
QUICKFLIX LIMITED

ACN 102 459 352

NOTICE OF ANNUAL GENERAL MEETING

TIME: 12.00pm (WST)

DATE: Friday, 24 October 2014

PLACE: Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia

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

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 9347 4900.

QUICKFLIX LTD
ACN 102 459 352
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Quickflix Ltd ("Quickflix" or "the Company") will be held as follows:

TIME: 12.00pm (WST)

DATE: Friday, 24 October 2014

LOCATION: Conference Room, Ground Floor, BGC Centre, 28 The Esplanade,
Perth, Western Australia

**This Notice of Annual General 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 without delay.**

**If you wish to discuss any aspects of this document with the Company, please contact
the Company Secretary on +61 8 9347 4900.**

Words and phrases used in the Resolutions are defined in Section 13 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Statement.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 including the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

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

"That, for the purpose of Section 250R(2) of the Corporations Act, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."

Note: Pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

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

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) or (b) above; or
- (d) the person is the chair of the Annual General Meeting voting an undirected proxy which expressly authorises the chair to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.

Resolution 2 – Election of Director – David Smith

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

"That David Smith a Director of the Company who retires in accordance with clause 7.3(b) of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company."

Questions and Comments

The Chairman will allow a reasonable opportunity for Shareholders at the meeting to ask questions about or make comments on the management of the Company.

Resolution 3 – Re-election of Director – Simon Hodge

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

"That Simon Hodge a Director of the Company who retires by rotation in accordance with clause 7.3(a) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Questions and Comments

The Chairman will allow a reasonable opportunity for Shareholders at the meeting to ask questions about or make comments on the management of the Company.

SPECIAL BUSINESS

Resolution 4: Ratification of Share Placement

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

"That pursuant to ASX Listing Rule 7.4, the issue on 5 November 2013 of 66,348,868 Shares at an issue price of \$0.01 per Share on the terms and conditions set out in the Explanatory Statement be ratified."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5: Ratification of Share Placement

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

“That pursuant to ASX Listing Rule 7.4, the issue on 11 July 2014 of 204,176,899 Shares at an issue price of \$0.009 per Share on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6: Ratification of Issue of Preference Shares to Home Box Office Inc

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

“That pursuant to ASX Listing Rule 7.4, the issue on 11 July 2014 of 1,781,765 Preference Shares issued to Home Box Office Inc on the terms and conditions set out in the Explanatory Statement be ratified.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and an Associate of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 7: Approval for Issue of Preference Shares to StreamCo Media Pty Limited

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

“That, pursuant to ASX Listing Rule 7.1, approval be given to issue 1,847,555 Preference Shares to StreamCo Media Pty Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by StreamCo Media Pty Limited and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 8: Approval of 10% Placement Facility

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

“That, pursuant to ASX Listing Rule 7.1A, approval be given to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of Shares if this Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 9: Approval of Issue of Shares Under Employee Discount Share Ownership Plan

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

“That for the purpose of exception 9(b) of Listing Rule 7.2 approval be given to issue of Shares under the Employee Discount Share Ownership Plan for a period of 3 years after the resolution is passed.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will also disregard any votes cast on this Resolution by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

Resolution 10: Approval of Issue of Performance Rights Under Employee Performance Rights Plan

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

“That for the purpose of exception 9(b) of Listing Rule 7.2 Shareholders approval be given to issue of Performance Rights under the Employee Performance Rights Plan for a period of 3 years after the resolution is passed.”

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any Associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will also disregard any votes cast on this Resolution by a member of the Key Management Personnel or their closely related parties, as proxy for another person, where the Proxy Form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the Proxy Form to vote as the proxy decides, will not be excluded.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Annual General Meeting for further explanation of the Resolutions.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

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

- delivering it or posting it to Quickflix Limited, Suite 40, 460 Stirling Highway, Cottesloe, Western Australia 6011; or
- faxing it to the Company on facsimile number +61 8 9347 4901; or
- emailing it to the Company at investors@quickflix.com.au.

To be effective, a Proxy Form and, if the Proxy Form is signed by the shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 5pm (WST) on 22 October 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Dated this 22 September 2014

By order of the Board



Susan Hunter
Company Secretary

QUICKFLIX LTD
ACN 102 459 352

EXPLANATORY STATEMENT TO SHAREHOLDERS

1. ACTION TO BE TAKEN BY SHAREHOLDERS

This Explanatory Statement sets out information about the Resolutions to be considered by the Shareholders at the Annual General Meeting. Defined terms used in this Explanatory Statement are set out in Section 13. Accompanying this Explanatory Statement is the Notice of Annual General Meeting convening the Annual General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on the Resolutions to be put to the Annual General Meeting. If a Shareholder is not able to attend and vote at the Annual General Meeting, the Shareholder may complete the Proxy Form and return it not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

2. ANNUAL FINANCIAL REPORTS

The Corporations Act requires the Company's financial statements and reports of the Directors and of the auditor for the year ended 30 June 2014 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors and of the auditor are contained in the Company's 2014 Annual Report, a copy of which is available on the Company's website at www.quickflix.com.au.

Whilst no Resolution is required in relation to this item, Shareholders should consider the documents and raise any matters of interest with the Directors when this item is being considered.

A representative from the Company's auditors will be invited to the meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

3. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

If at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company ("Spill Resolution"). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting ("Spill Meeting") within 90 days of the Company's 2015 annual general meeting. All of the Directors who were in office when the Company's 2015 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Company's Shareholders have approved the Remuneration Report at each previous annual general meeting.

A Spill Resolution will not be required at this Annual General Meeting as the votes against the Remuneration Report at the Company's 2013 annual general meeting were less than 25%.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

4. RESOLUTION 2 – ELECTION OF DIRECTOR – DAVID SMITH

Mr Smith was appointed a Non-executive Director of the Company on 1 August 2014. Pursuant to clause 7.2(b) of the Company's Constitution, the Directors may appoint any person to be a Director. Under clause 7.3(b), any such Director only holds office until the next general meeting and, if eligible, may offer himself for election to the office of a Director.

In accordance with clause 7.3(b) of the Constitution, Mr Smith is required to retire and being eligible for election, offers himself for election.

Mr Smith introduces relevant global industry expertise to the Board. Mr Smith is a former Vice President of Twentieth Century Fox Television Distribution and is a senior US film and television entertainment executive with over 20 years' experience in licensing and acquiring content for subscription and transactional services including for over-the-top internet, cable, satellite, broadband and mobile platforms. Mr Smith whose tenure at Fox also included representing the company on the boards of premium pay movie services Showtime, Telecine and LAPTIV was also previously a finance and strategic planning executive of Walt Disney Company. Mr Smith also services as a consultant to the Company assisting in securing licensing of Hollywood content.

The Board unanimously supports the election of Mr Smith.

5. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – SIMON HODGE

It is a requirement under clause 7.3(a) of the Company's Constitution that no Director may hold office without re-election past the third AGM following the director's appointment or 3 years, whichever is longer. Mr Hodge was appointed as a Director on 30 July 2003 and was most recently re-elected in 2011.

Mr Hodge has a corporate advisory and equity research background. He has senior management experience in corporate project origination, evaluation and due diligence and execution having held a senior position with Poynton and Partners for five years advising companies across a range of high growth industries prior to co-founding Quickflix. Before that, Mr Hodge was a senior equity research analyst with JP Morgan (London) and a major Australian stockbroker. Mr Hodge co-founded Quickflix and has occupied a number of executive roles including Managing Director and is currently Chief Financial Officer and Chief Operating Officer.

The Board unanimously supports the re-election of Mr Hodge.

6. RESOLUTION 4 – RATIFICATION OF SHARE PLACEMENT

On 5 November 2013, the Company issued 66,348,868 Shares in the capital of the Company at an issue price of \$0.01 per share to raise approximately \$663,000 (before costs).

The Company issued these Shares under its available placement capacity pursuant to Listing Rule 7.1.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 66,348,868 Shares at \$0.01 per share issued on 5 November 2013 pursuant to Listing Rule 7.1.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and

- Shareholders subsequently approve it.

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 4:

Number of Shares Issued: 66,348,868 Shares.

Issue Price: \$0.01 per Share.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to sophisticated and institutional investors. The allottees were not Related Parties of the Company.

Use of Funds: The funds raised from this issue of shares have been used to increase content and drive profitable customer growth through marketing and for general working capital.

Date of Issue: 5 November 2013.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

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

7. RESOLUTION 5 – RATIFICATION OF SHARE PLACEMENT

On 11 July 2014, the Company issued 204,176,899 Shares in the capital of the Company at an issue price of \$0.009 per share to raise approximately \$1.8 million (before costs).

The Company issued 95,264,827 Shares under its available placement capacity pursuant to Listing Rule 7.1 and issued 108,912,072 Shares under its available placement capacity pursuant to Listing Rule 7.1A.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 204,176,899 Shares at \$0.009 per share issued on 11 July 2014 pursuant to Listing Rule 7.1 and 7.1A.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period. Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued capital through placements over a 12 month period after the Annual General Meeting in addition to the Company's 15% placement capacity under Listing Rule 7.1. On 30 October 2013 the Company received shareholder approval by special resolution to have the ability to issue equity securities under the additional 10% placement capacity.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 or 7.1A is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 or 7.1A; and
- Shareholders subsequently approve it.

The placement of 95,264,827 Shares was within the Company's 15% limit and the placement 108,912,072 Shares was within the Company's additional 10% placement capacity and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 5:

Number of Shares Issued: 204,176,899 Shares. 95,264,827 Shares were issued pursuant to the Company's Listing Rule 7.1 15% placement capacity and 108,912,072 Shares were issued pursuant to the Company's additional Listing Rule 7.1A 10% placement capacity.

Issue Price: \$0.009 per Share. The issue price was greater than 75% of the VWAP of Shares calculated over the 15 Trading Days immediately before the date on which the price at which the Shares were issued was agreed as required under Listing Rule 7.1A.3. 75% of the 15 Trading Day VWAP was \$0.0074.

Terms: The Shares rank equally in all respects with the existing Shares on issue.

Allottees: The Shares were issued to sophisticated and institutional investors. The allottees were not Related Parties of the Company.

Use of Funds: The funds raised from this issue of shares have been applied to working capital, investment in content and marketing to accelerate the Company's growth strategy and supporting strategic interests.

Date of Issue: 11 July 2014.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

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

8. RESOLUTION 6: RATIFICATION OF ISSUE OF PREFERENCE SHARES

On 11 July 2014 the Company announced the issue of 1,781,765 Preference Shares to Home Box Office Inc ("HBO") as consideration for accumulated dividends owed to HBO for the March 2014 and June 2014 quarters.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of 1,781,765 Preference Shares to HBO on 11 July 2014.

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This placement of Preference Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought in order to reinstate the 15% limit.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 6:

Number of Shares Issued: 1,781,765 Preference Shares.

Issue Price: \$0.12 per Share.

Allottees: The Preference Shares were issued to HBO who is not a Related Party of the Company.

Terms: The terms and conditions of the Preference Shares are attached as Annexure A.

Intended Use of Funds: The Preference Shares were issued in satisfaction of dividends owed to HBO for the March 2014 and June 2014 quarters and consequently no funds were raised by the issue.

Date of Issue: 11 July 2014

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

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

9. RESOLUTION 7: APPROVAL FOR ISSUE OF PREFERENCE SHARES

Following Shareholder approval received at a General Meeting of Shareholders held on 26 March 2012, the Company issued 83,333,333 Preference Shares to Home Box Office Inc. Under the terms and conditions of the Preference Shares, each Preference Share entitles the holder to a quarterly dividend payment calculated in accordance with the following formula:

$$\text{Dividend} = \frac{\text{DR} \times (\text{IP} + \text{UD}) \times n}{365}$$

where:

DR = 4.0%.

IP = issue price of the Preference Shares of the holder (\$0.12 per Preference Share).

UD = any dividend on a Preference Share which remain unpaid as at that dividend payment date.

n = number of days in that dividend period.

Under the terms and conditions of the Preference Shares and subject to the payment of the dividend not being in breach of any applicable law, the dividends owed will be paid by the issue of additional Preference Shares at an issue price of \$0.12 per Preference Share.

The Preference Shares have been transferred by Home Box Office Inc to NINEMSM Pty Limited and subsequently to StreamCo Media Pty Limited.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 to issue up to 1,847,555 Preference Shares to StreamCo Media Pty Limited to satisfy the payment of dividends pursuant to the terms and conditions of the Preference Shares for the September 2014 and December 2014 quarters.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as the Preference Shares), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

For the purposes of Listing Rule 7.3, the following information is provided:

Maximum Number of Preference Shares to be Issued: 1,847,555 Preference Shares.

Issue Price: The Preference Shares will be issued at an issue price of \$0.12 per Preference Share.

Allottee: The Preference Shares will be issued to StreamCo Media Pty Limited. StreamCo Media Pty Limited is not a Related Party of the Company.

Terms: The terms and conditions of the Preference Shares are attached as Annexure A.

Intended Use of Funds: The Preference Shares are being issued in satisfaction of dividends owed to StreamCo Media Pty Limited for the September 2014 and December 2014 quarters and consequently no funds will be raised by the issue.

Date of Issue: The issue will occur no later than 3 months after approval of the Resolution or such later date to the extent permitted by an ASX waiver of the Listing Rules. Issue of the 919,144 Preference Shares for the September 2014 quarter dividends will occur on a single date in October 2014 following approval of the Resolution at the Annual General Meeting. Issue of the 928,411 Preference Shares for the December 2014 quarter dividends will occur on a single date in January 2015 no later than 3 months after approval of the Resolution or such later date to the extent permitted by an ASX waiver of the Listing Rules.

Voting Exclusion: An appropriate voting exclusion statement is included in the Notice of Annual General Meeting.

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

10. RESOLUTION 8: APPROVAL OF 10% PLACEMENT CAPACITY

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued capital though placements over a 12 month period after the annual general meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the number of Shares on issue as at 16 September 2014 and the closing price of the Company's Shares on the ASX on 16 September 2014 of \$0.01 per Share, the Company's market capitalisation is \$15.23 million. The Company is an eligible entity.

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

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A2 (set out below).

The Company intends to use the funds raised under the 10% Placement Facility towards continued development of its digital streaming service and to increase its subscriber base through increased marketing by way of advertising and promotion, increase in content and for general working capital.

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

Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Security

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

As at the date of this Notice of Annual General Meeting, the Company has one class of Equity Security, being Shares.

(c) Formula for calculating 10% Placement Facility

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

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

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

- (a) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%.

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

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

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

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

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) ("10% Placement Period").

Listing Rule 7.1A

The effect of this Resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset;
 which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. This also assumes the Company has its full capacity available under Listing Rule 7.1A and Resolutions 4 to 6 are passed at the Annual General Meeting. The formula in Listing Rule 7.1A(2) is outlined above.

The table also shows:

- (i) Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.005 50% decrease in Issue Price	\$0.01 Issue Price	\$0.015 50% increase in Issue Price
Current Variable A 1,413,524,133 Shares	10% Voting Dilution	141,352,413	141,352,413	141,352,413
	Funds Raised	\$706,762.06	\$1,413,524.13	\$2,120,286.20
50% increase in current Variable A 2,120,286,200 Shares	10% Voting Dilution	212,028,620	212,028,620	212,028,620
	Funds Raised	\$1,060,143.10	\$2,120,286.20	\$3,180,429.30
100% increase in current Variable A 2,827,048,266 Shares	10% Voting Dilution	282,704,826	282,704,826	282,704,826
	Funds Raised	\$1,413,524.13	\$2,827,048.26	\$4,240,572.39

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Performance Rights are exercised into Shares before the date of the issue of Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is \$0.01, being the closing price of the Shares on the ASX on 16 September 2014.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) Non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) Cash consideration for continued development of its digital streaming service, increasing content, increasing its subscriber base through increased marketing by way of advertising and promotion and/or for general working capital. In addition, the Company may use the cash consideration for the acquisition of new assets and investments.

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

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company.

- (f) The Company has previously obtained Shareholder approval under Listing Rule 7.1A, most recently at its 2013 annual general meeting held on 30 October 2013.

The total number of Equity Securities issued by the Company in the 12 months preceding the date of this Notice of Annual General Meeting is 941,942,064. The percentage those Equity Securities represent of the total number of Equity Securities on issue at the commencement of that 12 month period is 158%. The table at Annexure B details all issues of Equity Securities by the Company during the 12 months preceding the date of this Notice as required by Listing Rule 7.3A.

- (g) A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class or existing security holder to participate in an issue of Equity Securities pursuant to the Resolution. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

11. RESOLUTION 9: EMPLOYEE DISCOUNT SHARE OWNERSHIP PLAN

The Company introduced the Employee Discount Share Ownership Plan in 2011 and Shareholders approved the issue of Shares pursuant to the Employee Discount Share Ownership Plan for a period of 3 years at the 2011 annual general meeting.

The purpose of Employee Discount Share Ownership Plan is to recognise the efforts and contribution of employees to the Company's success and enhance the loyalty and relationships already formed with the Company and its employees, by offering Shares to employees in circumstances where they will be entitled to a discount on the tax otherwise payable in relation to the Shares.

A full copy of the Employee Discount Share Ownership Plan will be available for inspection on request prior to the Annual General Meeting.

Resolution 9 seeks Shareholder approval to the issue of Shares from time to time upon the terms of the Employee Discount Share Ownership Plan for the purpose of exception 9 to Listing Rule 7.2 of the ASX Listing Rules. Any issue of Shares to Directors or any other Related Parties under the Employee Discount Share Ownership Plan will be subject to Shareholder approval pursuant to the provisions of the ASX Listing Rules and where applicable, the Corporations Act.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (which includes shares and options) exceeding 15% of the Company's ordinary capital in any 12 month period without shareholder approval, subject to a number of exceptions.

Listing Rule 7.2, exception 9 exempts securities under an employee incentive scheme from Listing Rule 7.1 where the scheme was approved by shareholders at a general meeting within 3 years prior to the issue provided that the material terms of the scheme do not change in those 3 years.

There have been 3,812,484 Shares issued under the Employee Discount Share Ownership Plan since the date of the last approval by Shareholders at the Company's 2011 AGM.

Approval is hereby sought for the issue of Shares under the terms of the Employee Discount Share Ownership Plan for the purposes of Listing Rule 7.2 exception 9(b) for a further period of 3 years.

Summary of Terms

For the purpose of approval pursuant to exception 9(b) to Listing Rule 7.2 a summary of the material terms of the Quickflix Limited Employee Discount Share Ownership Plan are set out below:

- The total number of Shares that may be offered under the Employee Discount Share Ownership Plan is limited with reference to the ASIC Class Order applicable to Employee Share Incentive Schemes.

- The value of Shares that may be offered to each employee under the Employee Discount Share Ownership Plan is limited to \$1,000 per annum or such higher amount as may be available on a discounted basis in the future. No amount is payable by an employee in relation to the offer of Shares under the Employee Discount Share Ownership Plan. The deemed price per Share offered to each employee shall be determined with the Board with regard to the current market price of the Company's Shares at the date of the offer.
- All employees of the Company and its subsidiaries who have been employed for one year are eligible to participate in the Employee Discount Share Ownership Plan subject to receiving an offer from the Board, and employees who have been employed for less than one year are also eligible if the Board decides compelling circumstances exist such that it is appropriate to allow them to participate.
- Shares issued under the Employee Discount Share Ownership Plan shall, from the date of issue, rank pari passu in all respects with the existing Shares which are listed for quotation on ASX. The Company shall make an application for quotation of the Shares on the ASX in the period required by the ASX Listing Rules.
- A participant may not sell, encumber or otherwise deal with the Shares or any beneficial interest in the Shares until at least 3 years after the relevant Shares are issued, or such earlier time as approved by the Board in their absolute discretion, unless they cease to be employed by the Company.

12. RESOLUTION 10: EMPLOYEE PERFORMANCE RIGHTS PLAN

The Company introduced the Employee Performance Rights Plan in 2011 and Shareholders approved the issue of Shares pursuant to the Employee Performance Rights Plan for a period of 3 years at the 2011 annual general meeting.

The purpose of the Employee Performance Rights Plan is to provide an incentive to employees of the Company to work toward achieving the Company's long term objectives and thereby enhance the value and financial performance of the Company.

A full copy of the Employee Performance Rights Plan will be available for inspection on request prior to the Annual General Meeting.

Resolution 10 seeks Shareholder approval to the issue of Performance Rights from time to time upon the terms of the Performance Rights Plan for the purpose of exception 9 to Listing Rule 7.2 of the ASX Listing Rules. Any issue of Performance Rights to Directors or any other Related Parties under the Employee Performance Rights Plan will be subject to Shareholder approval pursuant to the provisions of the ASX Listing Rules and where applicable, the Corporations Act.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (which includes shares and options) exceeding 15% of the Company's ordinary capital in any 12 month period without shareholder approval, subject to a number of exceptions.

Listing Rule 7.2, exception 9 exempts securities under an employee incentive scheme from Listing Rule 7.1 where the scheme was approved by shareholders at a general meeting within 3 years prior to the issue provided that the material terms of the scheme do not change in those 3 years.

The Performance Rights Plan was approved by the Board on 8 September 2011 and the issue of Performance Rights pursuant to the Performance Rights Plan was approved by Shareholders at the Company's 2011 Annual General Meeting.

There have been 32,019,750 Performance Rights issued under the Performance Rights Plan since the date of the last approval by Shareholders at the Company's 2011 AGM.

Approval is hereby sought for the issue of Performance Rights under the terms of the Employee Performance Rights Plan for the purposes of Listing Rule 7.2 exception 9(b) for a further period of 3 years.

Summary of Terms

For the purpose of approval pursuant to exception 9(b) to Listing Rule 7.2 a summary of the material terms of the Employee Performance Rights Plan are set out below:

- The total number of Performance Rights that may be offered under the Employee Performance Rights Plan is limited with reference to the ASIC Class Order applicable to Employee Share Incentive Schemes.
- All employees and Directors of the Company and its subsidiaries are eligible to participate in the Employee Performance Rights Plan subject to receiving an offer from the Board.
- A Performance Right means a right to acquire one Share for no consideration. The Board may impose conditions of the vesting of the Performance Rights including performance hurdles which are hurdles and criteria determined by the Board which may relate to matters including management, operational, financial, corporate or shareholder issues.
- Performance Rights are to be for a term not exceeding 5 years from the date of issue.
- At the expiry of the vesting period in relation to Performance Rights, the employee will be issued one Share for each Performance Right in relation to which the performance have been met. A performance Right does not vest and will lapse at the end of the vesting period if the holder of the Performance Right has (i) not been an employee or Director of the Company for at least one year, (ii) any performance hurdles applicable to that Performance Right have not been satisfied, (iii) the holder the Performance Right, in the opinion of the Board has failed to comply with the terms and conditions of the Employee Performance Rights Plan or (iv) the Board has determined that the holder of the Performance Right has acted fraudulently, dishonestly or in breach of his or her obligations to the Company.
- Upon the death, permanent disability, retirement or redundancy of an employee, the Performance Rights will vest to the extent that the performance hurdles have been met, and the Board has discretion to allow some or all of the Performance Rights to vest even if performance hurdles have not been met.
- Upon an employee ceasing to be an employee other than by death, permanent disability, retirement or redundancy on that employee, the Performance Rights held by the relevant employee will vest if the Board determines, at its discretion, that the Performance Rights shall vest. Any Performance Rights that don't vest in these circumstances shall lapse.
- In the event of a takeover bid for the Company, the Performance Rights will vest immediately to the extent that the performance hurdles have been met, and the Board has discretion to allow some or all of the Performance Rights to vest even if performance hurdles have not been met.
- There are no participating rights or entitlements inherent in the Performance Rights and Performance Rights holders will not be entitled to participate in new issues of capital offered to Shareholders prior to the vesting of the Performance Rights.
- In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Performance Rights, all rights of the Performance Rights holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

13. DEFINITIONS

In this Explanatory Statement:

\$ means Australian dollars.

Annual General Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice of Annual General Meeting.

Associate has the meaning set out in sections 11 to 17 of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

Board means the Board of Directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or **Quickflix** means Quickflix Ltd, ACN 102 459 352.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Notice of Annual General Meeting or Notice means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Performance Right means a right to acquire one Share.

Preference Share means a fully paid redeemable convertible preference share in the capital of the Company issued on the terms set out in Annexure A to this Notice.

Proxy Form means the form of proxy accompanying this Notice of Annual General Meeting.

Related Party means a party so defined by section 228 of the Corporations Act.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2014.

Resolution means a resolution proposed to be passed at the Annual General Meeting and contained in the Notice of Annual General Meeting.

Section means a section of the Notice of Annual General Meeting.

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

Shareholder means a person entered in the Company's register as a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means the volume weighted average price.

WST means Western Standard Time.

ANNEXURE A

TERMS AND CONDITIONS OF THE REDEEMABLE CONVERTIBLE PREFERENCE SHARES

1 Terms of issue

- (a) These terms set out the terms of Preference Shares and Options which may be issued by the Issuer from time to time.
- (b) Each Preference Share will be issued as fully paid at an issue price of \$0.12 (**Issue Price**).

2 Dividends

2.1 Dividends

Subject to clause 2.3, each Preference Share entitles the Holder on the relevant Record Date to receive on the relevant Dividend Payment Date, a dividend for the Dividend Period ending on that Dividend Payment Date (**Dividend**), calculated according to the following formula:

$$\text{Dividend} = \frac{\text{DR} \times (\text{IP} + \text{UD}) \times n}{365}$$

where:

DR = 4.0%

IP = issue price of the Preference Shares of the Holder (\$0.12 per Preference Share)

UD = any Dividend on a Preference Share which remain unpaid as at that Dividend Payment Date

n = number of days in that Dividend Period

2.2 Cumulative

- (a) The right to be paid Dividends on a Preference Share is cumulative such that if all or any part of a Dividend is not paid on the relevant Dividend Payment Date due to the application of clause 2.3 or otherwise, then the unpaid amount of that Dividend (**Unpaid Dividend**) will be payable as a Dividend on the next Dividend Payment Date (to the extent that it may then be paid in accordance with clause 2.3).
- (b) The Issuer must pay all Dividends which have accumulated, before paying any dividends to holders of Shares.

2.3 Condition to the payment of Dividends

The payment of a Dividend is subject to that payment not being in breach of any applicable law.

2.4 Method of paying Dividends

- (a) Subject to clause 2.4(b), the Issuer will pay the Dividend by the issue of additional Preference Shares to the Holder, at an issue price of \$0.12 per Preference Share.
- (b) If a Holder would, on conversion of all Preference Shares, have voting power (as defined in the Corporations Act) of greater than 20%, the Issuer must pay the Dividend to that Holder in cash if requested to do so by the Holder.
- (c) If the Issuer does not have sufficient cash to pay the amount of the Dividend to the Holder, the Holder and the Issuer may agree that the amount of the Dividend will be treated as a loan from the Holder to the Issuer on the terms set out in clause 2.5.

2.5 Loan terms

- (a) The loan will be repayable on the earlier of:
 - (i) the date which is 12 months after the date on which it is incurred; and
 - (ii) the date on which a Liquidation Event occurs;
 or such longer period (not to exceed 10 years) as agreed by the Holder, by a payment in Immediately Available Funds.
- (b) Until the loan is repaid, the Issuer may not, without the prior written consent of the Holder:
 - (i) pay or declare any dividends on the Shares
 - (ii) return capital to any shareholder, by a buy-back, capital return or any other method;
 - (iii) grant security over any of its assets; or
 - (iv) incur any borrowings except in the ordinary course of business.
- (c) The loan will accrue interest at the rate of 12% per annum.
- (d) The accrued interest shall be paid to the Holder quarterly in arrears on each of 31 March, 30 June, 30 September and 31 December, and on the date on which the loan is repaid. Any interest which is not paid when due will be added to the principal amount due to the Holder and will accrue interest from the date on which it is due for payment to the Holder.

- (e) For the avoidance of doubt, the Issuer may repay the loan in full (including accrued and unpaid interest) at any time prior to the date referred to in paragraph (a) without penalty.

3 Conversion

3.1 Right to convert

- (a) At any time, the Holder may elect in its discretion to require the Issuer to convert some or all of the Preference Shares held by that Holder by giving the Issuer a Conversion Notice in accordance with clause 3.1(b).
- (b) A Conversion Notice for the purposes of clause 3.1(a) must:
- (i) be in writing;
 - (ii) if less than all of the Preference Shares are to be converted, state the proportion or number of those Preference Shares to be converted; and
 - (iii) be accompanied by all certificates (if any) for that Holder's Preference Shares that are converted.
- (c) The Issuer must convert the Preference Shares in accordance with clause 3.3, within 5 Business Days of receipt of a Conversion Notice.

3.2 Mandatory conversion

- (a) Subject to clause 3.2(b), at any time which is at least 36 months after first issue of the Preference Shares, the Issuer may notify in writing the Holder that all of the Preference Shares will be converted, on a date which is specified in the notice.
- (b) The Issuer may not give a notice under clause 3.2(a) unless the VWAP has been greater than the Trigger Price for at least 30 consecutive Trading Days the last of which occurred no more than 10 Business Days before the date of the notice.
- (c) Where the Issuer gives a notice under clause 3.2(a), the Preference Shares will be converted on the date which is:
- (i) 60 days after the notice is given, if conversion of the Preference Shares will not result in the Holder having voting power of greater than 20% in the Issuer; or
 - (ii) 30 days after shareholder approval is obtained for the issue of Shares to the Holder on conversion, for the purposes of section 611 of the Corporations Act provided that the VWAP is greater than the Trigger Price in the 3 Trading Days before the conversion will take effect.
- (d) For the avoidance of doubt, a mandatory conversion of Preference Shares does not affect the terms on which any Options may be exercised.

3.3 Issue of Shares and Options on conversion

- (a) On the date when Preference Shares must be converted under clause 3.1 or 3.2, the Issuer must:
- (i) issue one Share to the Holder for every Preference Share which is converted;
 - (ii) issue one Option to the Holder, for every five Preference Shares which are converted (such Options to be exercisable according to their terms under clause 5);
 - (iii) give the Holder a new certificate for any remaining Preference Shares (if some but not all of the Preference Shares have been converted); and
 - (iv) give the Holder a certificate evidencing ownership of the Options.
- (b) The Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares.

4 Redemption on a Liquidation Event

4.1 Redemption

- (a) Subject to this clause 4 and any applicable law, the Issuer must redeem each Preference Share for the Redemption Amount.
- (b) A Redemption may be effected in any manner permitted by law.

4.2 Redemption Notice

- (a) The Issuer must promptly notify each Holder if a Liquidation Event occurs.
- (b) Within 40 Business Days of receipt by the Holder of a notice of a Liquidation Event, the Holder may elect in its discretion to require the Issuer to redeem some or all of the Preference Shares held by that Holder by giving the Issuer a Redemption Notice in accordance with clause 4.2(c).
- (c) A Redemption Notice for the purposes of clause 4.2(b) must:
- (i) be in writing;
 - (ii) state the date on which the Redemption is to occur;

- (iii) if less than all of the Preference Shares are to be redeemed, state the proportion or number of those Preference Shares to be redeemed;
- (iv) be given to the Issuer at least 10 Business days prior to the Redemption Date stated in that Redemption Notice; and
- (v) be accompanied by all certificates (if any) for that Holder's Preference Shares that are redeemed.

4.3 Redemption Amount

The amount payable by the Issuer to the Holder on Redemption of a Preference Share will be equal to the Issue Price for that Preference Share plus any Dividends which have accrued but have not been paid by the Issuer to the Holder (**Redemption Amount**).

4.4 Effect of Redemption

Upon the payment of the Redemption Amount:

- (a) each Preference Share that is the subject of redemption will be immediately cancelled; and
- (b) all other rights conferred or restrictions imposed under these terms in respect of each Preference Share that is the subject of redemption will no longer have effect.

4.5 Buy-back or reduction of capital

- (a) If the Issuer does not have sufficient available profits or sufficient available proceeds from a new issue of shares to redeem the relevant Preference Shares when required to do so, then the Issuer must cancel the relevant Preference Shares under a reduction of capital or a share buy-back under Part 2J.1 of the Corporations Act for an amount equal to the Redemption Amount.
- (b) Where the Issuer cancels Preference Shares under a reduction of capital or a share buy-back in accordance with clause 4.5(a), the cancellation shall, subject to compliance with the Corporations Act, take place on, or as soon as reasonably practicable after, the Redemption Date.

5 Option terms

The Options entitle the Holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option entitles the holder to subscribe for one (1) Share upon the payment of \$0.12 per Share subscribed for on or before the date that is 3 years after the date the Option is issued (subject to paragraph 5(c) and 5(e)).
- (b) Holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option, unless the Holder exercise the Option before the applicable record date.
- (c) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Issuer, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (d) If there is a bonus share issue to the holders of Shares (either before or after the issue of the Options), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue.
- (e) If there is a pro rata issue to holders of Shares (other than a bonus issue) either before or after the issue of the Options, the exercise price of an Option may be varied in accordance with ASX Listing Rule 6.22.
- (f) The Options shall be exercisable by the delivery to the Issuer of a notice in writing stating the intention of the Holder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and payment to the Issuer for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Holder to the balance of the Options held by it.
- (g) The Issuer must issue Shares within 5 Business Days of receipt of payment of any exercise moneys from a Holder and, if necessary, arrange for the issue of a new option certificate in respect of any remaining Options of that Holder. Clause 6 will apply following the exercise of any Options.
- (h) The Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares.

6 Obligation following conversion or exercise

Immediately following conversion of any Preference Shares or on exercise of any Options, the Issuer must:

- (a) apply for and use its best endeavours to obtain quotation of the Shares by ASX;
- (b) notify ASX:
 - (i) that the Shares were issued without disclosure to the Holder under Part 6D.2 of the Corporations Act;
 - (ii) that the notification is being given under sub-section 708A(5)(e) of the Corporations Act;
 - (iii) that, as at the date of the notice, the Issuer has complied with:
 - (A) the provisions of Chapter 2M of the Corporations Act as it applies to the Issuer; and
 - (B) section 674 of the Corporations Act; and
 - (iv) of any "excluded information" (within the meaning of sub-sections 708A(7) and (8) of the Corporations Act) as at the date of the notice; and
- (c) deliver to the Holder (or, if applicable, the Holder's nominee), a CHESS holding statement or issuer-sponsored holding statement for the Shares.

7 Payments**7.1 Manner of payments to Holders**

Any money payable in respect of any Preference Share may be paid by:

- (a) cheque in favour of the Holder, crossed "Not Negotiable" and sent to the registered address of the Holder; or
- (b) any method requested by the Holder and approved by the Issuer; or
- (c) to such account as nominated by the Holder 2 Business Days prior to the Redemption Date or Dividend Payment Date.

7.2 Deductions

If the Issuer is required by law to deduct or withhold Taxes from a payment to a Holder in respect of a Preference Share, the Issuer must increase the amount payable to the Holder, so that, after deduction or withholding the amount of any such Taxes, the amount received by the Holder is the amount payable under these Terms of Issue.

8 Ranking for payment

With respect to amounts to be paid or repaid in respect of Preference Shares under these Terms of Issue (including dividends and capital amounts payable on redemption), Preference Shares will:

- (d) rank equally among themselves; and
- (e) rank senior to all other Securities issued by the Issuer, whether issued before or after the date of issue of the Preference Shares.

9 Meetings and voting rights**9.1 Voting rights**

- (a) A Preference Share does not confer on a Holder any right to attend or vote at any general meeting of the Issuer except:
 - (i) as permitted by Listing Rule 6.3 of the ASX Listing Rules; or
 - (ii) where a resolution is proposed for, or in relation to, any amendment to these Terms of Issue,in which case a Holder shall be entitled to vote only upon such resolution and (in relation only to a vote at a general meeting of the Issuer, if present in person or by proxy) shall have one vote in respect of each Preference Share it holds.
- (b) A Preference Share confers on a Holder a right to be given copies of all documents sent by the Issuer to its members (whether in connection with a general meeting of members or otherwise).

9.2 Class rights

Without prejudice to clause 9.1, to the extent that a resolution seeks to vary or cancel any of these Terms of Issue, that variation is not effective unless Holders with at least 75% of the Preference Shares consent to that variation at a duly called meeting of the Holders or by circular resolution of the Holders.

9.3 Restrictions on Issuer

The Issuer agrees that it will not:

- (a) vary any term of the Constitution without the prior consent of the Holders of at least 75% of the Preference Shares (either in writing or at a duly convened meeting of the Holders) to the terms of the variation; or
- (b) issue or agree to issue any class of security which will rank pari passu or in priority to the Preference Shares with respect to dividends, rights on a Liquidation Event or rights on a winding up of the Issuer, without the prior consent of the Holders of at least 75% of the Preference Shares (either in writing or at a duly convened meeting of the Holders) to the terms of the issue.

10 **Transfer of Preference Shares and Options**

The Holder may transfer all or a portion of the Preference Shares and Options by giving a notice, in a form approved by the Issuer, acting reasonably, signed by or on behalf of the Holder

11 **Set off**

The Issuer has no right to set off any amounts owing by it to any Holder against any claims owing to it by such Holder in respect of the Preference Shares.

12 **Amendment**

An amendment to the Terms of Issue may only be made if it has been approved by a special resolution of the Holders at a meeting held in accordance with the requirements of the Constitution and the Corporations Act or by a circular resolution of Holders signed by Holders of at least 75% of the Preference Shares.

13 **Governing law**

These Terms of Issue are governed by the law in force in the State of New South Wales, Australia.

14 **Definitions and interpretation**

14.1 **Definition**

In these Terms of Issue:

ASX means ASX Limited ACN 008 624 691 and, where the context requires, includes the market operated by it.

Board means the board of directors of the Issuer.

Constitution means the constitution of the Issuer.

Conversion Notice means a notice issued under clause 3.1(b).

Dividend means a dividend payable on the Preference Shares.

Dividend Payment Date means the date which is 10 Business Days after the end of a Dividend Period.

Dividend Period means each period of 3 months ending on 31 March, 30 June, 30 September and 31 December.

Holder means the registered holder of a Preference Share or an Option

Immediately Available Funds means cash, bank cheque or electronic funds transfer.

Insolvency Event means the occurrence of any one or more of the following events in relation to any person:

- (f) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed;
- (a) a liquidator or provisional liquidator is appointed;
- (b) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (c) a notice is issued under sections 601AA or 601AB of the Corporations Act; or
- (d) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

Issue Price means \$0.12 per Preference Share.

Issuer means Quickflix Limited ABN 62 102 459 352

Liquidation Event means:

- (g) any Insolvency Event occurs in relation to the Issuer;
- (h) any sale, lease or other transfer of substantially all of the Issuer's assets, in one or a series of transactions;
- (i) any merger, consolidation or similar business combination transaction, in which the Issuer becomes a subsidiary of another entity;

- (j) any change in the majority of the members of the Board, unless the replacement directors were nominated by the majority of the Board, immediately before that change occurred; or
- (k) any person (other than a Holder) acquires voting power (as defined in the Corporations Act) in the Issuer of more than 51%, provided the Holder gives notice to the Issuer within 30 Business Days of receiving notice in writing from the Issuer of the acquisition of that voting power.

Option means an option to subscribe for one Share.

Preference Share means a convertible, redeemable preference share issued by the Issuer.

Redemption Amount has the meaning given in clause 4.3.

Redemption Notice means a notice given in accordance with clause 4.2(b).

Share means a fully paid ordinary share of the Issuer.

Trading Day means a day on which the ASX is open for trading.

Trigger Price means \$0.15 per Share, adjusted on a pro rata basis if the issued capital of the Issuer is consolidated or if the Issuer undertakes a capital reduction or buy-back before conversion of the Preference Shares.

VWAP means the daily volume weighted average market price per Share on ASX, to be calculated including all trades on ASX's trading platform including the closing single price auction, but excluding all off-market trades including but not limited to transactions defined in the ASX Operating Rules as special crossings, crossings prior to the commencement of the open session state, crossings during overnight trading, overseas trades, trades pursuant to the exercise of options over Shares and any other trades that the Issuer and the Holder agree to exclude on the basis that the trades are not fairly reflective of supply and demand.

14.2 Interpretation

In these terms the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these terms;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, schedule or attachment is a reference to a clause or term of, or schedule or attachment to these terms;
 - (vi) these terms include all schedules and attachments to them;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement includes an undertaking or legally enforceable arrangement or understanding, whether or not in writing; and
 - (ix) a monetary amount is in Australian dollars;
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (h) in determining the time of day, where relevant to these terms, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where the person receiving a notice is located; or
 - (ii) for any other purpose under these terms, the time of day in the place where the person required to perform an obligation is located.



ANNEXURE B

ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
29/08/14	160,825,600	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Existing eligible Shareholders who subscribed for Shares under a Share Purchase Plan	Issue price \$0.01 Market Price \$0.013 Discount to Market Price 30%	\$1,608,256	Nil	Working capital, investment in content and marketing to accelerate the Company's growth strategy and investment in supporting initiatives.	N/A	N/A
29/08/14	2,700,000	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Existing eligible Shareholder who subscribed for more than \$15,000 under the Share Purchase Plan	Issue price \$0.01 Market Price \$0.013 Discount to Market Price 23%	\$27,000	Nil	Working capital, investment in content and marketing to accelerate the Company's growth strategy and investment in supporting initiatives.	N/A	N/A
11/07/14	204,176,899	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares	Sophisticated and institutional investors	Issue price \$0.009 Market Price \$0.011 Discount to Market Price 18%	\$1,727,361.95	\$400,000 has been used for working capital (including salaries, promotional costs, postage, technology development costs) and investment in content and marketing.	Working capital, investment in content and marketing to position the Company for shareholder value creation.	N/A	N/A
11/07/14	1,781,765	Redeemable convertible preference shares (refer Annexure A)	Home Box Office Inc	Issued price of \$0.12 per redeemable convertible	Consideration for \$213,811.80 in accumulated dividends due to	N/A - no cash raised, consideration for \$213,811.80 in	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
		for full terms)		preference share. Redeemable convertible preference shares are not quoted on a trading platform.	Home Box Office Inc for the March 2014 and June 2014 quarters.	accumulated dividends due to Home Box Office Inc for the March 2014 and June 2014 quarters.			
03/02/14	11,700,000	Employee performance rights ³	Various employees of the Company.	N/A - issued pursuant to the terms of the Employee Performance Rights Plan. The performance rights are not quoted on a trading platform.	N/A – The issue of performance rights did not raise any cash and were issued to employees of the Company in accordance with the terms and conditions of the Employee Performance Rights Plan approved by shareholders at the AGM held on 29 November 2011.	N/A	N/A	N/A	N/A
03/02/14	3,726,000	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares.	Various employees of the Company.	N/A - issued on vesting of performance rights pursuant to the terms of the Employee Performance Rights Plan.	N/A – the issue of shares did not raise any cash and were issued on the vesting of performance rights pursuant to the terms and conditions of the Employee Performance Rights Plan approved by shareholders at the AGM held on 29 November 2011.	N/A	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
03/02/14	1,999,984	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares. ⁴	Various employees of the Company.	N/A - issued pursuant to the terms of the Employee Discount Share Ownership Plan.	N/A – The issue of shares did not raise any cash and were issued to employees of the Company in accordance with the terms and conditions of the Employee Discount Share Ownership Plan approved by shareholders at the AGM held on 29 November 2011.	N/A	N/A	N/A	N/A
22/01/14	892,185	Redeemable convertible preference shares (refer Annexure A for full terms)	Home Box Office Inc	Issue price of \$0.12 per redeemable convertible preference share. Redeemable convertible preference shares are not quoted on a trading platform.	Consideration for \$107,062.20 in accumulated dividends due to Home Box Office Inc for the December 2013 quarter.	N/A - no cash raised, consideration for \$107,062.20 in accumulated dividends due to Home Box Office Inc for the December 2013 quarter.	N/A	N/A	N/A
08/11/13	883,279	Redeemable convertible preference shares (refer Annexure A for full terms)	Home Box Office Inc	Issue price of \$0.12 per redeemable convertible preference share. Redeemable convertible preference shares are not quoted on a trading platform.	Consideration for \$105,993.43 in accumulated dividends due to Home Box Office Inc for the September 2013 quarter.	N/A – no cash raised, consideration for \$105,993.43 in accumulated dividends due to Home Box Office Inc for the September 2013 quarter.	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
05/11/13	140,000,000	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares.	Parties who had provided loan funds to the Company	Issue price \$0.01 Market Price \$0.018 Discount to Market Price 44%	\$1,400,000 comprising conversion of loans to Shares.	N/A – no cash raised, conversion of loans to Shares.	N/A	N/A	N/A
05/11/13	404,123	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares.	Issue of shortfall shares in relation to the entitlements to the entitlements issue issued to professional and sophisticated investors	Issue price \$0.01 Market Price \$0.018 Discount to Market Price 44%	\$3,778.55	All cash paid has been spent. The funds raised from this issue of Shares were used to increase content and drive profitable customer growth through marketing and for general working capital including payment of salaries, promotional and marketing costs, postage, content licensing costs and technology development.	N/A	N/A	N/A
05/11/13	66,348,868	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares.	Placement to institutional and professional investors	Issue price \$0.01 Market Price \$0.018 Discount to Market Price 44%	\$620,361.92	All cash paid has been spent. The funds raised from this issue of Shares were used to increase content and drive profitable customer growth through marketing and for general working capital including payment of salaries, promotional and	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price ¹	Total Cash Consideration ²	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
05/11/13	4,768,750	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares.	Various employees of the Company	N/A – issued on vesting of performance rights pursuant to the terms of the Employee Performance Rights Plan.	N/A – the issue of shares did not raise any cash and were issued on the vesting of performance rights pursuant to the terms and conditions of the Employee Performance Rights Plan approved by shareholders at the AGM held on 29 November 2011.	N/A marketing costs, postage, content licensing costs and technology development.	N/A	N/A	N/A
25/10/13	341,734,611	Fully paid ordinary shares. The shares issued rank equally with existing quoted fully paid ordinary shares.	Existing eligible Shareholders who subscribed for Shares under an entitlements issue	Issue price \$0.01 Market Price \$0.015 Discount to Market Price 33%	\$3,417,346.11	All cash has been spent of the funds raised from this issue of Shares were used to increase content and drive profitable customer growth through marketing and for general working capital including payment of salaries, promotional and marketing costs, postage, content licensing costs and technology development.	N/A	N/A	N/A

NOTES -

¹ Market price is the closing price on the trading platform, excluding special crossings, overnight sales and ETO exercises.

² Number of Equity Securities issued multiplied by the issue price less costs of the issue.

³ 5,850,000 performance rights will vest at the later of 30/9/14 or 12 months from the holder's commencement date of employment with the Company (Vesting Period) and vesting is subject to various performance hurdles being met by the employee. A further 5,850,000 performance rights will vest on 30/9/15 or 24 months from the holder's commencement date of employment with the Company (Vesting Period) subject to various performance hurdles being met by the employee. Any shares issued will be subject to a three month voluntary escrow period from the date of vesting. Performance Rights which have not vested at the end of the Vesting Period will lapse.

⁴ The 1,999,984 fully paid ordinary shares are subject to a holding lock whereby the employee must not sell or dispose of any share before the earlier of (a) the end of the period of 3 years after the date of issue; or (b) when the employee ceases to be employed by the Company; or (c) at such earlier time as approved by the Board in their absolute discretion.

QUICKFLIX LTD
ACN 102 459 352
PROXY FORM

Name:

Address:

SRN / HIN:

Appointment of a proxy

I/We being a member(s) of Quickflix Ltd hereby appoint:

(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Quickflix Ltd to be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia at 12.00pm on Friday, 24 October 2014 and at any adjournment of that meeting.

IMPORTANT - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you do not mark any of the boxes below you are expressly authorising and directing the Chairman of the Meeting to exercise your proxy on that Resolution in accordance with the Chairman's voting intentions.

The Chairman of the Meeting intends to vote all non-directed proxies in favour of all Resolutions.

Votes on items of business

(Voting directions to your proxy – please mark **X** to indicate your directions)

		FOR	AGAINST	ABSTAIN*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of David P Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Simon Hodge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Issue of Preference Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for Issue of Preference Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Employee Discount Share Ownership Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

Appointment of a second proxy

If two proxies are being appointed, the proportion of voting rights this proxy represents is %.

Authorised signature(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

INDIVIDUAL/SECURITY HOLDER 1

Individual/Sole Director and
Sole Company Secretary

SECURITY HOLDER 2

Director

SECURITY HOLDER 3

Director/Company Secretary

Contact Details

Contact Email address

Contact Telephone Number

Voting By Proxy - How to complete the Proxy Form

Your Name, Address and Shareholder Details

Please complete your name and address as it appears on the share register of Quickflix Ltd. If you are returning the Proxy Form by email your SRN or HIN must also be included.

Appointment of a Proxy

Please write the name of that person you wish to appoint as proxy in the space indicated. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman will be your proxy and vote on your behalf. A proxy need not be a shareholder of Quickflix Ltd.

Votes on Items of Business

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

Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must state the percentage of your voting rights on each of the first Proxy Form and the second Proxy Form and return both forms together.

Authorised Signature/s

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

- Joint Holding in the case of joint holders the Proxy Form must be signed by all holders.
- Power of Attorney if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach the Power of Attorney or a copy to this Proxy Form when you return it.
- Companies a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also the sole Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting and a Proxy Form is not used, then an appropriate "Certificate of Appointment of Representative" should be produced prior to admission.

Lodgement of Proxy Form

This Proxy Form and any Power of Attorney or other authority under which it is signed (or a copy or facsimile which appears on its face to be an authentic copy of the proxy, power or authority) must be received no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by:

- delivering or posting it to Quickflix Limited, Suite 40, 460 Stirling Highway, Cottesloe WA 6011; or
- faxing it to the Company on facsimile number +61 8 9347 4901; or
- emailing it to the Company at investors@quickflix.com.au.