



PROPERTY
CONNECT

PROPERTY CONNECT HOLDINGS LIMITED

ACN 091 320 464

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: Thursday, 15 December 2016

Time of Meeting: 12.30 pm (EDST)

Place of Meeting: Kemp Strang
Level 17
175 Pitt Street
Sydney NSW 2000

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

PROPERTY CONNECT HOLDINGS LIMITED

ACN 091 320 464

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Property Connect Holdings Limited ACN 091 320 464 ("**Company**") will be held at the offices of Kemp Strang, Level 17, 175 Pitt Street, Sydney NSW 2000 at 12.30pm (EDST) on Thursday, 15 December 2016.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Annual General Meeting.

AGENDA

ANNUAL FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report, the Directors' Report and Auditor's Report for the Company and its controlled entities for the period ended 30 June 2016.

RESOLUTIONS

1. Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the Company and its controlled entities for the period ended 30 June 2016 be adopted."

2. Re-election of Mr Sam Lee as a Director

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 14.4 and the Company's Constitution and for all other purposes, Mr Sam Lee, being a Director who retires by rotation, and being eligible, offers himself for re-election, be re-elected as a Director."

3. Re-election of Mr Michael Langoulant as a Director

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

"That Mr Michael Langoulant, who was appointed as a director of the Company to fill a casual vacancy on 22 June 2016 retires in accordance with Listing Rule 14.4 and the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

4. Re-election of Mr Darren Patterson as a Director

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

an **ordinary resolution**:

"That Mr Darren Patterson, who was appointed as a director of the Company to fill a casual vacancy on 8 November 2016 retires in accordance with Listing Rule 14.4 and the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

5. Approval of 10% Placement Facility

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

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

6. Approval of issue of Shares under Convertible Note Agreement

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 323,333,333 Shares, on the conversion of the convertible notes issued pursuant to the Convertible Note Agreement and as set out in the Explanatory Memorandum."

7. Approval of issue of Shares to Mr Darren Patterson under Convertible Note Agreement

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

"That, subject to Shareholders approving Resolution 6 and for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue of 10,000,000 Shares to Mr Darren Patterson, on the conversion of the convertible note issued pursuant to the Convertible Note Agreement and as set out in the Explanatory Memorandum."

8. Approval of issue of Options to Wentworth Global Capital Finance Pty Limited

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 35,000,000 Options to Wentworth Global Capital Finance Pty Limited ACN 155 410 843 (or its nominees) in consideration for services provided to the Company, details of which are set out in the Explanatory Memorandum."

9. Approval of issue of Options to Mr Tim Manson

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 8,000,000 Options to Mr Tim Manson (or his nominees), details of which are set out in the Explanatory Memorandum."

10. Approval of issue of Options to Mr Darren Patterson

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

“That, subject to Shareholders approving Resolution 4 and for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 4,000,000 Options to Mr Darren Patterson (or his nominees), details of which are set out in the Explanatory Memorandum.”

11. Other business

To consider any other business which may be properly and lawfully brought before the Annual General Meeting in accordance with the Company's constitution and the Corporations Act.

VOTING EXCLUSIONS

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions cast by or on behalf of the following persons:

Resolution	Excluded parties
Resolution 1	Members of the Key Management Personnel whose remuneration is detailed in the Remuneration Report and their closely related parties (which includes spouse, child, dependent, other family members and any controlled company).
Resolution 2-4	N/A
Resolution 5	Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed, and any of their Associates.
Resolution 6	The allottees described in the Explanatory Memorandum and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares, if the resolution is passed) and any of their Associates.
Resolution 7	Mr Darren Patterson and any of his Associates.
Resolution 8	Wentworth Global Capital Finance Pty Limited ACN 155 410 843 or its nominees and any of their Associates.
Resolution 9	Mr Tim Manson or his nominees and any of their Associates.
Resolution 10	Mr Darren Patterson or his nominees and any of their Associates.

However, the Company need not disregard a vote on a Resolution if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

M Langoulant
Director
Dated: 8 November 2016

PROPERTY CONNECT HOLDINGS LIMITED

ACN 091 320 464

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at the offices of Kemp Strang, Level 17, 175 Pitt Street, Sydney NSW at 12.30pm (EDST) on Thursday, 15 December 2016.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of this Explanatory Memorandum.

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

Annual financial statements and reports

The Corporations Act requires that the Annual Report (which includes the Annual Financial Report, Directors' Report and Auditor's Report) be laid before the Annual General Meeting.

There is no requirement for the Shareholders to approve the Annual Report. However, Shareholders will be given an opportunity to ask questions and make comments about the Annual Report or the Company generally but there will be no formal resolution submitted to the Meeting in respect of it.

Mr Rod Shanley, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2016 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

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

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have by mail to the Company Secretary's office, Suite 9, 330 Churchill Avenue, Subiaco, WA 6008, or by fax to +618 6489 1601 so that it is received by no later than 5.00pm (EDST) on Friday 9 December 2016.

In accordance with section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing from members, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

1. Resolution 1 - Adoption of Remuneration Report

The Remuneration Report of the Company for the financial period ended 30 June 2016 is set out on pages 10-11 of the Company's 2016 Annual Report. It sets out a range of matters relating to the remuneration of Directors, executives and senior managers of the Company.

Pursuant to section 250R(2) of the *Corporations Act 2001 (Cth)*, a resolution that the Remuneration Report be adopted must be put to vote at the Company's Annual General

Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

In accordance with the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director) must go up for re-election.

As Shareholders approved the Remuneration Report at the last annual general meeting, a spill resolution is not relevant for this Meeting.

The Company encourages all eligible Shareholders to cast their votes on Resolution 1 (Remuneration Report).

A vote on Resolution 1 must not be cast by or on behalf of either a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or their closely related parties.

Any undirected proxies held by the Chairman of the Meeting, other directors or other key management personnel or any of their closely related parties will be voted in favour of Resolution 1 (Remuneration Report).

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

2. Resolution 2 - 4 - Re-election of Directors

In accordance with the Listing Rules and the Company’s Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment; or
- (c) if the Directors have been in office for an equal length of time, by agreement.

Mr Lee, being eligible for re-election pursuant to the Company's Constitution, offers himself for re-election.

Mr Lee has 7 years of legal work experience, working as an attorney at Google Inc., as a real estate associate at Atkinson Andelson Loya Ruud &Romo and with various law firms in complex litigation practices. He has worked in various production and operations capacities at Yahoo! and Catcha Group, a Malaysia-based investment firm.

It is a requirement under the Company's Constitution that all directors appointed to fill casual vacancies retire at the next AGM, and if eligible for re-election offer themselves for re-election.

Mr Langoulant was appointed on 22 June 2016. Mr Langoulant, being eligible for re-election pursuant to the Company's constitution, hereby offers himself for re-election.

Mr Langoulant is a Chartered Accountant who has been involved with Boards of public companies for almost 30 years. He has extensive experience in public company administration, capital raisings, new listings, mergers and acquisitions, as well as cross border transactions.

Mr Patterson, being eligible for re-election pursuant to the Company's Constitution, hereby offers himself for re-election.

Mr Patterson has more than 20 years' experience working with both start-up and blue-chip technology companies spanning Australia, Europe, US and Asia. As a leading senior executive, his experience includes telecoms, IT, digital media and venture capital.

Mr Patterson's international experience has seen him hold senior business development roles with Yahoo, ECI Telecom, Energis Communications/Cable and Wireless PLC and Cisco Systems. He is an investor in a number of successful technology ventures/start-ups including Datasift where he secured investment from US venture funds.

Most recently he was the CEO and Co-Founder of Australia's only regulated property investment platform, BrickX.

Mr Patterson holds an MBA from the University of Chicago, Booth School of Business and a Bachelor of Computer Science from the University of Technology, Sydney and is a graduate member of the Australian Institute of Directors.

As regards Resolutions 2 to 4, the Directors (with the exception of each resolution that pertains directly to themselves) recommend to Shareholders that each resolution be passed.

The Chairman intends to vote undirected proxies in favour of Resolutions 2 to 4.

3. Special Resolution 5 – Approval of 10% Placement Facility

3.1 Background

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company is an eligible entity (being an entity with market capitalisation of \$300 million or less and is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this resolution for the 10% Placement Facility.

This Resolution 5 is a special resolution requiring 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to be passed.

3.2 Requirements of ASX Listing Rule 7.1A

(a) Quoted securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing class of equity securities of the Company that are quoted on ASX. As at the date of this Notice, the Company's fully paid ordinary shares are quoted on ASX.

(b) Number of equity securities that may be issued

Listing Rule 7.1 permits the Company to issue 15% of issued capital over a 12 month period without shareholder approval. The 10% Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing this resolution is to allow the Company to issue up to 25% of its issued capital during the next 12 months without obtaining specific Shareholder approval before the placement.

The exact number of additional equity securities that the Company may issue under the 10% Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 247,693,201 Shares on issue. If all the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 34,853,980 equity securities under Listing Rule 7.1 (15% placement capacity); and
- (ii) 24,569,320 equity securities under Listing Rule 7.1A (10% Placement Facility).

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to paragraph 7.2(e) below).

- (c) Formula for calculating the number of equity securities that may be issued under the 10% Placement Facility.

If this resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of equity securities calculated in accordance with the following formula:

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

Where:

A	<p>The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:</p> <ul style="list-style-type: none"> • plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2, • plus the number of partly paid ordinary securities that became fully paid in the 12 months, • plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4, • less the number of fully paid ordinary securities cancelled in the 12 months.
D	10%
E	The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

3.3 Information required under the Listing Rules

(a) Minimum price

The issue price of any equity security under the 10% Placement Facility will be no less than 75% of the volume weighted average price for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within five trading days of the date above, the date on which the securities are issued.

(b) Risk of economic and voting dilution

If this resolution is passed and the Company issues securities under the 10% Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution including the risk that:

- (i) the market price for equity securities in the same class may be significantly lower on the issue date of the new equity securities than on the date of this Meeting; and
- (ii) the new equity securities may be issued at a price that is at a discount to the market price for equity securities in the same class on the issue date or the new equity securities may be issued consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of equity securities under the 10% Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares. The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.008 (market price*)	\$0.004 (50% decrease in market price)	\$0.016 (100% increase in market price)
Current issued capital A = 247, 693,201Shares	Shares issued under LR 7.1A	24,769,320	24,769,320	24,769,320
	Voting dilution	10%	10%	10%
	Funds raised	200,000	100,000	400,000
50% increase in issued capital A = 371,539,802 Shares	Shares issued under LR 7.1A	37,153,980	37,153,980	37,153,980
	Voting dilution	7.5%	7.5%	7.5%
	Funds raised	300,000	150,000	600,000
100% increase in issued capital A = 495,386,402 Shares	Shares issued under LR 7.1A	49,538,640	49,538,640	49,538,640
	Voting dilution	5%	5%	5%
	Funds raised	400,000	200,000	800,000

This table has been prepared on the following assumptions:

- (i) the latest available market price of Shares as at the date of the Notice was \$0.008;
 - (ii) the Company issues the maximum number of equity securities available under the 10% Placement Facility;
 - (iii) existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the 10% Placement Facility;
 - (iv) the Company issues Shares only and does not issue other types of equity securities (such as options) under the 10% Placement Facility; and
 - (v) the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.
- (c) 10% Placement Period
- Equity securities may be issued under the 10% Placement Facility at any time after the date of this Meeting until that date that is 12 months after this Meeting. The approval to the 10% Placement Facility under this resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) Purposes for which equity securities may be issued

The Company may seek to issue equity securities under the 10% Placement Facility for the following purposes:

- (i) for cash consideration to fund business growth, to acquire new assets or

make investments, to develop the Company's existing assets and operations and for general working capital; and

- (ii) as non-cash consideration to acquire new assets or make investments. In these circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(d) Allocation policy

The Company's allocation policy for the issue of equity securities under the 10% Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

At the date of this Notice the proposed allottees under the 10% Placement Facility have not been determined but may include existing substantial Shareholders, other Shareholders and/or new investors. None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for equity securities under the 10% Placement Facility and it is possible that their shareholding will be diluted.

If the 10% Placement Facility is used to acquire new assets or investments then it is likely that the allottees will be the vendors of these assets/investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities under the 10% Placement Facility.

(e) Equity securities issued under previous placement facility approval

Shareholders approved a 10% Placement Facility at the 2015 annual general meeting.

The total number of equity securities issued in the 12 months before this Meeting is 182,000,000. These represent 277% of the total number of equity securities on issue at the commencement of that 12 month period.

The details for each separate issue of equity securities issued during the 12 months before this Meeting are set out in Schedule 1 to this Explanatory Memorandum.

(f) Voting exclusion statement

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

3.4 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote undirected proxies in favour of Resolution 5.

4. Resolution 6 – Approval of issue of Shares under Convertible Note Agreement

4.1 Background

As announced to the ASX on 24 October 2016, the Company has raised \$2,000,000 through the issue of a series of Convertible Notes under the Convertible Note Agreement (**Capital Raising**).

The Convertible Note Agreement provides that:

- (a) Holders subscribe for, and be issued unsecured Convertible Notes in the Company, based on an amount that the Holder wishes to invest. This amount will vary as between Holders;
- (b) the conversion of the Convertible Notes into Shares under the Convertible Note Agreement is subject to Shareholder approval; and
- (c) the Convertible Notes will convert at \$0.006 within 5 Business Days of the Company obtaining all necessary approvals to the conversion, including Shareholder approval at the Annual General Meeting. On conversion of each Convertible Note, the relevant Holder will receive 1 Share for each \$0.006.

The issue of Shares on conversion of the Convertible Notes under the Convertible Note Agreement is conditional on Shareholder approval being obtained when required by the ASX Listing Rules.

The allottees of the Shares are sophisticated or professional investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (if applicable) and did not acquire Shares with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

Mr Darren Patterson, a Director, subscribed for a Convertible Note with a face value of \$60,000 under the Convertible Note Agreement. Please see section 5 of this Explanatory Memorandum for information relating to Resolution 7, which relates to the approval by Shareholders of the issue of 10,000,000 Shares to Mr Darren Patterson under the Convertible Note Agreement.

A summary of the key terms and conditions of the terms of the Convertible Note Agreement is set out in Schedule 2.

ASX Listing Rule 7.1 provides that a company must not issue Equity Securities without approval of Shareholders if the number of Equity Securities to be issued in any 12 month period exceeds 15% of the issued capital of the Company preceding the issue. In issuing the Convertible Notes, the Company did not breach ASX Listing Rule 7.1 as the Convertible Notes are not considered Equity Securities until such time as Shareholder approval is obtained. As the Convertible Notes have been issued and may not be converted into Shares without Shareholder approval, Resolution 6 seeks approval under ASX Listing Rule 7.1 in respect of the Convertible Notes to be converted into Shares.

4.2 Information for the purpose of ASX Listing Rule 7.3

The following information is provided for the purpose of ASX Listing Rule 7.3:

- (a) Maximum number of securities to be issued

323,333,333 Shares
- (b) Date by which securities will be issued (if applicable)

The Shares to be issued under the Convertible Notes will be issued within 5 Business Days of the Company obtaining all necessary approvals to conversion, and in any event (assuming all necessary approvals are obtained) by no later than 3 months following the Annual General Meeting.
- (c) Issue price of securities

The issue price of each Share under the Convertible Note Agreement is \$0.006.
- (d) Allottees

Sophisticated and professional investors identified by the Company. Except for Mr Darren Patterson, the sophisticated and professional investors were not related parties of the Company.
- (e) Terms of securities

The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (f) Intended use of funds raised

The funds will be used for the ongoing development of the Company's LiveOffer™ product, continued expansion in the US market and working capital.
- (g) Date of allotment (if applicable)

The Shares to be issued under the Convertible Notes will be issued within 5 Business Days of the Company obtaining all necessary approvals to the conversion, and in any event (assuming all necessary approvals are obtained) by no later than 3 months following the Annual General Meeting.
- (h) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

4.3 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

The Chairman intends to vote undirected proxies in favour of Resolution 6.

5. Resolution 7 – Approval of issue of Shares to Darren Patterson under Convertible Note Agreement

5.1 Background

As noted in section 4.1 of this Explanatory Memorandum, Mr Darren Patterson subscribed for a Convertible Note with a face value of \$60,000 under the Convertible Note Agreement.

The issue of Shares to Mr Darren Patterson on conversion of the Convertible Notes under the Convertible Note Agreement is conditional on Shareholder approval being obtained when required by the ASX Listing Rules.

A summary of the key terms and conditions of the terms of the Convertible Note Agreement is set out in Schedule 2.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that a public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months of such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares to Mr Darren Patterson under Resolution 7 constitutes giving a financial benefit as Mr Darren Patterson is a related party for the purposes of Chapter 2E of the Corporations Act.

The Directors, other than Mr Darren Patterson (given his material personal interest in Resolution 7), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares under Resolution 7 because the Shares are being issued on arm's length terms, in accordance with section 210 of Corporations Act, on the basis that they are being issued on exactly the same terms as Shares issued to investors under Resolution 6.

5.3 Listing Rule 10.11

Listing Rule 10.11 requires the approval of holders or ordinary securities to be obtained where an entity issues, or agrees to issue, securities to a Related Party or to a person whose relationship with the entity is, in ASX's option, such that approval should be obtained.

Certain exemptions to Listing Rule 10.11 are set out in Listing Rule 10.12, none of which permits the issue of Shares to Mr Darren Patterson as set out above without first obtaining Shareholder approval.

Accordingly, the effect of Resolution 7 is to permit the Company to issue the Director Options to the Relevant Persons as described above in compliance with Listing Rule 10.11.

5.4 Information required by ASX Listing Rule 10.13

- (a) Name of the person
The Shares will be issued to Mr Darren Patterson.
- (b) Maximum number of securities to be issued
10,000,000 Shares
- (c) Date by which securities will be issued (if applicable)
The Shares will be issued within 5 Business Days of the Company obtaining all necessary approvals to the issue, and in any event (assuming all necessary approvals are obtained) by no later than 1 month following the Annual General Meeting.
- (d) Issue price of securities
The issue price of each Share under the Convertible Note Agreement is \$0.006.
- (e) Terms of securities
The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
- (f) Intended use of funds raised
The funds will be used for the ongoing development of the Company's LiveOffer™ product, continued expansion in the US market and working capital.
- (g) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

Approval under ASX Listing Rule 7.1 is not required for the issue of Shares under Resolution 7 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Darren Patterson will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5.5 Recommendation and undirected proxies

The Directors (other than Mr Darren Patterson) unanimously recommend that Shareholders vote in favour of Resolution 7.

The Chairman intends to vote undirected proxies in favour of Resolution 7.

5.6 Inter-conditional Resolutions– Resolutions 6 and 7

Resolution 7 is conditional upon Shareholders approving Resolution 6 (approval of issue of Shares under Convertible Note Agreement). If Resolution 6 is not approved by the requisite majority of Shareholders, Resolution 7 cannot be approved by Shareholders.

6. Resolution 8 – Approval to issue Options to Wentworth Global Capital Finance Pty Limited

6.1 Background

The Company has agreed, subject to the passing of Resolution 8, to issue 35,000,000 Options to Wentworth or its nominees (**Wentworth Options**) in consideration for services provided by Wentworth in connection with the Capital Raising.

The Wentworth Options will be issued in accordance with the Wentworth Option Terms of Issue set out in Schedule 3.

In addition to the Wentworth Options, the Company will pay fees to Wentworth in connection with funds raised under the Capital Raising on normal commercial terms.

ASX Listing Rule 7.1 provides that a company must not issue Equity Securities without approval of Shareholders if the number of Equity Securities to be issued in any 12 month period exceeds 15% of the issued capital of the Company preceding the issue. Resolution 8 seeks approval under ASX Listing Rule 7.1 in respect of the issue of the Wentworth Options.

6.2 Information for the purpose of ASX Listing Rule 7.3

(a) Maximum number of securities to be issued

35,000,000 Options

(b) Date by which securities will be issued (if applicable)

The Wentworth Options will be issued within 5 Business Days of the Company obtaining all necessary approvals to the issue, and in any event (assuming all necessary approvals are obtained) by no later than 3 months following the Annual General Meeting.

(c) Issue price of securities

The issue price for each Wentworth Option is nil as they will be issued in consideration for services provided by Wentworth in connection with the Capital Raising.

(d) Allottee

The Wentworth Options will be issued to Wentworth Global Capital Finance Pty Limited or its nominees.

(e) Terms of securities

The Wentworth Options will be issued in accordance with the Wentworth Option Terms of Issue set out in Schedule 3.

(f) Intended use of funds raised

No funds will be raised from the issue of the Wentworth Options as the Wentworth Options are being issued for nil consideration.

(g) Date of allotment (if applicable)

The Wentworth Options will be issued within 5 Business Days of the Company obtaining all necessary approvals to the issue, and in any event (assuming all necessary approvals are obtained) by no later than 3 months following the Annual General Meeting.

- (h) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

6.3 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

The Chairman intends to vote undirected proxies in favour of Resolution 7.

7. Resolutions 9 and 10 – Approval to issue Options to Directors

7.1 Background

The Company has agreed, subject to the passing of Resolutions 9 and 10, to issue:

- (a) 8,000,000 Options (**Manson Options**) to Mr Tim Manson, or his nominees, a Related Party; and
 - (b) 4,000,000 Options (**Patterson Options**) to Mr Darren Patterson, a Related Party
- (together, the **Director Options**).

The Manson Options will be issued in accordance with the Manson Option Terms of Issue set out in Schedule 4.

The Patterson Options will be issued in accordance with the Patterson Option Terms of Issue set out in Schedule 5.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that a public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months of such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Options to Mr Tim Manson and Mr Darren Patterson (together, the Relevant Persons) under Resolutions 9 and 10 constitutes giving a financial benefit as each of the Relevant Persons are related parties for the purposes of Chapter 2E of the Corporations Act.

The Directors, other than:

- Mr Tim Manson in relation to Resolution 9; and

- Mr Darren Patterson in relation to Resolution 10.

(given their material personal interests in the relevant Resolutions), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Directors Options under Resolutions 9 and 10 because the financial benefit is, in accordance with section 211(1) of the Corporations Act:

- remuneration to a Related Party as an officer of a public company; and
- reasonable given:
 - the circumstances of the public company or entity giving the remuneration; and
 - the Related Party's circumstances (including the responsibilities involved in the office).

7.3 Listing Rule 10.11

Listing Rule 10.11 requires the approval of holders or ordinary securities to be obtained where an entity issues, or agrees to issue, securities to a Related Party or to a person whose relationship with the entity is, in ASX's option, such that approval should be obtained.

Certain exemptions to Listing Rule 10.11 are set out in Listing Rule 10.12, none of which permits the issue of the Director Options to the Relevant Persons as set out above without first obtaining Shareholder approval.

Accordingly, the effect of Resolutions 9 and 10 is to permit the Company to issue the Director Options to the Relevant Persons as described above in compliance with Listing Rule 10.11.

7.4 Information required by ASX Listing Rule 10.13

- (a) Name of the person

The Director Options will be issued to each of the Relevant Persons.

- (b) Maximum number of securities to be issued

8,000,000 Options will be issued to Mr Tim Manson. 4,000,000 Options will be issued to Mr Darren Patterson.

- (c) Date by which securities will be issued (if applicable)

The Director Options will be issued within 5 Business Days of the Company obtaining all necessary approvals to the issue, and in any event (assuming all necessary approvals are obtained) by no later than 1 month following the Annual General Meeting.

- (d) Nominees

In the event that either of Mr Tim Manson and Mr Darren Patterson instruct the Company to issue the Director Options to a nominee, each such nominee will be a Related Party of the Director and approval under ASX Listing Rule 10.11 will be required.

- (e) Issue price of securities

The issue price for each Director Option is nil as they will be issued in consideration for services provided, or to be provided, by the Relevant Persons to the Company.

(f) Terms of securities

The Manson Options will be issued in accordance with the Manson Option Terms of Issue set out in Schedule 4.

The Patterson Options will be issued in accordance with the Patterson Option Terms of Issue set out in Schedule 5.

(g) Intended use of funds raised

No funds will be raised from the issue of the Director Options as the Director Options are being issued for nil consideration.

(h) Voting exclusion statement

Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolutions.

Approval under ASX Listing Rule 7.1 is not required for the issue of Director Options under Resolutions 9 and 10 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Relevant Persons will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7.5 Recommendation and undirected proxies – Resolution 9

The Directors (other than Mr Tim Manson) unanimously recommend that Shareholders vote in favour of Resolution 9.

The Chairman intends to vote undirected proxies in favour of Resolution 9.

7.6 Recommendation and undirected proxies – Resolution 10

The Directors (other than Mr Darren Patterson) unanimously recommend that Shareholders vote in favour of Resolution 10.

The Chairman intends to vote undirected proxies in favour of Resolution 10.

7.7 Inter-conditional Resolutions– Resolutions 4 and 10

Resolution 10 is conditional upon Shareholders approving Resolution 4 (appointment of Mr Darren Patterson). If Resolution 4 is not approved by the requisite majority of Shareholders, Resolution 10 cannot be approved by Shareholders.

GLOSSARY OF TERMS

In the Notice of Meeting and in this Explanatory Memorandum the following expressions have the following meanings:

"10% Placement Facility" has the meaning given in section 3.1 of this Explanatory Memorandum.

"ASIC" means the Australian Securities and Investment Commission.

"Associate" has the meaning given in Division 2 of Part 1.2 of the Corporations Act.

"ASX" means ASX Limited, or the stock exchange conducted by ASX, as the context requires

"Annual Report" means the Company's Annual Report including the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2016.

"Auditor's Report" means the independent auditor's report contained in the Annual Report.

"Board" means the Board of Directors of the Company.

"Business Day" means a day (not being a Saturday, Sunday or public holiday) on which Australian banks (as defined in section 9 of the Corporations Act) are open for general banking business in Sydney, New South Wales.

"Capital Raising" has the meaning given in section 4.1 of this Explanatory Memorandum.

"Chair" or **"Chairman"** means the chairman of the Annual General Meeting.

"Company" or **"PCH"** means Property Connect Holdings Limited ACN 091 320 464.

"Constitution" means the Company's constitution from time to time.

"Convertible Note Agreement" means the convertible note agreement dated on or about 24 October 2016 between the Company and the Holders.

"Convertible Notes" means the convertible notes issued under the terms of the Convertible Note Agreement.

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

"Director Options" has the meaning given in section 7.1 of this Explanatory Memorandum.

"Directors" means the directors of the Company from time to time.

"Directors' Report" means the directors' report contained in the Annual Report.

"EDST" means Eastern Daylight Savings Time in NSW.

"Equity Securities" has the meaning given in the Listing Rules.

"Explanatory Memorandum" means the explanatory memorandum that accompanies and forms part of this Notice.

"Holders" means the investors who agreed to subscribe for the Convertible Notes in the Company under the Convertible Note Agreement.

"Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

"Listing Rules" or **"ASX Listing Rules"** means the Listing Rule of ASX Limited.

"Mason Options" has the meaning given in section 7.1 of this Explanatory Memorandum.

"Manson Option Terms of Issue" means the terms of issue of the Manson Options, as set out in Schedule 4 of this Explanatory Memorandum.

"Meeting" or **"Annual General Meeting"** means the annual general meeting of Shareholders of the Company convened by this Notice.

"Notice" or **"Notice of Annual General Meeting"** means the notice of annual general meeting which accompanies this Explanatory Memorandum.

"Option" means an option to subscribe for a Share

"Patterson Options" has the meaning given in section 7.1 of this Explanatory Memorandum.

"Patterson Option Terms of Issue" means the terms of issue of the Patterson Options, as set out in Schedule 5 of this Explanatory Memorandum.

"Related Party" has the meaning given in the Listing Rules.

"Relevant Persons" has the meaning given in section 7.1 of this Explanatory Memorandum.

"Remuneration Report" means the remuneration report appearing in the Annual Report.

"Resolution" means a resolution referred to in the Notice.

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

"Shareholder" means a holder of a Share.

"Wentworth" means Wentworth Global Capital Finance Pty Limited ACN 155 410 843.

"Wentworth Options" has the meaning given in section 6.1 of this Explanatory Memorandum.

"Wentworth Option Terms of Issue" means the terms of issue of the Wentworth Options, as set out in Schedule 3 of this Explanatory Memorandum.

Schedule 1

Equity securities issued in the 12 months prior to AGM

Date of issue	Equity Securities issued*	Person	Issue price (deemed issue price) per Share	Total cash consideration	Use of funds	Non-cash consideration
15/3/2016	120,000,000 fully paid ordinary shares	Vendors of Property Connect Inc	\$0.014	Nil	N/a	Acquisition of 100% of Property Connect Inc
15/3/2016	50,000,000 fully paid ordinary shares	Prospectus issue to investors	\$0.05	\$2,500,000	The funds raised have been spent on transaction costs relating to the acquisition of Property Connect Inc, capital raising costs, product development and marketing expenses and general working capital expenses	N/a
15/3/2016	10,000,000 fully paid ordinary shares	Promoters of the Property Connect Inc backdoor transaction	\$0.014	N/a	N/a	Various promotional and corporate services relating to the Property Connect Inc backdoor transaction
22/6/2016	2,000,000 fully paid ordinary shares	Davhal Investments Pty Ltd	\$0.014	N/a	N/a	Provision of corporate services

Schedule 2 – Terms of the Convertible Note Agreement

KEY TERMS AND CONDITIONS	
Company	Property Connect Holdings Limited
Holder	Various
Securities	Agreement for the issue of a convertible note, convertible into ordinary shares
Principal Sum	Varies according to Holder
Use of funds	The Company shall use the funds received from each Holder for general corporate and working capital purposes which are agreed by the board of the Company and Wentworth Global Capital Partners Pty Ltd (acting reasonably).
Listing Rule compliance	The conversion of the Note is subject to the Company obtaining all necessary approvals under the Corporations Act and the ASX Listing Rules at the next annual general meeting of the Company, which is to be held on or about 30 December 2016 (AGM).
Convertible note	
Convertible note	One unsecured Note with a face value which will vary depending on the relevant Holder.
Conversion	Subject to obtaining all necessary approvals, the Note will convert into Shares at a rate of 1 Share for each \$0.006 of the Principal Sum, within 5 Business Days after the AGM.
Repayment of Principal Sum	<p>If Shareholder and other necessary approvals are not obtained at the AGM:</p> <p>(a) interest accrues on the Principal Sum at a rate of 12% per annum from the date of the Note; and</p> <p>(b) the Principal Sum and Interest are repayable on 30 April 2017 (or such other date as agreed between the parties).</p>
Holder right to require redemption	The Holder may redeem the Note on the occurrence of an Event of Default.

Event of Default	<p>Each of the following is an Event of Default:</p> <ul style="list-style-type: none"> (a) the Company does not pay any money that becomes payable by the Company under the Note on its due date for payment and does not rectify that failure to pay within 10 Business Days of receipt of a notice from the Holder stating that payment has not been made; (b) an Insolvency Event occurs in respect of the Company; (c) the Company is in breach of any material covenant or undertaking of the Note, including without limitation, the Conditions of Issue and does not rectify that material breach within 10 Business Days of receipt of a notice from the Holder stating that the breach has occurred and the reasonable details of it; or (d) the Company incurs debts which rank ahead of the Note, without prior written consent from the Holder.
Other provisions	
Governing Law	New South Wales

Schedule 3 –Wentworth Option Terms of Issue

The Wentworth Options entitle the holder (**Optionholder**) to subscribe for fully paid ordinary shares in the capital of Property Connect Holdings Limited ACN 091 320 464 (**Company**) on the following terms and conditions:

- a) Subject to k), each Option gives the Optionholder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
 - b) The Options will expire at 5.00pm (Sydney time) on the date which is 3 years after the date of issue of the Options (**Expiry Date**). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - c) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
 - d) The Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - a. a written notice of exercise of Options specifying the number of Options being exercised; and
 - b. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,
- (**Exercise Notice**).
- f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - g) Within 2 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - h) The Options are transferable.
 - i) All Shares allotted upon the exercise of the Options will upon allotment rank pari passu in all respects with other Shares.
 - j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 2 Business Days after the date of allotment of those Shares.
 - k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - l) There are no participating rights or entitlements inherent to the Options and the Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- m) Subject to clause k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

In this document, the following definitions apply, unless the context otherwise requires:

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange which it operates, as the context requires.

"**ASX Listing Rules**" means the official listing rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Business Days**" means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.

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

"**Option**" means an option in the capital of the Company on the terms and conditions set out in this document.

Schedule 4 – Manson Option Terms of Issue

The Options entitle the holder (**Optionholder**) to subscribe for fully paid ordinary shares in the capital of Property Connect Holdings Limited ACN 091 320 464 (**Company**) on the following terms and conditions:

- a) Subject to b) and l), each Option gives the Optionholder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- b) 50% of the Options held by the Optionholder (**Total Options**) are not capable of being exercised until the First Milestone is satisfied and 50% of the Total Options held by the Optionholder are not capable of being exercised until the Second Milestone is satisfied.
- c) The Options will expire at 5.00pm (Sydney time) on the date which is 3 years after the date of issue of the Options (**Expiry Date**). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- d) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
- e) The Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - a. a written notice of exercise of Options specifying the number of Options being exercised; and
 - b. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).

- g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- h) Within 2 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- i) The Options are transferable subject to the approval of the Board (such approval not to be unreasonably withheld).
- j) All Shares allotted upon the exercise of the Options will upon allotment rank pari passu in all respects with other Shares.
- k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 2 Business Days after the date of allotment of those Shares.
- l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- m) There are no participating rights or entitlements inherent to the Options and the Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the

currency of the Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- n) Subject to clause l), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

In this document, the following definitions apply, unless the context otherwise requires:

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange which it operates, as the context requires.

"**ASX Listing Rules**" means the official listing rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Business Days**" means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.

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

"**First Milestone**" means the Company, on or before 1 March 2017:

- a) delivering a LiveOffer™ product capable of being deployed to customers (as determined by the Board, acting reasonably); and
- b) achieving its first LiveOffer™ product revenues in the form of invoicing customers.

"**Option**" means an option in the capital of the Company on the terms and conditions set out in this document.

"**Second Milestone**" means the Company achieving monthly revenue of US\$83,333 (excluding any items of an abnormal or non-recurring nature) by 30 June 2017 (as determined by the Board, acting reasonably).

Schedule 5 – Patterson Option Terms of Issue

The Options entitle the holder (**Optionholder**) to subscribe for fully paid ordinary shares in the capital of Property Connect Holdings Limited ACN 091 320 464 (**Company**) on the following terms and conditions:

- a) Subject to b) and l), each Option gives the Optionholder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
 - b) The Options held by the Optionholder are not capable of being exercised until the Milestone is satisfied.
 - c) The Options will expire at 5.00pm (Sydney time) on the date which is 3 years after the date of issue of the Options (**Expiry Date**). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - d) The amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).
 - e) The Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - a. a written notice of exercise of Options specifying the number of Options being exercised; and
 - b. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,
- (Exercise Notice).**
- g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - h) Within 2 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - i) The Options are transferable subject to the approval of the Board (such approval not to be unreasonably withheld).
 - j) All Shares allotted upon the exercise of the Options will upon allotment rank pari passu in all respects with other Shares.
 - k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 2 Business Days after the date of allotment of those Shares.
 - l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - m) There are no participating rights or entitlements inherent to the Options and the Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining

the entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- n) Subject to clause l), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

In this document, the following definitions apply, unless the context otherwise requires:

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange which it operates, as the context requires.

"**ASX Listing Rules**" means the official listing rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Business Days**" means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.

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

"**Milestone**" means the Company, on or before 1 March 2017:

- a) delivering a LiveOffer™ product capable of being deployed to customers (as determined by the Board, acting reasonably); and
- b) achieving its first LiveOffer™ product revenues in the form of invoicing customers.

"**Option**" means an option in the capital of the Company on the terms and conditions set out in this document.

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company Secretary's office, Suite 9, 330 Churchill Avenue, Subiaco, WA 6008, or by fax to +618 6489 1601, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 12.30pm (EDST) on Tuesday, 13 December 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

QUESTIONS FROM SHAREHOLDERS

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Rod Shanley, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2016 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about the conduct of the audit; the preparation and content of the Auditor's Report; the accounting policies adopted by the Company in relation to the preparation of financial statements; and the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have by mail to the Company Secretary's office, Suite 9, 330 Churchill Avenue, Subiaco, WA 6008, or by fax to +618 6489 1601 so that it is received by no later than 5.00pm (EDST) on Friday, 9 December 2016. .

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by Monday 12 December 2016, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2016. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

PROPERTY CONNECT HOLDINGS LIMITED

ACN 091 320 464

PROXY FORM

The Company Secretary

Property Connect Holdings Limited, Suite 9, 330 Churchill Avenue, Subiaco, WA 6008,

Facsimile +618 6489 1601 or by Email: info@propertyconnect.com

I/We _____

of _____

being a Shareholder/(s) of Property Connect Holdings Limited ("**Company**") and entitled to

_____ Shares in the Company

hereby appoint _____

of _____

or failing him/her/it _____

of _____

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Kemp Strang, Level 17, 175 Pitt Street, Sydney NSW 2000 at 12.30pm (EDST) on Thursday, 15 December 2016 and at any adjournment thereof in respect of _____ of my/our Shares or, failing any number being specified, **ALL** of my/our Shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%.
(An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If the Chairman is my/our proxy, I/we expressly authorise the Chairman to vote on Resolution 1 in his discretion (except where I/we have marked the voting boxes below) even though that Resolution is connected with the remuneration of Key Management Personnel.

I/we acknowledge that the Directors (other than the Chairman) and other Key Management Personnel of the Company and their closely related parties will not cast any votes in respect of Resolution 1 that arise from any undirected proxy that they hold.

I/we direct my/our proxy to vote as indicated overleaf:

		In favour	Against	Abstain*
Resolution 1	Adoption of Remuneration Report			
Resolution 2	Re-election of Director – Mr Sam Lee			
Resolution 3	Re-election of Director – Mr Michael Langoulant			
Resolution 4	Re-election of Director – Mr Darren Patterson			
Resolution 5	Approval of a 10% Placement Facility			
Resolution 6	Approval of issue of Shares under Convertible Note Agreement			
Resolution 7	Approval of issue of Shares to Mr Darren Patterson under Convertible Note Agreement			
Resolution 8	Approval of issue of Options to Wentworth			
Resolution 9	Approval of issue of Options to Mr Tim Manson			
Resolution 10	Approval of issue of Options to Mr Darren Patterson			

Signature of Witness