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**ENSURANCE LTD**

**ACN 148 142 634**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11.00am EDT

**DATE:** 29 November 2017

**PLACE:** McLaren Room, Upper Ground Floor  
Rydges North Sydney  
54 McLaren Street, North Sydney NSW 2060

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm EDT on 27 November 2017.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding 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 contained in the Company's annual financial report for the financial year ended 30 June 2017."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR TONY LEIBOWITZ

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

*"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Tony Leibowitz, a Director who was appointed casually on 27 September 2017, retires, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR IN CONSIDERATION FOR SERVICES PROVIDED

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr Adam*

*Davey (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Adam Davey (or his nominee) and any of their associates. However, the Company need 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**5. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES PURSUANT TO PLACEMENT**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 70,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 need 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.

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,597,314 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need 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.

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## 7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,500,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need 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.

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## 8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUES OF OPTIONS

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need 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.

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## 9. RESOLUTION 8 – APPROVAL OF ISSUE OF CONVERTIBLE NOTE

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of the Davey Note to Mr Adam Davey (or his nominee), a Director of the Company, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Adam Davey (or his nominee) and any of their associates. However, the Company need 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.

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## 10. RESOLUTION 9 – APPROVAL OF ISSUE OF CONVERTIBLE NOTE

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of the Hicks Notes to Savill Hicks Corp (Vic) Pty Ltd ATF Hicks Big Buckaroo Superannuation Fund (an entity controlled by Mr Stefan Hicks, a Director of the Company) (or its nominee), on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Savill Hicks Corp (Vic) Pty Ltd ATF Hicks Big Buckaroo Superannuation Fund (or its nominee) and any of their associates. However, the Company need 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.

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**11. RESOLUTION 10 – APPROVAL OF ISSUE OF CONVERTIBLE NOTE**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of the Priest Note to Elmwood Enterprises Pty Ltd (an entity controlled by Mr Grant Priest, a Director of the Company) (or its nominee), on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Elmwood Enterprises Pty Ltd (or its nominee) and any of their associates. However, the Company need 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.

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**12. RESOLUTION 11 – APPROVAL TO RE-ISSUE CONVERTIBLE NOTES ON REVISED TERMS**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given to re-issue 23 Convertible Notes (on corrected terms) with a combined face value of \$1,826,118 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 need 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.

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**13. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20 Convertible Notes with a combined face value of \$453,882 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need 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.

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#### 14. RESOLUTION 13 – ADOPTION OF INCENTIVE OPTION SCHEME

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an incentive scheme titled Incentive Option Scheme, and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### 15. RESOLUTION 14 – ADOPTION OF INCENTIVE SHARE PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), Section 260C(4) of the Corporations Act and for all other purposes, approval is given for the Company to adopt an incentive scheme titled Incentive Share Scheme, and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 16. RESOLUTION 15 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYMENT AGREEMENT

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

*“That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options to Mr Tony Leibowitz (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Leibowitz (or his nominee) and any of their associates. However, the Company need 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 17. RESOLUTION 16 – ISSUE OF OPTIONS TO DIRECTOR PURSUANT TO SHORT TERM LOAN AGREEMENT

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

*“That, for the purposes ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,150,000 Options to Mr Tony Leibowitz (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Leibowitz (or his nominee) and any of their associates. However, the Company need 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.

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**18. RESOLUTION 17 – ISSUE OF OPTIONS IN CONSIDERATION FOR EXTENSION OF SHORT TERM LOAN FACILITY**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 250,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 need 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.

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**19. RESOLUTION 18 – ISSUE OF OPTIONS TO UNDERWRITER OF PLACEMENT**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 7,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 need 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.

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**20. RESOLUTION 19 – ISSUE OF OPTIONS TO SUB-UNDERWRITER OF PLACEMENT**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,500,000 Options to Kalonda Pty Ltd <Leibowitz Superannuation Fund A/C> (an entity controlled by Tony Leibowitz, a Director of the Company) (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Kalonda Pty Ltd <Leibowitz Superannuation Fund A/C> (or its nominee(s)) and any of their associates. However, the Company need 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.



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**21. RESOLUTION 20 – ISSUE OF SHARES TO SUB-UNDERWRITER OF PLACEMENT**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 35,000,000 Shares to Kalonda Pty Ltd <Leibowitz Superannuation Fund A/C> (an entity controlled by Tony Leibowitz, a Director of the Company) (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Kalonda Pty Ltd <Leibowitz Superannuation Fund A/C> (or its nominee(s)) and any of their associates. However, the Company need 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.

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**22. RESOLUTION 21 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”*

**Voting Exclusion:** 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.

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**Dated: 30 October 2017**

**By order of the Board**

**Sam Hallab**  
**Company Secretary**

### **Voting in person**

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

### **Voting by proxy**

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9806 2000.***

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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.ensurance.com.au](http://www.ensurance.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

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 a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting, the votes cast against the remuneration report were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

#### 2.3 Voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- (a) If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- (b) If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member) you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, by signing the Proxy Form you expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) If you appoint any other person as your proxy you do not need to direct your proxy how to vote on this Resolution.

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### **3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR TONY LEIBOWITZ**

#### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders.

Mr Tony Leibowitz was appointed as a Director on 27 September 2017 and will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

#### **3.2 Qualifications and other material directorships**

Mr Tony Leibowitz has over 30 years of corporate finance, investment banking and broad commercial experience. He has a proven track record of generating significant shareholder value, most notably in his roles as Chairman of Chandler Macleod Limited and, more recently, with Western Australian lithium miner Pilbara Minerals Limited. In both companies, Mr Leibowitz was an early investor and was responsible for substantial increases in shareholder value and returns.

Mr Leibowitz was a Global Partner at PricewaterhouseCoopers and is a Fellow of the Institute of Chartered Accountants in Australia. Importantly for the Company, he will spend his time in both London and Sydney, enabling him to play an active role in leading activities in the Company's two key growth markets.

#### **3.3 Independence**

Mr Leibowitz has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board does not consider Mr Leibowitz will be an independent director by virtue of his position as Executive Chairman of the Company.

### **3.4 Board recommendation**

The Board recommends Shareholders vote in favour of this Resolution.

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## **4. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR IN CONSIDERATION FOR SERVICES PROVIDED**

### **4.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 3,000,000 Options (exercisable at \$0.08 each within 2 years of their date of issue) to Mr Adam Davey (or his nominee) on the terms and conditions set out below.

During the last 12 months Mr Davey has performed additional services for the Company outside the scope of his ordinary duties as a Non-Executive Director. While the Company's Managing Director was attending to business in the United Kingdom in late 2016 and early 2017, Mr Davey took on an executive role and was heavily involved in the implementation of the Company's capital raising initiatives to raise circa \$5 million by way of an entitlement issue to existing Shareholders together with the issue of Convertible Notes to sophisticated and professional investors. The issue of the Options is in lieu of cash payment for these additional services.

Resolution 3 seeks Shareholder approval for the grant of those Options to Mr Davey (or his nominee).

### **4.2 Chapter 2E of the Corporations Act**

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

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

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

The grant of Options constitutes giving a financial benefit and Mr Davey is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Davey who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Options, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **4.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that

approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### **4.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the Options will be granted to Mr Davey (or his nominee);
- (b) the number of Options to be issued is 3,000,000;
- (c) the Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Options to Mr Davey (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **5. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES PURSUANT TO PLACEMENT**

### **5.1 Background**

As announced, the Company is planning to undertake a placement to sophisticated and professional investors of 70,000,000 Shares at an issue price of \$0.05 per Share, to raise up to \$3,500,000 (before costs) (**Placement**).

The Placement has been fully underwritten by Transocean Securities Pty Ltd (**Transocean**), a Sydney based boutique advisory and equities group with extensive global networks (**Underwriting**). The Underwriting is conditional on Transocean securing sub-underwriting positions for at least 70% of the underwritten amount as well as other standard conditions.

It is a term of the Underwriting that no person will acquire, through participation in underwriting or sub-underwriting the Placement, a holding of shares of, or increase their holding, to an amount in excess of 19.9% of all the shares on issue on completion of the Placement.

Kalonda Pty Ltd <Leibowitz Superannuation Fund A/C> (**Kalonda**) (an entity controlled by Mr Leibowitz, a Director of the Company), has agreed to sub-underwrite (or, to the extent his relevant interest in the shares of the Company would exceed 19.9%, procure the sub-underwriting of) 50% of the Placement (being \$1,750,000) (**Sub-underwriting**). As Mr Leibowitz is a related party of the

Company by virtue of being a Director, the Company is seeking Shareholder approval for the Sub-underwriting pursuant to Resolution 20.

In consideration for its services, the Company has agreed to issue Transocean (or its nominee) 7,000,000 options (exercisable at \$0.05 within three years from the date of issue) (**Underwriter Options**). The Underwriter has advised the Company that 50% of the Underwriter Options (being 3,500,000 Underwriter Options) are to be issued to Kalonda (or its nominee(s)) as consideration for the Sub-underwriting. As Mr Leibowitz is a related party of the Company, the Company is seeking Shareholder approval for this issue pursuant to Resolution 19.

## **5.2 General**

This Resolution seeks Shareholder approval for the issue of up to 70,000,000 Shares at an issue price of \$0.05 per Share pursuant to the Placement.

## **5.3 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The effect of this Resolution will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **5.4 Technical information required by ASX Listing Rule 7.1**

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

- (a) the maximum number of Shares to be issued is 70,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.05 per Share;
- (d) the Shares will be issued to sophisticated and professional investors and any shortfall will be issued to Transocean or sub-underwriters procured by Transocean. None of these subscribers will be related parties of the Company except for Kalonda, for which Shareholder approval is being separately sought pursuant to Resolution 20;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) the Company intends to use the funds raised from the Placement to expand both its UK and Australian operations, repayment of the Kalonda loan (which is currently draw down to \$2.15 million) and for general working capital. With respect to its UK operations, the Company intends to apply funds raised from the Placement to increase staff, insurers, product offerings and broker agreements as well as obtaining Financial Conduct Authority (FCA) licensing. With respect to its Australian operations, the Company intends to apply funds raised from the Placement to increase product offerings and white label/broker partners and improve the Company's platform by integrating new products and insurers.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

### **6.1 General**

On 6 June 2017, the Company and Transocean Securities Pty Ltd (ACN 009 230 120) (**Transocean Securities**) entered into an underwriting agreement, pursuant to which, Transocean Securities agreed to fully underwrite the Company's non-renounceable entitlement issue (**Entitlement Issue**) made pursuant to the prospectus dated 6 June 2017 (**Underwriting Agreement**).

On 9 August 2017, pursuant to the Underwriting Agreement, the Company issued Transocean Securities (or its nominee) 2,597,314 Options (exercisable at \$0.08 on or before 31 July 2020, and otherwise on terms and conditions set out in Schedule 1) as part consideration for underwriting the Entitlement Issue.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 2,597,314 Options were issued;
- (b) the Options were issued for nil cash consideration as part consideration for underwriting the Entitlement Issue;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Transocean Securities (or its nominee), who is not a related party of the Company; and



- (e) no funds were raised from the issue as the Options.

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## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

### **7.1 General**

On 14 December 2016, the Company and Transocean Securities entered into a corporate advisory mandate pursuant to which the Company engaged Transocean Securities to provide corporate advisory services (**Mandate**).

On 9 August 2017, pursuant to the Mandate, the Company issued Transocean Securities (or its nominee) a total of 6,500,000 Options, comprising:

- (a) 3,500,000 Options, exercisable at \$0.08 on or before 31 July 2020, and otherwise on the terms and conditions set out in Schedule 1; and
- (b) 3,000,000 Options, exercisable at \$0.092 on or before 31 July 2020, and otherwise on the terms and conditions set out in Schedule 1,

as part consideration for corporate advisory and brokerage services provided to the Company under the Mandate.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above and a summary of ASX Listing Rule 7.4 is set out in section 6.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 6,500,000 Options were issued, comprising:
  - (i) 3,500,000 Options, exercisable at \$0.08 on or before 31 July 2020, and otherwise on the terms and conditions set out in Schedule 1; and
  - (ii) 3,000,000 Options, exercisable at \$0.092 on or before 31 July 2020, and otherwise on the terms and conditions set out in Schedule 1,
- (b) the Options were issued for nil cash consideration as part consideration for corporate advisory and brokerage services provided by Transocean Securities under the Mandate;
- (c) the Options were issued to Transocean Securities (or its nominee), who is not a related party of the Company;
- (d) the Options were issued on the terms and conditions set out in Schedule 1; and

- (e) no funds were raised from the issue of the Options as the Options were issued as part consideration for corporate advisory and brokerage services provided by Transocean Securities under the Mandate.

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## **8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OPTIONS**

### **8.1 General**

The Company and Kli Pty Ltd previously entered into a loan agreement pursuant to which Kli Pty Ltd agreed to provide the Company with a short-term loan facility of up to \$500,000 (**Loan Agreement**).

On 9 August 2017, the Company issued 1,000,000 Options (exercisable at \$0.12 on or before 31 July 2020, and otherwise on the terms and conditions set out in Schedule 1) to Kli Pty Ltd (or its nominee), pursuant to the Loan Agreement, as part consideration for provision of the short-term loan facility.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above and a summary of ASX Listing Rule 7.4 is set out in section 6.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **8.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution:

- (a) 1,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration as part consideration for the provision of a short-term loan facility to the Company;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Kli Pty Ltd (or its nominee), who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Options were issued as part consideration for the provision of a short-term loan facility to the Company.

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## **9. RESOLUTIONS 8, 9 AND 10 – APPROVAL OF ISSUE OF CONVERTIBLE NOTES**

### **9.1 Background**

The Company has previously entered into the following agreements with related parties of the Company:

- (a) on 24 April 2017, the Company entered into a convertible note agreement with Adam Davey, a Director of the Company, pursuant to which the Company proposes to issue Mr Davey a convertible note with a face value of \$200,000 (**Davey Note**);

- (b) on 27 February 2017 and 3 March 2017, the Company entered into two separate convertible note agreements with Savill Hicks Corp (Vic) Pty Ltd ATF Hicks Big Buckaroo Superannuation Fund (**SHC**) (an entity controlled by Mr Stefan Hicks, a Director of the Company), pursuant to which the Company proposes to issue SHC two convertible notes with a combined face value of \$500,000 (**Hicks Notes**);
- (c) on 28 July 2017, the Company entered into a convertible note agreement with Elmwood Enterprises Pty Ltd (**Elmwood**) (an entity controlled by Mr Grant Priest, a Director of the Company) pursuant to which the Company proposes to issue Elmwood a convertible note with a face value of \$20,000 (**Priest Note**),

(together, the **Convertible Note Agreements**, with the Davey Note, Hicks Notes and Priest Note collectively, the **Related Party Notes**).

Pursuant to the terms of the Convertible Note Agreements, the Related Party Notes will, subject to Shareholder approval pursuant to Listing Rule 10.11, be convertible into Shares at the conversion rate specified Schedule 2.

Presently, and at all times prior to the Company obtaining Shareholder approval for the issue of the Related Party Notes, funds advanced to the Company pursuant to the Convertible Note Agreements are treated as a loan (rather than a security) and only entitle Mr Davey, SHC and Elmwood (the **Related Parties**) to be repaid their principal, plus interest.

Resolutions 8 to 10 seek Shareholder approval in accordance with Listing Rule 10.11 for the issue of the Related Party Notes. If Shareholder approval is given under Listing Rule 10.11 for the issue of the Related Party Notes, Shareholder approval is not required under Listing Rule 10.11 for the issue of the Shares upon conversion of the Related Party Notes pursuant to exception 7 of Listing Rule 10.12.

The material terms and conditions of the Related Party Notes are summarised in Schedule 2.

## 9.2 Chapter 2E of the Corporations Act

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

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

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

The issue of Shares upon conversion of the Related Party Notes constitutes giving a financial benefit and each of the Related Parties are a related party of the Company by virtue of being a Director (in the case of Mr Davey) or an entity controlled by a Director (in the case of SHC and Elmwood).

The Directors (other than Mr Davey in relation to Resolution 8, Mr Hicks in relation to Resolution 9 and Mr Priest in relation to Resolution 10, given their material personal interests in these Resolutions) consider that Shareholder approval

pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares upon conversion of the Related Party Notes because the Related Party Notes were negotiated on an arm's length basis and are on identical terms to convertible notes issued to non-related parties of the Company.

### **9.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Related Party Notes involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **9.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 8 to 10:

- (a) the Related Party Notes will be issued to:
  - (i) in respect of Resolution 8, Mr Adam Davey (or his nominee);
  - (ii) in respect of Resolution 9, SHC (or its nominee); and
  - (iii) in respect of Resolution 10, Elmwood (or its nominee);
- (a) the conversion price for the Related Party Notes is the lower of:
  - (i) \$0.22;
  - (ii) the lowest issue price of any Shares issued by the Company during the term of the Related Party Note (as specified in Schedule 2); and
  - (iii) the lowest exercise price of any options issued by the Company during the term of the Related Party Note (as specified in Schedule 2).

Following completion of the Placement the conversion price will be adjusted to \$0.05;
- (b) the number of securities to be issued are:
  - (i) in respect of Resolution 8, 1 convertible note with a face value of \$200,000. Based on a conversion price of \$0.05 (which assumes completion of the Placement), the Davey Note will be convertible into 4,000,000 Shares;
  - (ii) in respect of Resolution 9, 2 convertible notes with a combined face value of \$500,000. Based on a conversion price of \$0.05 (which assumes completion of the Placement), the Hicks Notes will be convertible into 10,000,000 Shares; and

- (iii) in respect of Resolution 10, 1 convertible note with a face value of \$20,000. Based on a conversion price of \$0.05 (which assumes completion of the Placement), the Priest Note will be convertible into 400,000 Shares.

If the Related Party Notes are converted into Shares as detailed above, this will increase the number of Shares on issue from 83,113,862 to 97,513,862 (assuming no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 14.77% comprising 4.1% by the Davey Note, 10.25% by the Hicks Notes and 0.42% by the Priest Note;

- (c) the Related Party Notes will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Notes will occur on the same date;
- (d) each of the Related Parties are a related party of the Company by virtue of being a Director (in the case of Mr Davey) or an entity controlled by a Director (in the case of SHC and Elmwood);
- (e) the Related Party Notes will be issued on the terms and conditions set out in Schedule 2;
- (b) Shares issued upon conversion of the Related Party Notes will issued on the same terms and conditions as the Company's existing Shares; and
- (c) the funds raised from the issue of the Related Party Notes are being used for the development of the Company's domestic and European expansion and for general working capital and no funds will be raised from the issue of Shares upon conversion of the Related Party Notes.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Notes as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of the Related Party Notes to the Related Parties will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **10. RESOLUTIONS 11 AND 12 – RE-APPROVAL OF ISSUE OF CONVERTIBLE NOTES ON REVISED TERMS AND RATIFICATION OF PRIOR ISSUES OF CONVERTIBLE NOTES**

### **10.1 Background**

The Company previously issued a total of 43 Convertible Notes with a combined face value of \$2,280,000 as follows:

- (a) between 11 July 2016 and 18 January 2017, 23 Convertible Notes with a combined face value of \$1,826,118 (**Tranche 1 Notes**) were issued that had either been ratified or approved by Shareholders at the Company's 2016 Annual General Meeting held on 29 November 2016 (**2016 AGM**); and
- (b) between 10 April and 28 April 2017, an additional 20 Convertible Notes with a combined face value of \$453,882 (**Tranche 2 Notes**) were issued without Shareholder approval, under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

The conversion terms of the Convertible Notes are as follows:

- (a) The Convertible Note will convert into that number of Shares which, when multiplied by the issue price of \$0.22 (**Issue Price**) equals the outstanding subscription amount (**Subscription Shares**).
- (b) If, after the subscription date, the Company:
  - (i) issues Shares or agrees to issue Shares, whether pursuant to a convertible note or otherwise for a value which is less than \$0.22 per Share (**Lower Price**); and/or
  - (ii) issues Options with an exercise price of less than \$0.22 per Share (**Exercise Price**),

then, at the time of conversion, the Issue Price will be taken to be the Lower Price or the Exercise Price (whichever is the lower) (the **Price Adjustment Provision**).

The Convertible Notes were otherwise issued on the terms and conditions set out in Schedule 2.

On 29 June 2017, the Company issued Shares at an issue price of \$0.08 pursuant to its 5:11 non-renounceable entitlement issue. As announced on 13 October 2017, the Company also proposes to undertake the Placement at an issue price of \$0.05.

## 10.2 Resolution 11

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

ASX Listing Rule 7.2 (exception 4) provides that ASX Listing Rule 7.1 does not apply to an issue on conversion of convertible securities, provided that the entity complied with the Listing Rules when it issued the convertible securities.

When the Company originally sought Shareholder approval at the 2016 AGM for the issue and ratification of the Tranche 1 Notes, it only stated that the Tranche 1 Notes were convertible into Shares at a conversion price of \$0.22 and did not disclose the Price Adjustment Provision.

Resolution 11 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 to re-issue the Tranche 1 Notes, on the corrected terms, to account for the Price Adjustment Provision and allow the conversion price of the Tranche 1 Notes to be re-set to \$0.05 upon the issue of Shares under the Placement.

The approval sought by this Resolution will allow the conversion price of the Tranche 1 Notes to automatically adjust in accordance with the Price Adjustment Provision upon any future issuances of capital at a lower price, without the Company being required to seek Shareholder approval.

## 10.3 Resolution 12

Resolutions 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issues of the Tranche 2 Convertible Notes.

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above and a summary of ASX Listing Rule 7.4 is set out in section 6.1 above.

By ratifying these issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The approval sought by this Resolution will allow the conversion price of the Tranche 2 Notes to automatically adjust in accordance with the Price Adjustment Provision upon any future issuances of capital at a lower price, without the Company being required to seek Shareholder approval.

#### **10.4 Technical information required by ASX Listing Rule 7.1 – Resolution 11**

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

- (a) the maximum number of Convertible Notes to be issued is 23;
- (b) the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Convertible Notes will occur on the same date;
- (c) the Combined face value of the Convertible Notes is \$1,826,118;
- (d) the Convertible Notes will be issued to investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who have lent money to the Company and are not related parties of the Company;
- (e) the conversion price for the Convertible Notes is the lower of:
  - (i) \$0.22;
  - (ii) the lowest issue price of any Shares issued by the Company during the term of the Convertible Note (being three years after the subscription date); and
  - (iii) the lowest exercise price of any options issued by the Company during the term of the Convertible Note (being three years after the subscription date).

Following completion of the Placement the conversion price will be adjusted to \$0.05;

- (f) based on a conversion price of \$0.05 (which assumes completion of the Placement), the Convertible Notes will be convertible into 36,522,360 Shares. If the Convertible Notes are converted into Shares at this conversion price, this will increase the number of Shares on issue from 83,113,862 to 119,636,222 (assuming no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 30.53%;
- (g) the terms and conditions of the Convertible Notes are set out in Schedule 2. Any Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue; and
- (h) no additional funds will be raised from these issues as the face value of the Tranche 1 Notes (being \$1,826,118) was previously received by the

Company and has been used to further develop the Company's domestic and European expansion and for general working capital.

#### 10.5 Technical information required by ASX Listing Rule 7.4 – Resolution 12

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in respect of Resolution 12:

- (a) 20 Convertible Notes were issued;
- (b) the combined face value of the Convertible Notes was \$453,882;
- (c) the conversion price for the Convertible Notes is the lower of:
  - (i) \$0.22;
  - (ii) the lowest issue price of any Shares issued by the Company during the term of the Convertible Note (being three years after the subscription date); and
  - (iii) the lowest exercise price of any options issued by the Company during the term of the Convertible Note (being three years after the subscription date).

Following completion of the Placement the conversion price will be adjusted to \$0.05;

- (d) based on a conversion price of \$0.05 (which assumes completion of the Placement), the Convertible Notes will be convertible into 9,077,640 Shares. If the Convertible Notes are converted into Shares at this conversion price, this will increase the number of Shares on issue from 83,113,862 to 92,191,502 (assuming no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 9.85%;
- (e) the Convertible Notes were issued to investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who have lent money to the Company and are not related parties of the Company;
- (f) the terms and conditions of the Convertible Notes are set out in Schedule 2. Any Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue; and
- (g) the funds raised from these issues were used to further develop the Company's domestic and European expansion and for general working capital.

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#### 11. RESOLUTION 13 – ADOPTION OF INCENTIVE OPTION SCHEME

This Resolution seeks Shareholders approval for the adoption of the employee incentive scheme titled, 'Incentive Option Scheme' (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for



a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If this Resolution is passed, the Company will be able to issue Options under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Option Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

Shareholders should note that no securities have previously been issued under the Option Plan.

A summary of the key terms and conditions of the Option Plan is set out in Schedule 3. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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## 12. RESOLUTION 14 – ADOPTION OF INCENTIVE SHARE PLAN

This Resolution seeks Shareholders approval for the adoption of the employee incentive scheme titled, 'Incentive Share Plan' (**Share Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

A summary of ASX Listing Rule 7.2 (Exception 9(b)) is set out in section 11 above.

If this Resolution is passed, the Company will be able to issue Shares under the Share Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Share Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Plan and the future issue of Shares under the Share Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A material feature of the Share Plan is the issue of Shares pursuant to the Share Plan may be undertaken by way of provision of a non-recourse, interest free loan to be used for the purposes of subscribing for the Shares based on a price that will be determined by the Board with regard to the market value of the Shares at the time of issue.

Any future issues of Shares under the Share Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion,

such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

Shareholders should note that no securities have previously been issued under the Share Plan.

A summary of the key terms and conditions of the Share Plan is set out in Schedule 4. In addition, a copy of the Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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### **13. RESOLUTION 15 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYMENT AGREEMENT**

#### **13.1 General**

On 27 September 2017 the Company entered into an executive services agreement with Mr Tony Leibowitz pursuant to which Mr Leibowitz was appointed Executive Chairman of the Company (**Executive Agreement**).

As part consideration for services provided under the Executive Agreement, the Company has agreed, subject to obtaining Shareholder approval, to issue a total of 4,000,000 Options to Mr Leibowitz (or his nominee) as follows:

- (a) 2,000,000 Options, exercisable at \$0.05 within 2 years of their date of issue, and otherwise on the terms and conditions set out in Schedule 1; and
- (b) 2,000,000 Options, exercisable at \$0.08 within 2 years of their date of issue, and otherwise on the terms and conditions set out in Schedule 1.

Subject to the passing of Resolution 2, this Resolution seeks Shareholder approval for the grant of those Options to Mr Leibowitz (or his nominee).

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 9.2 and 9.3 above respectively.

The grant of Options constitutes giving a financial benefit and Mr Leibowitz is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Leibowitz who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options pursuant to this Resolution because the agreement to grant the Options, reached as part of the remuneration package for Mr Leibowitz, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

As the grant of the Options the subject of this Resolution involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 13.2 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) a total of 4,000,000 Options will be granted to Mr Leibowitz (or his nominee), comprising:
  - (i) 2,000,000 Options, exercisable at \$0.05 within 2 years from the date of their issue, and otherwise on the terms and conditions set out in Schedule 1; and
  - (ii) 2,000,000 Options, exercisable at \$0.08 within 2 years from the date of their issue, and otherwise on the terms and conditions set out in Schedule 1;
- (b) the Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (d) the terms and conditions of the Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Options to Mr Leibowitz (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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### 14. RESOLUTION 16 – ISSUE OF OPTIONS TO DIRECTOR PURSUANT TO SHORT TERM LOAN AGREEMENT

On 27 September 2017 the Company entered into a loan agreement (which was subsequently varied on 18 October 2017) with Kalonda to make available to the Company a cash advance facility on a progressive basis up to but not exceeding \$2,150,000 (**Kalonda Loan Agreement**). The first draw down under the Kalonda Loan Agreement was for a total of \$1,150,000 on 29 September 2017 and as at the date of this Notice, a total of \$2,150,000 has been drawn down.

Pursuant to the Kalonda Loan Agreement, the Company has agreed to issue Kalonda (or its nominee) 1,150,000 Options (exercisable at \$0.05 within 2 years from the date of their issue, and otherwise on the terms and conditions set out in Schedule 1) as part consideration for the provision of the loan facility.

This Resolution seeks Shareholder approval for the grant of those Options to Kalonda (or its nominee).

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 9.2 and 9.3 above respectively.

The grant of Options constitutes giving a financial benefit and Kalonda is a related party of the Company by virtue of being controlled by Mr Leibowitz, a Director.

The Directors (other than Mr Leibowitz who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options pursuant to this Resolution because the agreement to grant the Options, was negotiated on an arm's length basis.

As the grant of the Options the subject of this Resolution involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### **14.1 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) 1,150,000 Options (exercisable at \$0.05 within 2 years from the date of their issue, and otherwise on the terms and conditions set out in Schedule 1) will be granted to Kalonda (or its nominee);
- (b) the Options will be granted to Kalonda, a related party of the Company by virtue of being controlled by Mr Leibowitz, a Director;
- (c) the Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Options to Kalonda (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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#### **15. RESOLUTION 17 – ISSUE OF OPTIONS IN CONSIDERATION FOR EXTENSION OF SHORT TERM LOAN FACILITY**

In consideration for Kli Pty Ltd agreeing to extend the repayment date of the loan facility under the Loan Agreement (refer to Resolution 7 for background) from 9 August 2017 to 29 September 2017, the Company has agreed to issue Kli Pty Ltd (or its nominee) 250,000 Options (exercisable at \$0.05 within 3 years from their date of issue, and otherwise on the terms and conditions set out in Schedule 1).

The \$500,000 facility under the Loan Agreement was fully drawn down on 9 May 2017 and was repaid in full on 29 September 2017.

This Resolution seeks Shareholder approval for the grant of those Options to Kli Pty Ltd (or its nominee).

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

The effect of this Resolution will be to allow the Company to issue the Options to Kli Pty Ltd (or its nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **15.1 Technical information required by ASX Listing Rule 7.1**

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

- (a) the maximum number of Options to be issued is 250,000 (exercisable at \$0.05 within 3 years from their date of issue, and otherwise on the terms and conditions set out in Schedule 1);
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration as consideration for Kli Pty Ltd agreeing to extend the repayment date of the loan facility under the Loan Agreement;
- (d) the Options will be issued to Kli Pty Ltd (or its nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue as the Options are being issued in consideration for Kli Pty Ltd agreeing to extend the repayment date of the loan facility under the Loan Agreement.

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#### **16. RESOLUTION 18 – ISSUE OF OPTIONS TO UNDERWRITER OF PLACEMENT**

As detailed in Resolution 4, In consideration for the Underwriting, the Company has agreed to issue Transocean (or its nominee) 7,000,000 Underwriter Options.

This Resolution seeks Shareholder approval for the issue of the Underwriter Options.

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

The effect of this Resolution will be to allow the Company to issue the Underwriter Options to Transocean (or its nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **16.1 Technical information required by ASX Listing Rule 7.1**

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

- (a) the maximum number of Underwriter Options to be issued is 7,000,000;
- (b) except in respect of any Underwriter Options to be issued to Kalonda in consideration for the Sub-underwriting (which Shareholder approval is being separately sought pursuant to Resolution 19), the Underwriter

Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Underwriter Options will occur on the same date;

- (c) the Underwriter Options will be issued for nil cash consideration as part consideration for the Underwriting;
- (d) except in respect of any Underwriter Options to be issued to Kalonda in consideration for the Sub-underwriting (which Shareholder approval is being separately sought pursuant to Resolution 19) the Underwriter Options will be issued to Transocean (or its nominee(s)), who are not a related party of the Company;
- (e) the Underwriter Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue as the Underwriter Options are being issued in consideration for the Underwriting.

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## **17. RESOLUTION 19 – ISSUE OF OPTIONS TO SUB-UNDERWRITER OF PLACEMENT**

### **17.1 General**

This Resolution seeks Shareholder approval for the issue of up to 3,500,000 Underwriter Options to Kalonda (or its nominee) as nominee of Transocean (refer to Resolutions 4 and 18 for details) as consideration for sub-underwriting services provided with regards to the Placement.

### **17.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11**

A summary of the relevant sections of Chapter 2E of the Corporations Act are set out in section 9.2 above. A summary of ASX Listing Rule 10.11 is set out in section 9.3 above.

The grant of Underwriter Options constitutes giving a financial benefit and Kalonda is a related party of the Company by virtue of being controlled by Mr Leibowitz, a Director.

The Company is not a party to the sub-underwriting arrangement between Transocean and Kalonda and has no obligations under that arrangement. However, to the extent the Company is issued a notice by Transocean to issue Underwriter Options to Kalonda (or its nominee) the Company will require approval under ASX Listing Rule 10.11.

No fees are payable by the Company to Kalonda. Any arrangements as to fees are between Transocean and Kalonda.

Accordingly, the Directors (other than Mr Leibowitz who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Underwriter Options because the issue is considered to be on arm's length terms, pursuant to section 210 of the Corporations Act.

### **17.3 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 16:

- (a) the Underwriter Options will be granted to Kalonda (or its nominee), a related party of the Company by virtue of being controlled by Mr Leibowitz, a Director;
- (b) the maximum number of Underwriter Options to be issued is 3,500,000;
- (c) the Underwriter Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Underwriter Options will occur on the same date;
- (d) the Underwriter Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Underwriter Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Underwriter Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Underwriter Options to Kalonda (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **18. RESOLUTION 20 – ISSUE OF SHARES TO SUB-UNDERWRITER OF PLACEMENT**

### **18.1 General**

As detailed in Resolution 4 above, Kalonda (an entity controlled by Tony Leibowitz, a Director) has agreed to sub-underwrite the Placement up to a maximum of \$1,750,000 or 35,000,000 Shares.

As Kalonda is a related party of the Company, to the extent the sub-underwriting arrangement is called upon, Shareholder approval is required for the issue of any Shares to Kalonda (or its nominee) pursuant to any shortfall to the Placement (**Shortfall Shares**) for the purposes of ASX Listing Rule 10.11. This Resolution seeks Shareholder approval for the issue of those Shares.

It is a term of the Underwriting that no person will acquire, through participation in underwriting or sub-underwriting the Placement, a holding of shares of, or increase their holding, to an amount in excess of 19.9% of all the shares on issue on completion of the Placement. As such, no Shortfall Shares will be issued to Kalonda if the issue would contravene the takeover prohibition in section 606 of the Corporations Act.

As at the date of this Notice the Company has 83,113,862 Shares on issue. Assuming no further Shares are issued, 19.9% of the Shares on issue would be 16,539,658 Shares.

### **18.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11**

A summary of the relevant sections of Chapter 2E of the Corporations Act are set out in section 9.2 above. A summary of ASX Listing Rule 10.11 is set out in section 9.3 above.

The issue of Shares constitutes giving a financial benefit and Kalonda is a related party of the Company by virtue of being controlled by Mr Leibowitz, a Director.

The Company is not a party to the sub-underwriting arrangement between Transocean and Kalonda and has no obligations under that arrangement. However, to the extent the Company is issued a notice by Transocean to issue Shortfall Shares to Kalonda (or its nominee), the Company will require approval under ASX Listing Rule 10.11.

No fees are payable by the Company to Kalonda. Any arrangements as to fees are between Transocean and Kalonda. The only arrangement between the Company and Kalonda as sub-underwriter will be the issue of Shortfall Shares, which will be on the same terms as all other shares being issued under the Placement.

Accordingly, the Directors (other than Mr Leibowitz who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Shortfall Shares to Kalonda (or its nominee) because the issue is considered to be on arm's length terms, pursuant to section 210 of the Corporations Act.

### **18.3 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) The Shortfall Shares will be issued to Kalonda (or its nominee), an entity controlled by Mr Leibowitz, a Director;
- (b) a maximum of 35,000,000 Shortfall Shares will be issued;
- (c) the Shortfall Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shortfall Shares will occur on the same date;
- (d) the Shortfall Shares will be issued at a price of \$0.05 per Share;
- (e) the Shortfall Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing fully paid ordinary shares; and
- (f) the Company intends to use the funds raised from the Placement to expand both its UK and Australian operations and for general working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shortfall Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shortfall Shares to Kalonda (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **19. RESOLUTION 21 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

### **19.1 General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement



Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity is not included in the S&P/ASX 300 Index, as at the time of the Annual General Meeting.

The Company is an eligible entity for the purposes of Listing Rule 7.1A as at the date of this Notice and is expected to be an eligible entity as at the time of the Annual General Meeting.

If Shareholders approve this Resolution, the number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2 (as set out below).

The Company is putting this Resolution to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

This Resolution is a special resolution, requiring 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) in order to be passed.

## **19.2 Listing Rule 7.1A**

The effect of this Resolution will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: ENA).

If all Resolutions are passed, the Company will have 153,113,862 Shares on issue. Accordingly, if Shareholders approve this Resolution the Company will have the capacity to issue approximately 15,311,386 Equity Securities under the Additional 10% Placement Capacity. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- (iv) less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX 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 holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### **19.3 Specific information required by Listing Rule 7.3A**

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

**(a) Minimum Price**

Equity Securities issued under the Additional 10% Placement Capacity will be issued at an issue price of not less than 75% of the VWAP for securities in the same class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(b) Risk of voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date of the Equity Securities, or the Equity Securities are issued as part consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. Variable "A". The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

The table shows:

- (i) examples of where variable "A" is calculated as at the date of this Notice, and where variable "A" has increased by 50% and increased by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 11 October 2017 (current market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.04 50% decrease in Issue Price	\$0.08 Issue Price	\$0.12 50% increase in Issue Price
83,113,862 (Current Variable A)	Shares issued - 10% voting dilution	8,311,386 Shares	8,311,386 Shares	8,311,386 Shares
	Funds raised	\$332,455	\$664,910	\$997,366
124,670,793 (50% increase in Variable A)	Shares issued - 10% voting dilution	12,467,079 Shares	12,467,079 Shares	12,467,079 Shares
	Funds raised	\$498,683	\$997,366	\$1,496,049
166,227,724 (100% increase in Variable A)	Shares issued - 10% voting dilution	16,622,772 Shares	16,622,772 Shares	16,622,772 Shares
	Funds raised	\$664,911	\$1,329,822	\$1,994,733

The table above uses the following assumptions:

- There are currently 83,113,862 Shares on issue as at the date of this Notice of Meeting.

2. The issue price set out above is the closing price of the Shares on the ASX on 11 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised, no Convertible Notes are converted and no Performance Rights vest into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

**(c) Date of Issue**

Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(Additional Placement Period).**

**(d) Purpose of issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for further development of the Company's domestic and European expansion and for general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, including/excluding previously announced acquisitions, in which case the Company will provide a valuation of the non-cash consideration as required by listing rule 7.1A.3.

**(e) Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the

recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2016 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2016, the Company also issued a further 25,973,140 Shares, 10,097,314 Options and 25 Convertible Notes (convertible into 3,222,182 Shares at the current conversion price of \$0.22) which represents approximately 49.56% of the total diluted number of Equity Securities on issue in the Company on 30 November 2016, which was 79,282,366 (assuming all Converted Notes were converted into Shares at a conversion price of \$0.22).

Details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 5.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(h) **Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

**19.4 Board recommendation**

The Board recommends Shareholders vote in favour of this Resolution.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 15.

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

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

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

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

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

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

**Chair** means the chair of the Meeting.

**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) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Ensurance Ltd (ACN 148 142 634).

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

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

**Directors** means the current directors of the Company.

**EDT** means Easter Daylight Time as observed in Sydney, New South Wales.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

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

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

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

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

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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



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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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The following is a summary of the key terms and conditions of the Incentive Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (e), the amount payable upon exercise of each Option (**Exercise Price**) will be:

- (i) Options the subject of Resolutions 3 and 5 – \$0.08;
- (ii) Options the subject of Resolution 6:
  - (A) 3,500,000 Options, \$0.08; and
  - (B) 3,000,000 Options, \$0.092;
- (iii) Options the subject of Resolution 7 – \$0.12;
- (iv) Options the subject of Resolution 15:
  - (A) 2,000,000 Options, \$0.05; and
  - (B) 2,000,000 Options, \$0.08; and
- (v) Options the subject of Resolutions 16 to 19 – \$0.05.

(c) **Expiry Date**

Each Option will expire (**Expiry Date**):

- (i) Options the subject of Resolutions 5 to 7 – at 5:00 pm (WST) on 31 July 2020;
- (ii) Options the subject of Resolutions 3, 15 and 16 – the date which is 2 years after the date of their issue; and
- (iii) Options the subject of Resolutions 17 to 19 – the date which is 3 years after the date of their issue.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Quotation**

The Company will not apply for quotation of the Options.

## SCHEDULE 2 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

<b>Face Value (A\$)</b>	<p><b>Resolution 8</b> – \$200,000.</p> <p><b>Resolution 9</b> – \$485,000 and \$15,000.</p> <p><b>Resolution 10</b> – \$20,000.</p> <p><b>Resolutions 11 and 12</b> – \$2,280,000 (combined)</p>
<b>Maturity Date</b>	<p><b>Resolution 8</b> – 1 May 2020.</p> <p><b>Resolution 9</b> – 6 March 2019 (\$485,000 note) and 10 March 2020 (\$15,000 note).</p> <p><b>Resolution 10</b> – 4 August 2019.</p> <p><b>Resolutions 11 and 12</b> – 3 years after the subscription date (the subscription date being 7 days after the date of the convertible note agreement).</p>
<b>Interest</b>	8% per annum.
<b>Security</b>	Unsecured.
<b>Repayment Date (if not converted)</b>	Repayment of Face Value and interest due and payable within 7 business days of the Maturity Date (unless converted earlier in accordance with the terms of the agreements).
<b>Conversion and Conversion Price</b>	<p>The convertible note shall convert into Shares at the subscriber's sole and absolute discretion upon written notice to the Company, subject to approval of shareholders of the Company if required by the ASX Listing Rules.</p> <p>The convertible note will convert into the number of fully paid ordinary shares in the Company which, when multiplied by the issue price of \$0.22 equals the Face Value.</p> <p>If, after the subscription date, the Company;</p> <ul style="list-style-type: none"> <li>(i) issues Shares or agrees to issue Shares, whether pursuant to a convertible note or otherwise for a value which is less than \$0.22 per Share (<b>Lower Price</b>); and/or</li> <li>(ii) issues options with an exercise price of less than \$0.22 per Share (<b>Exercise Price</b>),</li> </ul> <p>then, at the time of conversion, the issue price will be taken to be the lower of the Lower Price or the Exercise Price.</p>
<b>Shares rank equally</b>	Shares issued on conversion of the convertible note shall rank equally in all respects with the existing Shares.
<b>Voting Rights</b>	The subscriber will not have any voting rights prior to conversion.
<b>Reconstruction</b>	If, at any time prior to the conversion of the convertible note, the issued capital of the Company is reorganised, the terms of the convertible note (e.g. the conversion rate of subscription shares) will be reorganised so as to ensure that the subscriber will not be disadvantaged by the reorganisation in this position relative to Company shareholders, but at the same time will not receive a benefit that Company shareholders do not also receive.

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## SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE OPTION SCHEME

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- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an Offer in reliance of the Class Order, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Condition**).
- (f) **Exercise:** A participant will be entitled to exercise an Option granted as a result of an Offer:
- (i) where the Option is not subject to any Vesting Conditions, at any time after grant; and
  - (ii) where the Option is subject to any Vesting Conditions, when all Vesting Conditions have been satisfied (or waived by the Board) and which are otherwise capable of exercise in accordance the terms of the relevant offer and the rules of the Option Plan.

An Option may not be exercised if it was issued with the Class Order and the Class Order prohibits the exercise of the Option.

- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction;
  - (ii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant;
  - (iii) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within three (3) months (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (iv) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option; and
  - (v) the expiry date of the Option.
- (h) **Shares:** A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of exercise of the Option, except for entitlements which had a record date before the date of issue of that Share.
- (i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of fifteen (15) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (j) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (k) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (l) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

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## SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE SHARE PLAN

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- (a) **Eligibility:** Participants in the Share Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive issues of Shares under the Share Plan (**Eligible Participants**).
- (b) **Administration of Share Plan:** The Board is responsible for the operation of the Share Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Share Plan.
- (c) **Offer:** The Board may issue an offer to an Eligible Participant to participate in the Share Plan (**Offer**). The Offer:
- (i) will invite application for the number of Shares specified in the Offer (**Plan Shares**);
  - (ii) will specify the issue price for the Plan Shares or the manner in which the issue price is to be calculated;
  - (iii) may invite applications for a loan up to the amount payable in respect of the Plan Shares accepted by the Eligible Participant in accordance with the Offer (**Loan**);
  - (iv) will specify any vesting or restriction conditions applying to the Plan Shares;
  - (v) will specify an acceptance period; and
  - (vi) specify any other terms and conditions attaching to the Plan Shares.
- (d) **Issue price:** The issue price of the Plan Shares shall be determined by the Board in its absolute discretion, but may be a nominal or nil amount.
- (e) **Vesting Conditions:** Plan Shares may be subject to vesting conditions which must be satisfied before the Plan Shares can be sold, transferred, or encumbered (**Vesting Conditions**). Plan Shares cannot be sold, transferred or encumbered until any loan in relation to the Plan Shares has been repaid or otherwise discharged under the Share Plan.
- (f) **Loan:** An Eligible Participant who is invited to subscribe for Plan Shares may also be invited to apply for a Loan up to the amount payable in respect of the Plan Shares accepted by the Eligible Participant (**Applicant**), on the following terms:

- (i) the Loan will be interest free unless the Company and Applicant agree otherwise;
  - (ii) the Loan made available to an Applicant shall be applied by the Company directly toward payment of the issue price of the Plan Shares;
  - (iii) the Loan repayment date (**Repayment Date**) and the manner for making such payments shall be determined by the Board and set out in the Offer;
  - (iv) an Applicant must repay the Loan in full by the Repayment Date but may elect to repay the Loan amount in respect of any or all of the Plan Shares at any time prior to the Repayment Date;
  - (v) the Company shall have a lien over the Plan Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Plan Shares in accordance with the terms of the Share Plan;
  - (vi) a Loan will be non-recourse except against the Plan Shares held by the Applicant to which the Loan relates; and
  - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to an Applicant.
- (g) **Repayment of Loan:** a Loan shall become repayable in full where:
- (i) a Vesting Condition in relation to the Plan Share the subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, unless that Vesting Condition is not waived by the Board;
  - (ii) the Applicant ceases to be an Eligible Participant for any reason (including death) and, at that time, there is a Vesting Condition that is unsatisfied or is incapable of being satisfied in the Board's opinion (and this Vesting Condition is not waived);
  - (iii) the Applicant suffers an event of insolvency; or
  - (iv) the Applicant breaches any condition of the Loan or the Share Plan.
- (h) **Power of Attorney:** a participant in the Share Plan irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back of the participant's Plan Shares including executing all documents and seeking or providing all necessary approvals and the participant acknowledges and agrees that the power of attorney is given for valuable consideration.
- (i) **Limit on Offers** The Company must have reasonable grounds to believe, when making an Offer in reliance of the Class Order, that the number of Shares offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.
- (j) **Quotation on ASX:**

If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Plan Shares to be quoted on ASX within the later of 10 Business Days after:

- (i) the date the Plan Shares are issued; and
- (ii) the date any restriction period that applies to the Plan Shares ends.

- (k) **Rights attaching to Plan Shares:** A participant will, from and including the issue date, be the legal owner of the Plan Shares issued under the Plan and will be entitled to dividends and to exercise voting rights attached to the Plan Shares.



## SCHEDULE 5 – ISSUE OF EQUITY SECURITIES SINCE 30 NOVEMBER 2016

Date of issue	Quantity	Class	Recipients	Issue Price and Discount (if any) that issue price represented to closing market price on the date of issue	Total cash consideration received	Use of funds or intended use of funds for remaining consideration	Non-cash consideration and current value
14 December 2016 to 18 January 2017	5	Convertible Notes <sup>5</sup>	Sophisticated investors identified by the Board as approved by Shareholders at the 2016 AGM.	Combined face value of \$254,998	\$254,998	<b>Use of Funds:</b> To fund the Company's domestic and European expansion.  <b>Amount remaining:</b> \$Nil  <b>Proposed use of remaining funds<sup>3</sup></b> N/A	N/A
10 April 2017 to 28 April 2017	20	Convertible Notes <sup>5</sup>	Sophisticated investors identified by the Board under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.	Combined face value of \$453,882	\$453,882	<b>Use of Funds:</b> To fund the Company's domestic and European expansion.  <b>Amount remaining:</b> \$Nil  <b>Proposed use of remaining funds<sup>3</sup></b> N/A	N/A
29 June 2017	25,973,140	Shares <sup>2</sup>	Participants in the Company's 5:11 non-renounceable rights issue made pursuant to the prospectus dated 6 June 2017.	\$0.08.  Closing price <sup>1</sup> on 28/06/17 was \$0.13.  Issued at 38.47% discount.	2,077,851	<b>Use of Funds:</b> As disclosed in the Company's prospectus dated 6 June 2017.  <b>Amount remaining:</b> \$Nil  <b>Proposed use of remaining funds<sup>3</sup></b> N/A	N/A
9 August 2017	6,097,314	Options Exercisable at \$0.08 each, expiring on 31 July 2020	Transocean (or their nominee) in connection with services provided in relation to the Company's	Nil.  No discount.	Nil	N/A	Issued in consideration for services provided in relation to the Company's June 2017

			June 2017 rights issue.				rights issue. <b>Current value<sup>4</sup>:</b> \$516,442
9 August 2017	3,000,000	Options Exercisable at \$0.092 each, expiring on 31 July 2020	Transocean (or their nominee) in connection with services provided in relation to the Company's June 2017 rights issue.	Nil. No discount.	Nil	N/A	Issued in consideration for services provided in relation to the Company's June 2017 rights issue. <b>Current value<sup>4</sup>:</b> \$245,700
9 August 2017	1,000,000	Options Exercisable at \$0.12 each, expiring on 31 July 2020	Kli Pty Ltd (or their nominee) as part consideration for provision of the short-term loan facility.	Nil. No discount.	Nil	N/A	Issued in consideration for provision of the short-term loan facility. <b>Current value<sup>4</sup>:</b> \$76,100

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ENA (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.08) as the context requires on the ASX on 11 October 2017. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
5. Convertible Notes with a face value of \$0.22 per Note. Full terms and conditions were disclosed in the Company's Notice of Annual General Meeting dated 26 October 2016.



Ensurance Ltd  
ABN 80 148 142 634

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

ENA

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

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999 PIN: 99999

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



**For your vote to be effective it must be received by 11.00am (EDT) Monday, 27 November 2017**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

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

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

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

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

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

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

☐

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



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

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

☐

the Chairman  
of the Meeting

OR



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Ensurance Ltd to be held at the McLaren Room, Upper Ground Floor, Rydges North Sydney, 54 McLaren Street, North Sydney, New South Wales on Wednesday, 29 November 2017 at 11.00am (EDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3, 8, 9, 10, 13, 14, 15, 16, 19 and 20 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3, 8, 9, 10, 13, 14, 15, 16, 19 and 20 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3, 8, 9, 10, 13, 14, 15, 16, 19 and 20 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business



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

	For	Against	Abstain		For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12 Ratification of prior issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director - Mr Tony Leibowitz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13 Adoption of Incentive Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Options to Director in consideration for services provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 14 Adoption of Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of issue of Shares pursuant to placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 15 Issue of Options to Director under Employment agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 16 Issue of Options to Director pursuant to short term loan agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 17 Issue of Options in consideration for extension of short term loan facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 18 Issue of Options to underwriter of placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval of issue of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 19 Issue of Options to sub-underwriter of placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Approval of issue of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 20 Issue of Shares to sub-underwriter of placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Approval of issue of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 21 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Approval to re-issue Convertible Notes on revised terms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

### SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

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