

ASX ANNOUNCEMENT

28 June 2021

SHARE CONSOLIDATION & PURCHASE OF TKSR

Ensurance Ltd (ASX: ENA) (“Ensurance” or the “Company”) advises that it will seek shareholder approval to consolidate the issued capital of the Company, at a General Meeting to be held on 28 July 2021, on the basis of one (1) share for every ten (10) shares currently held, thereby reducing the number of shares on issue. The number of Options on issue will also be consolidated on a 1 for 10 basis, with the exercise price of the Options increasing in inverse proportion to the consolidation ratio.

The consolidation has been proposed to reduce the number of shares on issue to approximately 70.5 million, creating a more efficient capital structure.

The Company will also seek shareholder approval for the purchase of TK Specialty Risks Pty Ltd (TKSR) and the issue of 83,333,334 consideration shares.

Further details of the proposed consolidation and purchase of TKSR are provided in the attached notice of meeting.

This release has been authorised by the Board

ENSURANCE LIMITED**ACN 148 142 634****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 12.00 pm EST
DATE: 28 July 2021
PLACE: Suite 2102, Level 21
Westfield Tower 2
101 Grafton Street
BONDI JUNCTION NSW 2022

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm EST on 26 July 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES IN CONSIDERATION FOR ACQUISITION OF TKSR

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 83,333,334 Shares on a pre-Consolidation basis on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

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

"That pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 10 Shares be consolidated into 1 Share;*
- (b) every 10 Options be consolidated into 1 Option; and*
- (c) every 10 Performance Rights be consolidated into 1 Performance Right,*

and, where this Consolidation results in a fraction of a Security being held, the Company be authorised to round that fraction up to the nearest whole Security (as the case may be)."

Dated: 28 June 2021

By order of the Board

Sam Hallab
Company Secretary

Voting Prohibition Statements

Nil.

Voting Exclusion Statements

Resolution 1 – Approval to issue Shares in Consideration for Acquisition of TKSR

A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust) or an associate of that person (or those persons).

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9167 8050.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES IN CONSIDERATION FOR ACQUISITION OF TKSR

1.1 General

As announced on 17 May 2021, the Company has entered into an agreement with Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust (**Vendor**) to acquire 100% of the fully paid ordinary shares in TK Specialty Risks Pty Ltd (ACN 608 877 783) trading as TKSR (**TKSR**) (**Acquisition Agreement**).

As consideration for 100% of the fully paid ordinary shares in TKSR, the Company has agreed to issue the Vendor with 83,333,334 Shares at a deemed issue price of \$0.03 (on a pre-Consolidation basis), equating to a value of \$2,500,000 (**Consideration Shares**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Consideration Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and the Acquisition Agreement will not be able to proceed on its current terms, or potentially at all.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

1.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Consideration Shares will be issued to Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust (or its nominee);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company notes that:
 - (i) Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust and his associates currently hold 5.65% of the Shares on issue in the Company; and

- (ii) Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust (or its nominee) will be issued with more than 1% of the issued capital of the Company. As at the date of this Notice, 83,333,334 Shares equates to 13.4% of the Company's undiluted Share capital;
- (c) the maximum number of Consideration Shares to be issued is 83,333,334 (on a pre-Consolidation basis). The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
- (e) the Consideration Shares will be issued at a nil issue price, in consideration for the acquisition of 100% of the fully paid ordinary shares in TKSR;
- (f) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations under the Acquisition Agreement;
- (g) the Consideration Shares are being issued to Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust (or its nominee) under the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Schedule 1; and
- (h) the Consideration Shares are not being issued under, or to fund, a reverse takeover.

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

2.1 Background

If Resolution 2 is passed, the number of:

- (a) Shares on issue will be reduced from 704,988,656 (assuming issue of the Consideration Shares) to 70,498,866 (subject to rounding);
- (b) Options on issue will be reduced from 15,000,000 to 1,500,000 (subject to rounding); and
- (c) Performance Rights on issue will be reduced from 25,000,000 to 2,500,000 (subject to rounding),

(together, the **Consolidation**).

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional entitlements

Not all security holders will hold that number of Shares, Options or Performance Rights (as the case may be) which can be evenly divided by 10. Where a

fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

2.4 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

2.5 Holding statements

From the date two Business Days after the Effective Date (as set out in the timetable below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

2.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Unlisted Options ¹	Performance Rights
Pre-Consolidation Securities	621,655,322	15,000,000	25,000,000
Issue of Consideration Shares (pre-consolidation) (Resolution 1)	83,333,334	Nil	Nil
Post 10:1 Consolidation of Securities (Resolution 2)	70,498,866	1,500,000	2,500,000
Total	70,498,866	1,500,000	2,500,000

N

Note:

1. The terms of these Options are set out in the table below.

The Company notes that, as at the date of this Notice, there are 27 Convertible Notes on issue. The Convertible Notes have a maturity date of 30 June 2021 (**Maturity Date**). If all Convertible Notes are converted prior to the Maturity Date, an additional 148,099,213 Shares will be issued prior to the date of the Meeting. If a holder of Convertible Notes does not convert their Convertible Notes prior to the Expiry Date (which conversion notice must be received not later than 7 days prior to the Maturity Date), the Company must repay the subscription amount within 7 business days of the Maturity Date and the Convertible Notes will be redeemed by the Company.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – Pre Consolidation

Terms	Number
Options exercisable at \$0.04 by 31 December 2021	3,000,000
Options exercisable at \$0.06 by 31 December 2022	5,000,000
Options exercisable at \$0.09 by 31 December 2023	7,000,000
Total	15,000,000¹

Note:

1. The total number of Options pre-consolidation does not account for the 12,634,301 Options exercisable by 30 June 2021 and the 2,000,000 Options exercisable by 10 July 2021.

Options – Post Consolidation

Terms	Number
Options exercisable at \$0.40 by 31 December 2021	300,000
Options exercisable at \$0.60 by 31 December 2022	500,000
Options exercisable at \$0.90 by 31 December 2023	700,000
Total	1,500,000¹

Note:

1. The total number of options post-consolidation does not account for the 12,634,301 Options exercisable by 30 June 2021 and the 2,000,000 Options exercisable by 10 July 2021.

2.7 Indicative timetable*

If Resolution 2 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation.	28 June 2021
Company sends out notices for Shareholder meeting.	28 June 2021
Shareholders pass Resolution 2 to approve the Consolidation.	28 July 2021
Company announces effective date of Consolidation.	28 July 2021
Effective date of Consolidation.	28 July 2021
Last day for pre-Consolidation trading.	29 July 2021
Post-Consolidation trading starts on a deferred settlement basis.	30 July 2021
Record Date.	2 August 2021

Action	Date
Last day for the Company to register transfers on a pre-Consolidation basis.	
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of securities they hold.	3 August 2021
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of securities they hold and to notify ASX that this has occurred.	9 August 2021

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company or **Ensurance** means Ensurance Limited (ACN 148 142 634).

Convertible Note means a convertible note issued by the Company and convertible into a Share.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Performance Right means a performance right issued by the Company and convertible into a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

Section means a section of the Explanatory Statement.

Security means a Share, an Option, a Convertible Note or a Performance Right as the context requires.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1: MATERIAL TERMS OF THE ACQUISITION AGREEMENT

Vendor	Vaughan Thales Kent as trustee for the Vaughan Kent Family Trust (Vendor).
Acquisition	100% of the issued share capital of TK Specialty Risks Pty Ltd (ACN 608 877 783) trading as TKSR, free from encumbrances.
Consideration	<p>83,333,334 ENA Shares at a deemed issue price of \$0.03 each equating to a value of \$2,500,000 (Consideration Shares).</p> <p>The Consideration Shares will be subject to a voluntary 24-month escrow period on and from settlement of the acquisition and the Vendor will execute, upon settlement, a voluntary escrow deed confirming this arrangement.</p>
Conditions Precedent	<p>Settlement of the acquisition is conditional upon the satisfaction or (if applicable) waiver of the following conditions precedent:</p> <ul style="list-style-type: none"> (a) completion of operational, financial and legal due diligence by Ensurance on TKSR and its assets and operations; (b) Ensurance shareholders approving the issue of the Consideration Shares in accordance with the ASX Listing Rules; and (c) the parties obtaining all third-party approvals and consents necessary to lawfully complete the matters set out in this Agreement, <p>(together, the Conditions)</p> <p>The Conditions are for the benefit of Ensurance and may only be waived by Ensurance.</p>
End Date	If the Purchaser is satisfied with its due diligence investigations, it must advise the Vendor in writing on or before the End Date that it wishes to proceed with the Acquisition (Notice Date). Following such notice, if the Conditions in clause (b) and (c) are not satisfied (or waived by the Purchaser) on or before 5.00pm (WST) on the date that is two (2) months from the Notice Date, or any other date agreed in writing between the parties, any party may terminate this agreement by notice in writing to the other parties, in which case, the agreement constituted by this Agreement will be at an end and the parties will be released from their obligations under this Agreement (other than in respect of any breaches or rights that occurred prior to termination).
Settlement	Settlement of the acquisition will occur on the date which is 5 business days (as defined pursuant to the ASX Listing Rules,) after the satisfaction (or waiver by the Purchaser) of the Conditions.



Ensurance Ltd
ABN 80 148 142 634

ENA

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00 PM (AEST) on Monday, 26 July 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Ensurance Ltd hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Ensurance Ltd to be held at Suite 2102, Level 21, Westfield Tower 2, 101 Grafton Street, Bondi Junction, NSW 2022 on Wednesday, 28 July 2021 at 12:00 PM (AEST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval to Issue Shares in Consideration for Acquisition of TKSR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

EN A

2 7 3 7 2 4 A



Computershare

