



ACN 059 457 279

migme limited

NOTICE OF ANNUAL GENERAL MEETING

**For the Annual General Meeting of the Company to be held at
11:00 am (AEDT) on Thursday, 27 November 2014 at
c/- Baker & McKenzie, Level 19, CBW, 181 William Street,
Melbourne, Victoria, Australia 3000**

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 accountant, solicitor or other professional adviser prior to voting.

***Should you wish to discuss any matter please do not hesitate to contact the Company by
telephone on +61 (0)42 999 5000***

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of migme limited (**Company**) will be held at c/- Baker & McKenzie, Level 19, CBW, 181 William Street, Melbourne, Victoria, Australia on Thursday, 27th November 2014 at 11:00 am (AEDT) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 25th November 2014 at 5:00pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entity for the year ended 30 June 2014, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) 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 above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Director – Mr Howard Dawson

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

"That, Mr Howard Dawson who retires in accordance with Article 12.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 – Re-election of Director – Mr Dmitry Levit

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

"That, Mr Dmitry Levit who retires in accordance with Article 12.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

5. Resolution 4 – Re-election of Director – Mr John Lee

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

"That, Mr John Lee who retires in accordance with Article 12.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

6. Resolution 5 – Re-election of Director – Mr Stephen Llanwarne

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

"That, Mr Stephen Llanwarne who retires in accordance with Article 12.4 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

7. Resolution 6 – Ratification of grant of Options on 15 October 2014

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the grant of 7,383,887 Options on 15 October 2014 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

8. Resolution 7 - Grant of options to Director - Mr Howard Dawson

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 200,000 Options to Mr Howard Dawson at an exercise price of \$0.40 per share and on the other terms set out in the Explanatory Statement is approved,"

Voting Exclusion

The Company will disregard any votes cast on this resolution:

- (a) by Howard Dawson or any of his associates; and
- (b) as proxy by any member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote on the resolution, in accordance with a direction on the proxy form; or
- it is cast by the person chairing the meeting as a proxy (expressly or by default) for a person who is entitled to vote on the resolution, without being directed how to vote.

9. Resolution 8 - Grant of options to Director - Mr Stephen Llanwarne

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 200,000 Options to Mr Stephen Llanwarne at an exercise price of \$0.40 per share and on the other terms set out in the Explanatory Statement is approved,"

Voting Exclusion

The Company will disregard any votes cast on this resolution:

- (a) by Stephen Llanwarne or any of his associates; and
- (b) as proxy by any member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote on the resolution, in accordance with a direction on the proxy form; or
- it is cast by the person chairing the meeting as a proxy (expressly or by default) for a person who is entitled to vote on the resolution, without being directed how to vote.

10. Resolution 9 - Grant of options to Director - Mr Yichin Lee

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of 200,000 Options to Mr Yichin Lee at an exercise price of \$0.40 per share and on the other terms set out in the Explanatory Statement is approved,"

Voting Exclusion

The Company will disregard any votes cast on this resolution:

- (a) by Yichin Lee or any of his associates; and
- (b) as proxy by any member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote on the resolution, in accordance with a direction on the proxy form; or
- it is cast by the person chairing the meeting as a proxy (expressly or by default) for a person who is entitled to vote on the resolution, without being directed how to vote.

11. Resolution 10 – Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility 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 such a 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 directions on the Proxy Form; or
- (b) it is cast by the Chairman 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

Dated 23 October 2014

BY ORDER OF THE BOARD

Michael Higginson
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at c/- Baker & McKenzie, Level 19, CBW, 181 William Street, Melbourne, Victoria, Australia on Thursday, 27 November 2014 at 11:00 am (AEDT).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

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

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

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at <http://company.mig.me>;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

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

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

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

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

5. Resolution 2 – Re-election of Director – Mr Howard Dawson

Article 12.2 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) must retire at each annual general meeting.

Article 12.2 of the Constitution states that a Director who retires under Article 12.2 is eligible for re-election.

In accordance with the Constitution, Mr Howard Dawson will retire by rotation and seek re-election.

Details of the qualifications and experience of Mr Dawson are in the Financial Report.

The Board believes that Mr Dawson has performed the duties and responsibilities of a non-executive Director diligently and professionally, in the best interests of all Shareholders.

6. Resolution 3 – Re-election of Director – Mr Dmitry Levit

Article 12.2 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) must retire at each annual general meeting.

Article 12.2 of the Constitution states that a Director who retires under Article 12.2 is eligible for re-election.

In accordance with the Constitution, Mr Dmitry Levit will retire by rotation and seek re-election.

Details of the qualifications and experience of Mr Levit are in the Financial Report.

The Board believes that Mr Levit has performed the duties and responsibilities of a non-executive Director diligently and professionally, in the best interests of all Shareholders.

7. Resolution 4 – Re-election of Director – Mr John Lee

Article 12.2 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) must retire at each annual general meeting.

Article 12.2 of the Constitution states that a Director who retires under Article 12.2 is eligible for re-election.

In accordance with the Constitution, Mr John Lee will retire by rotation and seek re-election.

Details of the qualifications and experience of Mr Lee are in the Financial Report.

The Board believes that Mr Lee has performed the duties and responsibilities of a non-executive Director diligently and professionally, in the best interests of all Shareholders.

8. Resolution 5 – Re-election of Director – Mr Stephen Llanwarne

Article 12.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified in the Constitution.

Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Llanwarne was appointed as a Director on 2 October 2014.

In accordance with Article 12.4 of the Constitution, Mr Llanwarne will retire at the Annual General Meeting and seek re-election.

Mr Llanwarne is the holder of a Bachelor of Business in Information Technology with over 30 years of experience across retail and institutional financial technology, as well as mobile web, mobile applications and social media.

9. Resolution 6 – Ratification of grant of Options on 15 October 2014

Background

On 15 October 2014, the Company granted for no consideration 7,383,887 Options. The free Options were granted to employees and a key consultant of the Company for the purpose of providing an incentive for their future commitment and involvement. The Options will not be quoted by ASX.

Resolution 6 seeks Shareholder ratification for the issue of the 7,383,887 Options that your Directors granted on 15 October 2014 to its employees and one key consultant.

ASX Listing Rules

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

The exception to this rule contained in ASX Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of shareholders under ASX Listing Rule 7.1 if subsequently approved by shareholders, thereby 'refreshing' the company's ability to issue shares within the 15% limit, and restoring the company's ability to make placements within that limit (if that is thought desirable) without the need for shareholder approval.

While the Options described in this Resolution 6 have been issued within the 15% limit required by ASX Listing Rule 7.1, the Company seeks Shareholder ratification of the granting of the Options for the purpose of ASX Listing Rule 7.4 so that the Company's ability to issue securities will be 'refreshed' and it will have flexibility to issue further securities should the need or opportunity arise.

Information Required by ASX Listing Rule 7.5

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the granting of the Options the subject of this Resolution 6:

- (a) the number of Options granted was 7,383,887;
- (b) the Options were granted to employees and a key consultant of the Company for no cash consideration in order to provide an incentive for the future involvement and commitment of those employees and the key consultant;
- (c) the terms and conditions of the Options are as set out in Schedule 2;
- (d) No cash consideration was received from the grant of the Options. No related party of the Company participated in the grant of the Options; and
- (e) no funds were raised from the grant of the Options.

10. Resolutions 7 to 9 - Grants of options to Directors

Subject to obtaining shareholder approval, the Company proposes to issue 200,000 options to each of three non-executive directors, namely Howard Dawson, Stephen Llanwarne, and Yichin Lee, for a total of 600,000 options. In each case the terms of the options are the same, including an exercise price of \$0.40 per share and an expiry date of [30 November 2019] (the **Options**).

The grants of Options are intended to provide an incentive to these directors to continue to perform for the benefit of the Company and its shareholders, and to preserve the Company's cash resources by providing part of the directors' remuneration in the form of non-cash equity.

Listing Rule 10.11 Authorisation

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) to a related party. A director of the Company is considered to be a related party of the Company. Accordingly, Resolutions 7, 8 and 9 allow shareholders to vote in each proposed grant of Options separately.

Information required by ASX Listing Rule 10.11

In accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issues of Options:

- (a) the related parties to whom the Options will be issued are Howard Dawson, Stephen Llanwarne, and Yichin Lee, who are related parties by virtue of being directors of the Company;
- (b) the maximum number of Options that are to be issued is 200,000 to each of those directors, for a total maximum of 600,000 Options;
- (c) the Options will be issued no later than 1 month after the Annual General Meeting and it is intended that all issues will occur on the same date;
- (d) the Options will be granted for nil issue price, accordingly no funds will be raised from this grant. If and when the Options are exercised a maximum of \$240,000 will be raised by the Company, which is expected to be used for its operational and working capital purposes; and
- (e) the Options will be issued on the terms and conditions set out in Schedule 3 to this Explanatory Statement.

Listing Rule 7.1

Whilst Listing Rule 7.1 would otherwise apply to the issue of the Options, under Listing Rule 7.2 exception 14, if approval for the issue is given under Listing Rule 10.11 then approval is not required under Listing Rule 7.1. This has the effect of preserving the Company's ability to issue securities in the future under the 15% limit in Listing Rule 7.1.

Voting Exclusion Statement

Each of Resolutions 7, 8 and 9 has a voting exclusion statement which applies to the relevant director and his associates.

11. Resolution 10 – Approval of 10% Placement Facility

11.1 General

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

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

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

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c) below).

The Company is currently operating and expanding its social entertainment platform and delivering social entertainment services to its targeted markets. The Company may use the funds raised from the issue of Equity Securities under the 10% Placement Facility by expanding its social entertainment platform, acquiring complementary businesses and expanding its user base by expanding to other emerging markets.

11.2 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 Securities

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

The Company, as at the date of the Notice, has on issue one class of Equity Securities, 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 shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid 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 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 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 is 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.

At the date of this Notice, the Company has on issue 251,632,014 Shares and therefore has a capacity to issue:

- (i) Subject to shareholder approval being obtained under Resolution 6, 37,744,802 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 7, 25,163,201 Equity Securities under Listing Rule 7.1A.

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 (refer to Section 11.2(c) 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 in that class of security were recorded 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),

or such longer period if allowed by ASX (**10% Placement Period**).

11.3 Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 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).

11.4 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 for the Company's Equity Securities over the 15 Trading Days on which trades in that class of security were recorded 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 7 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 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 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.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific 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 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.165 50% decrease in Issue Price	\$0.33 Issue Price	\$0.66 100% increase in Issue Price
251,632,014 Current Variable A	10% Voting Dilution	25,163,201 Shares	25,163,201 Shares	25,163,201 Shares
	Funds raised	\$4,151,928	\$8,303,856	\$16,607,712
377,448,021 50% increase in current Variable A	10% Voting Dilution	37,744,802 Shares	37,744,802 Shares	37,744,802 Shares
	Funds raised	\$6,227,892	\$12,455,784	\$24,911,569
503,264,028 100% increase in current Variable A	10% Voting Dilution	50,326,402 Shares	50,326,402 Shares	50,326,402 Shares
	Funds raised	\$8,303,856	\$16,607,712	\$33,215,425

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 are exercised into Shares before the date of the issue of the 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 Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.33, being the closing price of the Shares on ASX on 16 October 2014.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 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 business opportunities and/or investments in complimentary businesses. 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. In such circumstances, the Company intends to use the funds raised towards the continued development and expansion of its social entertainment platform and/or for the acquisition of complementary businesses or investments (including expenses associated with such an acquisition) and for general working capital.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to 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 issue or other issue 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 advisers (if applicable).

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

Further, if the Company is successful in acquiring new businesses or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (e) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2013 Annual General Meeting on 29 November 2013. No securities were issued by the Company under Listing Rule 7.1A during the 10% Placement Period that commenced on 29 November 2013.

A total of 187,001,367 Shares and 14,883,887 Options were issued by the Company in the 12 months preceding the date of this Meeting. The 187,001,367 Shares represent 289% of the total number of Shares on issue as at 29 November 2013. The 187,001,367 Shares were issued following the receipt of Shareholder approval on 19 June 2014 under Listing Rule 7.1 and 7,500,000 Options were also issued following the receipt of Shareholder approval on 19 June 2014. In addition, 7,383,887 Options were issued on 15 October 2014 under Listing Rule 7.1A (refer Resolution 6). All of these securities being issued during the 10% Placement Period that commenced on 21 November 2013.

Details of the 187,001,367 Shares and 14,883,887 Options issued in the 12 months preceding the date of the Meeting are set out in the following tables:

Date of issue	18 July 2014
Number issued	7,500,000
Class/type of equity security	Options
Summary of terms	Each exercisable at \$0.20 and expiring 31 July 2017.
Name of persons who received securities or basis on which those persons were determined	Heracles Investments Group Limited
Price	No cash consideration was received for the grant of the Options.
Discount to market price (if any)	Not applicable
For cash issues	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
For non-cash issues	
Non-cash consideration paid	The Options were granted to an entity associated with the Company's Chief Executive Officer (CEO) as an incentive for the CEO following the receipt of Shareholder approval on 19 June 2014
Current value of that non-cash consideration	\$1,743,927 (using Black & Scholes)

Date of issue	5 August 2014
Number issued	187,001,367
Class/type of equity security	Fully paid ordinary shares
Summary of terms	Fully paid ordinary shares
Name of persons who received securities or basis on which those persons were determined	1. 147,001,367 Shares were issued following the receipt of Shareholder approval on 19 June 2014 to the security holders of Project Goth Inc and M3H Pte Ltd in order to acquire 100% of the issued capital of Project Goth Inc and M3H Pte Ltd. 2. 40,000,000 Shares were issued following the receipt of shareholder approval on 19 June 2014 to Big Build Enterprises Ltd to raise \$8,000,000.
Price	1. Acquisition of Project Goth Inc and M3H Pte Ltd. 2. \$0.20 per Share.
Discount to market price (if any)	1. Nil – deemed issue price of \$0.20 per Share 2. Nil – issued in accordance with Prospectus dated 30 June 2014.
For cash issues	
Total cash consideration received	1. Not applicable 2. \$8,000,000
Amount of cash consideration spent	1. Not applicable

	2. \$644,000
Use of cash consideration	1. Not applicable 2. Continued development and expansion of its social entertainment platform and for general working capital.
Intended use for remaining amount of cash (if any)	1. Not applicable 2. Continued development and expansion of its social entertainment platform and/or for the acquisition of complementary businesses or investments (including expenses associated with such an acquisition) and for general working capital.
For non-cash issues	
Non-cash consideration paid	1. Acquisition of Project Goth Inc and M3H Pte Ltd. 2. Not applicable
Current value of that non-cash consideration	1. Current value of 147,001,367 Shares is \$49.2 million (based on 22 October 2014 closing price) 2. Not applicable

Date of issue	15 October 2014
Number issued	7,383,887
Class/type of equity security	Options
Summary of terms	See Schedule 2
Name of persons who received securities or basis on which those persons were determined	Employees and a key consultant.
Price	No cash consideration was received for the grant of the Options.
Discount to market price (if any)	Not applicable
For cash issues	
Total cash consideration received	Not applicable
Amount of cash consideration spent	Not applicable
Use of cash consideration	Not applicable
Intended use for remaining amount of cash (if any)	Not applicable
For non-cash issues	
Non-cash consideration paid	The Options were granted to employees and a key consultant as an incentive for their future involvement and commitment.
Current value of that non-cash consideration	\$1,968,088 (using Black & Scholes)

No other securities have been issued by the Company during the 12 months preceding the date of the Meeting.

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

Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(f).

AEDT means Australian Eastern Daylight Time, being the time in Melbourne, Australia.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2014.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Business Day means for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (i) a spouse or child of the member; or
- (ii) has the meaning given in section 9 of the Corporations Act.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

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

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means 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 ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

migme and **Company** means migme limited ACN 059 457 279

Notice means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

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

Schedule means a schedule to this Notice.

Section means a section contained in the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

VWAP means the volume weighted average price.

WST means Western Standard Time, being the time in Perth Western Australia.

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

Schedule 2 – Option terms for employees and consultant

Background

The Board resolved to issue stock options to employees and a key consultant under the terms listed below. The Company may satisfy its obligations on vesting and exercise of Options either by issuing new Shares or procuring the transfer of existing Shares.

No.	Option Class	Number of Options	Expiry Date	Exercise price	Vesting period (months)
1.	Option Class 1	6,717,308	15 Oct 2019	\$0.200	48
2.	Option Class 2	266,632	15 Oct 2019	\$0.200	24
3.	Option Class 3	399,947	15 Oct 2019	\$0.363	24
		<u>7,383,887</u>			

Notes

1. Option Class 1 – Options issued to employees. Continued employment vesting condition, with initial twelve (12) month vesting period for all Options and afterwards the Options would vest progressively and equally over the remaining thirty six (36) months.
2. Option Class 2 – Options issued to a consultant. Continued engagement vesting condition, with initial twelve (12) month vesting period for all Options and afterwards the Options would vest progressively and equally over the remaining twelve (12) months.
3. Option Class 3 – Options to be issued to employees, subject to (a) vesting condition relating to attainment of operational and integration objectives, and (b) continued employment vesting condition, with initial twelve (12) month vesting period for all Options and afterwards the Options would vest progressively and equally over the remaining twelve (12) months.

All options had a grant date of 15 October 2014 and an expiry term of the earlier of 15 October 2019 or 90 days after a Qualifying Cessation (see below).

General terms and conditions of the Options

- a) Shares issued as a result of the exercise of any of the Options will rank equally in all respects with all Shares currently on issue.
- b) The Option holder is not entitled to participate in new issues of migme securities offered to shareholders (including any rights issue, entitlement issue or bonus issue) unless the Option is exercised before the relevant record date for that new issue.
- c) The Options are non-transferable.
- d) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- e) In the event of a bonus issue of Shares to the holders of Shares while an Option remains unexercised, the number of Shares over which the Option may be exercised will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue. The Exercise Price of the Option does not change.
- f) In the event of a pro rata offer of Shares made to the holders of Shares while an Option remains unexercised (except a bonus issue), the Exercise Price will be reduced in accordance with the formula in ASX Listing Rule 6.22.2.

Qualifying Cessation

A Qualifying Cessation means ceasing to be an employee by reason of:

- a) total or permanent disablement, or an illness which persists for at least 3 months during a 12 month period, which in either case prevents the employee from carrying out their previous employment functions;
- b) death;
- c) genuine redundancy;
- d) termination of employment by the Company other than for a reason that would allow the Company to do so under the terms of your employment (not including a reason that is solely the giving of a period of notice by the Company);
- e) other retirement with the approval of the Board; or
- f) other circumstances determined at the discretion of the Board.

Effect of Qualifying Cessation

If an event which is specified in paragraphs (a) or (b) of the definition of Qualifying Cessation occurs on or before a vesting date, unvested Options will not lapse. Those Options will remain subject to the time vesting condition but not subject to the continued employment vesting condition.

If an event which is specified in the other paragraphs of the definition of Qualifying Cessation occurs on or before a vesting date, the Board may determine, in its discretion, that some or all of your unvested Options will not lapse, in which case those Options will remain subject to the time vesting condition but not subject to the continued employment vesting condition. All remaining unvested Options immediately lapse.

Schedule 3 – Option terms for Directors

- a) The Exercise Price per Option is \$0.40 subject to adjustment as set out below.
- b) The Options expire at 5.00pm WST on 30 November 2019 if not exercised before that time.
- c) The Options will not be quoted on ASX.
- d) The Options will vest evenly over a 12 month period, subject to continuing service to the Company.
- e) Upon exercise of an Option the Option holder is entitled to receive one Share, subject to adjustment as set out below. The Company may in its discretion either issue a new Share or procure the transfer of an existing Share for this purpose.
- f) Shares issued as a result of the exercise of any of the Options will rank equally in all respects with all Shares currently on issue.
- g) The Option holder is not entitled to participate in new issues of migme securities offered to shareholders (including any rights issue, entitlement issue or bonus issue) unless the Option is exercised before the relevant record date for that new issue.
- h) The Options are non-transferable.
- i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- j) In the event of a bonus issue of Shares to the holders of Shares while an Option remains unexercised, the number of Shares over which the Option may be exercised will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue. The Exercise Price of the Option does not change.
- k) In the event of a pro rata offer of Shares made to the holders of Shares while an Option remains unexercised (except a bonus issue), the Exercise Price will be reduced in accordance with the formula in ASX Listing Rule 6.22.2.