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**KABUNI LTD**

**ACN 158 307 549**

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**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.00am (WST)

**DATE:** 30 November 2017

**PLACE:** Ground Floor, 16 Ord Street  
West Perth, Western Australia

*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 Meetings are those who are registered Shareholders at 5.00 pm (WST) on 28 November 2017.*

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that an Annual General Meeting of Kabuni Ltd ACN 158 307 549 (**Company**) will be held at 10.00am (WST) on 30 November 2017 at Ground Floor, 16 Ord Street, West Perth, Western Australia.

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5.00pm (WST) on 28 November 2017.

Terms and abbreviations used in the Notice are defined in the Glossary.

The Company is a "reporting issuer" in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - Continuous Disclosure Obligations of the Canadian Securities Administrators, certain additional required disclosure is included in **Schedule 2**.

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### 1. RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

The reports referred to above are included in the 2017 Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on the Company's website at <http://investor.kabuni.com/>.

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### 2. RESOLUTION 1 – 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 and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Company's Annual Report for the financial year ended 30 June 2017, on the terms and conditions in the Explanatory Statement".*

**Voting exclusion statement:** The Company will disregard any votes cast (in any capacity) on this Resolution by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report and Closely Related Parties of those persons (which includes their spouse, child, dependent, other family members and any controlled company), unless the vote is cast as a proxy for a person who is entitled to vote on this Resolution in accordance with a direction on the Proxy Form or by the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Note:** In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

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 ("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. For further information, please refer to the Explanatory Statement.

The Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made.

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**3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR COLM O'BRIEN**

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

*"That, for the purposes of clause 18.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Colm O'Brien, a Director, who retires pursuant to clause 18.2 of the Constitution and Listing Rule 14.4 and being eligible, offers himself for re-election, is re-elected as a Director on the terms and conditions set out in the Explanatory Statement."*

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**4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR STUART CARMICHAEL**

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

*"That, for the purposes of clause 18.10 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Stuart Carmichael, who was appointed as an additional Director by the Board, retires under clause 18.10 of the Constitution and Listing Rule 14.4 and being eligible, offers himself for re-election, be re-elected as a Director."*

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**5. RESOLUTION 4 – APPROVAL FOR ADDITIONAL PLACEMENT FACILITY**

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

*"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

<p><b>Voting Exclusion:</b> The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>
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**6. RESOLUTION 5 – CHANGE OF NAME**

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

*"That, for the purpose of section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to "Serpentine Technologies Limited".*

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**DATED: 27 October 2017**

**BY ORDER OF THE BOARD**



**BRETT TUCKER  
COMPANY SECRETARY**

## **Proxy Appointment and Voting Instructions**

### **Proxy Form**

To vote by proxy, please complete and sign the relevant 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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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.

If you wish to appoint the Chair as your proxy, mark the appropriate box on the Proxy Form. If you appoint the Chair as your proxy, he or she can only cast your votes on Resolution 1 (Adoption of the Remuneration Report) if you expressly authorise him or her to do so. If the person you wish to appoint as your proxy is someone other than the Chair, please write the full name of that person on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder of the Company.

### **Corporate Shareholders**

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

### **Corporate representatives**

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

### **Votes on Resolutions**

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### **Voting restrictions that may affect your proxy appointment**

Due to the voting exclusions that may apply to certain items of business, the Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolution 1 (Adoption of the Remuneration Report) unless you have directed them how to vote or, in the case of the Chair, if you expressly authorise him or her.

### **Chair voting undirected proxies**

If the Chair is your proxy, the Chair will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chair to vote your undirected proxies at his/her discretion.

As at the date of this Notice, the Chair intends to vote undirected proxies FOR each of the Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the market.

**Voting eligibility – snapshot date**

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company that are quoted on ASX at 5.00pm WST on Tuesday, 28 November 2017 shall, for the purpose of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

**Defined terms**

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

**Questions from Shareholders**

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

The Chair will allow a reasonable opportunity for Shareholders to ask the Company's 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 in responding to any questions that you may have, please submit any questions to the Company by Thursday, 23 November 2017 to the Company Secretary at Ground Floor, 16 Ord Street, West Perth, Western Australia, 6005.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, 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 2017. The Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

**Questions regarding Notice of Meeting**

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9482 0540.

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## EXPLANATORY STATEMENT

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### 1. INTRODUCTION

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 which are the subject of the business of the Meeting.

The Explanatory Statement forms part of the Notice which should be read in its entirety. It contains the terms and conditions on which the Resolutions will be voted.

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### 2. RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2017.

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

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### 3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

#### 3.1 Adoption

In accordance with section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report of the annual financial report of the Company for the financial year ending 30 June 2017 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The chair of the meeting must allow a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

#### 3.2 Spill resolution

In accordance with the Corporations Act, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting, if at the first of those annual general meetings a Spill Resolution was not put to a vote.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

At the Company's previous annual general meeting in 2016 the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution will not be required at the Meeting in any event.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 2017.

### **3.3 Proxy restrictions**

Under sections 250R(4) and (5) of the Corporations Act, Key Management Personnel and their Closely Related Parties may not vote on Resolution 1 and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairperson and expressly authorises the Chairperson to exercise the proxy.

### **3.4 Directors' recommendations**

The Board declines to make a recommendation on Resolution 1 as each Director has a material personal interest in the outcome of the Resolution.

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## **4. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR COLM O'BRIEN**

### **4.1 Constitutional requirements**

Clause 18.2 of the Constitution and Listing Rule 14.4 require that at each annual general meeting, one-third of the Directors are subject to retirement by rotation, provided that no Director where the Company has three or more Directors, one third of the Directors must retire at each annual general meeting.

Clause 18.3 of the Constitution provides that a Director who retires under Clause 18.2 is eligible for re-election.

Accordingly, Mr Colm O'Brien retires as a Director at the Meeting and, being eligible, seeks approval to be re-elected as a Director.

### **4.2 Biography**

Mr O'Brien has over 20 years' executive level experience in financial services, management consulting and media industries. He has led ASX listed company Aspermont Limited (ASX: ASP) as CEO and transformed that business from a local mining publication to a global, digitally led resources media business including world leading events.

Mr O'Brien is currently a Director of Carrington Partners, a management consultancy firm focused on providing practical strategic and executive support, including business growth, cost review and turnarounds, transformational change, acquisition/partnership structures and funding introductions. Mr. O'Brien also acts as non-executive director of Pacific Star Network Limited (ASX: PNW), an ASX listed media company with market leading niche assets in broadcasting and publishing, including SEN Radio, Frankie Magazine, Smith Journal and Surfing Life Australia.



### 4.3 Directors' recommendations

The Board (excluding Mr Colm O'Brien) recommends that Shareholders vote in favour of Resolution 2. The Chair intends to exercise all available proxies in favour of Resolution 2.

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## 5. RESOLUTION 3 – ELECTION OF DIRECTOR – MR STUART CARMICHAEL

### 5.1 Constitutional requirements

Clause 18.9 of the Constitution allows the Directors to appoint at any time a person to be an additional Director.

Clause 18.10 of the Constitution and Listing Rule 14.4 provide that a Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Stuart Carmichael was appointed as a Non-Executive Director by the Board on 30 June 2017. Accordingly, Mr Carmichael retires as a Director at the Meeting and, being eligible, seeks approval to be re-elected as a Director.

### 5.2 Biography

Mr Carmichael is a Chartered Accountant with over 20 years of experience in the corporate advisory sector, both in Australia and internationally and brings strong corporate governance and significant capital markets experience to the Board.

### 5.3 Directors' recommendations

The Board (excluding Mr Carmichael) recommends that Shareholders vote in favour of Resolution 3. The Chair intends to exercise all available proxies in favour of Resolution 3.

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## 6. RESOLUTION 4 – APPROVAL FOR ADDITIONAL PLACEMENT FACILITY

### 6.1 Background

Resolution 4 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 4 would enable the Company to issue additional Equity Securities (calculated below) over a 12 month period without obtaining Shareholder approval.

Resolution 4 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

### 6.2 Applicable Listing Rules

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting, to have an addition capacity to issue additional Equity Securities issue equal to approximately 10% of its issued capital, over a 12 month period.

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

### 6.3 Information on Additional Placement Facility

(a) Quoted securities

Any Equity Securities issued under the Additional 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 has three classes of Equity Securities quoted on ASX, being Shares and two classes of quoted options.

(b) Number of Equity Securities that may be issued

Listing Rule 7.1 permits the Company to issue Equity Securities equal to approximately 15% of the Company's issued capital over a 12 month period without shareholder approval.

The Additional 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 Resolution 4 is to allow the Company to issue Equity Securities equal to approximately 25% of its issued capital during the next 12 months without first obtaining specific Shareholder approval.

The exact number of additional Equity Securities that the Company may issue under the Additional 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 241,433,455 Shares on issue. If Resolution 4 is passed to approve the Additional Placement Capacity, the Company will be permitted to issue approximately:

- (i) 36,215,018 Equity Securities under the Listing Rule 7.1 15% placement capacity; and
- (ii) 24,143,345 Equity Securities under the Additional Placement Capacity.

(c) Formula for Additional Placement Facility

If this Resolution 4 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:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

- A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:
- 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.

## 6.4 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

### (a) Minimum price at which Equity Securities may be issued

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

### (b) Risk of economic and voting dilution

If Resolution 4 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- 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
- 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 in 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 Additional 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		
		\$0.003 (market price)	\$0.00023 (25% decrease in market price)	\$0.0015 (50% decrease in market price)
<b>Current issued capital A = 241,433,455 Shares</b>	Shares issued under LR 7.1A	24,143,345	24,143,345	24,143,345
	Voting dilution	10%	10%	10%
	Funds raised	\$72,430	\$54,323	\$36,215
	Economic dilution	0%	2.27%	4.55%
<b>50% increase in issued capital A = 362,150,182 Shares</b>	Shares issued under LR 7.1A	36,215,018	36,215,018	36,215,018
	Voting dilution	10%	10%	10%
	Funds raised	\$108,645	\$81,484	\$54,323
	Economic dilution	0%	2.27%	4.55%
<b>100% increase in issued capital A = 482,866,910 Shares</b>	Shares issued under LR 7.1A	48,286,691	48,286,691	48,286,691
	Voting dilution	10%	10%	10%
	Funds raised	\$144,860	\$108,645	\$72,430
	Economic dilution	0%	2.27%	4.55%

This table has been prepared on the following assumptions:

1. the latest available market price of Shares, being the closing price as at 20 October 2017, was \$0.003;
2. the Company issues the maximum number of equity securities available under the Additional Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
4. the Company issues Shares only and does not issue other types of equity securities (such as Options) under the Additional Placement Facility; and
5. the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

Economic dilution (ED) is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MP = the market price of shares traded on ASX, expressed in dollars;

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;

NMC = notional market capitalisation, being MC plus NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total shares on issue following new Equity Security issue.

(c) Date by which Equity Securities may be issued

Equity Securities may be issued under the Additional Placement Facility for 12 months after the Meeting.

However, the approval to the Additional 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) Purpose for which Equity Securities may be issued

The Company may seek to issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) 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) 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.

(e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional 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;
- (iv) prevailing market conditions; and
- (v) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees 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, except as permitted under Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional 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 Additional Placement Facility.

(f) Equity securities issued under previous placement facility approval

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2016 annual general meeting held on 18 November 2016. In the 12 months preceding the date of the 2017 Annual General Meeting and as at the date of this Notice, the Company has issued 82,484,999 Equity Securities. This represents 27.56% of the total number of Equity Securities on issue at the commencement of that 12 month period and an increase in total Equity Securities on issue of 0% during the 12 month period (taking into account conversion from one class of Equity Securities to another).

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of this Meeting are set out in table in **Schedule 1**.

## **7.5 Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 4 as it will provide the Company with the flexibility to raise additional capital.

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## **8. RESOLUTION 5 – CHANGE OF NAME**

### **8.1 Background**

The Board proposes to change the name of the Company to "Serpentine Technologies Limited" on the basis that it more accurately reflects the future operations of the Company and to seek new opportunities in the technology, design sector and other industries to add value for shareholders.

### **8.2 Legal requirements**

Resolution 5 seeks the approval of Shareholders for the change of name, in accordance with section 157(1)(a) of the Corporations Act.

The change of name of the Company will take effect from when the Company lodges the prescribed form for the change of name with ASIC and ASIC alters the details of the Company's registration.

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

### **8.3 Directors' recommendation**

For the reasons outlined above, the Directors unanimously recommend Shareholders vote in favour of Resolution 5.

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## GLOSSARY

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**\$** means Australian dollars.

**Additional Placement Capacity** has the meaning given to that term in Section 6.1 of this Explanatory Statement.

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

**Annual Report** means the annual report of the Company for 2017, including the annual financial report, the Directors' report and the Auditor's report for the financial year ended 30 June 2017.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited.

**Board** means the current board of directors of the Company.

**Business Day** means a day that is not a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, or a day that is not an ASX trading day.

**Chair** means the chairperson of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) – currently are none prescribed.

**Company** or **Kabuni** means Kabuni Ltd (ACN 158 307 549).

**Company Secretary** means the Company's company secretary, being Mr Brett Tucker.

**Constitution** means the Company's constitution.

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

**Director** means a director of the Company.

**Employee Incentive Scheme** means the Employee Incentive Scheme adopted by the Company on 12 November 2015.

**Equity Securities** means a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** 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).

**Listing Rules** means the Listing Rules of ASX.

**Notice of Annual General Meeting** or **Notice** means the Notice of Annual General Meeting to which this Explanatory Statement is attached.

**Officer** means a Director of the Company or such other person within the meaning of that term as defined by the Corporations Act.

**Proxy Form** means the proxy form accompanying the Notice.

**Relevant Person** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

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

**Resolution** means a resolution set out in the Notice of Special Meeting or Notice of General Meeting, or all of them, as the context requires.

**Section** means a section of this Explanatory Statement.

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

**Shareholder** means a holder of a Share.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time as observed in Perth, Western Australia.



## Schedule 1 – Equity Securities issued in previous 12 months

Issue Date	Class	Allottees	Issue price	Discount to market price	Total cash consideration	Cash consideration and use of funds	Non cash consideration and current value
21 August 2017	35,000 Convertible notes with a face value of \$1 each, converting on the earlier of the Company's next capital raising event, or at the election of a holder of notes; maturing on 31 December 2017, at 105% of face value ( <b>Convertible Notes</b> )	ACNS Capital Markets Pty Ltd ( <b>Alto Capital</b> ) and CPS Capital Group Pty Ltd ( <b>CPS Capital</b> )	\$1.00 per Convertible Note	Not applicable	\$35,000	Issued as full consideration for advisory fees owed by the Company totalling \$35,000	Not applicable – securities were issued for cash consideration
17 July 2017	250,000 Convertible Notes	Clients of Alto Capital and CPS Capital, each being a sophisticated investor (as defined in the Corporations Act)	\$1.00 per Convertible Note	Not applicable	\$250,000	The funds raised have been applied to the Company's general working capital requirements	Not applicable – securities were issued for cash consideration
10 February 2017	<ol style="list-style-type: none"> <li>250,000 unlisted options exercisable at \$0.05 on or before 30 September 2019 and vesting on 30 September 2017.</li> <li>1,000,000 unlisted options exercisable at \$0.06 on or before 30 June 2019.</li> </ol>	<ol style="list-style-type: none"> <li>Non-related employees of the Company, under the Company's Employee Share Option Scheme.</li> <li>A consultant of the Company as consideration for services rendered.</li> </ol>	Nil	Not applicable	Not applicable	Not applicable	<ol style="list-style-type: none"> <li>Current value of \$29.</li> <li>Current value of \$90.</li> </ol>
13 December 2016	<ol style="list-style-type: none"> <li>33,333,333 Shares</li> <li>16,666,666 listed options exercisable at \$0.05 on or before 30 June 2019</li> <li>14,950,000 listed options exercisable at \$0.05 on or before 30 June 2019</li> </ol>	<ol style="list-style-type: none"> <li>Investors in the Company's rights issue, details of which are set out in the Company's prospectus dated 17 October 2016 (<b>Rights Issue</b>).</li> <li>Investors in the shortfall to the Rights</li> </ol>	<ol style="list-style-type: none"> <li>\$0.027 per Share</li> <li>Nil</li> <li>Nil</li> <li>\$0.001 per Option</li> </ol>	<ol style="list-style-type: none"> <li>Shares were not issued at a discount; the closing price of Shares on 13 December 2016 was \$0.024)</li> <li>Not</li> </ol>	<ol style="list-style-type: none"> <li>\$900,000</li> <li>Not applicable</li> <li>Not applicable</li> <li>\$15,000</li> </ol>	<ol style="list-style-type: none"> <li>The funds raised have been applied to the development of the Company's business and for the costs of operations, sales, marketing and for general working capital requirements.</li> <li>Not applicable.</li> </ol>	<ol style="list-style-type: none"> <li>Not applicable – securities were issued for cash consideration</li> <li>Current value of \$1,252.</li> <li>Current value of \$1,123.</li> <li>Not applicable – securities were issued</li> </ol>

	4. 15,000,000 listed options exercisable at \$0.05 on or before 30 June 2019	<p>Issue.</p> <p>3. Investors determined by the board of the Company, and clients and contacts of Alto Capital and CPS Capital, each of whom was a sophisticated investor or a professional investor (as those terms are defined in the Corporations Act).</p> <p>4. Investors determined by the board of the Company, and clients and contacts of Alto Capital and CPS Capital, each of whom was a sophisticated investor or a professional investor (as those terms are defined in the Corporations Act).</p>		<p>applicable; options were issued as free attaching options to Shares issued under the rights issue</p> <p>3. Not applicable; options were issued as free attaching options to Shares issued 9 December 2016 under the placement.</p> <p>4. Listed options were not issued at a discount; listed options did not trade on ASX until 14 December 2016, on which date they traded at \$0.004 each.</p>			<p>3. Not applicable.</p> <p>4. The funds raised have been applied to the development of the Company's business and for the costs of operations, sales, marketing and for general working capital requirements.</p>	for cash consideration
9 December 2016	1,000,000 unlisted options exercisable at \$0.06 on or before 31 March 2019	Non-related employees and consultants under the Company's Employee Share Option Scheme	Nil	Not applicable	Not applicable	Not applicable	Current value of \$29.	

**Note:** Current values of options have been calculated using the Black-Scholes valuation methodology, with reference to the closing price of Shares on ASX on 20 October 2017, being \$0.003 per Share.

## **Schedule 2 – Reporting issuer disclosure**

### **INTRODUCTION**

The Company is a “reporting issuer” in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”) of the Canadian Securities Administrators, the following disclosure is required to be included with the accompanying Notice. This schedule is the management information circular (this “Circular”) required to be sent to Shareholders under NI 51-102.

The information in this Circular is given as of 27 October 2017, unless otherwise specified. Certain terms and abbreviations used in this Circular are defined in the section entitled “Glossary” of the accompanying Notice.

### **PURPOSE OF SOLICITATION**

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting. The Meeting will be held at Ground Floor, 16 Ord Street, West Perth, Western Australia, on 30 November 2017, at 10:00am (WST), for the purposes set forth in the Notice accompanying this Circular. References in the Circular to the Meeting include any adjournments or postponements thereof.

It is expected that the solicitation of proxies will be primarily by mail but may also be solicited by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. All costs of this solicitation will be borne by the Company.

The Board has fixed 27 October 2017 at 5:00 p.m (WST) as the record date for determining the registered Shareholders entitled to receive the Notice of Meeting. However, any Shareholder who acquires Shares after the record date may obtain a copy of the Notice and Explanatory Memorandum and a Proxy Form by contacting the Company. The Board has fixed 28 November 2017 at 5pm (WST) as the record date for determining the Shareholders of the Company entitled to vote at the Meeting.

### **APPOINTMENT OF PROXIES BY REGISTERED SHAREHOLDERS**

A Proxy Form is attached to the Notice. **A Shareholder has the right to appoint up to two persons (who need not be Shareholders) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by following the instructions set out in the Proxy Form.** All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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.

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

### **REVOCATION OF PROXIES**

A proxy given pursuant to this solicitation may be revoked by instrument in writing executed by the Shareholder or by his/her attorney authorized in writing, and delivered to the registered office of the Company at any time up to and including close of business on the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

### **VOTING OF PROXIES**

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy will be voted for each of the matters referred to in the Notice, as described in this Circular, or withheld from voting or voted against if so indicated on the form of proxy. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, or other matters, which may properly come before the Meeting. At the time of printing of the Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as disclosed in the Notice, no person who has been a Director or executive officer of the Company at any time since the beginning of its last completed financial year or any associate or affiliate of any such Director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or appointment of auditors.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

Australian companies do not have authorized share capital. There is generally no limit in the Australian Corporations Act or the constitution of the Company (the Constitution) on the power of the Board to issue Shares. However, subject to certain exceptions, the ASX Listing Rules prohibit an ASX-listed company from issuing shares or options representing more than 15% of its issued capital in any 12-month period without shareholder approval. The Shares have no nominal or par value and are recorded in the accounts of the Company at their issue price.

As of the date of the Circular, the Company has 221,493,455 Shares issued and outstanding. The Shares are the only securities of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described in the Notice, each Share is entitled to one vote on all matters to be acted upon at the Meeting.

To the knowledge of the Directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Shares carrying 10 per cent or more of the voting rights attached to the Shares.

## MATTERS TO BE ACTED UPON AT THE MEETING

A description of the matters to be submitted to the meeting of Shareholders is set out in the Notice.

### Information Regarding Directors

The following table sets out, for each person proposed to be nominated for election as a Director (a “proposed Director”) and each other person whose term of office as a Director will continue after the Meeting, the person’s name, province or state, and country of residence, date of appointment as Director, present principal occupation, and the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by such person.

<b>Name, Current Position, and State/Province and Country of Residence</b>	<b>Position Held Since</b>	<b>Principal Occupation</b>	<b>Number and Percentage of Shares Beneficially Owned or Controlled</b>
<b>Stuart Carmichael</b> Director and Chairman Western Australia, Australia	July 3, 2017 (AET)	Partner & Executive Director, Ventnor Capital	Nil
<b>Nathaniel Woolfe Sellyn</b> Director <sup>(3)(4)(5)</sup> British Columbia, Canada	August 25, 2015 (WST)	Partner and Founder at Assembly Stakeholder Relations	866,666 Shares <sup>(2)</sup> (0.67% <sup>(1)</sup> )
<b>Colm O’Brien</b> Director <sup>(3)(4)(5)</sup> Western Australia, Australia	July 18, 2016 (WST)	Director of Carrington Partners	300,000 Shares (0.22%)

Notes:

- (1) Based on 221,493,455 issued and outstanding Shares.
- (2) Mr. Sellyn is the beneficial and registered holder of 333,333 Shares. Assembly Stakeholders Relations Corp (an entity controlled by Mr. Sellyn) is the beneficial and registered holder of 533,333 Shares.
- (3) Audit Committee member.
- (4) Nomination Committee member.
- (5) Remuneration Committee member.

The following describes the respective principal occupations of each of the above-named Directors for the five preceding years.

- (a) Mr. Carmichael is a Chartered Accountant with over 20 years of experience in the corporate advisory sector, both in Australia and internationally. Mr. Carmichael has been Partner and Executive Director at Ventnor Capital, and independent corporate advisory firm based in Australia, since April 2016. Prior to then, and from December 2013 to March 2016, Mr. Carmichael was Group Executive Director at AJG, a privately-owned construction conglomerate headquartered in Abu Dhabi, UAE. From December 2011 to December 2013, Mr. Carmichael was Executive Vice President, Corporate Development, at Cushman & Wakefield, based in Los Angeles, USA.
- (b) Mr. Sellyn has been a partner at Assembly Stakeholder Relations, a boutique investor relations firm that he cofounded, since 2011.
- (c) Mr. O'Brien has been Director of Carrington Partners, a firm that provides strategic advice and executive support to businesses, since September 2015. Prior to then, Mr. O'Brien was Group Chief Executive Officer for Aspermont Limited, a media group listed on the Australian Stock Exchange, from 2005 to 2015.

#### **Cease Trade Orders and Bankruptcies**

To the Company's knowledge and other than as disclosed herein, no proposed Director nor any other person whose term of office as a Director will continue after the Meeting is, as at the date of this Circular, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any person or company, including the Company, that:

- (a) was subject to (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**order**") that was issued while the director or executive officer or promoter was acting in the capacity of a director, the chief executive officer or the chief financial officer thereof; or
- (b) was subject to an order that was issued after the director or executive officer or promoter ceased to be a director, the chief executive officer or the chief financial officer thereof and which resulted from an event that occurred while that person was acting in such capacity.

To the Company's knowledge and other than as disclosed herein, no proposed Director nor any other person whose term of office as a Director will continue after the Meeting:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### **Penalties or Sanctions**

To the Company's knowledge and other than as disclosed herein, no Proposed director nor any other person whose term of office as a Director will continue after the Meeting, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **EXECUTIVE COMPENSATION**

The following discussion of executive compensation is included for the sole purpose of complying with Item 8 of Form 51-102F5 to NI 51-102. Given the sale by the Company Kabuni Technologies Inc., and Kabuni Technologies (India) Private Limited to Print the Future, Inc., which completed on October 17, 2017 (the "**PTF Transaction**"), the Company's executive compensation program remains subject to further review and change. In particular, it should be noted that the following discussion relates to individuals who are no longer employed by the Company or its subsidiaries. Accordingly, the discussion contained in this Circular reflects the practice with respect to compensation applicable with respect to the financial year ended June 30, 2017, and should not be viewed as representative of the Company's compensation program for future financial years.

### **Compensation Discussion and Analysis**

The following discussion describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer and Chief Financial Officer and each of the three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity during the financial year ended June 30, 2017, whose total annual compensation (individually) exceeds C\$150,000 (collectively, the "**Named Executive Officers**" or "**NEOs**"). The NEOs during the financial year ended June 30, 2017 were:

- (a) Nimesh (Neil) Patel, Managing Director and Chief Executive Officer (resigned on April 3, 2017)
- (b) Ms. Lisa Dea, Chief Financial Officer (from September 6, 2016 to June 2, 2017)
- (c) Timothy Cyril Fernback, Interim Chief Financial Officer (replaced by Ms. Lisa Dea on September 6, 2016)
- (d) Parminder Singh Virk, Chief Technology Officer (*ceased functions as of September 30, 2017*)

## Overview

The Board has adopted a written remuneration policy to determine the compensation for the Directors and executive officers. Given that the Company remains at an early stage of development, the Board's overall approach to compensation remains subject to change and will continue to evolve as the Company grows and develops its business.

Further, to fulfil its corporate governance responsibilities with respect to remuneration, the Board has established a Remuneration Committee. Currently, the full Board performs the function of the Remuneration Committee. For further information regarding the powers and responsibilities of Remuneration Committee, see "*Audit Committee and Corporate Governance – Compensation*", in the Company's Management Information Circular for the financial year ended June 30, 2016, available on SEDAR.

The Board, acting in its capacity as Remuneration Committee, makes decisions regarding salaries, annual bonuses and equity incentive compensation for the executive officers and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, the Chief Financial Officer and the other executive officers. The Board further administers the incentive compensation and benefit plans, discharging any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans.

## Compensation Objectives

Pursuant to the remuneration policy, the Company's compensation policies and practices are designed to:

- (a) align executive remuneration with shareholder interests;
- (b) retain, motivate and reward appropriately qualified executive talent for the benefit of the Company;
- (c) to achieve a level of remuneration that reflects the competitive market in which the Company operates;
- (d) to ensure that individual remuneration is linked to performance criteria if appropriate; and
- (e) to ensure that executives are rewarded for both financial and non-financial performance.

The Board aims to satisfy these objectives through the adoption of a compensation program for executive officers that combines base remuneration, which is market related, with performance-based remuneration which is determined on an annual basis. Given the early stage of development, the Board has not yet established a comparator group for the purposes of benchmarking. All market comparisons reflect an informal assessment and are based on the Board's knowledge and experience in executive compensation matters. No formal benchmarking has been undertaken.



Overall remuneration decisions are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance and relevant comparative information.

### **Compensation Components**

In accordance with the remuneration policy, compensation consists primarily of three elements: base salary, cash bonus and long-term equity incentives. Each element of compensation is described in more detail below.

#### ***Base Salary***

A primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to an executive officer is determined based on the scope of his or her responsibilities and prior experience, while taking into account and informal evaluation of competitive market compensation for similar positions and overall market demand for such executives at the time of hire.

Base salaries are reviewed annually and increased for merit reasons, based on the executive officer's success in meeting or exceeding Company and individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of the executive officer's role or responsibilities, as well as for market competitiveness.

#### ***Cash Bonus Plan***

As at the date hereof, the Board has not approved any formal cash bonus plan. The Board may consider implementing such a plan in the future. *Ad hoc* cash bonuses may be paid from time to time if deemed appropriate by the Board, based on the attainment of particular objectives.

#### ***Long-Term Equity Incentives***

Equity-based awards are a variable element of compensation that allow executive officers to be rewarded for their sustained contributions to the Company. Equity awards reward continued employment by an executive officer, with an associated benefit to Kabuni of attraction of employees, continuity and retention. Executives may participate in Share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue Shares, performance rights and options to executives outside of approved schemes in exceptional circumstances.

The Company has adopted an Option Plan, pursuant to which the Company may issue Employee Options to employees, consultants and officers of the Company to purchase Shares (see "*Securities Authorized for Issuance Under Equity Compensation Plans – Employee Options*", below). The Board does not award Employee Options according to a prescribed formula or target but instead takes into account the individual's position, current base salary, informal assessment at comparable market salaries, ability to affect profits and the individual's historic and recent performance and the value of the awards in relation to other elements of the executive's total

compensation. The Board takes previous grants of Employee Options into consideration when considering new grants of Employee Options.

### ***Risks Associated with Company's Compensation Policies and Practices***

Given that the Company remains at an early stage of development and the fact that the Board's overall approach to compensation remains under development, the Board has not formally assessed the risks associated with the Company's compensation policies and practices. However, given the limited elements of compensation paid to date, the Board does not believe there are currently any risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the company.

### ***Policy on Purchase of Financial Instruments***

Given that the Company remains at an early stage of development, the Board has not currently adopted a policy regarding the purchase by NEOs or Directors of financial instruments for hedging purposes in connection with equity securities granted as compensation or held, directly or indirectly, by the NEO or Director.

### ***Performance Graph***

As required by item 2.2 of Form 51-102F6 to NI 51-102, the following graph shows the Company's cumulative total shareholder return, as indicated by the share price of the Company as quoted on the ASX since the date the Company became a reporting issuer (May 6, 2016). Given that the Company remains at an early stage of development, the trend shown by this graph has no correlation to the trend in the Company's compensation executive officers over the same period.



Source: <https://finance.yahoo.com/lookup>

## Summary Compensation Table

The following table sets forth information regarding compensation paid to the Directors and Named Executive Officers for the financial year ended June 30, 2017.

2017	Short term			Options	Non-Monetary Benefits	Post-employment		Total \$	Option / Performance share related %
	Base Salary \$	Directors Fees \$	Consulting and other Fees \$	Share Based Payments \$		Super \$	Prescribed Benefits \$		
<b>Directors</b>									
Nathan Sellyn	-	33,333	-	13,267	-	-	-	46,600	28.5
Colm O'Brien <sup>1</sup>	-	33,401	-	13,267	-	-	-	46,668	28.4
Ajai Sehgal <sup>1, 2</sup>	-	32,083	-	13,267	-	-	-	45,350	29.3
Stuart Carmichael <sup>1</sup>	-	-	-	-	-	-	-	-	-
Tony King <sup>2</sup>	60,000	-	-	-	-	4,275	-	64,275	-
Nikolas Ajagu <sup>2</sup>	-	5,750	-	-	-	-	-	5,750	-
Matthew Hehman <sup>2</sup>	-	726	-	-	-	-	-	726	-
Neil Patel <sup>3</sup>	177,292	-	-	-	-	-	-	177,292	-
<b>Senior Executives</b>									
Lisa Dea, Chief Financial Officer <sup>4</sup>	136,648	-	-	-	-	-	-	136,648	-
Parminder Singh Virk, Chief Technology Officer <sup>5</sup>	150,000	-	-	10,109	-	-	-	160,109	6.3
<b>Total</b>	<b>523,940</b>	<b>105,293</b>	<b>-</b>	<b>49,910</b>	<b>-</b>	<b>4,275</b>	<b>-</b>	<b>683,418</b>	

Notes:

- (1) Messrs O'Brien, Sehgal and Carmichael were appointed on 18 July 2016, 1 August 2016 and 30 June 2017 respectively.
- (2) Messrs Sehgal, King, Ajagu and Hehman resigned on 24 October 2017, 30 June 2017, 18 November 2016 and 18 July 2016 respectively.
- (3) Mr Patel resigned on 6 April 2017
- (4) Mrs Dea resigned on 2 June 2017
- (5) Mr Virk ceased functions as Chief Technology Officer on September 30, 2017

## Incentive Plan Awards

The following table sets forth information regarding awards granted to the Named Executive Officers and outstanding as at the end of the financial year ending June 30, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (A\$)	Option expiration date	Value of unexercised in-the-money options (A\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (A\$)	Market or payout value of vested share-based awards not paid out or distributed (A\$)
<b>Nimesh (Neil) Patel</b> Managing Director and Chief Executive Officer <sup>(1)</sup>	-	-	-	-	-	-	-
<b>Lisa Dea</b> , Former Chief Financial Officer <sup>(2)</sup>	650,000	0.13	September 6, 2019	-	-	-	5,660
<b>Timothy Cyril Fernback</b> <sup>(2)</sup> Interim Chief Financial Officer	-	-	-	-	-	-	-
<b>Parminder Singh Virk</b> , Chief Technology Officer <sup>(3)</sup>	-	-	-	-	-	-	-

### Notes:

- (1) Mr Patel resigned as Managing Director and CEO on 6 April 2017
- (2) Effective September 6, 2016, Ms. Lisa Dea replaced Mr. Fernback as Chief Financial Officer of the Company. Ms. Lisa Dea resigned on June 2, 2017. As at the date hereof, the Company has not appointed a replacement Chief Financial Officer. Mr. Gary Kelly, the Company's financial controller, has since taken over responsibility for the Company's financial function, under the supervision of the Board.
- (3) Mr. Parminder ceased functions as Chief Technology Officer on September 30, 2017.

## Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

## Termination and Change of Control Benefits

Other than as set out below, there are no contracts, agreements, plans or arrangements currently in effect that provide for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in responsibilities of the Named Executive Officer following a change in control of the Company.

**Nimesh (Neil) Patel** – Mr. Patel resigned from his position as Managing Director and CEO of the Company on April 3, 2017. In connection with the termination of Mr. Patel’s employment, Mr. Patel signed a Termination and Release Agreement with Kabuni Technologies, whereby the parties agreed to terminate Mr. Patel’s employment agreement and release each other from their respective obligations thereunder, in consideration for the payment by Kabuni Technologies to Mr. Patel of the sum of CAD\$61,666, in eight (8) equal installments of CAD\$7,708, commencing on March 15, 2017 and payable then and every two weeks thereafter for the following seven 2-week periods. All amounts payable to Mr. Patel in connection with the termination of his employment with Kabuni Technologies are included in the “*Summary Compensation Table*”, above.

**Lisa Dea** – Ms. Dea resigned from her position as Chief Financial Officer of the Company on June 2, 2017. All amounts payable to Ms. Dea in connection with the termination of her employment with Kabuni Technologies are included in the “*Summary Compensation Table*”, above.

**Parminder Singh Virk** – Mr. Virk has entered into an Executive Employment Agreement with Kabuni Technologies, pursuant to which Kabuni Technologies may terminate the agreement at any time by providing 6 months’ written notice (or making a lump sum payment of 6 months salary in lieu thereof). No notice requirement applies in the case of termination for cause.

#### ***Estimated Incremental Payments on Change of Control and Termination Without Cause***

There are no Named Officers employed by the Company at 30 June 2017 who are entitled to payments from the Company on a termination without cause, assuming a triggering event occurred on June 30, 2017. All NEOs have either resigned or been given notice of termination prior to June 30, 2017. Mr. Virk was given 6 months’ notice of termination as of May 1, 2017.

There are no Named Officers employed by the Company at 30 June 2017 who are entitled to payments from the Company on a change of control if the executives elected to terminate their employment, assuming a triggering event occurred on June 30, 2017.

	<b>Total</b>
Amounts due	Nil

### **DIRECTOR COMPENSATION**

The Directors’ compensation program is designed to attract and retain qualified individuals to serve on the Board.

The Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting of shareholders. The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

Fees and payments to the non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors’ fees and payments are reviewed annually by the Board. Non-executive Directors do not receive performance-based pay.

All non-executive Directors are currently paid an annual stipend of A\$15,000 to A\$50,000. There are currently no separate attendance fees or fees payable for chairing any committee. The fees are subject to annual review by the Board. The maximum aggregate amount which has been approved to be paid to non-executive Directors is currently set at A\$150,000 per annum. If Resolution 5 is passed by the Shareholders at the General Meeting, the total remuneration pool available for Board fees paid to non-executive Directors will increase by A\$200,000, from A\$150,000 to A\$350,000 per annum, in accordance with the terms and conditions set out in the Explanatory Statement.

All Directors are entitled to be paid their traveling and other out-of-pocket expenses reasonably incurred by them in connection with the affairs of the Company.

Executive Directors are not entitled to receive any additional compensation, including Employee Options, in their capacity as Directors.

### Director Compensation Table

The following table sets forth information regarding all amounts of compensation provided to the Directors for the financial year ended June 30, 2017.

2017	Short term			Options	Non-Monetary Benefits	Post-employment		Total \$	Option / Performance share related %
	Base Salary \$	Directors Fees \$	Consulting and other Fees \$	Share Based Payments \$		Super \$	Prescribed Benefits \$		
<b>Directors</b>									
Nathan Sellyn	-	33,333	-	13,267	-	-	-	46,600	28.5
Colm O'Brien <sup>1</sup>	-	33,401	-	13,267	-	-	-	46,668	28.4
Ajai Sehgal <sup>1, 2</sup>	-	32,083	-	13,267	-	-	-	45,350	29.3
Stuart Carmichael <sup>1</sup>	-	-	-	-	-	-	-	-	-
Tony King <sup>2</sup>	60,000	-	-	-	-	4,275	-	64,275	-
Nikolas Ajagu <sup>2</sup>	-	5,750	-	-	-	-	-	5,750	-
Matthew Hehman <sup>2</sup>	-	726	-	-	-	-	-	726	-
Neil Patel <sup>3</sup>	177,292	-	-	-	-	-	-	177,292	-
<b>Total</b>	<b>237,292</b>	<b>105,293</b>	<b>-</b>	<b>39,801</b>	<b>-</b>	<b>4,275</b>	<b>-</b>	<b>386,661</b>	

Notes:

- (1) Messrs O'Brien, Sehgal and Carmichael were appointed on 18 July 2016, 1 August 2016 and 30 June 2017 respectively.
- (2) Messrs Sehgal, King, Ajagu and Hehman resigned on 24 October 2017, 30 June 2017, 18 November 2016 and 18 July 2016 respectively.

(3) Mr Patel resigned on 6 April 2017

### **Incentive Plan Awards**

The following table sets forth information regarding awards granted to the Directors and outstanding as at the end of the financial year ending June 30, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (A\$)	Option expiration date	Value of unexercised in-the-money options (A\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (A\$)	Market or payout value of vested share-based awards not paid out or distributed (A\$)
<b>Anthony John Whitfield King<sup>(2)</sup></b> Director and Chairman of the Board	-	-	-	-	-	-	-
<b>Stuart Carmichael<sup>(1)</sup></b> Director and Chairman of the Board	-	-	-	-	-	-	-
<b>Neil Patel</b> Managing Director & CEO	-	-	-	-	-	-	-
<b>Nikolas Ajagu<sup>(2)</sup></b> Non-Executive Director	-	-	-	-	-	-	-
<b>Matthew Hehman<sup>(2)</sup></b> Non-Executive Director	-	-	-	-	-	-	-
<b>Nathaniel Woolfe Sellyn</b> Non-Executive Director	1,000,000	0.06	June 30, 2019	-	-	-	13,667
<b>Ajai Sehgal<sup>(1), (2)</sup></b> Non-Executive Director	1,000,000	0.06	June 30, 2019	-	-	-	13,667
<b>Colm O'Brien<sup>(1)</sup></b> Non-Executive Director	1,000,000	0.06	June 30, 2019	-	-	-	13,667

#### Notes

- (1) Messrs O'Brien, Sehgal and Carmichael were appointed on 18 July 2016, 1 August 2016 and 30 June 2017 respectively.
- (2) Messrs Sehgal, King, Ajagu and Hehman resigned on 24 October 2017, 30 June 2017, 18 November 2016 and 18 July 2016 respectively.
- (3) Mr Patel resigned on 6 April 2017

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company.

The following sets forth the Company's disclosure of its corporate governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") as they relate to the corporate governance guidelines set forth in National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201").

The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

### Board of Directors

NI 58-101 provides that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from holding shares or securities in the company. In addition, where a company has a significant shareholder, NI 58-101 provides that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors should exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

As at the date of this Circular, the Board is comprised of three Directors, namely Stuart Carmichael, Nathaniel Woolfe Sellyn and Colm O'Brien, all of which are considered independent for the purposes of NI 58-101. The Company holds regularly scheduled Board meetings at least four times per year. The Board may meet independently of management as needed. The following table sets for the attendance of the Directors at eleven Board meetings held during the most recently completed financial year.



Name of Director	Number of Meetings in Attendance	Number of Meetings eligible to Attend
Anthony John Whitfield King	11	11
Nimesh (Neil) Patel	10	10
Nathaniel Woolfe Sellyn	11	11
Nikolas Ajagu	4	4
Colm O'Brien	-	-
Ajai Sehgal	-	-

### ***Directorships***

Except as set out below, none of the Directors are currently directors of other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction.

Mr. Colm O'Brien has led ASX listed company Aspermont Limited (ASX: ASP) as CEO and transformed that business from a local mining publication to a global, digitally led resources media business including world leading events. He is also currently a non-executive director of Pacific Star Network Limited and Aspermont Limited, both ASX-listed companies

Article 18.2 of the Constitution requires that one-third of the Directors must retire at each annual general meeting, and any other Director not in such one-third who has held office for three years or more must retire from office. A retiring Director is eligible for re-election. The Company does not impose term limits on its Directors as it takes the view that term limits are an arbitrary mechanism for removing Directors which can result in valuable, experienced Directors being forced to leave the Board solely because of length of service. Instead, the Company believes that Directors should be assessed based on their ability to continue to make a meaningful contribution. The Company's annual performance review of Directors assesses the strengths and weaknesses of Directors and, in its view, is a more meaningful way to evaluate the performance of Directors and to make determinations about whether a Director should be removed due to under-performance.

### ***Board Mandate***

The Board is responsible for the general supervision of the management of the Kabuni Business as well as for the oversight and review of the strategic planning process of the Company. The Board will discharge its responsibilities directly and through its committees, which consist of the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board meets regularly to review the business operations, corporate governance and financial results of the Company. The Board has adopted the mandate attached hereto as Attachment 1.

### ***Position Descriptions***

The Company does not currently have written position descriptions for the Chief Executive Officer, the Chairman of the Board, or for the Chair of each of the committees. The Board intends to develop a written position description for the Chief Executive Officer, which will set out the Chief Executive Officer's key responsibilities, including duties relating to strategic planning, operational direction, interaction with the Board and communication with shareholders. The Board intends to adopt a written position description for the Chairman of the Board which will set out the Chairman's key responsibilities, including duties related to Board meetings, shareholders' meetings, director development and communication with shareholders and regulators. The Board also intends to adopt a written position description for each committee chairman which will set out each committee chairman's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee. These descriptions will be reviewed annually by the Board.

### ***Orientation and Continuing Education***

The Company intends to develop an orientation program for the Directors to assist new directors with understanding the role of the Board and its committees, the contribution that directors are expected to make to the Board and the nature and operation of the Kabuni Business. The Company also intends to develop a continuing education program for all Directors to enable Directors to maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Kabuni Business remains current. The Nomination Committee has responsibility for overseeing the design and implementation of any such programs for Directors.

### ***Ethical Business Conduct***

The Board has adopted a written code of business conduct and ethics (the "**Code**") for the Directors, executive officers and employees. A copy of the Code is available on the Company's website at [investor.kabuni.com](http://investor.kabuni.com). The Code constitutes written standards that are designed to deter wrongdoing and promote: (i) honest and ethical conduct; (ii) avoidance of conflicts of interest, including disclosure of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest; (iii) full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, securities regulatory authorities and in other public communications made by the Company; (iv) compliance with applicable governmental laws, rules and regulations; (v) the prompt reporting to the Audit Committee or a supervisor of violations of the Code; and (vi) accountability and responsibility by all Directors, officers and employees for adherence to the Code.

The Audit Committee monitors compliance with the Code and recommend disclosures with respect thereto. Accordingly, the Audit Committee will be responsible for, among other things, reviewing the Code with a view to complying with all applicable rules and regulations, receiving regular reports from management with respect to compliance with the Code, and satisfying itself that management has established a system to disclose the Code (and any amendments thereto) to the extent required.

## ***Nomination of Directors***

The Board has adopted a Nomination Committee to carry out the responsibilities delegated by the Board relating to the Company's director nominations process and procedures. The Nomination Committee is required to meet at least once per year and is comprised of all Directors, a majority of whom are "independent" within the meaning of applicable Canadian securities laws. Currently, all Directors are the members of the Nomination Committee and Mr. Stuart Carmichael is the chair. The Board encourages an objective nomination process by soliciting the views of all Directors on the skills and experience required by the Board and by ensuring that all Directors have an equal opportunity to nominate candidates and debate the relative merits of all proposed candidates. Given the majority of the Board is independent, the Board believes that these fulsome discussions and participation ensure an objective nomination process. In addition, any candidate whose appointment could involve a potential conflict of interest is voted on by those directors that are not related to the conflict in question.

The Nomination Committee is responsible for, among other things: ensuring that the Board has the appropriate blend of directors with the necessary skills, expertise, relevant industry experience and diversity. In that regard, the Nomination Committee shall: (a) regularly review the size and composition of the Board and consider any appropriate changes; (b) identify and assess necessary and desirable director skills and competencies and provide advice on the skills and competency levels of Directors with a view to enhancing the Board; (c) make recommendations on the appointment and removal of Directors; (d) regularly review the time required from non-executive Directors and whether non-executive Directors are meeting that requirement; (e) regularly review the Company's Diversity Policy and make decisions as to any strategies required to address Board diversity; and (f) regularly review and consider and note the relative proportion of women and men at all levels of the economic group controlled by Company.

In making recommendations to the Board regarding individuals qualified to become directors, the Nomination Committee will consider: (i) any selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing Director to possess; (iii) the competencies and skills each new nominee would bring to the boardroom; and (iv) the diversity of the board composition, including gender considerations.

In carrying out its responsibilities, the Nomination Committee has the authority to retain a firm to assist in identifying director candidates.

## ***Compensation***

The Board has adopted a Remuneration Committee to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation of the Company. The Remuneration Committee is required to meet at least once per year and is comprised of all Directors, all of whom are “independent” within the meaning of applicable Canadian securities laws. Currently, all Directors are the members of the Nomination Committee and Mr. Stuart Carmichael is the chair. To encourage an objective compensation process, the Board promotes open and candid discussion among its independent Directors, and the independent Directors are encouraged to ask questions and to review related matters. Given the majority of the Board is independent, the Board believes that these fulsome discussions and participation ensure an objective compensation process. In addition, any matter which could pose a potential conflict of interest is voted on by those directors that are not affected by the conflict in question.

The Remuneration Committee assists the directors in their oversight of executive and director compensation, including with respect to: (i) reviewing and approving compensation of the senior executives and non-executive Directors; (ii) recommending to the Board long-term incentive-based plans and equity-based plans; (iii) reviewing compensation disclosure in public documents; (iv) reviewing risks related to compensation programs.

With regards to the Chief Executive Officer’s compensation, the Compensation Committee is responsible for: (i) reviewing and approving the corporate goals and objectives relevant to the Chief Executive Officer compensation; (ii) evaluating the Chief Executive Officer’s performance in light of those corporate goals and objectives; and (iii) determining (or making recommendations to the Board with respect to) the Chief Executive Officer’s compensation level based on this evaluation.

## ***Other Board Committees***

Other than as disclosed herein, there are no committees of the Board as of the date of this Circular.

## ***Assessments***

The Nomination Committee will develop a process for assessing, on an annual basis, the performance and effectiveness of the Board, the committees of the Board and the individual contributions of each Director. This process to consider the solicitation and receipt of comments from directors and the competencies and skills each individual director is expected to bring to the Board and whether they have devoted sufficient time in fulfilling their duties as directors.

## ***Diversity***

Kabuni is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its Directors, executive officers and employees. With this in mind, the Company has adopted a written diversity policy (the Diversity Policy) that is available for viewing on the Company’s website at <http://investor.kabuni.com>.

As stated in the Diversity Policy, Kabuni believes that diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives, including persons with co-existing domestic responsibilities. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. Kabuni values the differences between its people and the contribution these differences make to the Company.

Pursuant to the Diversity Policy, it is the responsibility of the Board to foster an environment where individual differences are respected; the ability to contribute and access employment opportunities is based on performance, skill and merit; and inappropriate attitudes, behaviours and stereotypes are confronted and eliminated. As such, the Board proactively monitors Kabuni's compliance with the Diversity Policy, which includes conducting an annual review of objectives set under the Diversity Policy and the Company's progress in achieving them.

Kabuni currently has no women on the Board. However, the Company realizes the potential benefits from new perspectives that could be gained through increasing diversity within the Board's ranks. In keeping with the Diversity Policy, Kabuni hopes to foster greater diversity in the composition of its Board going forward, and ensure that the Company maintains an appropriate mix of skills and talents to achieve its business goals. The Company is committed to providing equal opportunities with respect to employment and employment conditions, including hiring, training and career advancement. In seeking candidates for appointment to the Board, the Company considers individuals' age, gender, ethnicity, cultural background, and other personal factors, as well as their integrity and character, insight into and knowledge of the Kabuni Business and the online home design industry, and general business acumen.

Kabuni recognizes the value in maintaining a diverse team of executive officers to strengthen leadership and decision-making. In making executive appointments, Kabuni takes a similar approach to appointments to the Board; the Company considers candidates' character, professional qualifications, and overall merit, as well as gender and geographic diversity.

Kabuni does not adhere to any specific targets or quotas in determining the representation of women in Board membership. The Board does not believe that targets or quotas set forth in a formal policy necessarily result in the identification or selection of the best candidates. Kabuni is currently in an early stage of its development and, given that the Company currently has few employees, the application of measurable objectives in relation to gender diversity at various levels of the Kabuni Business is not considered to be appropriate or practical. The Board will review this position on an annual basis and will implement measurable objectives for increasing diversity as and when the Directors find them to be in the Company's best interests.

Women hold zero out of the four positions on the Board (0%).

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to compensation plans under which equity securities of the Company are authorized for issuance as at June 30, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$A) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	4,513,334	\$0.06	12,072,172 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	4,000,000	Nil	Nil
Total	8,513,334		12,072,172

Notes:

- (1) As at June 30, 2017, the total number of Shares available for issuance under the Option Plan calculated as 5% of 241,443,455.

### Employee Options

At the Company's Annual General held on November 12, 2015 (AET), the shareholders of the Company approved an Employee Option Plan (the "**Option Plan**"), pursuant to which the Company may issue options ("**Employee Options**") to employees, consultants and officers of the Company ("**Participants**") and issue Shares to those Participants, if they choose to exercise their Employee Options. In the case of a Director, no Employee Options may be issued to the Director without express shareholder approval of the number and terms of the Employee Options.

The Directors, at their discretion, may issue Employee Options to Participants at any time, having regard to relevant considerations such as the Participant's past and potential contribution to the Company, and their period of employment with the Company. Participants in the Option Plan are persons who are an 'eligible participant' (as that term is defined in Australian Securities and Investments Commission Class Order 14/1000) in relation to the Company or a subsidiary of the Company, and has been determined by the Board to be eligible and participate in the Option Plan from time to time.

Employee Options must be granted for nil consideration. The exercise price of the Employee Options shall be determined by the Board, in its discretion, provided that in no event shall the exercise price be less than 80% of the average closing sale price of the Shares on ASX over the five trading days immediately preceding the date of the grant.

The maximum number of Shares issuable on exercise of outstanding Employee Options must not at any time exceed 5% of the total number of issued Shares, provided that the Board may, in its discretion, increase this percentage, subject to applicable legal and regulatory requirements.

The Board may determine the time periods or performance hurdles after which the Employee Options will vest and the percentage of Employee Options issued which will vest at each particular time. The Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company. An Employee Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Employee Option has vested. The expiry date is determined by the Board but, in any event, will be no later than five years from the date of grant of the Employee Option.

The Board may determine the treatment of Employee Options in the event of cessation of employment. The Board's policy is to provide that if a Participant ceases to be an employee or consultant by reason of retirement, permanent disability, redundancy or death, the Participant is entitled to keep any vested Employee Options. Where a Participant ceases to be an employee or consultant for other reasons, the Participant has three months from that date to exercise any vested Employee Options, and any others will automatically lapse.

Employee Options are non-assignable and non-transferable, except that once vested they may be transferred pursuant to the requirements of the Australian Corporations Act.

The Board may suspend or terminate the Option Plan at any time, in which case the Company shall not make any further grants of Employee Options under the Option Plan during the suspended or terminated period. The Option Plan may be amended at any time by the Board, subject to any requirements of the Listing Rules and the Corporations Act.

### **Director Options**

On November 29, 2016 (WST), the Company issued 3,000,000 unlisted options to Directors of the Company as an incentive for future performance. The options were issued for nil consideration. The options will expire on June 30, 2019 (WST). The exercise price for each option is A\$0.06. These options were issued with the approval of the Shareholders.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Except for the obligations of the Company's founder and former Managing Director, Mr. Neil Patel, in the PTF Transaction, none of the Directors, executive officers, employees, former directors, former executive officers or former employees of the Company or any of its subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Circular or at any time since the beginning of the most recently completed financial year been indebted to the Company or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its subsidiaries.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except for the interest of the Company's founder and former Managing Director, Mr. Neil Patel, in the PTF Transaction and as disclosed in the Notice, no informed person of the Company, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year.

or in any proposed transaction that has materially affected or would materially affect the Company or any of subsidiaries.

### **AUDITORS**

The Company's auditors are Stantons International Audit and Consulting Pty Ltd. (Stantons International), of Level 2, 1 Walker Avenue, West Perth WA 6005. Stantons International were first appointed on November 6, 2013.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

Shareholders may contact the Company Secretary at (08) 9482 0580, in order to request copies of the company's financial statements and MD&A for its most recently completed financial year.



**KABUNI LTD.**  
**Corporate Governance Policies**  
**BOARD CHARTER**

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## 1. Board Charter

### 1.1 Role of the Board

The Board of Directors (the “**Board**”), directly and through its committees, is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- (a) overseeing the Company, including its control and accountability systems;
- (b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;
- (c) ratifying the appointment, remuneration, and where appropriate, the removal, of senior executives;
- (d) in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
- (e) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
- (f) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
- (g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
- (h) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
- (i) overseeing the management of safety, occupational health and environmental matters;
- (j) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;

- (k) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (l) ensuring effective disclosure and communication with shareholders and the general public, and reviewing any policies related to such disclosure;
- (m) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
- (n) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct, including through adopting of a written code of conduct and a whistleblower policy; and
- (o) reporting accurately to shareholders, on a timely basis.

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees. The Board has established the following committees:

- (a) Audit Committee,
- (b) Nomination Committee, and
- (c) Remuneration Committee, and

the Board may form other Committees at its discretion.

Each Director has the right to seek independent professional advice on matters relating to his position as a Director of the Company at the Company's expense, subject to the prior approval of the Chair, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved Directors will, unless the remaining Directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the constitution of the Company, directors (other than the Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The constitution does not specify a maximum term for which a Director may hold office.

The Board may not delegate its overall responsibility for the matters listed above. However, the responsibility for the day-to-day operation and administration of the Company may be delegated by the Board to the Managing Director. The Board will ensure that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive Directors.

While there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by

the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- (d) Board approval and monitoring of a strategic plan;
- (e) approval of annual and semi-annual budgets and monitoring actual performance against budget; and
- (f) procedures are in place to incorporate presentations at each Board meeting by financial, operations and marketing management, as appropriate.

## **1.2 Independent Directors**

A majority of the directors on the Board, including any Chair of the Board, must be independent in accordance with applicable law. The Board must establish procedures to ascertain director independence and conflict of interest issues.

## **1.3 Role of the Chair**

The Chair is responsible for the leadership of the Board, for the efficient organisation and conduct of the Board's functioning and for the briefing of all Directors in relation to issues arising at Board meetings. The Chair is also responsible for overall shareholder communication, chairing shareholder meetings, arranging Board performance evaluation, and presides over meetings of the Board. The Chair is responsible for leading and managing the Board in the discharge of its duties.

The Chair should facilitate the effective contribution of all Directors and promote constructive and respectful relations between directors and between the Board and management.

Any other position which the Chair may hold either within, or outside, the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

## **1.4 Role of the Managing Director**

The roles of the Chair and Managing Director should not be combined except in particular circumstances, in particular where the size of the company necessitates the combining of the roles and is approved by the Board.

The Managing Directors' duties are to:

- (a) have the overall responsibility for running the affairs of the Company under delegated authority from the Board including undertaking and assessing risk management and internal control effectiveness and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results;

- (b) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- (c) be accountable for planning, coordinating and directing the operations of the company;
- (d) promote the interests of the Company; and
- (e) faithfully and diligently perform the duties and exercise the powers consistent with the position of a Managing Director of the Company and assigned by the Board.

In fulfilling his or her duties, the Managing Director:

- (f) reports directly to the Board;
- (g) provides prompt and full information to the Board regarding the conduct of the business of the Company; and
- (h) complies with reasonable directions given by the Board.

### **1.5 Role of the Company Secretary**

The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are being followed, and by coordinating the timely completion and despatch of board agenda and briefing papers. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

### **1.6 Roles of Directors and Officers**

Individual Directors should devote the necessary time to the tasks entrusted to them. All Directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers should be aware of their legal obligations.

This policy is reviewed annually.

### **1.7 Meetings**

- (a) Meetings of the Board will be called, scheduled, and held pursuant to the Company's constituting documents, including its articles, by-laws and any shareholder agreement, as well as pursuant to applicable law.
- (b) Quorum for a Board meeting will be a majority of the directors. All directors are expected to attend and be prepared to participate, including reviewing all meeting materials before every Board meeting.
- (c) The Board will provide at least 24 hours notice of a meeting, unless all members of the Board consent to another time period or waive notice.

- (d) The Chair of the Board will seek input from the directors and Company's management, when setting each Board meeting's agenda.
- (e) Any written material to be provided to directors for a Board meeting must be distributed in advance of the meeting to give directors time to review and understand the information. All material provided to directors will be relevant and concise.
- (f) Any member of senior management may, if invited by the Chair of the Board, attend, give presentations relating to their responsibilities and otherwise participate at Board meetings.
- (g) The Company Secretary will be the secretary of the meeting.
- (h) The Company Secretary will circulate minutes of all Board meetings to the Board and will ensure that all minutes of meetings, or written resolutions in lieu of a meeting, are filed in the Company's minute book.
- (i) The Board, the committees and each director will perform an annual self-assessment on its, his or her contribution and effectiveness. The Board and any committee will consider its charter, and any director will consider his or her position description, when performing a self-assessment.

# PROXY FORM – ANNUAL GENERAL MEETING

**KABUNI LTD**  
ACN 158 307 549

**All correspondence to:**  
Kabuni Ltd  
PO Box 902  
West Perth WA 6872  
Phone: 08 9482 0580  
Facsimile: 08 9482 0505

I/We \_\_\_\_\_  
(insert name of holder – please print)

Of \_\_\_\_\_  
(insert address of holder – please print)

## **Appointment of Proxy**

I/We being member/s of Kabuni Ltd and entitled to attend and vote hereby appoint

	The Chair of the Meeting (mark with an 'X')	<b>OR</b>		Write here the name of the person you are appointing if this person <b>is someone other than</b> the Chair of the Meeting
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or failing the person named, or if no person is named, the Chair of the Meeting or a nominee of the Chair, 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 Kabuni Ltd to be held at 16 Ord Street, West Perth, Western Australia on Thursday, 30 November 2017 at 10:00 am (WST) and at any adjournment of that meeting.

**Important:** The Chair of the Meeting intends to vote all undirected proxies in favour of all Resolutions. If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions even if those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **Voting directions to your proxy - please mark**

**X to indicate your directions**

Ordinary business		For	Against	Abstain
<b>Resolution 1</b>	REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	RE-ELECTION OF DIRECTOR – MR COLM O'BRIEN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	ELECTION OF DIRECTOR – MR STUART CARMICHAEL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	APPROVAL FOR ADDITIONAL PLACEMENT FACILITY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	CHANGE OF NAME	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**Individual or Securityholder 1**

**Securityholder 2**

**Securityholder 3**

**Sole Director and Sole Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name**

**Contact Daytime Telephone**

**Date**

**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Individual                                where the holding is in one name, the holder must sign.

Joint Holding:                            where the holding is in more than one name all of the holders should sign.

Power of Attorney:                    if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:                              a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (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 received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

**Postal deliveries:**                    Kabuni Ltd  
   PO Box 902  
   West Perth WA 6872

**Facsimile:**                              (08) 9482 0505 if faxed from within Australia or +61 8 9482 0505 if faxed from outside Australia.