Ltd
<i>PaaS</i>	Platform as a service
<i>Proposed Transaction</i>	The proposed transaction to acquire 100% of the equity in Technology Effect and Breeze
<i>RG 74</i>	ASIC Regulatory Guide 74 – Acquisitions approved by Members
<i>RG 111</i>	ASIC Regulatory Guide 111 – Content of Experts Reports
<i>RSMBCC</i>	RSM Bird Cameron Corporate Pty Ltd
<i>SaaS</i>	Software as a service
<i>SBN</i>	Savvy By Nature Pty Limited
<i>Sirius</i>	Sirius Corporation Limited
<i>Technology Effect</i>	Technology Effect Pty Limited
<i>VA</i>	Voluntary Administration

Appendix 2 – Sources of information

In preparing this report we have relied upon, inter alia, the following principal sources of information:

- Montech's annual report for the year ended 30 June 2014;
- Montech's audited financial statements for the year ended 30 June 2014;
- Montech management accounts for the three months ended 30 September 2014;
- Montech Prospectus date 28 July 2014;
- The Heads of Agreement executed between Montech, Breeze and Technology Effect dated 3 October 2014;
- Montech's draft NoM issued February 2015 for a meeting to be held in March 2015;
- Audited financial statements of Breeze and Technology Effect for the years ended 30 June 2013 and 30 June 2014;
- Various publication and business plans produced by Technology Effect and Breeze;
- Unaudited management accounts of Breeze and Technology Effect for the four months ended 31 October 2014;
- Share Purchase Agreement between Montech and the Breeze vendors dated 3 February 2015;
- Share purchase Agreement between Montech and the Technology Effect vendors - undated;
- Frost & Sullivan report – the State of Cloud Computing in Australia, 2014;
- IBIS;
- S&P Capital IQ;
- Reserve Bank of Australia Limited data; and
- Publically available information such as ASX databases, information found on the internet, etc.

In addition we have had the benefit of discussions with the directors and management of Montech, Breeze and Technology Effect, in particular:

- | | |
|-----------------------|--|
| • Mr David Shein – | Chairman of Montech; |
| • Mr Jonathon Pager - | Non-executive Director of Montech |
| • Mr Michael Pollak - | Non-executive Director of Montech |
| • Ms Nicki Page - | Managing Director of Breeze Training Pty Limited |
| • Mr Joe D'Addio – | Chief Executive Officer of Technology Effect Pty Limited |

Appendix 3 – Comparable company data

Ticker	Company Name	Country	Market Capitalisation	Trailing 12M Revenue	EBITDA (FY 2014)	NPAT (FY 2014)	Forecast EBITDA (FY 2015)	EV/EBITDA (FY 2014)	EV/EBITDA (FY 2015)	
Australia										
ASX:AMM	Am com Telecomm unications Ltd.	Australia	949.0	170.4	46.0	22.4	52.2	20.4x	18.0x	
ASX:ASZ	ASG Group Limited	Australia	171.8	159.1	19.4	9.0	22.6	10.0x	8.6x	
ASX:BPF	Bulletproof Group Limited	Australia	36.1	17.9	1.4	-3.1	4.5	27.3x	8.2x	
ASX:DTL	Data#3 Ltd.	Australia	127.0	832.1	11.4	7.5	15.4	2.2x	1.6x	
ASX:DWS	DWS Limited	Australia	178.2	94.4	18.5	12.9	17.5	8.7x	9.2x	
ASX:EPD	Empired Limited	Australia	91.7	66.8	4.4	3.8	12.3	22.3x	7.9x	
ASX:HSN	Hansen Technologies Ltd.	Australia	351.9	86.0	22.5	14.8	27.7	15.9x	12.9x	
ASX:IIN	iinNet Ltd.	Australia	1,471.6	1,005.5	169.7	63.0	210.2	10.4x	8.4x	
ASX:IAB	Inabox Group Limited	Australia	16.5	46.9	2.4	1.1	n/a	5.6x	n/a	
ASX:MNF	My Net Fone Limited	Australia	221.0	59.3	8.9	5.8	11.6	23.9x	18.4x	
ASX:RKN	Reckon Ltd.	Australia	267.6	99.8	26.0	17.8	38.5	10.7x	7.2x	
ASX:RXP	RXP Services Limited	Australia	68.5	55.7	9.1	6.5	11.6	5.5x	4.3x	
ASX:SLM	Salmat Limited	Australia	316.4	452.8	16.7	0.3	17.2	16.5x	15.9x	
				Min	17.9	1.4	-3.1	4.5	2.2x	1.6x
				Max	1,005.5	169.7	63.0	210.2	20.4x	18.0x
				Average	242.1	27.4	12.4	36.8	10.6x	9.6x
				Median	94.4	16.7	7.5	17.4	10.2x	8.6x
Note: Outliers (highlighted yellow) are excluded from min, max, average and median analysis.										
Source: S&P Capital IQ										

The following descriptions of the comparable companies are provided by S&P Capital IQ:

Amcom Telecommunications Ltd (Amcom)

Amcom operates as an IT and telecommunications company in Australia. It operates in Telecommunications, Hosted and Cloud Services, and IT Services segments. The company offers data and network solutions, including Internet and Ethernet services, fibre-optic point-to-point connectivity solutions, managed layer 3 VPN services, and VPN link services; unified solutions, such as cloud collaboration, SIP lines, and on premise services for communication needs, as well as Amcom IP Tel, a customised solution to access unified communications features and functions; and cloud services comprising Web solutions. It also provides managed IT services, including network, infrastructure, desktop, and IT service management services, as well as WiFi as a service; licensing and maintaining solutions, such as Amcom Active, which consolidates, controls, and maintains the licensing and maintenance requirements of organization's IT; and data centre management services. In addition, the company provides IT services, such as systems; communications; information, communication, and technology consulting (ICT) services comprising technology and infrastructure audits, and ICT strategy; and security, governance, risk, and compliance services. Further, it offers consumer DSL services; and infrastructure-as-a-service. Amcom is headquartered in Perth, Australia.

ASG Group Limited (ASG)

ASG provides information technology services in Australia. The company offers managed services comprising service and delivery management, services desk, desktop services, database administration, network management, storage area network administration, security management, data centre hosting, remote DBA, and HP managed application services; business solutions, including Oracle business solutions and Oracle PeopleSoft services; SAP projects and services; and reporting and analytic solutions for large and small organizations. It also provides professional services consisting of project services and Microsoft professional services; specialist technical services; architecture consulting services; and IT service management solutions, such as ITSM process design and implementation, ITSM administration, knowledge management, change calendar, and HP software implementation services. In addition, the company offers consulting services, including strategic business analysis, IT service transformation, supply chain transformation, and multi-channel transformation; and cloud services, including infrastructure as a managed service solutions, platform as a service solutions, software as a service solutions, and consulting services. It serves mining, transport and manufacturing, communications and technology, government, healthcare, corporate, utilities, education, not for profit, and construction sectors. The company was founded in 1996 and is headquartered in Perth, Australia.

Bulletproof Group Limited (Bulletproof)

Bulletproof provides managed cloud and hosting services for business, enterprise, and government customers in Australia and the United States. Its products and services include managed Amazon Web Services (AWS), managed AWS on demand, managed AWS for magento, managed AWS for sitecore, managed AWS topology, managed VMware hosting, and managed VMware topology services; dedicated server options and database clustering services; and SAN, NAS, and reverse proxies. The company also offers professional services in the areas of audit and design, implementation, troubleshooting, project management, and application management. In addition, it provides cloud solutions for use in various business applications, Websites, campaigns, and e-commerce sites. The company is based in Rosebery, Australia.

Data#3 Limited (Data##)

Data#3, together with its subsidiaries, provides information technology solutions in Australia. The company operates through two segments, Product and Services. The Product segment designs, deploys, and operates hardware and software licenses for its customers' desktop, network, and data centre infrastructure. The Services segment provides consulting, project, and managed and maintenance contracts, as well as workforce recruitment and contracting services in relation to the design, implementation, operation, and support of ICT solutions. The company also provides software licensing, software asset management, business consumer productivity, security, hardware lifecycle management, mobility, and people solutions. In addition, it offers selective sourcing, maintenance, cloud as a service, datacentre, systems management, network integration, collaboration, datacentre infrastructure, and enterprise productivity applications. Data#3 was founded in 1977 and is headquartered in Toowong, Australia.

DWS Limited (DWS)

DWS provides information technology services to corporations and government bodies in Australia. It offers a suite of integrated solutions, including IT consulting services, such as IT strategy and architecture advice, program and project management, business and technical analysis, custom application development, and systems integration and solution testing; and digital solutions incorporating data automation and capture systems, data optimization solutions, content management and distribution, and API creation and management services. The company also provides business analytics comprising advanced analytics, as well as Power BI and Data Warehouse as a Service; cloud services consisting of strategy and architecture advice, pilots and proofs of concepts, and planning services; and managed application services using a mix of offshore, on-site, off-site, and high-security models depending on client requirements. In addition, it offers iSolutions cloud products for financial institutions and telecommunications companies. The company was incorporated in 1991 and is headquartered in Melbourne, Australia.

Empired Limited (Empired)

Empired provides various IT services and solutions primarily in Australia. The company's IT services include software systems, consulting, and infrastructure design and deployment services. It offers infrastructure services comprising managed services; project services, such as professional application and infrastructure services to upgrade and enhance key IT platforms; and cloud-based solutions, including its FlexScale product that delivers Infrastructure-as-a-Service, Software-as-a-Service, Disaster Recovery-as-a-Service, and Backup-as-a-Service to the business benefits of their customers. The company's application and consulting services provide consulting and business services in research, business case creation, business model verification, requirements analysis, product selection, program management, project management, and PMO review practices; custom application services; and system support and application management services to monitor and control over the business activities. It also offers Microsoft business solutions, including systems consulting and analysis services in the areas of information management, collaboration and social, CRM/XRM, data visualization, business process, and change management and user adaptation platforms; Microsoft SharePoint solutions for use in delivering Intranet and portal solutions; and Microsoft dynamics CRM to deliver a line-of-business applications that serves various industries to manage customer relationships. In addition, the company provides Microsoft office365, a subscription-based online service that offers access to communication, collaboration, and productivity applications through the Internet; and systems support services for organizations to deliver services to their customers, partners, and employees through Microsoft technologies. Empired serves government and private sectors. Empired was founded in 1999 and is headquartered in Perth, Australia.

Hansen Technologies Limited (Hansen)

Hansen develops, implements, and supports proprietary customer care and billing software solutions for service providers in the gas and electricity, telecommunications, Pay TV, and water and wastewater industries in Australia and internationally. The company's energy solutions include customer information system solutions comprising Nirvanasoft, a billing software; Peaceplus, a solution for utilities, retailers, and network companies; Utility Market Gateway solutions that facilitates market interaction and transactional data management for generators, traders, and retailers; Hansen Unified Billing (HUB), a solution for distribution networks operating in deregulated competitive markets; and Banner CIS, a solution for water and municipality customer care and billing. It also provides Intelligent Customer Care, a solution, which integrates billing, customer care, and business intelligence; and HUB solution for telecommunication providers. In addition, the company offers data centre solutions; cloud solutions, such as infrastructure as a service, software as a service, hardware and operating system, network and security, and daily back-up; and IT managed services consisting of technical support, customer support, network, and security services. Further, it offers application services consisting of turnkey, implementation and integration, application management, performance tuning, hosting, and support solutions; and CLASSIC superannuation membership administration solution for superannuation fund management. The company was founded in 1971 and is based in Doncaster, Australia.

iiNet Limited (iiNet)

iiNet provides Internet and telephony services to various residential, regional, corporate, and government customers in Australia. The company offers Internet solutions, such as business bundles, business national broadband network, naked DSL, mobile broadband solutions, ADSL broadband, VPN, fibre connections, and SHDSL that offers high speed connectivity. It also provides business desk phones, PSTN phones, and Voice over Internet Protocol systems, as well as business voice systems and SIP trunking solutions; mobile solutions, such as mobile phones, mobile fleet, mobile broadband, iiNet Microsoft Lync, and tablets; Website solutions, including domain names, Web hosting, Microsoft exchange, and online shopping solutions; cloud computing; and installation and support services. In addition, the company offers Internet Protocol telephony network solutions for hosted voice, cloud, Internet, VPN, and mobile. It supplies approximately 1.8 million broadband, telephony, Internet Protocol TV, mobile, and other services to approximately 950,000 broadband subscribers. iiNet was founded in 1993 and is based in Perth, Australia.

Inabox Group Limited (Inabox)

Inabox operates as a non-carrier telecommunications aggregator. The company offers various telecommunications products, including fixed line, hosted voice, mobile, cloud, and data services. It also provides back office services, including billing, provisioning, product development, training and support, and customer services. The company offers wholesale telecommunications resupply services under the Telcoinabox brand; and Voice over Internet Protocol and hosted voice solutions under the iVoX brand. Its customers range from small business operators to offshore telcos with limited domestic operations, telco dealers, and large consumer brands. The company serves approximately 200 retail service providers. Inabox is based in Sydney, Australia.

My Net Fone Limited (Net Fone)

Net Fone provides voice communications, broadband Internet, and cloud based communications services to residential, business, government, and wholesale customers in Australia and internationally. The company offers home phone-VoIP, DSL Internet, national broadband network Internet, and mobile VoIP services, as well as virtual fax service, which delivers faxes directly to email address as PDF documents and sends faxes directly from computer; phone and broadband bundles; high-speed ADSL2+ broadband services; Ethernet broadband services for businesses that require high-speeds for data applications; and enterprise SIP trunking service that acts as an ISDN primary rate replacement. It also provides meet-me conferencing services that allow various participants from various locations to be joined in a conference call; and local call and special service numbers, number porting, gold direct-in-dial numbers, additional DIDs, white pages and location information, Mytext SMS, additional IP addresses, and reverse domain name system services. The company was founded in 2004 and is based in Surry Hills, Australia.

Reckon Limited (Reckon)

Reckon provides software solutions for accounting and bookkeeping professionals, as well as small to medium sized businesses, small office/home office users, and personal wealth management sectors in Australia and New Zealand. The company operates through four divisions: Business, Professional, nQueue Billback, and Virtual Cabinet. It provides Reckon BankData, a bank feed solution; Reckon GovConnect, a SBR-enabled solution for lodging reports to government agencies; Reckon One, a cloud accounting solution for small businesses; point of sale retail and hospitality solutions; and hosted account solutions that enhance the interaction between businesses, accountants, bookkeepers, and the organizations. The company also offers tax return preparation tools, practice management tools, and related solutions for accountants and tax agents for small and medium sized accounting firms under the Elite brand; and a range of corporate services, such as establishment of new companies, trusts, and self-managed superannuation funds, as well as company secretarial services to accountants, financial planners, and lawyers under the Reckon Docs brand. In addition, it develops, distributes, and supports a suite of solutions for professional service firms comprising practice management, business intelligence and reporting, document and E-mail management, taxation, client accounting, client relationship management, resource planning, superannuation, corporate secretarial, work paper management, SyncDirect, and other solutions under the APS brand. Further, the company provides software and support services in the revenue management, expense management, print solutions, document service automation, and document management markets under the nQueue Billback brand; and document management and client portal products under the Virtual Cabinet brand. Reckon was founded in 1987 and is headquartered in North Sydney, Australia.

RXP Services Limited (RXP)

RXP provides information and communications technology consulting, development, support, and maintenance services for medium to large enterprises and government organizations in Australia. The company offers strategic advisory services in the areas of strategic alignment and sourcing; service optimization; governance, risk, and compliance; business and enterprise architecture; and portfolio management. It also provides BI and information management services, including data governance, master data management, data warehousing, business intelligence and analytics, and data migration and management; and business process optimization and automation services, such as business process and workflow management, e-forms and smart forms, compliance/security, back-end integration, content services, and imaging and print management. In addition, the company offers enterprise service management services comprising ESM architecture and design, business and IT process improvement, ESM tool transformation, process and service automation, enterprise monitoring and reporting, communication and alert management, and workflow and forms tool consolidation. Further, it provides infrastructure and cloud services consisting of application readiness, performance testing, and infrastructure consulting, as well as cloud design, hosting, and support; and PMO-as-a-service, and project management and project management services. Additionally, the company offers change leadership, organizational readiness, stakeholder and communication

management, and change and communication framework services; and integration governance and architecture, analysis and design, development and testing, application support, and integration platform training services. It also provides application strategy consulting, mobile development and integration, wire-framing/UI design, salesforce development, and application and portal development. The company is based in Melbourne, Australia.

Salmat Limited (Salmat)

Salmat provides customer communication solutions in Australia, New Zealand, Asia, and internationally. It operates through two segments, Consumer Marketing Solutions and Customer Engagement Solutions. The Consumer Marketing Solutions segment distributes physical and digital catalogue content; and offers campaign management and marketing services. This segment's solutions enable clients to interact and engage with their customers through interactive email, online content management, search optimization, data insights and analytics, loyalty management, e-commerce, SMS, letterbox advertising, and catalogue distribution. The Customer Engagement Solutions segment designs and delivers multi-channel contact centre services and technology solutions, field sales services, and learning and development solutions, as well as provides speech technology and automation solutions comprising natural language speech recognition, voice biometrics, and enterprise class contact centre technology solutions hosted in the cloud. The company was founded in 1979 and is headquartered in North Sydney, Australia.

Appendix 4 - Declarations and disclaimers

RSM Bird Cameron Corporate Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our Report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisors.

Mr Ian Douglas and Mr Glyn Yates are directors of RSM Bird Cameron Corporate Pty Ltd. Both Mr Douglas and Mr Yates are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This Report has been prepared solely for the purpose of assisting the shareholders in considering the Proposed Transactions. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of Montech and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSMBCC does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

We have sought, and received, confirmation from the Montech directors that the information provided to us is complete, accurate and appropriate for the purposes of preparing the IER.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

The opinion of RSMBCC is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of interest

At the date of this report, Mr Douglas, Mr Yates, nor any other member, director, partner or employee of RSMBCC or RSM Bird Cameron has any interest in the outcome of the Proposed Transactions, except that RSMBCC are expected to receive a fee of approximately \$25,000 based on time occupied at normal professional rates for the preparation of this report.

RSMBCC's fees are payable regardless of whether Montech shareholders approve the Proposed Transactions, or otherwise.

Consents

RSMCC consents to the inclusion of this report in the form and context in which it is included with the shareholder documentation to be issued to Montech shareholders. Other than this report, none of RSMBCC or RSM Bird Cameron Partners has been involved in the preparation of the shareholder documentation. Accordingly, we take no responsibility for the content of the shareholder documentation as a whole.