

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Quantify Technology Holdings Limited

ACN/ARSN 113 326 524

1. Details of substantial holder (1)

Name Gerard Private Holdings (Finance) Pty Ltd (603 283 085), and the entities mentioned in Annexure A

ACN/ARSN (if applicable) As set out in Annexure A

The holder became a substantial holder on 11 / 12 / 2020

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Fully-paid ordinary shares	240,000,000	240,000,000	39.95%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Gerard Private Holdings (Finance) Pty Ltd	Holder of the securities, pursuant to section 608(1)(a) of the Corporations Act	240,000,000 fully-paid ordinary shares
Each other entity mentioned in Annexure A	Through a body corporate which the person controls or has voting power above 20%, as set out in Annexure A, pursuant to section 608(3) of the Corporations Act	240,000,000 fully-paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Entitles mentioned in Annexure A	Gerard Private Holdings (Finance) Pty Ltd	N/A	240,000,000 fully-paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Entitles mentioned in Annexure A	8 December 2020		As consideration for the acquisition by Quantify Technology Holdings Limited of 100% of the issued capital in GSM Innovations Pty Ltd (ACN 616 530 708), a copy of which is annexed to this Form 603 as Annexure B	240,000,000 fully-paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
As set out in Annexure A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
As set out in Annexure A	

Signature

print name

SIMON CHARLES FERRARD

capacity

DIRECTOR

sign here

date 11 / 12 / 2020

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
 - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A—INTERESTS OF PARTIES

Entity	Shares held	Voting power	Corporations Act provision under which relevant interest arises	Address
Gerard Private Holdings (Finance) Pty Ltd (ACN 603 283 085)	240,000,000	39.95%	s608(1)(a)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Simon Charles Gerard	0	39.95%	s608(3)	8 Madurta Ave, Aldgate, SA, 5154
Matthew Geoffrey Gerard	0	39.95%	s608(3)	40 Walbundry Ave, Balwyn North, VIC, 3104
Gerard Corporation Pty Ltd (ACN 103 888 491)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Gerard Products Pty Ltd (ACN 105 201 303)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Gerard Private Holdings Pty Ltd (ACN 603 217 250)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
MGG Nominees No1 Pty Ltd (ACN 630 401 286)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
MGG Nominees No2 Pty Ltd (ACN 630 401 508)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Madurta Nominees No1 Pty Ltd (ACN 630 399 245)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Madurta Nominees No2 Pty Ltd (ACN 630 401 508)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Madurta Nominees No3 Pty Ltd (ACN 630 399 870)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Madurta Nominees No4 Pty Ltd (ACN 630 400 083)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067
Madurta Nominees No5 Pty Ltd (ACN 630 400 556)	0	39.95%	s608(3)	Level 2, 142 Fullarton Road, Rose Park, South Australia 5067

Notes:

- Gerard Private Holdings (Finance) Pty Ltd (ACN 603 283 085) (the **Vendor**), acquired its relevant interest as the holder of the 240,000,000 shares in Quantify Technology Holdings Limited (the **Company**).
- Gerard Private Holdings Pty Ltd (ACN 603 217 250) (**GPH PL**) and Gerard Corporation Pty Ltd (ACN 103 888 491) (**GC PL**), each acquired its relevant interest as GPH PL controls the Vendor (as its 100% owner), and GC PL controls GPH PL (as its 100% owner).
- MGG Nominees No1 Pty Ltd (ACN 630 461 286) (**MGG1**) and Gerard Products Pty Ltd (ACN 105 201 303) (**GP PL**) each acquired its relevant interest, as each owns more than 20% of the shares in GC PL.
- MGG Nominees No2 Pty Ltd (ACN 630 401 508) (**MGG2**), Madurta Nominees No4 Pty Ltd (ACN 630 400 083) (**MN4**), and Madurta Nominees No5 Pty Ltd (ACN 630 400 556) (**MN5**) each acquired its relevant interest as they are deemed to be associates of MGG1 and GP PL (due to the fact that each of the parties mentioned in this paragraph are acting in concert in relation to the affairs of the Company), and therefore their voting shares are aggregated for the purposes of determining each party's relevant interest in the Company's shares.
- Madurta Nominees No1 Pty Ltd (ACN 630 399 245) (**MN1**) and Madurta Nominees No2 Pty Ltd (ACN 630 401 508) (**MN2**) each acquired its relevant interest, as each owns more than 20% of the shares in GP PL.
- Madurta Nominees No3 Pty Ltd (ACN 630 399 870) (**MN3**) each acquired its relevant interest, as it is deemed to be an associate of MN1 and MN2 (due to the fact that each of the parties mentioned in this paragraph are acting in concert in relation to the affairs of the Company), and therefore their voting shares are aggregated for the purposes of determining each party's relevant interest in the Company's shares.
- Matthew Geoffrey Gerard acquired his relevant interest as he controls MGG1 and MGG2 (as their 100% owner).
- Simon Charles Gerard acquired his relevant interest as he controls MN4, MN5, and GP PL (as their 100% owner).
- Ultimate control of the Vendor lies with Simon Charles Gerard (at 60%) and Matthew Geoffrey Gerard (at 40%).

ANNEXURE B—ACQUISITION AGREEMENT

(Annexure begins on the following page.)

8 December 2020

SHARE SALE AGREEMENT

GSM Innovations Pty Ltd

Gerard Private Holdings (Finance) Pty Ltd (ACN
603 283 085)

Seller

Quantify Technology Holdings Limited (ACN
113 326 524)

Buyer



AUSTRALIA | HONG KONG | UK

Level 26,
140 St Georges Terrace
Perth WA 6000

PO Box 8098
Cloisters Square
Perth WA 6850

Ref: 2007003

Contact: Will Moncrieff
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Share Sale Agreement

Entered into on 8 December 2020

Parties

Seller	Gerard Private Holdings (Finance) Pty Ltd (ACN 603 283 085) a proprietary company limited by shares incorporated in Victoria and having its registered office at Level 2, Fullarton Road, Rose Park, South Australia.
Buyer	Quantify Technology Holdings Limited (ACN 113 326 524) a public company limited by shares incorporated in Queensland and having its registered office at Level 4, 216 St Georges Terrace, Perth, Western Australia

Background

- A. The Company has developed an advanced Internet of Things platform divided into two key products being Powermesh® hardware and Zimi® software.
- B. The Seller is the legal and beneficial owner of the Sale Shares which comprise all of the shares issued by the Company.
- C. The Seller has agreed to sell and the Buyer has agreed to purchase the Sale Shares on the terms and conditions of this Agreement (**Transaction**).
- D. This Agreement and completion of the Transaction are conditional on satisfaction of the conditions precedent in clause 2.1, including the Buyer completing the Capital Raising.
- E. Capitalised terms are defined in the Glossary located at Schedule 1.

Operative Terms

In consideration for the mutual covenants hereafter set forth, the Parties agree as follows:



1. THE TRANSACTION

1.1. Sale and purchase of sale shares

On the Completion Date, in consideration for the Consideration:

- (a) the Seller must sell the Sale Shares free of any Encumbrances; and
- (b) the Buyer must purchase the Sale Shares.

1.2. Consideration

1.2.1. The consideration payable by the Buyer for the purchase of the Sale Shares will be \$4,800,000 (**Purchase Price**), to be satisfied by the issue to the Seller of:

- (a) 240,000,000 fully paid ordinary shares in the Buyer (**Shares**) at a deemed issue price of \$0.02 per Share (**Consideration Shares**); and
- (b) 110,000,000 performance rights on the terms set out in Schedule 2 (**Performance Rights**).

1.2.2. The Purchase Price has been determined on the following basis:

- (a) on completion of the Transaction and the Capital Raising, the Seller will hold approximately 40% of the total Shares on issue;
- (b) at Completion, the Company will have no debt or other liabilities, other than the Permitted Liabilities specified in clause 4.2; and
- (c) in the period before Completion, the Buyer will not undertake, effect, suffer or incur any of the prescribed matters or events specified in clause 3.5.

1.3. Title and risk

Title to and risk in the Sale Shares passes to the Buyer at Completion.

2. CONDITIONS PRECEDENT TO COMPLETION

2.1. Conditions precedent

Completion is conditional on satisfaction (or waiver) of the following Conditions Precedent:



- (a) **(independent expert's opinion)** an independent expert commissioned by the Buyer for the purposes of the approval of the Buyer Shareholders of:
 - (i) the Seller acquiring a Relevant Interest in the Consideration Shares under item 7 of section 611 of the Corporations Act, giving an opinion in accordance with the requirements of the Corporations Act and ASIC that the Seller's acquisition of the Consideration Shares is either "fair and reasonable" or "not fair but reasonable" to the Buyer Shareholders other than the Seller and its associates;
 - (ii) issue of the Performance Rights in accordance with the ASX *Listing Rule* 6.1, giving an opinion in accordance with the requirements of the ASX Listing Rules and ASX Guidance Note 19: Performance Securities that the issue of the Performance Rights is either "fair and reasonable" or "not fair but reasonable" to the Buyer Shareholders other than the Seller and its associates;
- (b) **(Buyer Shareholder approvals)** the Buyer having obtained any approval of the Buyer Shareholders that is required for the Buyer's acquisition of the Sale Shares, the issue of the Consideration Shares and the Seller's acquisition of the Consideration Shares in accordance with the requirements of the Listing Rules, the Corporations Act and the Buyer's constitution, including:
 - (i) approval of the Buyer's acquisition of the Sale Shares and issue of the Consideration Shares in accordance with Listing Rules 7.1 and 7.3;
 - (ii) approval of the issue of the Performance Rights in accordance with ASX Listing Rules 6.1, 7.1 and 7.3;
 - (iii) approval of the Seller's acquisition of a Relevant Interest in Buyer Shares of greater than 20% by the issue of consideration shares in accordance with item 7 of section 611 of the Corporations Act;
- (c) **(consolidation)** the Buyer having received approval from the Buyer's Shareholders for the consolidation of the Buyer's share capital on a 25:2 basis and completing the consolidation in accordance with Chapter 7 of the Listing Rules and section 254H of the Corporations Act;
- (d) **(capital raising)** the Buyer having successfully completed the Capital Raising, including having received approval from the Buyer's Shareholders in accordance with Listing Rules 7.1 and 7.3 for the issue of the Capital Raising Shares to the extent required by the Listing Rules;
- (e) **(other approvals)** the Buyer obtaining any other approvals required pursuant to the ASX Listing Rules and Corporations Act and or from any Government Agency for Completion to occur;



- (f) **(Distribution agreement)** the Company entering into a distribution agreement in the form, or substantially in the form, set out in Annexure A with GSM Electrical on terms acceptable to the Buyer and Seller acting reasonably, to ensure GSM Electrical continues to distribute, promote, stock and sell the Company's products;
- (g) **(CTO appointment)** Jordan Tentori entering into an employment agreement with the Buyer on terms acceptable to the Buyer and Seller acting reasonably, for Jordan Tentori's employment as chief technology officer of the Buyer, commencing on Completion, on a full-time basis with an annual salary of \$225,000 plus statutory superannuation entitlements and otherwise on terms and conditions which are customarily contained in an employment agreement for a chief technology officer of a public listed company;
- (h) **(Transferring Contractors)** the Transferring Contractors of the Company engaged in the Business, entering into new employment or services agreements with the Buyer or the Company, on terms acceptable to the Buyer and the Seller acting reasonably, which agreement must contain terms and conditions which are customarily contained in an employment or services agreement as agreed between the Buyer and each Transferring Contractor;
- (i) **(no material adverse change on Company)** no event or circumstance occurring that has a material adverse effect on the financial condition of any part of the Company, the Business or the liabilities or prospects of any part of the Company or the Business for the period commencing from the date of execution of the Term Sheet until Completion; and
- (j) **(no material adverse change on Buyer)** no event or circumstance occurring that has a material adverse effect on the financial condition of the Buyer or the liabilities or prospects of the Buyer for the period commencing from the date of execution of the Term Sheet until Completion.

2.2. Satisfaction of conditions precedent

2.2.1. Each Party must:

- (a) use its best endeavours to ensure that the Conditions Precedent are satisfied on or before the Conditions Precedent Deadline Date; and
- (b) keep the other Parties informed of any circumstance which may result in a Condition Precedent not being satisfied by the Conditions Precedent Deadline Date.

2.2.2. A Party must promptly and in any event before the Conditions Precedent Deadline Date notify the other Parties in writing if it becomes aware that a Condition Precedent is:



- (a) satisfied; or
- (b) incapable of being satisfied.

2.3. Waiver of conditions precedent

- 2.3.1. A Condition Precedent that is for the benefit of the Seller is waived only if the Seller notifies the Buyer in writing that the Seller waives the Condition Precedent.
- 2.3.2. A Condition Precedent that is for the benefit of the Buyer is waived only if the Buyer notifies the Seller in writing that the Buyer waives the Condition Precedent.
- 2.3.3. A Condition Precedent that is for the benefit of the Buyer and the Seller is waived only if both the Buyer and the Seller agree in writing to waive the Condition Precedent.

2.4. Termination if condition precedent not satisfied or waived

- 2.4.1. Subject to clause 2.4.2, the Buyer or the Seller may terminate this Agreement at any time before Completion if:
 - (a) a Condition Precedent is not satisfied or waived by the Conditions Precedent Deadline Date; or
 - (b) a consent or approval that a Party requires under a Condition Precedent is not granted on terms which are acceptable to the Seller or the Buyer, acting reasonably.
- 2.4.2. A Party may only terminate this Agreement under this clause 2.4.2 if the party has:
 - (a) used its best endeavours to ensure that the Conditions Precedent are satisfied; and
 - (b) notified the other Parties as required under this to clause 2.4.2.

2.5. Benefit of conditions precedent

- 2.5.1. The Conditions Precedent set out in clauses 2.1(a) to 2.1(h) are inserted for the benefit of the Seller and the Buyer and may be waived only by mutual agreement between the Buyer and the Seller.
- 2.5.2. The Condition Precedent set out in clause 2.1(i) inserted solely for the benefit of the Buyer and may be waived only by the Buyer.
- 2.5.3. The Condition Precedent set out in clause 2.1(j) is inserted solely for the benefit of the Seller and may be waived only by the Seller.



2.6. Party must give written termination notice

A Party may terminate this Agreement before Completion under clause 2.4 by giving written notice to the other parties before Completion.

2.7. Effect of termination

2.7.1. Subject to this clause 2.7, if this Agreement is properly terminated under this clause, then in addition to any other rights, powers or remedies under law, each Party is released from its obligations to perform under this Agreement.

2.7.2. A Party retains the rights that it has against any other Party in relation to a past breach of this Agreement, including a breach of a Warranty.

2.7.3. A Party is not released from a right or obligation that the Parties agree survives termination, including a Party's obligations of confidentiality.

3. PRE-COMPLETION

3.1. Consolidation

Before Completion, the Buyer undertakes to seek approval from the Buyer's Shareholders for the consolidation of the Buyer's share capital on a 25:2 basis in accordance with Chapter 7 of the Listing Rules and section 254H of the Corporations Act.

3.2. Capital raising

3.2.1. After Consolidation and before Completion, the Buyer will undertake a capital raising to raise approximately \$4 million (before costs) by the issue of Shares at \$0.02 per Share (**Capital Raising**).

3.2.2. The Capital Raising may be undertaken by:

- (a) the issue of Shares under a placement to professional and sophisticated investors; and/or
- (b) a pro-rata offer of Shares to existing Buyer Shareholders under section 708AA of the Corporations Act.

3.3. Performance rights

3.3.1. Before Completion, the Buyer will issue the Performance Rights to the Seller on the terms set out in Schedule 2.



3.4. Conduct of Seller and Company before Completion

Until Completion, unless the Buyer otherwise agrees in writing or unless it is a matter expressly contemplated by this Agreement, the Seller must not and must ensure that the Company does not:

- (a) grant any further Encumbrance over or in respect of any of the Company's assets or permit the creation of any Encumbrance over or in respect of its assets or its issued capital except for purchase money security interests or security interests arising by operation of law;
- (b) issue or agree to issue any shares or other Securities in the company other than the conversion of the existing inter-company debt into share capital for the purposes of completing the Transaction.
- (c) sell any of its assets other than in the ordinary course of Business;
- (d) employ any new employees (except in the ordinary course of business), vary the terms and conditions of any employment contract, or enter into any new or alter any existing consultancy arrangements;
- (e) do anything or sign any document that would alter or may affect its current legal structure;
- (f) enter into any contract involving total expenditure in excess of \$50,000;
- (g) purchase any asset for more than \$50,000 or total assets costing more than \$100,000 (asset purchase in this instance does not include the purchase of capitalised labour); or
- (h) do anything or sign any document that would prevent or impede Completion or the satisfaction of the Conditions Precedent.

3.5. Conduct of Buyer before Completion

Until Completion, unless the Seller otherwise agrees in writing and except pursuant to an agreement or arrangement as contemplated by this Agreement, the Buyer must not:

- (a) increase, reduce or otherwise alter its share capital or grant any options for the issue of shares or other Securities except pursuant to the Consolidation and the issue of the Capital Raising Shares and the Lead Manager Options;
- (b) alter the provisions of its constitution, except for any amendment to ensure the Buyer complies with the requirements of the Listing Rules and the Corporations Act;



- (c) declare or pay a dividend;
- (d) make a distribution or revaluation of assets except in the ordinary course of business;
- (e) buy back its Shares;
- (f) enter into any new loans or undertake to bear any material new costs, other than in the ordinary course of business;
- (g) grant any Encumbrance over or in respect of any of its assets or permit the creation of any Encumbrance over or in respect of its assets or its issued capital except for purchase money security interests or Security Interests arising by operation of law;
- (h) sell any asset or assets valued at more than \$5,000, other than in the ordinary course of business;
- (i) employ any new employees (except in the ordinary course of business), vary the terms and conditions of any employment contract, or enter into any new or alter any existing consultancy arrangements;
- (j) do anything or sign any document that would alter or may affect its current legal structure;
- (k) enter into any contract involving total expenditure in excess of \$50,000;
- (l) purchase any asset for more than \$50,000 or total assets costing more than \$100,000;
- (m) appoint or agree to appoint any person as a director or secretary of the Buyer, other than a person nominated by the Seller to become a director of the Buyer; or
- (n) do anything or sign any document that would prevent or impede Completion or satisfaction of the Conditions Precedent.

4. COMPLETION

4.1. Completion Date

Completion must take place:

- (a) at the offices of Blackwall Legal, Level 26, 140 St Georges Terrace, Perth, Western Australia at 10am on the Completion Date; or



- (b) at such other time and place as may be agreed between the Seller and the Buyer.

4.2. Company's permitted liabilities at Completion

At Completion, the Company must have no liabilities to any person other than the following liabilities (**Permitted Liabilities**):

- (a) trade creditors in relation to the manufacture of goods or provision of development services for the manufacture of said goods not greater than \$250,000, unless otherwise approved by the Buyer (including for the sake of clarity not more than one month's consulting fees for Blue Key and Jordan Tentori);
- (b) the Plastic Tooling Liability; and
- (c) other creditors not exceeding \$5,000 in total.

4.3. Seller's obligations at Completion

Subject to the Buyer satisfying its obligations in clause 4.4, the Seller must on, or prior to, the Completion Date:

- (a) (**deliverables**) deliver to the Buyer:
 - (i) evidence that the Company has no liabilities except for the Permitted Liabilities;
 - (ii) executed transfers of the Sale Shares in registrable form, in favour of the Buyer;
 - (iii) the original certificates for the Sale Shares, if issued;
 - (iv) powers of attorney (if any) that the Seller has executed to authorise the attorney to execute securities transfers on behalf of the Seller;
 - (v) duly executed instruments irrevocably waiving in favour of the Buyer all rights of pre-emption which any person has in respect of the Sale Shares (if any);
 - (vi) a duly executed release for each Encumbrance relating to the Sale Shares;
 - (vii) an undertaking to register a financing change statement on the PPSR, if the release referred to in clause 4.3(a)(vi) is a release of a Security Interest;
 - (viii) evidence that, in respect of any debt that a Seller or its Associate owes to the Company:



- (1) that debt has been repaid or satisfied in full; or
- (2) the Seller has made arrangements satisfactory to the Buyer for repayment or satisfaction in full on Completion;
- (ix) evidence that all bank and credit accounts (if any) opened in the name of the Company have been closed;
- (x) evidence that all credit card issued to any person by or for the liability of the Company have been cancelled;
- (xi) a letter in a form acceptable to the Buyer from Gary Savage, resigning as a director and the secretary of the Company with effect from Completion and releasing the Company from all claims;
- (xii) a letter in a form acceptable to the Buyer from each of Simon Charles Gerard, Robert Geoffrey Gerard and Matthew Leith Johnson, resigning as directors of the Company with effect from Completion and releasing the Company from all claims;
- (xiii) an employment agreement in a form acceptable to the Buyer between the Company and Jordan Tentori, executed by both parties, pursuant to which Jordan Tentori is employed by the Company on a full-time basis with an annual salary of \$225,000 plus statutory superannuation entitlements;
- (xiv) the indicia of title and title documents in respect of the Company's property which are in the possession or under the control of the Seller; and
- (xv) a notice setting out details of all bank accounts maintained by the Company and the signatories to each bank account;
- (b) **(board meeting)** ensure that a meeting of the board of directors of the Company is held at which the board approves, with effect from Completion the registration of the transfer of the Sale Shares; and
- (c) **(other things)** do all other things reasonably required to transfer the Sale Shares to the Buyer.

4.4. Buyer's obligations at completion

Subject to the Seller satisfying its obligations under clause 4.3, at Completion the Buyer must:

- (a) issue the Consideration Shares and the Performance Rights to the Seller; and



- (b) instruct the Buyer's share registry to deliver holding statements in respect of the Consideration Shares to the Seller;
- (c) execute and deliver to the Company the share transfers of the Sale Shares;
- (d) take such steps as are required to appoint the Seller's Nominees as directors of the Buyer;
- (e) take such steps as are required to appoint Jordan Tentori as chief technology officer of the Buyer; and
- (f) pay or cause the Company to pay to GSM Electrical the amount in A\$ sufficient to satisfy the Plastic Tooling Liability.

4.5. Notice to complete

- (a) If a Party (**Defaulting Party**) fails to satisfy its obligations under clause 4.3 or 4.4 on the day and at the place and time for Completion determined under clause 4.1 then the other Party (**Notifying Party**) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of 5 Business Days from the date of the notice and declaring time to be of the essence.
- (b) If the Defaulting Party fails to satisfy those obligations within those 5 Business Days the Notifying Party may, without limitation to any other rights it may have, terminate this Agreement by giving written notice to the Defaulting Party.

4.6. Simultaneous transactions and delivery

At Completion:

- (a) each action that a Party takes is simultaneous with each other action; and
- (b) a delivery or payment is made only at the time that all deliveries and payments are made.

4.7. Completion subject to satisfaction or waiver of conditions precedent

Subject to this Agreement, Completion does not occur until:

- (a) the Party or Parties obliged to satisfy a Condition Precedent ensures that the Condition Precedent is satisfied; or
- (b) the Party or Parties entitled to the benefit of the Condition Precedent waives the obligation relating to that Condition Precedent.



5. NON-COMPETE BY SELLER

5.1. Enforceability and severance

- 5.1.1. This clause 5 has effect as if it were separate and independent clauses, each one being severable from the others.
- 5.1.2. If any of these separate clauses are void, invalid or unenforceable for any reason, it will be deemed to be severed to the extent of voidability, invalidity or unenforceability and will not affect the validity or enforceability of any other separate clause or combination of the separate clauses.

5.2. Prohibited activities

Subject to its obligations under the Distribution Agreement, the Seller undertakes to the Buyer that it will not, and procure that its associates do not, directly or indirectly do any of the following:

- (a) carry on or otherwise engage in any business which is the same or substantially identical to that of the Business;
- (b) solicit the custom of clients or customers of the Company who have been clients or customers at any time during the period of one year immediately preceding Completion, or otherwise encourage such clients or customers to cease doing business with the Company or the Buyer;
- (c) solicit the custom of any prospective clients or customers with whom the Company held negotiations at any time during the period of one year immediately preceding Completion; or
- (d) entice or attempt to entice any employee of the Company or the Buyer from continuing to be engaged by the Company or the Buyer, on behalf of the Seller or any other person.

5.3. Duration of prohibition

The undertaking in clause 5.2 begins on the execution date of the Term Sheet and ends two years after Completion or unless and until the Buyer terminates the Distribution Agreement (whichever occurs first).

5.4. Geographic application of prohibition

The undertaking in clause 5.2 apply if the activity prohibited by clause 5.2 occurs in:



- (a) Australia;
- (b) Western Australia;
- (c) South Australia;
- (d) within a radius of 500 kilometres from any location from which the Buyer conducts its business or the Company conducts the Business after Completion.

6. SELLER'S WARRANTIES AND INDEMNITIES

6.1. Seller's Warranties

Subject to the limitations and exclusions in this Agreement, the Seller represents and warrants to the Buyer that the Seller's Warranty is true and correct on the date of this Agreement and the Completion Date as if made on each of those dates (unless expressly stated otherwise).

6.2. Seller gives Warranties to induce buyer

- 6.2.1. The Seller has given the Seller's Warranties intending to induce the Buyer to enter into this Agreement.
- 6.2.2. Subject to the Buyer's knowledge or deemed knowledge, the Buyer has entered into this Agreement in full reliance on the Seller's Warranties.

6.3. Indemnity for breach of warranty

- 6.3.1. The Seller indemnifies the buyer against any Loss which it pays, suffers, incurs or is liable for arising from a breach of any Warranty or the facts, matters or circumstances that make a Warranty untrue or incorrect, except to the extent that the Warranty or the Seller's liability for such Loss are limited or qualified under clause 6.7.
- 6.3.2. For the purposes of clause 6.3.1, the Company's Loss shall include an amount that would be necessary to put the Buyer or the Company (as applicable) in the same position as if the Warranty had been true.

6.4. Tax indemnity

- 6.4.1. The Seller indemnifies the Buyer and the Company against, and must pay the Buyer or the Company the amount of, any:
 - (a) Tax or Duty payable by the Company to the extent that Tax or Duty:



- (i) relates to any period, or part period, up to and including Completion;
 - (ii) relates directly to the occurrence of an act, transaction or event of the Company occurring on or prior to, or as a result of, Completion; or
 - (iii) relates to a failure by the Company to comply with a Tax Law prior to Completion; and
- (b) costs and expenses incurred by or on behalf of the Company to the extent those costs and expenses arise from or relate to any of the matters for which the Seller may be liable under clause 6.4.1(a),

except to the extent that the liability of the Seller for the Tax or Duty is limited or qualified under clause 6.7.

6.4.2. Payment of indemnified tax liability

The Seller must pay any Indemnified Tax Liability in full by no later than the later of:

- (a) at least 15 Business Days prior to the date on which the Tax Liability in question would have had to have been paid to the relevant Tax Authority which issued the notice of that Tax Liability, in order to prevent a liability or any additional liability to interest or a fine, surcharge or penalty arising in respect of the Tax Liability in question; and
- (b) as soon as reasonably possible after the Seller have received the notice of that Tax Liability issued by the Tax Authority requiring such payment to be made.

6.5. Accounting

The transactions contemplated in the Term Sheet and this Agreement shall be structured and documented to suit the Buyer and the Company's accounting, taxation and stamp duty requirements provided that such structuring shall not have an adverse effect on the agreements.

6.6. Indemnity for fraud

The Seller indemnifies the Buyer and the Company against any Loss which it pays, suffers or incurs arising from any act of fraud committed by the Seller prior to Completion in respect of this Agreement.

6.7. Qualifications and limitations on claims by buyer

6.7.1. Time limits

- (a) The Buyer must give full details of a Claim other than a Tax Claim to the Seller within 12 months after the Completion Date.



- (b) The Buyer must give full details of a Tax Claim to the Seller within 5 years after the Completion Date.
- (c) Unless the Seller otherwise agrees, any Claim by the Buyer against the Seller will be taken to be waived or withdrawn and will be barred and unenforceable (if such Claim has not been previously satisfied, settled or withdrawn) unless legal proceedings in respect of the Claim have been issued and served on the Seller within 6 months after the service of the notice of such Claim on the Seller, and for this purpose legal proceedings will not be deemed to have been commenced unless they have been properly issued and validly served on the Seller.

6.7.2. Limits on amounts

- (a) The Buyer may claim for a breach of a Seller's Warranty only if the amount finally agreed or adjudicated to be payable in respect of that Claim together with the amount finally agreed or adjudicated to be payable in respect of other Claims exceeds \$100,000, in which event the Seller is liable for all of that amount including the initial \$100,000.
- (b) The Seller's maximum liability to the Buyer for all Claims is limited to an amount equal to the Consideration Value of the Consideration Shares.

6.7.3. Avoiding a breach and mitigation

- (a) The Buyer must not do anything which may give rise to or increase a Claim for breach of a Seller's Warranty which would not otherwise arise.
- (b) The Buyer must use its best endeavours to ensure that the Company does not do anything which may give rise to a claim for breach of a Seller's Warranty which would not otherwise arise.
- (c) The Buyer must ensure that the Buyer and the Company take reasonable action to mitigate a Claim which the Buyer may make against the Seller.

6.7.4. Seller's Warranties subject to buyer's knowledge

- (a) The Seller has disclosed or is deemed to have disclosed against a Seller's Warranty if the Buyer has knowledge or deemed knowledge from:
 - (i) information provided in the Last Accounts;
 - (ii) a matter fairly disclosed in the Disclosure Materials;
 - (iii) an act or omission that the Buyer approves in writing; or
 - (iv) a matter described in this Agreement.

6.7.5. Effect of Seller's disclosure



- (a) Subject to paragraph (b) below, the Buyer has no claim under this clause against the Seller if the Seller has under clause 6.7.4 disclosed or are deemed to have disclosed against a Seller's Warranty.
- (b) Paragraph (a) above does not apply to the Seller's Warranty in paragraph 1 or paragraph 2 of Schedule 3.

6.7.6. "Fairly disclosed"

A fact, matter or circumstance is "fairly disclosed" for the purposes of this clause 5 if it is disclosed in a manner that enables a reasonable and prudent buyer that has competently and diligently reviewed the Disclosure Materials to identify the fact, matter or circumstance and its consequences.

6.7.7. Legislative and accounting changes

The Seller is not liable for a breach of a Seller's Warranty:

- (a) which arises due to:
 - (i) a change in legislation or judicial interpretation of legislation after the date of this Agreement;
 - (ii) the withdrawal of a taxation concession; or
 - (iii) a change in legislation or a taxation concession effective retrospectively in whole or in part; or
- (b) to the extent that the breach arises as a result only of a change in the:
 - (i) accounting reference date of the Company; or
 - (ii) accounting bases upon which the Company values its assets.

6.7.8. No claim for consequential loss

No Party will be liable to make any payment (whether by way of damages or otherwise) in respect of any Claim made under or in connection with this Agreement for any:

- (a) indirect loss or special loss;
- (b) loss of opportunity or damage to goodwill and business reputation,

provided, for the avoidance of doubt, nothing in this clause shall prevent the Buyer recovering Losses from a Third Party that have arisen in respect of a Third Party Claim



7. BUYER WARRANTIES

7.1. Buyer Warranties

Subject to the limitations and exclusions in this Agreement, the Buyer warrants to the Seller that each of the Buyer Warranties is true and correct on the date of this Agreement and the Completion Date as if made on each of those dates (unless expressly stated otherwise).

7.2. Buyer gives Warranties to induce Seller

7.2.1. The Buyer has given the Buyer Warranties intending to induce the Seller to enter into this Agreement.

7.2.2. Subject to the Seller's knowledge or deemed knowledge, the Seller has entered into this Agreement in full reliance on the Buyer Warranties.

7.3. Qualifications and limitations on claims by Seller

7.3.1. Time limits

- (a) The Seller must give full details of a Claim to the Buyer within 12 months after the Completion Date.
- (b) Unless the Buyer otherwise agrees, any Claim by the Seller against the Buyer will be taken to be waived or withdrawn and will be barred and unenforceable (if such Claim has not been previously satisfied, settled or withdrawn) unless legal proceedings in respect of the Claim have been issued and served on the Buyer within 6 months after the service of the notice of such Claim on the Buyer, and for this purpose legal proceedings will not be deemed to have been commenced unless they have been properly issued and validly served on the Buyer.

7.3.2. Limit on amount

- (a) The Seller may claim for a breach of a Buyer Warranty only if the amount finally agreed or adjudicated to be payable in respect of that Claim together with the amount finally agreed or adjudicated to be payable in respect of other Claims exceeds \$100,000, in which event the Buyer is liable for all of that amount including the initial \$100,000.
- (b) The Buyer's maximum liability to the Seller for all Claims is limited to an amount equal to the Consideration Value of the Consideration Shares.



7.3.3. Avoiding a breach and mitigation

The Seller must not to do anything which may give rise to or increase a Claim for breach of a Buyer Warranty which would not otherwise arise.

7.3.4. Buyer Warranties subject to Seller's knowledge

The Buyer has disclosed or is deemed to have disclosed against a Buyer Warranty if the Seller has knowledge or deemed knowledge from:

- (a) a matter fairly disclosed in the Disclosure Materials;
- (b) an act or omission that the Seller approves in writing; or
- (c) a matter described in this Agreement.

7.3.5. Effect of buyer's disclosure

The Seller has no claim under this clause against the Buyer if the Buyer has under clause 7.3.4 disclosed or are deemed to have disclosed against a Buyer Warranty.

7.3.6. "Fairly disclosed"

A fact, matter or circumstance is "fairly disclosed" for the purposes of this clause 7 if it is disclosed:

- (a) in a manner that enables reasonable and prudent Sellers that have been provided with information about the Buyer and the Buyer's business (either directly or to the Seller) to identify the fact, matter or circumstance and its consequences;
- (b) in an announcement or other document given by the Buyer to ASX and available on ASX's website as an announcement of the Buyer.

7.3.7. Legislative and accounting changes

The Buyer is not liable for a breach of a Buyer Warranty:

- (a) which arises due to:
 - (i) a change in legislation or judicial interpretation of legislation after the date of this Agreement;
 - (ii) the withdrawal of a taxation concession; or
 - (iii) a change in legislation or a taxation concession effective retrospectively in whole or in part; or
- (b) to the extent that the breach arises as a result only of a change in the:



- (i) accounting reference date of the Buyer; or
- (ii) accounting bases upon which the Buyer values its assets.

8. TAX RETURNS

8.1. Pre-completion tax returns

The Seller must at its own expense prepare and file all Tax Returns for the Company as and when required by Tax Law or requested by any Tax Authority in respect of all Tax periods ending on or before Completion.

8.2. Preparation

In preparing Tax Returns under clause 8.1, the Seller must:

- (a) prior to lodgement, consult with the Buyer and provide the Buyer with drafts of the Tax Returns for review together with any supporting materials, and take into account any reasonable comments made by the Buyer;
- (b) provide copies of the final Tax Returns to the Buyer; and
- (c) act reasonably and in a manner consistent with its actions prior to Completion, unless required to adopt an inconsistent position to comply with a Tax Law.

8.3. Assistance and access

The Buyer must ensure that the Company:

- (a) provides all information to the Seller, executes all documents and gives or makes all notices, consents, claims, elections and declarations;
- (b) allows the Seller and its officers, employees, agents and advisors reasonable access during normal business hours to the Records and the Company's officers, employees, agents and advisors;
- (c) allows copies to be made of any Records accessed under clause 8.3(b);
- (d) otherwise provides all assistance,

that the Seller reasonably requires for the preparation and the filing of all Tax Returns referred to in clause 8.1.



8.4. No information to be provided to tax authority

Unless otherwise required by any Tax Law, the Buyer must ensure that the Company does not, without the prior consent of the Seller (which consent must not be unreasonably withheld or delayed) provide any Tax Authority with any information in relation to any Tax Return referred to in clause 8.1.

8.5. Post-completion tax returns

The Buyer must at its own expense prepare and file all Tax Returns for the Company as and when required by Tax Law or requested by any Tax Authority in respect of all periods commenced before but ending after Completion.

8.6. Assistance for post-completion tax returns

The Seller will provide all reasonable assistance that the Buyer requests for the preparation and the filing of all Tax Returns referred to in clause 8.5.

8.7. Retention of records

The Seller may retain a copy of any Records of a Company that are created prior to Completion that the Seller reasonably require for the preparation and the filing of all Tax Returns referred to in clause 8.1 and to provide the assistance that may be required of it under clause 8.6.

9. TERMINATION

9.1. Termination clause subject to clause 2.4

This clause 9 is subject to a termination under clause 2.4.

9.2. Termination by buyer

9.2.1. The Buyer may terminate this Agreement (by notice in writing given by the Buyer to the Seller) and exercise the options in this clause if the Seller:

- (a) repudiates this Agreement;
- (b) breaches a material obligation under this Agreement
- (c) is subject to a reconstruction or amalgamation, is wound up, or placed under official management;



- (d) is subject to an effective resolution for its winding up or dissolution without winding up;
- (e) suffers the appointment of a receiver, receiver and manager, judicial manager, liquidator, administrator, official manager or similar official over the whole or a substantial part of its business, undertaking or property;
- (f) suffers, causes or permits any of its property or assets to be seized or taken in execution; or
- (g) suffers, causes or permits an injunction or similar order, attachment, distress or other process to be made, levied or issued in relation to any of its property.

9.2.2. The Buyer's rights under this clause are in addition to any other rights or remedies that the Buyer may have.

9.3. Termination by Seller

9.3.1. The Seller may terminate this Agreement (by notice in writing given by the Seller to the Buyer) and exercise the options in this clause if the Buyer:

- (a) repudiates this Agreement;
- (b) breaches a material obligation under this Agreement;
- (c) is subject to a reconstruction or amalgamation, is wound up, or placed under official management;
- (d) is subject to an effective resolution for its winding up or dissolution without winding up;
- (e) suffers the appointment of a receiver, receiver and manager, judicial manager, liquidator, administrator, official manager or similar official over the whole or a substantial part of its business, undertaking or property;
- (f) suffers, causes or permits any of its property or assets to be seized or taken in execution; or
- (g) suffers, causes or permits an injunction or similar order, attachment, distress or other process to be made, levied or issued in relation to any of its property.

9.3.2. The Seller's rights under this clause are in addition to any other rights or remedies that the Seller may have.



9.4. Effect of termination

- 9.4.1. Subject to this clause, if this Agreement is properly terminated then in addition to any other rights, powers or remedies under law, each Party is released from its obligations to perform under the Agreement.
- 9.4.2. A Party retains the rights that it has against any other Party in relation to a past breach, including a breach of a Warranty.
- 9.4.3. The Buyer must return to the Company the Records and other materials obtained from the Seller.
- 9.4.4. The Specified Clauses continue to apply after termination of this Agreement.

9.5. No other right to terminate or rescind

A Party may terminate or rescind this Agreement only under this clause and clause 2.4.

10. CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS

10.1. Confidentiality

- 10.1.1. All information, records, materials, documents and discussions (as applicable) created or exchanged between the Parties (and each Party's respective officers, employees or representatives) in relation to:

- (a) the Transaction;
- (b) a Party's business affairs; or
- (c) that is disclosed by a Party and marked as confidential, or is confidential by its nature,

(Confidential Information) are confidential and must:

- (d) not be disclosed by any Party, whether directly or indirectly, to a third party, except:
 - (i) on a confidential basis to a Party's officers, employees or professional advisors requiring the information for the purposes of considering or complying with this Agreement;
 - (ii) with the consent of the other Party;



- (iii) if required by law, court order or the rules of any stock exchange or financial market (including the ASX) on which a Party's securities are quoted;
 - (iv) to obtain legal advice related to this Agreement;
 - (v) if the information is generally and publicly available other than as a result of a breach of confidence by the Party receiving the information;
 - (e) be held in strict confidence and appropriately secured to prevent unauthorised access; and
 - (f) not be used or exploited by a party other than for a purpose expressly permitted by this Agreement or, in relation to the other Party's Confidential Information, if permitted by the other Party.
- 10.1.2. Confidential Information excludes information that:
- (a) is generally available to participants in the industry in which a Party operates on the date of the Term Sheet;
 - (b) becomes publicly available (except if it is in the public domain by reason of the failure of a party to perform and observe its covenants and obligations under the Term Sheet); or
 - (c) is acquired from a third party entitled to disclose it on a non-confidential basis.
- 10.1.3. Confidential Information may only be used by a Party:
- (a) in accordance with the instructions of the Party that disclosed the Confidential Information or to which the Confidential Information relates;
 - (b) to the extent necessary for the party to perform its obligations under the Agreement; or
 - (c) to negotiate and agree this Agreement.
- 10.1.4. The Parties agree that damages may not be an adequate remedy for breach of this clause and that the disclosing party will be entitled to equitable relief, including temporary and permanent injunctive relief without the obligation of posting a bond (cash or otherwise), in the event of actual or threatened unauthorised disclosure or use of Confidential Information in breach of this clause 10.1.
- 10.1.5. This clause 10.1 survives termination of this Agreement.



10.2. Announcements

A Party must not make or authorise a press release or public announcement relating to the negotiations of the Parties or the subject matter or provisions of this Agreement unless:

- (a) it is required to be made by law; or
- (b) it has the prior written approval of the Buyer and the Seller (not to be unreasonably withheld or delayed).

11. GENERAL MATTERS

11.1. Further acts and documents

Each Party undertakes and agrees to do or to procure to be done all such acts (including the execution of any appropriate documents in form and content reasonably satisfactory to every Party) as may be necessary, subject to this Agreement, to consummate the transaction or transactions contemplated herein and to give effect to the intent and purposes of this Agreement fully and effectively.

11.2. Applicable law and jurisdiction

11.2.1. This Agreement, and any dispute or claim arising out of or in connection with it or its formation (including all non-contractual disputes or claims), shall be governed by, construed, interpreted and applied in accordance with the law applying in Western Australia for the time being, save for any such laws as to conflicts or choice of law which would refer construction or interpretation to the substantive law of another jurisdiction.

11.2.2. Each Party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and any courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Agreement; and
- (b) waives any objection that it may now or in the future have to the venue of any proceedings, and any claim that it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph (a).



11.3. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Agreement:

- (a) must be in writing;
- (b) must be addressed as follows (or as otherwise notified by that Party to the other Parties from time to time):

Buyer	Address: Level 4, 216 St Georges Terrace, Perth WA 6000
	Email: njb@westarcapital.com.au
	Attention: njb@westarcapital.com.au

Seller	Address: Level 2, 142 Fullarton Road, Rose Park SA 5067
	Email: simon.gerard@gerardprivate.com.au
	Attention: Simon Gerard

- (c) must be signed by the Party making it or (on that Party's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that Party;
- (d) must be delivered by hand, or posted to the address (provided that any communication to be posted must be posted from within the jurisdiction in which it is to be delivered), or sent to the email address of the addressee in accordance with clause 11.3(b); and
- (e) is taken to be received by the addressee:
 - (i) (in the case of post) on the third day after the date of posting;
 - (ii) (in the case of email) at the time that the email is ready for collection via the recipient's or the recipient's internet service provider's mail server; and
 - (iii) (in the case of delivery by hand) on delivery,

but if the communication is taken to be received on a day that is not a Business Day, it is taken to be received at 9.00am on the next Business Day.

11.4. Rights of third parties

- 11.4.1. To the extent permitted by law, a person who is not a Party to this Agreement shall have no right to enforce any term of this Agreement under any legislation in any jurisdiction, except where otherwise expressly set out in this Agreement.



- 11.4.2. Notwithstanding any rights of persons who are not Parties to enforce this Agreement, this Agreement may be:
- (a) varied by the Parties in accordance with clause 11.5.1 without the consent of any person who is not a Party; and
 - (b) terminated by consent of the Parties, and in any other manner and circumstance in which termination is allowed, without the consent of any person who is not a Party.

11.5. Variations and assignment

- 11.5.1. This Agreement may only be varied by a document signed by or on behalf of each the Parties.
- 11.5.2. This Agreement is personal to the Parties, and no Party may assign or dispose of any interest in or rights under this Agreement without the written consent of the other Parties.

11.6. Counterparts

- 11.6.1. This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts.
- 11.6.2. Each counterpart constitutes an original of this Agreement and all together constitute one Agreement.

11.7. Expenses

- 11.7.1. The Buyer shall bear its own legal and other costs and expenses in relation to:
- (a) the negotiation and execution of the Term Sheet and this Agreement; and
 - (b) the implementation of the associated transactions the subject of the Term Sheet and this Agreement.
- 11.7.2. The Seller shall bear its own legal and other costs and expenses in relation to:
- (a) the negotiation and execution of the Term Sheet and this Agreement; and
 - (b) doing all things necessary to prepare the Company for the transactions and matters contemplated by this Agreement.

11.8. Relationship between the parties

- 11.8.1. This Agreement does not create a relationship of agency, joint venture or partnership between the Parties.



- 11.8.2. No Party is liable for an act or omission of another Party, except to the extent set out in this Agreement.

11.9. Entire agreement

To the extent permitted by law, in relation to its subject matter this Agreement:

- (a) embodies the entire understanding of the Parties, and constitutes the entire terms agreed by the Parties; and
- (b) supersedes any prior written or other agreement, deed or document made between or by of the Parties.

11.10. Severance and enforceability

Any provision, or the application of any provision, of this Agreement that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Agreement in that or any other jurisdiction.

11.11. Waivers and consents

- 11.11.1. Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Agreement by a Party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Agreement.
- 11.11.2. A waiver or consent given by a Party under this Agreement is only effective and binding on that Party if it is given or confirmed in writing by that Party.
- 11.11.3. No waiver of a breach of a term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.
- 11.11.4. A consent required under this Agreement from a Party may be given or withheld, or may be given subject to any conditions, as that Party in its absolute discretion think fit, unless this Agreement expressly provides otherwise.

11.12. Indemnities

- 11.12.1. Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the Parties, and survives termination, completion or expiration of this Agreement.
- 11.12.2. It is not necessary for a Party to incur expense or to make any payment before enforcing a right of indemnity conferred by this Agreement.



- 11.12.3. A Party must pay on demand any amount it must pay under an indemnity in this Agreement.

11.13. Time of the essence

Time shall be of the essence of this Agreement in all respects.

11.14. Interpretation

- 11.14.1. References to this Agreement include the Background and all and any Schedules, Attachments, Exhibits and Annexures to it, which form part of this Agreement for all purposes.
- 11.14.2. The headings in this Agreement are inserted for convenience only and shall be ignored in its construction.
- 11.14.3. In this Agreement, unless the context otherwise requires, references to:
- (a) clauses, Recitals and Schedules are, unless otherwise expressly stated, references to the clauses, recitals and schedules to or of this Agreement;
 - (b) the singular shall include the plural and vice versa, and words which denote any gender include all genders;
 - (c) a company shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established;
 - (d) a person includes any body corporate, unincorporated body, a corporation, association, partnership, government authority, or other legal entity;
 - (e) a person includes the person's executors, administrators, substitutes, successors and permitted assigns;
 - (f) any agreement or document is a reference to the agreement or document as amended, novated, supplemented, varied or replaced from time to time, in accordance with this Agreement or that other agreement or document;
 - (g) statutes include statutes amending, consolidating or replacing the statutes referred to and all regulations, orders-in-council, rules, by-laws, ordinances and statutory instruments made under those statutes;
 - (h) sections of statutes or terms defined in statutes refer to corresponding sections or defined terms in amended, consolidated or replacement statutes;
 - (i) a statutory provision or legal term in Western Australia for any action, remedy, method of judicial proceeding, document, legal status, court, official or any other legal concept or thing shall in respect of any other jurisdiction be deemed



to include what most nearly approximates in that jurisdiction to the statutory provision or legal term in Western Australia;

- (j) writing shall include any modes of reproducing words in a legible and non-transitory form;
- (k) the words “include”, “including”, “for example”, “such as” and other similar words or phrases shall be construed without limitation, so as not limit the meaning of the words to which any given example relates to that example or to examples of a similar kind;
- (l) a day is to a period of time commencing at midnight in Perth, Western Australia and ending 24 hours later;
- (m) “\$” is a reference to Australian currency; and
- (n) time is to the time in Perth, Western Australia.

- 11.14.4. In the event of a conflict or an inconsistency between the main body of this Agreement and any of the Schedules, the former shall prevail.
- 11.14.5. Where any word or phrase is given a defined meaning in this Agreement, any other grammatical form of that word or phrase has a corresponding meaning.
- 11.14.6. No rule of construction of documents shall apply to the disadvantage of a Party, on the basis that the Party put forward this Agreement or any relevant part of it.
- 11.14.7. When, in this Agreement, a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.
- 11.14.8. When, in this Agreement, a day on or by which anything to be done is not a Business Day, that thing may be done on the next Business Day.
- 11.14.9. If two or more persons by this Agreement undertake an obligation or give any warranty they will be bound jointly and severally unless the context requires otherwise.
- 11.14.10. The official language of this Agreement is English and any interpretation or construction of this Agreement shall be based solely on the English text.



Schedule 1 – Glossary

In this Agreement, unless the context otherwise requires, the Parties defined commencing on Page 1 shall have the meanings ascribed to them there, and the following terms bear the following meanings:

Accounting Standards	the following: (a) the accounting standards approved under the Corporations Act and the requirements of that law about the preparation and content of the financial statements and other mandatory professional reporting requirements issued by the joint accounting bodies relating to the preparation and content of accounts; and (b) generally accepted and consistently applied accounting principles and practices in Australia, except those inconsistent with the standards or requirements to in paragraph (a).
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Agreement	this Share Sale Agreement.
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ASIC	the Australian Securities and Investments Commission.
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Asset	an asset that the Company holds or owns or exclusively uses in the Business, including an asset held under a financing or operating lease.
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Associate	has the meaning given to that term in the Corporations Act.
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ASX	ASX Limited or the financial market operated by ASX Limited, as the context requires.
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Authorisation	any consent, authorisation, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption, by or form a Government Agency.
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Business	the business of home automation as carried on by the Company.
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Business Contract	all agreements, leases, contracts and arrangements to which the Company is a party and which are executory as at the date of this Agreement.
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Business Day	a day (other than a Saturday, Sunday or public holiday) on which banks in Perth, Western Australia are open for business.
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Buyer Share	a fully paid ordinary share in the capital of the Buyer.
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Buyer Warranties	the Warranties given by the Buyer set out in Schedule 4 and Buyer Warranty means any one of them.
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Buyer Shareholders	holders of Buyer Shares.
Capital Raising	a capital raising in the amount of at least \$4 million (before costs) to be undertaken by the Buyer issuing Buyer Shares after the Consolidation at a price of not less than \$0.02 per Buyer Share or at such other price as the Buyer and the Seller may agree in writing.
Capital Raising Shares	the Buyer Shares issued for the Capital Raising.
Claim	<p>a debt, cause of action, liability, claim, proceeding, suit or demand of any nature against a Seller or the Buyer, including those relating to:</p> <ul style="list-style-type: none">(c) a breach of a Warranty;(d) a breach of this Agreement; or(e) a claim under the indemnities contained in this Agreement.
Company	GSM Innovations Pty Ltd (ACN 616 530 708).
Company Share	a fully paid ordinary share in the capital of the Company.
Completion	settlement of the sale and purchase of the Sale Shares, and Complete has a corresponding meaning.
Completion Date	the date that is 10 Business Days after all Conditions Precedent have been satisfied or waived, or such other date as the Buyer and Seller may agree in writing.
Conditions Precedent	the conditions set out in clause 2.1.
Conditions Precedent Deadline Date	31 December 2020 or such other date as the Buyer and the Seller may agree in writing.
Confidential Information	<p>a trade secret, information, customer list, supplier list, idea, concept, know-how, technology, process formulae and knowledge that is confidential or of a sensitive nature, but does not include:</p> <ul style="list-style-type: none">(a) information that a Party must disclose at law;(b) subject to a breach of the Seller's confidentiality, information already in the public domain; or(c) anything known to the Buyer before this Agreement is executed.



Consolidated Group	a consolidated group or a MEC group as those terms are defined in section 995-1 of the ITAA 97.
Consolidation	a consolidation of the Buyer's share capital in accordance with the Corporations Act on the basis of every 25 Buyer Shares on issue converting to two Buyer Shares.
Consideration	has the meaning given to that term in clause 1.2.
Consideration Shares	240,000,000 Buyer Shares to be issued to the Seller at a deemed issue price of \$0.02 per Share.
Consideration Value	<p>the value of the consideration paid to a Seller under this Agreement as determined by the calculation $V = CS \times DIP$ where:</p> <ul style="list-style-type: none">(a) V = consideration value;(b) CS = the number of Consideration Shares issued to the Seller; and(c) DIP = Deemed Issue Price.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deemed Issue Price	\$0.02 per Consideration Share.
Director	a director of the Buyer.
Disclosure Materials	<p>the materials that the Seller gives to the Buyer for due diligence purposes, including:</p> <ul style="list-style-type: none">(a) anything disclosed in writing to the Seller concerning the Company or for the purposes of the Agreement or the Seller's Warranties;(b) the answers to the due diligence questionnaire completed by the Company and any further information provided by the Company to the Buyer in writing; and(c) the information and documents provided to the Buyer by the Company.
Distribution Agreement	the Distribution Agreement between the Company and GSM Electrical entered into in satisfaction of the condition in clause 2.1(f).
Duty	any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.
Encumbrance	means:



	<p>(a) anything that affects or limits title of a property or potentially the value of the title, including a Security Interest, a mortgage, a charge, a pledge, lien, conditional sale agreement, hire or hire purchase agreement, option, restriction as to transfer, use or possession, easement, or a subordination to a right of a person; and</p> <p>(b) a Security Interest.</p>
GSM Electrical	GSM Electrical Pty Ltd (ACN 123 824 680).
GST	the goods and services tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	has the same meaning given to that expression in the GST Act.
Government Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.
Indebtedness	<p>any debt or other monetary liability in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:</p> <p>(a) bill, bond, debenture, note or similar instrument;</p> <p>(b) acceptance, endorsement or discounting arrangement;</p> <p>(c) guarantee in respect of any moneys borrowed or raised or any financial accommodation;</p> <p>(d) finance or capital lease or hire purchase agreement;</p> <p>(e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service for more than 90 days;</p> <p>(f) obligation to deliver goods or provide services paid for in advance by any financier;</p> <p>(g) agreement for the payment of capital or premium on the redemption of any preference shares;</p> <p>(h) interest or currency swap or hedge arrangement, financial option, futures contract or analogous transaction (the amount of such Indebtedness being the marked to market value of the relevant transaction); or</p> <p>(i) counter indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit of any other instrument issued by a bank or financial institution,</p> <p>and irrespective of whether that debt or liability:</p>



	<ul style="list-style-type: none">(a) is present or future;(b) is actual, prospective, contingent or otherwise;(c) is at any time ascertained or unascertained;(d) is owed or incurred alone or severally or jointly or both with any other person; or(e) comprises any combination of the above.
Indemnified Tax Liability	a Tax Liability payable pursuant to the indemnity given by the Seller in clause 6.4.
Input Tax Credits	has the meaning given to that term in the GST Law.
Intellectual Property	<p>all industrial and intellectual property rights and interests used by the Company in conducting the Business including:</p> <ul style="list-style-type: none">(a) the Zimi software;(b) the Company's rights to the Powermesh software;(c) all technical information, trade and service marks, domain names, business names, patents, patent applications, utility models, copyright and analogous rights, designs, logos, plant variety rights and eligible layout rights, inventions, discoveries, trade secrets, know-how, computer software, source codes, object codes, rights in data bases and confidential information;(d) any application or right to apply for registration of any of the rights in clauses (a)-(c) above and all renewals and extensions of those rights, <p>and all other intellectual property rights as defined in Article 2 of the convention establishing the World Intellectual Property Organisation on 14 July 1967 as amended from time to time and all other rights or protections having similar effect anywhere in the world.</p>
ITAA 97	<i>Income Tax Assessment Act 1997 (Cth).</i>
Last Accounts	<p>the Company's:</p> <ul style="list-style-type: none">(a) audited balance sheet as at 30 June 2020;(b) audited profit and loss account for the period ending on 30 June 2020; and(c) management accounts for the month immediately preceding the month in which Completion occurs, <p>true copies of each of which are or will be included in the Disclosure Materials.</p>



Lead Manager Options	25,000,000 Options exercisable at \$0.0001 each on or before the date 3 years after the grant of the Options, proposed to be issued by the Company to PAC Partners Securities Pty Ltd after the Consolidation.
Listing Rules	the Listing Rules of ASX.
Loss	losses, liabilities, damages, costs, charges and expenses and includes Taxes and duties.
Material Contract	a contract to which the Company is party that may require the Company to pay in excess of \$100,000 in aggregate.
Names	the business and domain names registered, held or used by the Company in relation to the Business.
Option	an option to acquire a Company Share.
Party	a party to this Agreement including its successors and permitted assigns and Parties means such parties.
Performance Rights	110,000,000 performance rights to be issued by the Buyer to the Seller on the terms described in clause 3.3.
Plastic Tooling Liability	US\$28,560 owed by the Company to GSM Electrical for a plastic tooling purchase order paid by GSM Electrical on behalf of the Company.
PPSR	the register established under the PPSA.
PPSA	the <i>Personal Property Securities Act 2009</i> (Cth).
Purchase Money Security Interests	has the meaning given to that term in the PPSA.
Records	an original or a copy, in any storage format of the material used in the Business, including: <ul style="list-style-type: none">(a) minute books, statutory books, registers, books of account, copies of taxation returns and notices of assessment;(b) sales and purchasing records;(c) trading and financial records; and(d) lists of regular suppliers and customers.
Relevant Interest	has the meaning given to that term in the Corporations Act.
Sale Shares	100% of the Company Shares held by the Seller.



Seller's Nominees	the Seller's two nominees to be appointed to the board of directors of the Buyer from Completion.
Seller's Warranties	the Warranties given by the Seller set out in Schedule 3 and Seller's Warranty means any one of them.
Securities	ordinary shares, preference shares and any options, convertible notes, warrants or other securities convertible into shares.
Security Interest	has the meaning given to that term in section 51A of the Corporations Act.
Shareholder	a holder of Company Shares.
Specified Clauses	clauses 2.7, 6.7, 7.3 and 11 and Schedule 1.
Subsidiary	has the meaning given to that term in section 9 of the Corporations Act.
Tax	any tax, levy, charge, impost or withholding, which is assessed, levied, imposed or collected by any Government Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty.
Tax Authority	any revenue, customs, fiscal, statutory, federal, state, provincial, local, governmental or municipal authority, body or person, competent to impose any Tax or Duty whether in Australia or elsewhere.
Tax Claim	a debt, cause of action, liability, claim, proceeding, suit or demand of any nature against a Seller or the Buyer, relating to: (a) a breach of a Tax Warranty; or (b) an Indemnified Tax Liability.
Tax Law	any law relating to either Tax or Duty as the case requires.
Tax Liability	all Tax payable, an all actual liabilities, losses, damages or costs and expenses of whatever description arising from any obligation of the Company to make a payment to a Tax Authority (including advisor costs and expenses).
Tax Return	any form in relation to Tax that is required to be filed or lodged with a Tax Authority including notices, elections, business activity and other statements and any supporting materials, schedule or attachments.
Tax Warranty	a Seller's Warranty stated in paragraph 22 of Schedule 3.
Taxable Supply	has the meaning to given to that term in the GST Law.



Term Sheet the document dated 24 September 2020 between the Seller and the Buyer pursuant to which the parties have entered into a legally binding agreement for the sale and purchase of the Sale Shares.

Third Party any person (including a Government Agency), other than a person who is a party to this Agreement.

Third Party Claim a claim made by or against a Third Party.

Warranty a warranty that a Party gives under this Agreement, including the Seller Warranties set out in Schedule 3 and the Buyer Warranties set out in Schedule 4.

Transferring Contractors the following persons engaged as independent contractors to the Company as at the date of this Agreement:

- (a) Jai Bentley;
 - (b) Stephen Dittman;
 - (c) Daniel Liu;
 - (d) Hui-Yu Chung (Whitney);
 - (e) Nilushan Silva; and
 - (f) Todd Cranston.
-

Workers Safety Authority Workplace Health and Safety Queensland.



Schedule 2 – Performance Rights Terms

1. GRANT

- 1.1. The Company will offer performance rights (**Performance Rights**) to Gerard Private Holdings (Finance) Pty Ltd on and subject to these terms and conditions.
- 1.2. The grant of any Performance Rights is subject to the approval of Company's shareholders in general meeting.

2. CLASSES OF PERFORMANCE RIGHTS

- 2.1. The following classes of Performance Rights will be granted by the Company on and subject to these terms:
- (a) Tranche 1 Performance Rights; and
 - (b) Tranche 2 Performance Rights.

3. ENTITLEMENT

- 3.1. Subject to this paragraph 3 and any applicable requirements of the ASX Listing Rules, each vested Performance Right entitles the holder of that Performance Right (**Holder**) to be issued with one fully paid ordinary share in the Company (**Share**), (**Entitlement**) as follows:

Tranche	Vesting Conditions	Performance Rights	Number of Shares to be issued on satisfaction of Vesting Condition
1.	<p>Design and manufacture each of the following glass fronted devices, each of which must be controlled by the GSML-Zimi cloud platform and be available for sale, within 12 months of Acquisition completing;</p> <ul style="list-style-type: none">1. Dimmable light switch;2. General purpose outlets (General power outlet or power points); and3. Blind controllers <p>For the avoidance of doubt:</p>	55,000,000	55,000,000



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Schedule 2 – Performance Rights Terms

	<p>'available for sale' means a third party is capable of purchasing.</p> <p>'controlled by the GSMI-Zimi cloud platform' means:</p> <ul style="list-style-type: none">the devices listed above, successfully collect usage data, which is available and accessible using the GSMI-Zimi cloud platform, andthe devices can be remotely switched on or off using the Zimi App		
2	Sales of 30,000 Zimi-controlled/Powermesh units or \$3,000,000 in Sales Revenue derived from Zimi-controlled /Powermesh units (whichever occurs first) within 12 months of Acquisition completing.	55,000,000	55,000,000
Total		110,000,000	110,000,000

3.2. In these terms:

- (a) **Acquisition** means the sale and transfer of all shares in GSM-I to the Company;
- (b) **GSM-I** means GSM Innovations Pty Ltd; and
- (c) **Sales Revenue** means revenue derived from the sale of devices, to be recognised at a point in time when control of the product is transferred to the customer, and earned from configuration services, to be recognised over time as the services are rendered. Sales Revenue does not include revenue derived from: (1) one-off or extraordinary items; (2) government grants, allowances, rebates or hand-outs; or (3) sales of units at "below-cost".

3.3. The Company's obligations to the Holder in relation to a Performance Right are discharged and satisfied in full upon issuing the Entitlement for that class of Performance Rights.

4. VESTING

4.1. Subject to paragraph 14, and verification and sign off of satisfaction of a Vesting Condition by an independent third party (auditor or equivalent), a Performance Right automatically vests in the Holder upon satisfaction or achievement of the conditions stated in the table in paragraph 3(a) (each a **Vesting Condition**) following which the Holder may elect to receive the Holder's Entitlement.



- 4.2. If a Vesting Condition for a class of Performance Rights is not achieved, that class of Performance Rights will not vest, subject to these terms.
- 4.3. Satisfaction of the Vesting Conditions is to be determined in relation to each class of Performance Rights.

5. EXPIRY AND FORFEITURE

Each Performance Right that has not vested will automatically lapse and will be cancelled if at midnight on the last day by which the Vesting Condition for that class of Performance Rights must be achieved is not achieved.

6. TRANSFER AND ENCUMBRANCES

- 6.1. A Performance Right is not transferrable.
- 6.2. A Holder must not grant or permit any security interest or other encumbrances over a Performance Right.

7. QUOTATION OF PERFORMANCE RIGHTS

The Company will not apply for quotation on ASX of any class of Performance Right.

8. QUOTATION OF SHARES

If the Entitlement is issued for a class of Performance Rights and the Company is admitted to the Official List of ASX, the Company will apply to ASX for official quotation of those Shares.

9. NEW ISSUES

A Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company in relation to the Performance Rights unless the Holder's Performance Rights (or any of them) have vested and the Entitlement has been issued before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.



10. PARTICIPATION IN ENTITLEMENTS AND BONUS ISSUES

A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to Shareholders, such as a bonus issue or an entitlement issue.

11. REORGANISATION

- 11.1. If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder in relation to each class of Performance Rights held by the 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.
- 11.2. Any calculations or adjustments which are required to be made in relation to paragraph 11.1 will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.
- 11.3. The Company must, within a reasonable period of a reorganisation paragraph 11.1 occurring, give to the Holder notice of any change to the number of Shares which the Holder is entitled to receive under the Entitlement for a class of Performance Rights.

12. ISSUE OF ENTITLEMENT

- 12.1. Subject to the Company's Constitution, all Shares issued in relation to the Entitlement for a class of Performance Rights will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- 12.2. Any Shares that are acquired on the vesting of Performance Rights in accordance with a Rights Offer will be issued or transferred to the Rights Holder free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in Securities.

13. VESTING ON CHANGE OF CONTROL

- 13.1. In the event that:
 - (a) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50%



of the Company's shares on issue and the bid is declared unconditional by the bidder; or

- (b) a Court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies (including under Part 5.1 of the Corporations Act,

prior to the Performance Hurdles being achieved for one or more classes of Performance Rights (**Unvested Rights**) being achieved, then all of the Unvested Rights on issue will vest.

14. DEFERRAL OF VESTING

14.1. If the vesting of any class of Performance Rights (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (**Takeover Restriction**) then:

- (a) The vesting of those Performance Rights (or any part thereof) will be deferred until such later time or times that the vesting would not result in a contravention of the Takeover Restriction.
- (b) A Holder may give written notification to the Company if they consider that the vesting of those Performance Rights (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the vesting of those Performance Rights will not result in any person being in contravention of the Takeover Restriction.
- (c) The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph 14(b) within 7 days if the Company considers that the vesting of those Performance Rights (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the vesting of the Performance Rights (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the vesting of the Performance Rights (or part thereof) will not result in any person being in contravention of the Takeover Restriction.

15. AMENDMENTS REQUIRED BY ASX

These terms may be amended as necessary by the Company's Board of Directors in order to comply with the ASX Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms, provided that, subject to compliance with the ASX Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.



16. GOVERNING LAW

These terms and the rights and obligations of the Holder are governed by the laws of Western Australia. The Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia in this respect.



Schedule 3 – Seller Warranties

1. POWER AND CAPACITY

- 1.1. The Seller:
- (a) is the legal owner of the Sale Shares which Sale Shares are free of all Encumbrances and other third party interests or rights and comprise the total issued capital in the Company; and
 - (b) is able to sell and transfer its Sale Shares without the consent of any other person and free of any Encumbrance or pre-emptive rights or rights of first refusal.
- 1.2. The Seller has full power and lawful authority to execute and deliver this Agreement and to observe and perform, or cause to be observed or performed, all of its obligations in and under this Agreement without breach or causing the breach of applicable laws.
- 1.3. This Agreement constitutes legal, valid and binding obligations and is enforceable in accordance with its terms.
- 1.4. The Company is incorporated in Victoria and is validly existing in accordance with the laws of its place of incorporation.
- 1.5. The execution, delivery and performance of this Agreement:
- (a) has been duly and validly authorised by all necessary corporate action on behalf of the Company and the Seller; and
 - (b) complies with:
 - (i) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;
 - (ii) the Constitution; and
 - (iii) any security interest or document,
- which is binding on the Seller in relation to its Sale Shares.
- 1.6. There are no powers of attorney given by the Company in favour of any person which may come into force in relation to the Business, Assets or undertaking of the Company.



2. SALE SHARES

- 2.1. Other than as disclosed in writing prior to the date of this Agreement:
- (a) no equity securities, debt securities, or hybrid securities are on issue in the Company;
 - (b) 100% of the Sale Shares are owned by the Seller and are fully paid and no money is owing in respect of them;
 - (c) the Sale Shares comprise 100% of the issued capital of the Company;
 - (d) no person has any right or option to subscribe for or otherwise to acquire any further shares or other equity, debt or hybrid securities in the Company;
 - (e) the Company is not under any obligation to allot any shares or any other equity, debt or hybrid securities to any person or persons, or otherwise to alter the structure of any part of its unissued share capital;
 - (f) the Company is not under any obligation to give any option over any part of its unissued capital; and
 - (g) there are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of the Company.

3. SELLER'S INTERESTS

Other than as disclosed in writing prior to the date of this Agreement, the Seller does not have any interest in any company or business which has a close trading relationship with or which is in competition with a business conducted by the Company.

4. SUBSIDIARIES

The Company does not have any subsidiaries.

5. ACCOUNTS

- 5.1. The Last Accounts, when disclosed to the Buyer:
- (a) will disclose a true and fair view of the state of the affairs, financial position and assets and liabilities of the Company as at the balance date disclosed in the Last Accounts (**Balance Date**);



- (b) will include all such reserves and provisions for tax as are adequate to cover all tax liabilities (whether or not assessed and whether actual, contingent, deferred or otherwise) of the Company up to the Balance Date;
- (c) will contain adequate provisions in respect of all other liabilities (whether actual, contingent, deferred or otherwise) of the Company as at the Balance Date and proper disclosure (in note form) of any contingent or other liabilities not included or provided therein; and
- (d) will be prepared:
 - (i) in accordance with the relevant Accounting Standards prescribed by the jurisdiction(s) in which it operates and were applied on a consistent basis and without making any revaluation of Assets; and
 - (ii) in the manner described in the notes to them.

5.2. The Company does not have any Liabilities other than as set out in the Last Accounts for a total amount not exceeding \$100,000.

5.3. Since the Balance Date, the Business has been conducted in all material respects in the ordinary and usual course of business and in a proper and efficient manner, other than for the transactions contemplated by this Agreement and the Company has not:

- (a) altered its share capital (including by creating, issuing or allotting, offering or inviting parties to subscribe for, or vary the capital structure or rights attaching to, any Securities, or entering into an agreement to do any of these things);
- (b) bought back, redeemed, reduced or cancelled any Securities or capital of the Company;
- (c) granted any options for the issue of shares or other Securities;
- (d) undertook, incurred, assumed or created any Encumbrance or third party right of any kind whatsoever over any of its assets, right or property (other than in the ordinary course of the Business);
- (e) declared or paid a dividend;
- (f) made a distribution or revaluation of assets;
- (g) altered its constitution;
- (h) undertaken a bonus issue of Securities, a sub-division or consolidation of Securities or any other reorganisation, reclassification or reconstruction of the capital where the Company neither pays nor receives cash;



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Schedule 3 – Seller Warranties

- (i) stopped carrying on or materially change the nature or scope of the Business or commence any material new activity that is not ancillary or incidental to the Business;
- (j) terminated, varied, assigned, novated, renewed or not renewed a Business Contract (other than in the ordinary course of the Business);
- (k) entered into any contract or commitment under which the aggregate consideration payable by the Company exceeds \$100,000, unless that contract or commitment is the subject of a tender that is disclosed in the Disclosure Materials;
- (l) entered into any contract that is not in the ordinary course of the Business or is not negotiated on arms' length terms;
- (m) incurred capital expenditure in excess of \$100,000 (other than in the ordinary course of Business);
- (n) acquired, disposed of or agreed to acquire or dispose of an asset valued pursuant to the Accounting Standards, at more than \$100,000 (other than in the ordinary course of Business);
- (o) incorporated a new subsidiary or acquired or sold any Securities or other interest in the capital of any body corporate;
- (p) advanced any loans to Shareholders or their associates;
- (q) granted any loan or advance or give any credit (other than to ordinary trade creditors in the ordinary course of the Business);
- (r) entered into or varied a contract or commitment relating to borrowings or other financial accommodation in excess of \$100,000, or repay such a contract or commitment;
- (s) given any guarantee or indemnity to secure the liabilities or obligations of any person or entity;
- (t) terminated the employment or varied the key terms of the employment of any employee(s), or employed any additional employee(s):
 - (i) with a total remuneration of \$50,000 or more; or
 - (ii) where that actions or actions would in aggregate be reasonably expected to affect the net assets, liabilities, or profit or loss of the Company by more than \$100,000 (other than in the ordinary course of Business);
- (u) entered into any claim, disclaimer, surrender, election or consent of a material nature for Tax purposes;



- (v) made an election to consolidate for income tax purposes;
- (w) terminated the employment or varied the key terms of the employment of any employee;
- (x) renewed, terminated, altered, or otherwise dealt with any material matter associated with any Authorisation required to operate any part of the Business, other than in the ordinary course of the Business;
- (y) taken any step to dissolve or wind-up the Company or place it into administration or liquidation;
- (z) changed any accounting method, practice or principle used by it; or
- (aa) instigated, settled or defended any dispute, litigation, arbitration, mediation or other dispute proceedings except where the amount claimed does not exceed \$50,000 or for debt collection in the ordinary course of the Business.

5.4. In the period between the Balance Date and the date of this Agreement, there has been no material adverse change in the financial position or financial performance of the Company or the operations, assets, liabilities or prospects of the Company.

5.5. As at the date of this Agreement, the Company does not have a bank account, nor does it own any cash.

6. SOLVENCY

No event of insolvency has occurred in relation to the Seller or the Company nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to a Seller or the Company.

7. INFORMATION

To the best of the Seller's knowledge:

- (a) all information concerning the Company which might reasonably be regarded as material to a purchaser for value of the Sale Shares has been disclosed to the Buyer and is true and accurate in all material respects; and
- (b) there has not been any misuse or unauthorised disclosure of any of the Confidential Information.

8. COMPLIANCE WITH LAWS AND AGREEMENTS

8.1. The Company has not materially breached any applicable law or requirement of any governmental agency in the conduct of its affairs or the Business.



- 8.2. To the best of the Seller's knowledge, the Company and its directors are not in material breach of any provision of any relevant laws or Business Contract or agreement to which the Company is party.
- 8.3. To the best of the Seller's knowledge, the terms of this Agreement do not conflict with or result in a breach of any obligation (including, without limitation, any statutory, contractual or fiduciary obligation) or constitute or result in any default under any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which a Seller or the Company is a party or is subject or by which it is bound.
- 8.4. Other than as disclosed, the Company has all permits, licenses, authorities, registrations and approvals necessary for properly carrying the Business and the Seller is not aware of any circumstance or fact which may result in the revocation, variation or non-renewal in any material respect of any such permits, licenses, authorities, registrations and approvals.

9. RECORDS AND CORPORATE MATTERS

- 9.1. All records of the Company (including any which they may be obliged to produce under any contract now in force):
- (a) are in the possession of the Company;
 - (b) have been properly maintained in all material respects and in accordance with all applicable laws and are up-to-date where legally required;
 - (c) do not, so far as the Seller is aware, contain or reflect any material inaccuracies or material discrepancies; and
 - (d) for employee records, contain adequate and suitable records regarding the service of each of the employees.
- 9.2. All documents required to be filed with ASIC by the Company under any relevant legislation has been duly filed where failure to do so would prejudice the conduct of the Business as carried on at Completion.

10. DEBTORS AND CREDITORS

There are no debts owing by or to the Company other than debts which have arisen in the ordinary course of business.

11. ASSETS

- 11.1. At Completion, the assets that are material to the conduct of the Business and are used by the Company in the Business:



- (a) will be fully paid for and free from all Encumbrances;
 - (b) are not the subject of any agreements or arrangements to dispose or not to dispose of that otherwise restrict their use or disposal;
 - (c) not the subject of a Security Interest which has been perfected by the secured party possessing or controlling the personal property; and
 - (d) will be either the absolute property of the Company or used by the Company under a contract under which it is entitled to use the assets on the terms and conditions of such contract.
- 11.2. At Completion, each asset included in the Last Accounts or acquired by the Company since the Balance Date (other than current assets disposed of in the normal course of trading) will be solely owned (legally and beneficially by the Company, will be situated in Australia and, where capable of possession, will be in the possession or under the control of the Company.
- 11.3. The Company is not a party to, or liable under, a lease, hire, hire purchase, credit sale, deferred payment or conditional sale or purchase agreement.
- 11.4. All plant and machinery, owned or used by the Company:
- (a) is or at Completion will be in the physical possession or under the control of the Company;
 - (b) so far as the Seller is aware, complies in all material respects with all relevant statutes and regulations;
 - (c) is in good condition (having regard to its age and allowing for fair wear and tear);
 - (d) so far as the Seller is aware, is fit for the purpose for which it is used; and
 - (e) complies with all applicable safety requirements and, while in the Company's possession, is operated without contravening any laws or occupational health and safety standards.

12. INTELLECTUAL PROPERTY

- 12.1. The Intellectual Property comprises all the intellectual property required by the Company to carry on the Business in the manner in which the Company operated the Business prior to and at Completion.
- 12.2. All Intellectual Property is either:
- (a) owned by the Company; or



- (b) the use of it has been validly licenced to the Company under a valid and subsisting licence.
- 12.3. The Company has not divulged and is not obliged to divulged any confidential information to any person other than:
 - (a) to its employees, agents or contractors for the purpose of carrying on the Business or to its advisers for the purpose of giving advice to the Company; or
 - (b) to the Buyer or its employees, agents or contractors in connection with the transactions occurring under this Agreement.
- 12.4. The Company has not licenced, assigned, or in any way disposed of any Intellectual Property (or any interests in them).
- 12.5. So far as the Seller is aware, the Company has taken all steps necessary in order to protect, defend, enforce or maintain its rights in any registered Intellectual Property, including the payment of all renewal, application and other fees.
- 12.6. The Company is not at the date of this Agreement infringing, nor has it before the date of this Agreement, infringed, or been accused of infringing, the intellectual property rights of any other person.
- 12.7. So far as the Seller is aware, there is not at the date of this Agreement, nor has there been, any unauthorised use or infringement by any person of any rights relating to the Intellectual Property.
- 12.8. None of the Intellectual Property is currently or has in the past 3 years been the subject of any dispute, challenge, litigation or opposition proceedings and no such dispute, challenge, litigation or opposition proceedings is pending, threatened or anticipated.

13. BUSINESS AND DOMAIN NAMES

- 13.1. The Company does not use any Names other than the name of the Company (or an abbreviation of that name).
- 13.2. All of the Names are either:
 - (a) in the case of business names, registered in the name of the Company; or
 - (b) in the case of domain names, registered in the name of the Company or licenced to the Company under valid and subsisting licences.
- 13.3. All outstanding renewal, application and other fees required for the maintenance of the Names that have become due have been paid.



- 13.4. Nothing has been done or omitted to be done and no circumstances exist that would reasonably be expected to affect the validity, registration or ownership of the Names or the rights of the Company to use the Names.
- 13.5. The use of the Names by the Company does not infringe the rights of any person and is not contrary to law and there are no allegations (or any basis on which such allegation could be made) to the contrary.
- 13.6. The Company does not conduct business under a business name or domain name other than the Names or the name of the Company.
- 13.7. The Company has not authorised or consented to any person using a Name or dealt with or granted to any person any rights in respect of a Name by way of licence or in any other way.

14. FINANCIAL LIABILITIES AND COMMITMENTS

- 14.1. At Completion, all Encumbrances affecting the assets of the Company and all Indebtedness of the Company will have been fully and effectually discharged and released (other than any debts owed to trade creditors in the normal course of business).
- 14.2. At Completion there are no:
- (a) financing agreements, hire purchase agreements or arrangements entered into by the Company for the borrowing of money or otherwise with respect to the Indebtedness;
 - (b) debentures, bonds, notes or similar debt instruments issued by the Company;
 - (c) guarantees given by the Company, or to which the Company is otherwise subject, in relation to the Company or any other person;
 - (d) Encumbrances over the assets or securities of the Company; or
 - (e) financing arrangements that restrict the disposal of the Company,
- other than as set forth in the Last Accounts as at the Balance Date.
- 14.3. There is no existing or unremedied breach of, or any event of default, cancellation event, prepayment event or similar event under, any agreement or arrangement referred to in Seller's Warranty 14.2, and the transactions contemplated by this Agreement will not trigger any such breach, event of default, cancellation event, prepayment event or similar event.
- 14.4. No notices or demands have been served on the Company that remain outstanding in relation to default or non-compliance under an agreement or arrangement referred to in Seller's Warranty 14.2 above.



- 14.5. So far as the Seller is aware, no legal or enforcement action has been taken, or demand has been made, by any party to enforce any security or other arrangement referred to in Seller's Warranty 14.2.
- 14.6. So far as the Seller is aware, the bank accounts of the Company has been operated in accordance with all legal and administrative requirements in Australia.
- 14.7. Nothing has occurred or been alleged to have occurred) which constitutes, or so far as the Seller is aware might (with the giving of notice, lapse of time or fulfilment of any other condition) constitute, an event of default under, or otherwise give rise to an obligation to repay any amount prior to its stated due date, any banking or financial facility available to or Indebtedness of the Company.
- 14.8. The Company has not guaranteed the obligations of any person.
- 14.9. The Disclosure Materials fairly disclose full details of all borrowings, Indebtedness and other financial accommodation of the Company. The total amount borrowed by the Company does not exceed any limitation on its borrowing contained in its Constitution or any agreement to which it is a party.

15. INSURANCE

- 15.1. The Disclosure Materials contain complete and accurate particulars of all current Insurance Policies and cover notes taken out in respect of the Company or the Business as at the execution date (**Insurance Policies**).
- 15.2. So far as the Seller is aware, at all times, all assets, business interruption-type risks, and legal liability risks which are normally insured by companies carrying on similar business to the Company or owning property of a similar nature have been adequately insured.
- 15.3. So far as the Seller is aware, each Insurance Policy held by the Company is currently in full force and effect. All applicable premiums have been paid.
- 15.4. So far as the Seller is aware, no Insurance Policy is subject to special or unusual terms or restrictive or to the payment of premiums exceeding the normal commercial premium applying to policies of the same kind.
- 15.5. So far as the Seller is aware, nothing has been done or omitted to be done which would make any Insurance Policy void or materially increase the premiums payable under the Insurance Policy.
- 15.6. So far as the Seller is aware, the Company has not been notified by any insurer that it is required to carry out any maintenance, repairs or other works in relation to any of the respective assets.



- 15.7. All insurance claims made by the Company under a policy of insurance on or before the Completion Date have been fairly disclosed in the Disclosure Materials and all incidents occurring before that date which will or may give rise to a claim by the Company under a policy of insurance have been notified to the relevant insurer and fairly disclosed in the Disclosure Materials.
- 15.8. Each Company has effected all insurances required by law to be effected by it, subject to deductibles.
- 15.9. So far as the Seller is aware, estimates on all outstanding claims are accurate and the Seller is not aware of any reason those estimates would change materially.
- 15.10. There are no open claims being handled subject to a reservation of rights letter from any insurer, and no insurer has denied coverage for any claim in the last 3 years.
- 15.11. So far as the Seller is aware, there will not be any adjustments after Completion to any premiums paid by the Company prior to Completion in connection with declared values or losses incurred by the Company.

16. BUSINESS CONTRACTS

- 16.1. Each Business Contract is:
- (a) valid, binding and enforceable (subject to its terms and the laws of the jurisdiction which is the governing law of each particular Business Contract);
 - (b) on commercial arms' length terms;
- and
- (c) the Company is not in breach or default of any Business Contract, or would be in default but for the requirements of notice or lapse of time;
 - (d) so far as the Seller is aware, no other party to any Business Contract is in default, or would be in default but for the requirements of notice or lapse of time, of any Business Contract; and
 - (e) so far as the Seller is aware, there are no grounds for, or any allegations that grounds exist for, the termination of any such Business Contract.
- 16.2. The Company has not received, or given, any notice of termination of any Business Contract to which it is a party.
- 16.3. The Disclosure Materials contain copies of all Business Contracts, including all Business Contracts which could be affected by the sale of the Sale Shares (or any other term of this Agreement) in such a way as to entitle another party to the Business Contract to:



- (a) terminate the Business Contract early; or
 - (b) change the terms of the Business Contract to the less favourable to the Company.
- 16.4. The Company is not a party to or liable under any Business Contract which:
- (a) is incapable of complete performance under its terms;
 - (b) cannot readily be fulfilled or performed by it on time or without undue or unusual expenditure of money or effort;
 - (c) is in any way otherwise than in the ordinary course of business of the Company.
- 16.5. The Company has not made any offers, tenders or quotations which are still outstanding and capable of giving rise to a contract by the unilateral act of a third party, other than in the ordinary course of business and on customary terms.
- 16.6. No notice or process has been served on the Company which might impair the exercise of its rights under any Business Contract.
- 16.7. No power of attorney given by the Company is in force.
- 16.8. Except as specifically disclosed to the Buyer before the date of this Agreement, no Business Contract:
- (a) is outside the ordinary course of the Business or is otherwise unusual; or
 - (b) provides that the Company is to distribute goods or services as agent for any other person; or
 - (c) exists between the Company and an Associate of the Company or the Sellers; or
 - (d) prohibits or limits the freedom of the Company (or its employees) to be involved in any activity or business; or
 - (e) requires the Company to:
 - (i) share its profits; or
 - (ii) pay any royalties except as fairly disclosed in the Disclosure Material; or
 - (iii) pay commission, remuneration or payment of any nature calculated by reference to the whole or part of its turnover, profits or sales; or
 - (f) involves paying or receiving funds which do not reflect the true commercial value of the goods or services supplied or received.



- 16.9. The Business Contracts comply with all laws.
- 16.10. No claim has been made against the Company in relation to warranty or indemnity provided by the Company under any Business Contractor any other arrangement which binds the Company, so far as the Seller is aware, no circumstances exist for such a claim to be made.
- 16.11. The Company has not paid any liquidated damages under any Business Contract in the 3 years before the date of this Agreement and no circumstances exist which are likely to require the Company to pay any liquidated damages.
- 16.12. The Company is not:
- (a) as at the date of this Agreement; or
 - (b) will be immediately after Completion; or
 - (c) has been during the two years before the date of this Agreement,
 - (d) a party to any Agreement or arrangement to which the Seller is or was a party to, or in which the Seller, a director or former director of the Seller is or was interested in any way.

17. PROPERTY

- 17.1. The Company does not have any interest in any land, freehold property or leasehold property.
- 17.2. The Company does not lease, sublease or licence any property and is not party to any agreement for the lease, sublease or occupation by the Company of any property.
- 17.3. The Company has no liability in relation to a lease, sublease or licence of land (and the buildings, fixtures and other improvements on that land) entered into by the Company but which has expired or been terminated prior to the date of this Agreement.
- 17.4. The Company will not become liable to any person in respect of any real property, or interest in real property, previously owned by the Company or used in the Business, but not owned by the Company or used by the Business at Completion.
- 17.5. There are no factors affecting any of the Properties that will, or would reasonably be likely to, give rise to any material liability for the Company under, or arising from any act of omission of the Company that is a breach of or inconsistent with its obligations under, any environmental laws.



18. EMPLOYEES AND CONTRACTORS

- 18.1. As at the date of this agreement the Company has no employees and has not entered into any agreement for the employment of any person.
- 18.2. The Company has no agreements (formal or informal) with trade unions, works councils or other bodies (incorporated or unincorporated) representing employees.
- 18.3. The Disclosure Materials include copies of and fairly disclose all contracts between the Company and each person engaged as an independent contractor of the Company.
- 18.4. The Company does not have any agreement, arrangement or understanding with any person for the provision of consulting or management services to the Company.
- 18.5. No current or former officer of the Company is entitled to any amount of compensation or remuneration on termination of his or her employment or engagement.
- 18.6. The Company has paid all amounts due and payable to ~~each of former employees and officers~~ and any amounts paid on behalf of the employees (for example including PAYG and pay roll taxes) up to the Completion Date.
- 18.7. The Company is not involved in any industrial dispute nor, so far as the Seller is aware, is any such dispute threatened (in writing) or pending.
- 18.8. The Company does not operate a bonus, profit share or employee incentive plan or scheme for its employees, contractors or officers.
- 18.9. Full and accurate details of all agreements, arrangements or understandings with any person for the provision of services to the Company have been fairly disclosed in the Disclosure Material. Each person who provides these services is a true contractor and there are no grounds on which such person could successfully claim to be an employee of the Company.
- 18.10. So far as the Seller is aware, there are no circumstances that exist or have existed that could enable a former employee of the Company or contractor of the Company to make a claim relating to occupational health and safety.
- 18.11. The Company:
- (a) has workers compensation insurance in place;
 - (b) has paid its workers compensation insurance up to date;
 - (c) is not the subject of any current workers compensation claim and the Seller is not aware of any future claim; and



- (d) has not been subject to an external audit by the Workers Compensation Insurance Authority in the last three years.

18.12. The Company:

- (a) has not been subject to a Workers Safety Authority inspection in the last three years;
- (b) has not received an improvement notice or prohibition notice from the Workers Safety Authority in respect of work health and safety; and
- (c) is not currently subject to an investigation or prosecution by the Workers Safety Authority.

19. DISPUTES AND LITIGATION

- 19.1. The Company is not (directly or through any person for whose acts or defaults it may be liable) engaged whether as a defendant or plaintiff or otherwise in any current or pending litigation or arbitration or prosecution or other legal proceedings nor are, so far as the Seller is aware, any such proceedings pending, anticipated or threatened and, so far as the Seller is aware, there no facts or circumstances which may give rise to any such proceedings.
- 19.2. Neither the Company nor any of its officer or employees are subject to any investigation, enquiry or disciplinary proceeding in relation to the Company or the Business, and so far as the Seller is aware, no matter or circumstances exist which might give rise to any such investigation, enquiry or disciplinary proceeding.
- 19.3. There is no dispute or disagreement between the Company and any governmental agency and, so far as the Seller is aware, there are no facts or circumstances which might give rise to any such dispute or disagreement.
- 19.4. There has not been any material breach or default by the Company of any term or provision of any judgment, order, award or decision handed down in legal proceedings, arbitration, mediation or other dispute resolution procedure and no event has occurred which, with the passage of time or giving of notice, would constitute a breach or default of that kind.
- 19.5. There is no outstanding claim, judgment, order, decree, award or decision of a court, tribunal, arbitrator or other person in any jurisdiction against the Company or a person whose acts or defaults the Company may be liable.

20. AUTHORISATIONS

- 20.1. The Company has complied in all respects with all applicable laws relating to or binding on the Company and there are no outstanding breaches, contraventions or



defaults under, or non-compliance by, the Company with any law and the Company has not received any written notice that it may be in such breach, contravention, default or non-compliance.

- 20.2. As at the date of this Agreement, the Company holds all necessary Authorisations required by the Company to enable it to carry on its business in the places and in the manner in which it is currently carried on.
- 20.3. Full details of all Authorisations held or obtained by the Company are fairly disclosed in the Disclosure Materials.
- 20.4. There is no reason why any of the Authorisations held by the Company or held for its benefit should be suspended, cancelled, modified or not renewed by reason of the change in control of the Company that will occur on and from Completion.
- 20.5. Subject to the satisfaction of the Conditions Precedent, the execution, delivery and performance by the Seller of this Agreement does not and will not permit the termination of any Authorisation.
- 20.6. Each Authorisation:
- (a) is paid up;
 - (b) has been complied with;
 - (c) is in full force and effect; and
 - (d) is not liable to be revoked or not renewed.
- 20.7. There is no circumstance or fact involving the Business which may result in the breach, revocation or variation in any material respect of any Authorisation or which would hinder or prevent its renewable by the Company.
- 20.8. The Company has, or will have at Completion, all necessary Authorisations material to conduct of the Business as it is being carried on at Completion and have paid all fees due in relation to them.

21. INFORMATION TECHNOLOGY

- 21.1. The information technology and telecommunications Systems, hardware and software owned or used by the Company in the conduct of the Business as at the date of this Agreement (**Systems**):
- (a) comprise all the information technology and telecommunications Systems, hardware and software necessary for the conduct of the Business as conducted at Completion; and
 - (b) perform their intended functions.



- 21.2. So far as the Seller is aware, no material action will be necessary to enable such Systems to continue to be used in connection with the Business to the same extent and in the same manner as they have been used before the date of this Agreement.
- 21.3. The Company either owns or is validly licenced to use the software comprised of in the Systems.
- 21.4. The Company has adequate procedures for preventing unauthorised access to the Systems, and for taking and storing on-site and off-site back-up copies of any data owned or used by the Company.
- 21.5. All agreements or arrangements with third parties pertaining to the operation and maintenance of the Systems are fairly disclosed in the Disclosure Materials.
- 21.6. Use by the Company of the System and any data owned, used or processed by the Company via the Systems do not infringe any intellectual property or other rights of any third party nor does such use offend against any applicable laws.

22. TAXATION

- 22.1. The share capital accounts of the Company are not tainted within the meaning of Tax Law.
- 22.2. The Company has not sought capital gains tax rollover relief under the ITAA 36 or the ITAA 97 with respect to any asset which it has acquired and owns at the Completion Date (other than that disclosed to the Buyer in writing).
- 22.3. The Company has not participated in any way in a scheme which has or could give rise to a liability for Tax pursuant to the application of Part IVA of the ITAA 36 or other general anti-avoidance provision under another Tax Law.
- 22.4. All transactions entered into between the Company and the Seller has been conducted on an arms-length and commercial basis.
- 22.5. The Company has not paid or credited an amount, made an advance or loan or loans that may be treated as an amalgamated loan, or forgiven all or part of a debt owed to the Company directly or through an interposed entity or transferred any property in relation to which a dividend may be taken to have been paid or a franking debit may arise under the ITAA 97.
- 22.6. No amount has been waived, forgiven or otherwise abandoned by any person in respect of debts owed by the Company to any other person which gives rise to a net forgiven amount, or results in application of the value shifting or limited recourse debt rules.
- 22.7. The treatment of unearned income and accrued income by the Company is in accordance with Tax Laws.



- 22.8. The Company has not claimed a deduction in a Tax Return in respect of a shareholder or related party loans in excess of a reasonable amount or in respect of which any such deduction may be denied by any Tax Authority.
- 22.9. Divisions 40, 43, 240 of the ITAA 97 have been complied with by the Company.
- 22.10. The Company has not entered into any transaction that would attract the operation of any transfer pricing provision in any Tax Law.
- 22.11. No event has occurred, or will occur, as a result of anything provided for in this Agreement, or as a result of this Agreement itself, as a result of which any stamp duty from which the Company may have obtained an exemption or other relief may become payable on any document, instrument, contract, agreement, deed or transaction.
- 22.12. No dividend has been paid by the Company which has been over-franked, or under-franked.
- 22.13. The Company has not participated in:
- (a) any dividend stripping or dividend or capital streaming or franking credit trading schemes; or
 - (b) any scheme or arrangement within the meaning of Division 204 of Part 3-6 of the ITAA 97; and
 - (c) a transaction where a franking deficit or franking debit will arise at or after Completion for the Company or the head company of any Consolidated Group to which the Company is, or becomes, a member.
- 22.14. All dividends that have been declared and paid by the Company are valid in accordance with all laws.
- 22.15. The Company is entitled to claim full Input Tax Credits for any GST it has borne in respect of any Taxable Supply made to it before Completion.
- 22.16. The Company is a member of a Consolidated Group as disclosed to the Buyer.
- 22.17. All Tax of any nature whatsoever for which the Company is liable and which has become due for payment has been duly paid or will be paid as at Completion.
- 22.18. The Company is not involved, nor has it been involved, in any audit, investigation by, or any dispute with, the Commissioner or any other Tax Authority in any jurisdiction responsible for the collection of Tax or Duty, and the Sellers are not aware of any circumstances which may give rise to such an audit, investigation or dispute.



- 22.19. All necessary information, notices, elections, clearances, computations and returns in respect of the Tax obligations of the Company has been lodged or filed with the appropriate Tax Authorities under all applicable laws and within the prescribed times.
- 22.20. Any information, notice, computation or return which has been submitted to a Tax Authority by the Company in respect of any Tax matter, discloses all facts which should be disclosed under any relevant Tax Law and does not contain any materially false or misleading statements nor omits to refer to a matter which is required to be included or without which the statement is false or misleading.
- 22.21. The Company has deducted and remitted all Tax required to be deducted and remitted from any payments made by it; this includes all amounts of Tax required by law to be deducted from the salary or wages of employees of the Company.
- 22.22. The Company has maintained proper and adequate records to support all returns lodged or filed relating to the taxes and to enable it to comply with its obligations under any Tax Law.
- 22.23. Adequate provision has been made in the Last Accounts for any Tax imposed on the Company which is payable or may become payable in respect of any transaction or income occurring or arising before the Completion Date but which was unpaid as at the Completion Date.
- 22.24. All Duty and other Tax due and payable by the Company in any jurisdiction in respect of every agreement, document or transaction to which the Company is or has been a party or by which the Company derives, or has derived, a substantial benefit has been duly paid when due, to the extent the Company is liable for that Duty or other Tax.
- 22.25. The Company is, and has since its incorporation been, a resident for Tax purposes in Australia and in no other jurisdiction.
- 22.26. The Company is registered for GST under the GST Law and has an ABN and is a member of a GST group as disclosed to the Buyer.
- 22.27. Any GST required to be paid by the Company to a Tax Authority has been remitted to that Tax Authority under its commitments under the GST Law. The Company has complied with all of its obligations under the GST Law.
- 22.28. The Company has maintained and will maintain until Completion, proper and adequate records to enable it to comply with its obligations under the GST Act and to comply with any record keeping requirements necessary to support the GST positions adopted by it.



Schedule 4 – Buyer Warranties

1. POWER AND CAPACITY

- 1.1. The Buyer is incorporated in Queensland and is validly existing in accordance with the laws of its place of incorporation.
- 1.2. Subject to satisfaction or waiver of the Conditions Precedent, the execution, delivery and performance of this Agreement has been duly and validly authorised by all necessary corporate action on behalf of the Buyer.
- 1.3. The Buyer has full power and lawful authority to execute and deliver this Agreement and to observe and perform, or cause to be observed or performed, all of its obligations in and under this Agreement without breach or causing the breach of applicable laws.
- 1.4. Subject to clause Schedule 41.2, the Buyer may enter into and perform its obligations under this Agreement without the consent of another person.
- 1.5. This Agreement constitutes the Buyer's legal, valid and binding obligations and is enforceable in accordance with its terms.
- 1.6. Subject to satisfaction or waiver of the Conditions Precedent, the execution, delivery and performance by the Buyer of this Agreement complies with:
 - (a) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;
 - (b) the constitution or other constituent documents of the Buyer; and
 - (c) any Security Interest or document.
- 1.7. The Buyer's execution, delivery and performance of this Agreement does not and will not:
 - (a) permit a person to terminate an authorisation, consent, or contract; or
 - (b) require a third party's authorisation, consent, approval, qualification, acknowledgment or licence.

2. SOLVENCY

No event of insolvency has occurred in relation to the Buyer nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to the Buyer.



3. ISSUED CAPITAL

- 3.1. As at the date of this Agreement, the issued securities of the Buyer comprise:
- (a) 2,008,549,744 Buyer Shares;
 - (b) 995,759,030 Options;
 - (c) 200,000,000 performance shares; and
 - (d) 18,000,000 performance rights.
- 3.2. The issued securities of the Buyer following the Consolidation and on Completion will comprise:
- (a) 160,683,979 Buyer Shares, subject to rounding of fractional entitlements to Buyer Share on the Consolidation;
 - (b) 79,660,722 Options, subject to rounding of fractional entitlements to options on the Consolidation;
 - (c) 11,200,000 performance shares, less any performance shares forfeited or cancelled;
 - (d) 1,440,000 performance rights;
 - (e) the Consideration Shares;
 - (f) the Performance Rights;
 - (g) the Capital Raising Shares;
 - (h) the Lead Manager Options; and
 - (i) any securities issued or the exercise or conversion of securities stated in paragraphs 3.1 and 3.2 above.
- 3.3. Other than as disclosed in writing by the Buyer to the Seller before the date of this Agreement, there is no restriction on the issue of the Consideration Shares to the Seller.
- 3.4. The Consideration Shares will be credited as fully paid and rank *pari passu* in all respects with all other Buyer Shares on issue.
- 3.5. No person has any right or option to subscribe for or otherwise to acquire any further shares or other equity, debt or hybrid securities in the Buyer.
- 3.6. There are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of the Buyer.



- 3.7. The Buyer is not under any obligation to, or has offered to:
- (a) allot any shares or any other equity, debt or hybrid securities to any person or persons, or otherwise to alter the structure of any part of its share capital; or
 - (b) give any option over any part of its unissued capital.

4. ACCOUNTS

- 4.1. The statutory financial statements of the Buyer for the financial period ended on the last half year and full year, together with the notes thereto:
- (a) present fairly and accurately in all material respects the financial position of the buyer at the dates indicated and the statements of operations of the Buyer for the periods specified; and
 - (b) have been prepared in conformity with A-IFRS or generally accepted accounting principles in Australia that were in effect at the date of, or period covered by, each such statement, as applicable.
- 4.2. Except as otherwise disclosed in the Disclosure Materials, the Buyer has no actual or contingent liabilities, except for those set out in its financial statements for the period ended 30 June 2020.
- 4.3. There are no:
- (a) financing arrangements entered into by or on behalf of the Buyer for the borrowing of money;
 - (b) debentures, bonds, notes or similar debt instruments issued by the Buyer;
 - (c) guarantees given by the Buyer, or to which the Buyer is otherwise subject, in relation to the Buyer or any other person; or
 - (d) Encumbrances over the assets or undertaking of the Buyer, or its business or securities.
- 4.4. As at the date of this Agreement, the cash position of the Buyer is approximately \$100,000.

5. INFORMATION

To the best of the knowledge of the Directors, any information known to the Buyer or its Directors concerning the Buyer which might reasonably be regarded as material to a purchaser for value of Buyer Shares has been disclosed to the Seller and is true and accurate in all material respects.



6. COMPLIANCE WITH LAWS AND AGREEMENTS

- 6.1. To the best of its knowledge, the Buyer is not in material breach of any provision of any relevant laws or Material Contract or agreement to which it is party.
- 6.2. The terms of this Agreement do not conflict with or result in a breach of any obligation (including, without limitation, any statutory, contractual or fiduciary obligation) or constitute or result in any default under any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which the Buyer is a party or is subject or by which it is bound.

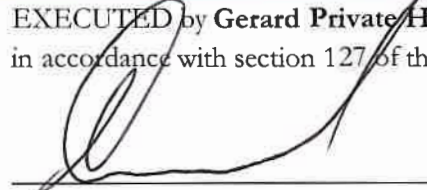


Signing Page

IN WITNESS WHEREOF this document has been duly executed by and on behalf of the parties on the day and year first above written.

Gerard Private Holdings

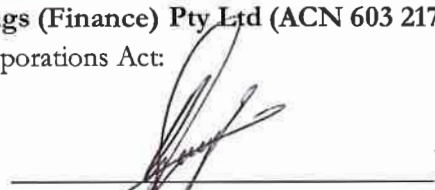
EXECUTED by **Gerard Private Holdings (Finance) Pty Ltd (ACN 603 217 250)** in accordance with section 127 of the Corporations Act:



Signature of Director

Simon C. Gerard

Full name of Director (please print)



Signature of Director/Secretary

Gary Savage

Full name of Director/Secretary (please print)

Quantify Technology Holdings

EXECUTED by **Quantify Technology Holdings Limited (ACN 113 326 524)** in accordance with section 127 of the Corporations Act:



Signature of Director

Gary Castledine - Director

Full name of Director (please print)



Signature of Director/Secretary

Brett Savill - CEO/Director

Full name of Director/Secretary (please print)

