

**BIRRABONG CORPORATION LIMITED**  
**(TO BE RENAMED “BIR FINANCIAL LIMITED”)**  
ACN 074 009 091  
**NOTICE OF ANNUAL GENERAL MEETING**

**Time:** 11.00 AM AEST  
**Date:** 27 April 2018  
**Place:** Ernst & Young  
Level 34  
200 George Street  
Sydney NSW 2000

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

If Shareholders do not approve the Acquisition Resolutions, then the Acquisition will not proceed and the Company will be de-listed from ASX in accordance with ASX’s long term suspended entities policy. See the “Important Information” section on page 1 for further information.

<p><b>IMPORTANT INFORMATION</b></p> <p>This Notice of Annual General Meeting and the accompanying Explanatory Statement 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.</p>
--

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.**

## IMPORTANT INFORMATION

### Long Term Suspended Entities

The Company reminds Shareholders of ASX's policy for the removal of long term suspended entities detailed in ASX Guidance Note 33 Removal of Entities from the ASX Official List (**Guidance Note 33**).

Pursuant to Guidance Note 33, any entity that has been in continuous suspension (as the Company has been since 7 April 2015) for more than 3 years will be automatically delisted on the third anniversary of its suspension date, if it is still suspended. It is unlikely the Company's securities will recommence trading before 9 April 2018.

ASX may agree to a short extension of this deadline if the Company can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities within a reasonable period. For these purposes, ASX considers "final stages" to mean:

- having announced the transaction to the market;
- having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);
- if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC; and
- if the transaction requires security holder approval, having obtained that approval.

The Company has met the first two requirements. The Company intends to lodge the Prospectus on or before 6 April 2018, meeting the third requirement. Once lodged, and providing Shareholders pass the Resolutions the subject of this Notice, the Company will have met all requirements to enable it to request a short extension from ASX to the delisting deadline.

**The Company has made a request for a short extension from ASX to the delisting deadline. The Company notes that any such extension of time may not be granted by the ASX and that the ASX has sole discretion on whether an extension of time is approved or not and for what period of time the extension is to be granted.**

**If the Company is unable to meet the conditions required by ASX to request an extension, or if ASX does not grant an extension, the Company will be removed from the Official List at close of business on 6 April 2018 and the Acquisition Resolutions will not proceed.**

ASX takes no responsibility for the contents of the Notice.

### Time and place of Meeting

Notice is given that the Annual General Meeting of Shareholders of Birrabong Corporation Limited (to be renamed "BIR Financial Limited") will be held at 11.00 am (AEST) on Thursday, 27 April 2018 at:

Ernst & Young  
Level 34  
200 George Street  
Sydney NSW 2000

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the Resolutions to be considered.

Capitalised terms used in this Notice have the meaning given to them in the Definitions section on page 32.

### Conditional Resolutions

The Acquisition Resolutions (Resolutions 7 to 14 (inclusive)) are interdependent, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Acquisition Resolutions is not approved at the Meeting, none of the Acquisition Resolutions will

take effect and the Term Sheet and other matters contemplated by the Acquisition Resolutions will not be completed.

### **Your vote is important**

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

### **Voting in person**

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

### **Voting by proxy**

Please note that:

- a Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy. A proxy will have the right to vote on a poll and also speak at the Meeting;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolutions 1 to 2 (inclusive) unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolutions 1 to 2 (inclusive).

If a Shareholder intends to appoint the Chair as their proxy for Resolutions 1 to 2 (inclusive), Shareholders can direct the Chair how to vote by marking one of the boxes for each of Resolutions 1 to 2 (inclusive) (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolutions 1 to 2 (inclusive) even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to:

Security Transfer Australia Pty Ltd  
PO BOX 52  
Collins Street West VIC 8007

- email to [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au).

so that it is received by no later than 5.00 pm (AEST) on 24 April 2018. Proxy Forms received later than this time will be invalid.

The Proxy Form does not need to be returned to the share registry if the votes have been lodged online at [www.securitytransfer.com.au](http://www.securitytransfer.com.au).

**Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**Voting intentions of the Chair**

The Chair intends to vote all available proxies in favour of all Resolutions (except Resolution 3 if it is put to the Shareholders).

**Voting entitlements**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Directors have determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00 pm (AEST) on 24 April 2018. Accordingly, transactions registered after this time will be disregarded in determining Shareholder's entitlement to attend and vote at the Meeting.

## BUSINESS OF THE MEETING

---

### AGENDA

#### ORDINARY BUSINESS

##### Annual Reports

To receive and consider the 2016 Annual Report and the 2017 Annual Report which respectively include the Financial Report, the Directors' Report and the Auditor's Report.

##### **Resolution 1 – Adoption of the Remuneration Report – 2016**

---

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial period ended 30 June 2016, be adopted."*

**Note:** The Remuneration Report is set out in the Directors' Report in the 2016 Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

##### **Voting Exclusion Statement**

A voting exclusion statement for Resolution 1 is set out below in Resolution 2.

##### **Resolution 2 – Adoption of the Remuneration Report – 2017**

---

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial period ended 30 June 2017, be adopted."*

**Note:** The Remuneration Report is set out in the Directors' Report in the 2017 Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

##### **Voting Exclusion Statement**

In accordance with sections 250R and 250BD of the Corporations Act, a vote on Resolutions 1 or 2 must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, such person may cast a vote on Resolutions 1 or 2 (as applicable) as a proxy if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1 or 2 (as applicable), and:

- the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- the person is the Chair, and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **Resolution 3 – Board Spill Meeting (Contingent Resolution)**

---

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

*"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes:*

- (a) a meeting of the Company's members be held within 90 days of the date of this Annual General Meeting (**Spill Meeting**);*
- (b) all of the Directors in office when the Board resolution to approve the Directors' Report for the financial year ended 30 June 2017 was passed (excluding the Managing Director) who remain in office as Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

**Note:** This Resolution will only be put to the Meeting if at least 25% of votes cast on Resolutions 1 and 2 (Adoption of Remuneration Report) are "against" those Resolutions. If less than 25% of the votes cast on either or both Resolutions 1 and 2 are against the relevant Resolution, then there will be no second strike and Resolution 3 will not be put to the Meeting.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on this Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party.

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 Chair 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.

### **Resolution 4 – Election of Director – Tal Silberman**

---

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

*"That, Mr Tal Silberman, who was appointed a Director on 31 May 2017 to fill a casual vacancy during the year, retires in accordance with the Constitution and Listing Rule 14.4, and being eligible, offers himself for election, be elected as a Director of the Company."*

### **Resolution 5 – Election of Director – Gregory Starr**

---

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

*"That, Mr Gregory Starr, who was appointed a Director on 28 February 2018 to fill a casual vacancy during the year, retires in accordance with the Constitution and Listing Rule 14.4, and being eligible, offers himself for election, be elected as a Director of the Company."*

## **Resolution 6 – Election of Director – Greg Smith**

---

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

*"That, Mr Greg Smith, who was appointed a Director on 28 February 2018 to fill a casual vacancy during the year, retires in accordance with the Constitution and Listing Rule 14.4, and being eligible, offers himself for election, be elected as a Director of the Company."*

## **SPECIAL BUSINESS – ACQUISITION OF PULSE MARKETS PTY LTD**

### **Resolution 7 – Change to Nature and Scale of Activities**

---

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities resulting from the Acquisition and the Capital Raising, 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 any 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.

### **Resolution 8 – Consolidation of Capital**

---

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, the Company raising \$5,000,000 pursuant to the Capital Raising and the Company receiving a reinstatement conditions letter from ASX (on terms acceptable to the Company), pursuant to section 254H of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to consolidate the issued capital of the Company on the basis that every 3.8 Shares be consolidated into one Share (**Consolidation**), and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share and otherwise on the terms and conditions set out in the Explanatory Statement."*

### **Resolution 9 – Issue of Consideration Shares to Pulse Markets Shareholder**

---

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 15,789,474 Shares (on a post Consolidation basis) to the Pulse Markets Shareholder (or his nominees), 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 the Pulse Markets Shareholder (and his nominees) or any associates of them.

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.

#### **Resolution 10 – Issue of Shares – Capital Raising**

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Shares (on a post Consolidation basis) at an issue price of \$0.20 per Share to raise \$5,000,000 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 a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) 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.

#### **Resolution 11 – Issue of Shares to a related party as sub-underwriter**

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 15,920,000 Sub-Underwriter Shares to AXL Financial Pty Limited, a related party of the Company, pursuant to any sub-underwriting arrangement between AXL Financial Pty Limited and Transocean Securities Pty Ltd, 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 AXL Financial Pty Limited, Alexander Harmstorf or an associate of them.

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.



#### **Resolution 12 – Election of Director – Steve Nicols**

---

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions and Completion occurring, for the purposes of clause 11.3 of the Constitution and for all other purposes, Steve Nicols, having been eligible and given his consent to the nomination and signifying his candidature for the office, be elected as a director of the Company with effect on and from Completion."*

#### **Resolution 13 – Change of Company Name**

---

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions and Completion occurring, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "BIR Financial Limited" with effect on and from the date that ASIC alters the details of the Company's registration."*

#### **Resolution 14 – Modification of Constitution**

---

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

*"That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution in accordance with the amendments set out in Schedule 1 to this Notice"*

**Dated: 28 March 2018**

**By order of the Board**



**Gregory Starr**  
**Director / Company Secretary**

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the Resolutions to be considered at the Meeting to be held at 11.00 am on Thursday, 27 April 2018 at:

Ernst & Young  
Level 34  
200 George Street  
Sydney NSW 2000

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which the Directors believe to be material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement forms part of the Notice which should be read in its entirety. This Explanatory Statement contains the terms and conditions on which the Resolutions will be voted. If Shareholders are in doubt as to how to vote, they should seek advice from their professional advisers prior to voting.

### **1. REGULATORY INFORMATION**

---

#### **1.1 Annual Reports**

The 2016 Annual Report and the 2017 Annual Report of the Company which respectively include the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting. The Annual Reports are also available on ASX's website.

There is no requirement for Shareholders to approve the Annual Reports. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Reports and the management of the Company.

A representative of the Company's auditor, HLB Mann Judd, is anticipated to be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

### **2. RESOLUTIONS 1 AND 2 – ADOPTION OF THE REMUNERATION REPORTS**

---

#### **2.1 General**

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put to vote at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to a vote. Resolutions 1 and 2 seek this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that both Resolutions 1 and 2 are "advisory only" resolutions which do not bind the Directors or the Company. However, the Directors take the discussion at the Meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Reports for the financial years ended 30 June 2016 and 30 June 2017, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Reports.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings (in this case, Resolutions 1 and 2 at this Meeting), the Company will be required to put to Shareholders at the second annual general meeting (i.e. this Meeting) a resolution proposing that another general meeting be held within 90 days, at which all of the Directors (other than the Managing Director and any new Directors appointed since the date of this Meeting) would go up for re-election.

Given that this Meeting constitutes the annual general meetings for the years ended 30 June 2016 and 30 June 2017, and resolutions in relation to the adoption of the 2016 and 2017 Remuneration Reports are to be considered at the Meeting, it is possible that a “no” vote for over 25% may be received in respect of two consecutive Remuneration Reports and result in “two strikes” at this Meeting. As such, a Spill Resolution is included in this Notice as Resolution 3.

## **2.2 Directors’ Recommendation**

The Directors encourage all Shareholders to vote on Resolutions 1 and 2.

## **3. RESOLUTION 3 – BOARD SPILL MEETING (CONTINGENT RESOLUTION)**

---

### **3.1 General**

Resolution 3 (**Spill Resolution**) will only be put to the Meeting if at least 25% of the votes cast on Resolutions 1 and 2 are cast against. If less than 25% of the votes cast are against either or both of Resolutions 1 and 2, then there will be no second strike and Resolution 3 will not be put to the Meeting.

A simple majority of over 50% of the votes cast is required to pass this Spill Resolution. If the Spill Resolution is passed, within 90 days another general meeting must be held at which all the Directors (except the Managing Director and any new Directors appointed since the date of this Meeting), will be required to resign and offer themselves for re-election.

No voting exclusions will apply to any resolutions appointing Directors at a Spill Meeting. Accordingly, there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at the subsequent Spill Meeting. If the Spill Resolution is passed, each of the relevant Directors intends to stand for re-election at the Spill Meeting and if such Spill Meeting is held, may vote its own Shares in support of its reappointment. Shareholders will also be able to put forward potential election at the Spill Meeting.

The Corporations Act requires the Company to have a minimum of three Directors (including at least two Directors who ordinarily reside in Australia). If, following the Spill Meeting, the Company has fewer than three Directors (including the Managing Director), then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the Resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 3rd edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations recommends that a listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The board also should be large enough to comprise a variety of perspectives and skills, and to represent the best interests of the Company as a whole. The skills and experience matrix of the current members of the board may not be reflected in the board elected as a result of the Spill Meeting.

### **3.2 Directors’ recommendations**

If Resolution 3 is put to Shareholders, the Chair intends to vote all available proxies against Resolution 3.

If Resolution 3 is put to Shareholders and you support your current Directors and wish them to continue as Directors, you should vote against the Spill Resolution (Resolution 3).

If it is required to be put to the Meeting, the Directors unanimously recommend that Shareholders vote AGAINST Resolution 3.

#### 4. RESOLUTIONS 4 TO 6 – ELECTION OF DIRECTORS

---

##### 4.1 General

Clause 11.4 of 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 so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 11.4 of the Constitution and 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 but shall not be taken into account in determining the Directors who are eligible to retire by rotation (if any) at that meeting.

All the Directors being Messrs Silberman, Starr and Smith will retire in accordance with clause 11.4 of the Constitution and Listing Rule 14.4 and being eligible, seek election from Shareholders.

Brief background information on the Directors is set out below:

##### **Tal Silberman**

Mr Silberman is the founder and Chief Executive Officer of Moshav Financial Wholesale Pty Limited (**Moshav Financial Wholesale**) and Moshav Financial Group. Mr Silberman is a Responsible Manager for the Moshav Financial Wholesale AFSL 439903. He has a Bachelor of Electrical Engineering (Hons) and holds a Diploma in Financial Services.

An entrepreneur in the mortgage industry, he has grown a loan book in excess of A\$1 billion.

Mr Silberman will be involved in the implementation of the MNote investment program, through the distributor partnership agreement between Moshav Financial Wholesale and Pulse Markets.

In the three years immediately before the date of this Notice, Mr Silberman held no other listed company directorships.

##### **Gregory Starr BBus UTS, CPA**

Mr Starr is an experienced public company director holding senior board positions in a number of ASX listed companies over 20 years. He has been involved in many M&A and debt and equity financial transactions.

Over the past 3 years Mr Starr has held executive and non-executive board positions on ASX listed companies, Diatrema Resources Limited, KBL Mining Limited and Dongfang Modern Agriculture Holding Group Limited.

Mr Starr brings significant corporate governance and investor relations experience in ASX listed companies to the Board.

##### **Greg Smith BEc Macq Uni, GAICD**

Mr Smith has over thirty years' commercial experience as a C-suite professional with a demonstrated track record of value and profit creation across several industries including: banking, broking, financial planning, health insurance, retail, telecommunications, construction and education. His expertise is in marketing, sales, digital and commercial development. This will be a key focus as Pulse Markets develops its new suite of financial product and services.

Mr Smith holds a Bachelor of Economics, RG146 Diploma of Financial Planning and is Graduate of the Australian Institute of Company Directors. He has also held board positions in the Arts and as a customer advisory board member for Australia Post's StarTrack.

In the three years immediately before the date of this Notice, Mr Smith held no other listed company directorships.

## 4.2 Directors' Recommendation

The Directors (other than Mr Silberman, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 4) recommend that Shareholders vote in favour of Resolution 4.

The Directors (other than Mr Starr, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 5) recommend that Shareholders vote in favour of Resolution 5.

The Directors (other than Mr Smith, who declines to make a recommendation due to his material personal interest in the outcome of Resolution 6) recommend that Shareholders vote in favour of Resolution 6.

## 5. RESOLUTION 7 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

---

### 5.1 Administration and the DOCA

On 1 July 2016, the Board announced to ASX that it had placed the Company into voluntary administration following the voluntary suspension of trading in the Company's securities that had been in place since 7 April 2015. The Board appointed Antony Resnick, David Solomons and Riad Tayeh of de Vries Tayeh (**Administrator**) as joint and several voluntary administrators of the Company pursuant to section 436A(1) of the Corporations Act.

At a meeting of the Company's Creditors held on 3 August 2016 pursuant to section 439A(1) of the Corporations Act, the Creditors resolved pursuant to section 439C of the Corporations Act that the Company enter into a deed of company arrangement (**DOCA**).

On 17 August 2016, the Company and the Administrator entered into the DOCA, which embodied a proposal for the recapitalisation of the Company.

On 31 May 2017 the DOCA was effectuated and the Company came out of administration. The Securities remain suspended from official quotation.

### 5.2 Proposed Acquisition of Pulse Markets Pty Ltd

#### 5.2.1 General Background

The Company is a public company listed on the official list of ASX (ASX code: BIR) with its principal focus having been property and infrastructure prior to entering into the DOCA.

The Company was incorporated on 16 May 1996 and was admitted to the Official List (originally as Ferrowest Limited) on 27 July 2006. In addition to its principal business activities, the Company has been actively investigating and assessing new opportunities.

#### 5.2.2 Change of Nature and Scale of Activities

On 21 February 2018, the Company announced that it had entered into a binding conditional term sheet (**Term Sheet**) to acquire 100% of the issued capital in Pulse Markets Pty Ltd (**Acquisition**). The Acquisition constitutes a change in the nature and scale of the Company's activities from property and infrastructure to provision of financial services.

In this circumstance, the Company is required, pursuant to Listing Rule 11.1.2, to obtain approval from its Shareholders for a change in nature and scale of its activities. The Acquisition will not proceed if it is not approved by the Shareholders. The Company is also required, pursuant to Listing Rule 11.1.3 to re-comply with Chapters 1 and 2 of the Listing Rules.

Completion of the Acquisition will result in the Company changing the nature of its activities from property and infrastructure to focusing on financial services.

## 5.3 Overview of Pulse Markets

### 5.3.1 About Pulse Markets

Pulse Markets Pty Ltd (ACN 081 505 268) (**Pulse Markets**) is a diversified financial services business operating since 2001 with products and services encompassing equity capital markets (including corporate advisory services) and securities trading. Pulse Markets has over 800 clients in Australia consisting of retail, institutional, corporate and private clients.

Pulse Markets intends to drive growth of its business through maintaining and growing its core business offerings, while introducing new and innovative financial products and services both to existing Pulse Markets' clients and through new partnered distribution channels (Business-to-business (**B2B**) and wholesale).

### 5.3.2 History

In 2013, Mr Andrew Braund became the sole shareholder of Pulse Markets and implemented a revised business strategy to enable Pulse Markets to focus on providing the following services:

- (a) equity capital markets (including corporate advisory); and
- (b) securities trading (also referred to as transactional business or private wealth services).

During 2013 and 2017, Pulse Markets' operations and revenues grew through the engagement and efficient management of its advisers, who acted as corporate authorised representatives (**CARs**) leveraging Pulse Markets' infrastructure while introducing their own brands to suit their customers and markets. Pulse Markets' revenues for those financial years were:

Financial Year	Revenue
2013	\$0.473 Million
2014	\$0.908 Million
2015	\$2.5 Million
2016	\$6.0 Million
2017	\$3.0 Million

In each of those years, Pulse Markets reinvested into the business to further grow its operations, extend compliance and control systems and to continue to develop the framework for a diversified financial services business.

During financial year 2017, Pulse Markets' business operations and revenues were impacted by an uncontrollable event where its former execution and clearing partner elected to withdraw from providing execution and clearing services for some small to medium brokers. This heavily impacted Pulse Markets' transactional business (i.e., securities trading services) for new clients and delayed the implementation of its new products suitable for emerging client demands under the newly established Managed Discretionary Account (**MDA**) service offering.

Following this event, Pulse Markets executed agreements with two different execution and clearing partners, one being a clearing provider associated with a major bank and the other being a clearing provider owned by a listed financial group to provide execution and clearing services. This strategy was implemented to prevent the risk associated with having a single execution and clearing partner and to ensure sustained business continuity for its securities trading business and MDA services.

### 5.3.3 Business Model

#### (a) Current products or services

Pulse Markets currently provides the following products and services:

- (i) **Core, foundational business:** equity capital markets (**ECM**) (including corporate advisory services and capital raisings) and securities trading (equities and derivatives and fixed income) services; and
- (ii) **New, innovative product:** Managed Discretionary Account (**MDA**) services.

#### (b) Growth strategies

Pulse Markets intends to expand its business via the following avenues:

- (i) **Partnership or collaboration:** collaborating (through alliance arrangements) or entering into partnership or product distribution arrangements with other financial services providers (including fund managers) to expand Pulse Markets' distribution channels; and
- (ii) **Incubation and development of complimentary, disruptive businesses and tools:**
  - providing support and/ or investment for the business development of new financial products and services and new distributions channels;
  - providing crowd-sourced funding services; and
  - opportunistically seeking funds management investment opportunities and key resource acquisitions.

The ongoing operation of Pulse Markets is focused on the development and delivery of these key strategic growth areas of the business that are expected to have synergistic results together with its core business offerings.

### 5.3.4 Current products or services

An overview of these areas and their contribution to Pulse Markets' revenue is as follows:

#### (a) Core, foundational business

##### **Equity Capital Markets (ECM):**

Equity Capital Markets consists of two parts, corporate advisory services and capital raisings for companies.

Corporate advisory involves the provision of strategic, due diligence and financial advice in relation to transactions such as mergers and acquisitions, equity capital markets (initial public offerings (IPOs) and other capital raisings), restructuring, recapitalisations and other corporate matters. Pulse Markets provides corporate advisory services to ASX listed and privately-owned companies. Corporate advisory services are usually, but not always, offered as a prelude to a capital raising (i.e., ECM services).

In providing corporate advisory services, Pulse Markets enters into a corporate advisory mandate with the relevant corporate client which sets out the terms and conditions upon which the services are to be provided and the payment of fees by the client to Pulse Markets for the provision of those services. The fees generated from the provision of corporate advisory services depend on the type of services provided, particularly the time and resources involved. Pulse Markets may also charge monthly retainer fees for providing ongoing corporate advisory services (generally around \$5,000 to \$20,000 per month depending on various factors such as the complexity and type of transaction, the time involved, the size of the client etc).

Corporate advisory services are provided to corporate clients only. Pulse Markets has in the past provided advisory services to ASX listed and privately-owned companies across different sectors (including resources companies and financial technology (fintech) companies etc) with market capitalisation ranges typically between \$5 million and \$100 million.

There are risks associated with providing corporate advisory services such as where a transaction fails to proceed or a corporate involved in a restructuring transaction (in a distressed state) fails to pay its fees owing to Pulse Markets. Further information about risks associated with this aspect of Pulse Markets' business is set out in Section 5.15.2.

Pulse Markets provides management and underwriting services to ASX listed companies and private companies seeking to raise capital and list on ASX. In the provision of these services, Pulse Markets acts as lead manager managing key aspects of a securities issue such as conducting due diligence of an entity's operations, management, business plans, legal aspect etc, and facilitating drafting and design of disclosure documents. Pulse Markets also occasionally acts as underwriter to a capital raising.

In providing management and underwriting services, Pulse Markets enters into a lead manager and/or underwriting mandate with the relevant corporate client which sets out the terms and conditions upon which Pulse Markets acts as lead manager and/ or underwriter in respect of a capital raising and the payment of fees by the client to Pulse Markets for the provision of those services. Equity capital markets fees are paid to Pulse Markets for its management role and/or underwriting role and are generally charged as a percentage of capital raised through Pulse Markets' lead management efforts or underwriting and are payable only upon completion of a transaction. For example, for acting as lead manager and underwriter for a capital raising, Pulse Markets charges transaction fees (generally 6%) which are typically payable upon completion of a transaction and are generally based on the value of the transaction.

Some examples of past capital raisings that Pulse Markets has been involved in are:

- (i) Pulse Markets acted as co-lead manager in respect of a capital raising for Sheffield Resources Limited (SFX) for \$30 million; and was joint underwriter for a \$2 million share purchase plan; and
- (ii) Pulse Markets (as licensee of a CAR) acted as lead manager in respect of a public offer made by Dongfang Modern Agriculture Holding Group Limited (DFM) with a capital raising of \$39 million.

Pulse Markets provides fund raising and underwriting services to corporate clients only.

The revenues from providing ECM services represented 36% of Pulse Markets' revenues in FY 2017 and 46% of revenues for the six months ending 31st December 2017. It is important to note that revenues from providing ECM services are unpredictable due to the lumpy nature of transaction opportunities (see the risks of the ECM business set out in Section 5.15.2) but this core business offering will continue to be offered by Pulse Markets as part of its business strategy and it is expected that it will continue to contribute significantly to the revenues of Pulse Markets.

### **Securities (equities and derivatives) trading:**

Pulse Markets provides securities trading services to retail and wholesale (i.e., high net worth individual) investors. In providing these services, Pulse Markets only provides general financial advice and execution services to clients and does not engage in the provision of personal financial advice. The proportion of retail to wholesale clients who receive these services is approximately 90% of retail clients and 10% wholesale clients (by number), however, over 50% of the revenues generated from providing securities trading services is from providing these services to wholesale clients.

The securities trading business is focused mainly on the trading of exchange traded options which are a riskier and more complex financial product. Pulse Markets also provides securities trading services in relation to listed securities (including listed options). In providing securities



trading services to clients, each client is required to enter into a client agreement with Pulse Markets which sets out the terms upon which Pulse Markets will provide general advice to the client, execute trading services for the client and the payment of fees to Pulse Markets for the provision of the services. The client agreement contains standard and comprehensive risk warnings for clients relating to the trading of exchange traded options. Retail clients are given Pulse Markets' Financial Services Guide (**FSG**) which sets out the required disclosure information relating to fees, services and complaints resolution for the provision of financial services to retail clients.

Clients are given general financial advice about the exchange traded options (including relevant product disclosure statements and risk warnings) and listed securities and strategies for investing in exchange traded options and securities. Clients agree under the terms of their client agreement with Pulse Markets the manner in which they will instruct Pulse Markets to trade in exchange traded options and other securities on their behalf in accordance with specified investment and trading strategies.

Pulse Markets' experienced options trading team has developed a scalable index strategy that differentiates it from other investment managers and offers alternative higher risk/higher reward trading strategies for those wholesale or sophisticated clients looking for higher yield in a low yield environment.

Investment strategies for investing in exchange traded options can be complex, especially for retail clients. Pulse Markets' attention to providing appropriate risk warning disclosure and applicable PDS documentation (of relevant product issuers) to assist customer understanding of the product is managed through consistent adviser interaction, aiming to mitigate risk in this area. However, there are risks associated with securities trading services provided to retail clients, including in respect of securities such as exchange traded options (since such products are riskier and more complex) particularly relating to risks associated with clients incurring losses from trading these securities and seeking to claim through external dispute resolution processes that Pulse Markets is responsible for these losses. Further information about the risks associated with this aspect of Pulse Markets' business is set out in Section 5.15.2.

Pulse Markets earns revenues from providing securities trading services by receiving transaction fees based on the value of securities traded (such fees generally being 1% of the face value of the transaction). On average, over the last two years, Pulse Markets generates revenues of approximately \$120,000 per month from providing securities trading services.

(b) **New, innovative products**

**Managed Discretionary Accounts (MDA's):**

MDA is a service provided to a client under a legal agreement (**MDA Services Agreement**) whereby a portfolio of investments is maintained for the client and the client provides discretion to the MDA service provider to make decisions about that portfolio on behalf of the client in accordance with a specified investment plan. In this way, the client delegates to the MDA service provider the day to day decision making about the client's investment portfolio in accordance with the parameters of the investment plan.

Pulse Markets is authorised under its AFSL to provide MDA services. Pulse Markets' target clients for MDA services are primarily domestic retail and wholesale (i.e. high net worth) investors, including clients of financial planners and financial planner groups.

Pulse Markets' MDA service offering commenced in 2016 after significant investment being made in the development of the infrastructure required (including the licence, technology and legal documentation) for the provision of this service. The MDA service incorporates the technology provided through the agreement between Pulse Markets and MDA Operator Pty Limited (as the technology provider for the MDA service). The MDA service offering is overseen by Brett Westbrook (a responsible manager of Pulse Markets' AFSL, and a shareholder of the holding company, and a director of MDA Operator Pty Limited). An Investment Committee (comprising of Andrew Braund, Brett Westbrook and external fund managers experienced particularly in strategic asset allocation (SAA) and international equities) centralises the investment decision making process by approving each model investment portfolio offered for

the MDA service (each of which is tailored to provide different investment objectives and levels of risk appetite) and the implementation of the strategy for each portfolio.

Pulse Markets is currently offering the following model portfolios:

- (i) Exchange-Traded Fund (**ETF**) Strategic Asset Allocation Portfolio – this model portfolio comprises a strategic mix of active and passive ETFs. This strategic asset allocation allows for diversity across all financial asset classes. The offerings in the ETF market have expanded significantly in the last 5 years with liquidity and a broader offering of active ETFs as well as passive ETFs; and
- (ii) Global Technology Portfolio – this model portfolio comprises securities in global technology companies such as Apple, Amazon, Alibaba etc.

Pulse Markets is also currently working on offering an MDA based Exchange Traded Option (ETO) strategy known as 'Index Accelerator'. The strategy will comprise of an ASX index position combined with ETOs and is currently successfully operated by Pulse Markets for some of its wholesale/ sophisticated clients in its securities trading business.

In providing MDA services, Pulse Markets may provide personal financial advice to a retail client to develop the client's specified investment plan. Alternatively, Pulse Markets may provide the MDA service to a retail client which has been separately advised by an external financial adviser which has prepared (and is responsible for) the statement of advice and the investment strategy for the client.

As this is a newly developed aspect of Pulse Markets' business, it is premature to state what percentage of this business going forward will be engaged with retail clients versus wholesale clients and what percentage of retail clients using the MDA service will be given personal advice by Pulse Markets versus those who will receive personal advice from other external advisers. It is envisaged, however, that Pulse Markets' MDA service will be focused on general advice and execution, with the majority of clients being managed and advised by other financial intermediaries, who provide the client with external personal advice.

Each client (whether retail or wholesale) enters into a MDA Services Agreement with Pulse Markets which sets out the terms and conditions upon which Pulse Markets is given delegated authority to execute trades and investments on behalf of the client for its MDA in accordance with the relevant investment plan and the payment of fees to Pulse Markets for providing the MDA services. In providing MDA services in all cases (whether for retail or wholesale clients), the investments traded by Pulse Markets on behalf of a client are held in the client's name (and not through a custodian) and each client is given real-time access to its own internet password-protected portal via the Pulse Markets' MDA operator technology platform where it is able to view its investment positions in its MDA.

In circumstances where Pulse Markets provides personal financial advice to a retail client in relation to an investment plan for a MDA, Pulse Markets is required to comply with the advice and disclosure requirements for the provision of personal advice to retail clients under the Corporations Act (eg, to provide the client with a Statement of Advice (**SOA**) and fee disclosure statement) as well as the adviser's statutory best interests' obligations and other applicable obligations related to conflicted remuneration and renewal of advisor arrangements under the Corporations Act. This aspect of Pulse Markets' business is highly regulated and there are risks associated with the provision of personal advice to retail clients in this regulated sector. For further information relating to the risks of providing personal advice to retail clients, see Section 5.15.2.

Pulse Markets earns revenues from the provision of MDA services through its charging of fees to clients for providing investment management and related MDA services. Fees are generally based on a percentage (generally around 0.6% to 1.5%) of value of the assets in the MDA (and for certain MDA investment portfolios, performance fees may also apply).

As stated above, the MDA service offering is a new aspect of Pulse Markets' business. Pulse Markets is strongly focused on growing this service offering over the next two to three years by

increasing its client base introduced by financial planners and other distribution channels. Pulse Markets is of the view that there is opportunity for growth for this aspect of its business for the following reasons:

- (i) Pulse Markets' MDA service offering is managed by a professional and experienced team led by Brett Westbrook (a responsible manager of Pulse Markets' AFSL) utilising innovative and client-centric technology which is attractive to clients;
- (ii) the structure of the investment decision making process in Pulse Markets' MDA service offering is centralised through the Investment Committee which is attractive to clients and provides assurance to clients that the investment decision making process for the model portfolios is made within a systemised governance framework;
- (iii) the MDA service offering is attractive to clients because of the different customisation which can be achieved through blended portfolios; and
- (iv) the MDA service offering is priced competitively (compared to WRAP and fund manager products) and as a result there is a growing client demand for this service offering.

Pulse Markets believes the growth of the MDA service offering can be resourced by current Pulse Markets' infrastructure and personnel due to scalability being achievable through the utilisation of technology applications and solutions (eg, the technology provided by MDA Operator Pty Limited in partnership with Pulse Markets for the MDA service offering).

In addition to the risks associated with providing personal advice to retail clients who are engaged with the MDA service offering, there are risk factors for this type of service offering being provided to retail clients on a no-advice (or general advice) basis and also to wholesale clients. See Section 5.15.2 for further information about these risks.

### 5.3.5 Growth strategies

#### (a) Partnership or collaboration

##### **MNotes:**

Pulse Markets has entered into an exclusive distributor partnership agreement with Moshav Financial Wholesale Pty Limited (AFSL: 439903) (a company affiliated with Mr Tal Silberman, a director of the Company) for Pulse Markets to be the exclusive distributor of a proposed new financial product, called MNotes.

Moshav Financial Wholesale is in the process of development of the MNotes structure and platform (which is in its advanced stages of development, subject to final legal documentation). It is expected that the MNotes will be launched by Moshav Financial Wholesale within the next few months. MNotes will be a financial product which will only be offered to, and available for investment in by, wholesale clients (as defined in section 761G of the Corporations Act).

A MNote is a secured mortgage investment instrument which gives the note holder the opportunity to fund loans to creditworthy borrowers through a fractionalised loan structure. Each loan is secured by a registered first ranking mortgage over real property and is typically provided for construction funding and short-term finance (for example, 2 years). MNotes will be structured to pay regular returns to investors, often at a rate higher than that offered by institutional banks for savings or term deposit accounts, subject to the terms of the investment. The proposed platform for the distribution of MNotes will allow investors to select which MNote instrument(s) they wish to hold, and therefore which underlying loans they wish to invest in.

Under the distributor agreement, Pulse Markets intends to make MNotes available for offer to its wholesale client base. As distributor of the MNotes, Pulse Markets will be entitled to a fee of 2% of all application moneys received for MNotes distributed by Pulse Markets and its authorised representatives. Once the MNotes platform is established, Pulse Markets proposes to integrate the MNotes platform into its proposed services and process platform so that all activities are captured in the client relationship management (**CRM**) component supporting the

'single-customer-view' platform to support risk management, compliance and significantly improved customer service.

Until the MNotes have been developed and launched, however, this potential growth aspect for Pulse Markets' business is speculative.

**Other potential collaboration or partnership arrangements:**

Pulse Markets is currently in discussion with three different financial services providers in relation to further possible collaboration or partnership arrangements (which may involve equity investment by Pulse Markets into other businesses). These partnership arrangements could offer value to Pulse Markets' core business including expanding Pulse Markets' distribution channels, enhancing investment capability and increasing Pulse Markets' equity capital markets business.

None of these potential partnership arrangements (or the benefits that may arise from such arrangements) have been secured yet, since each of these opportunities are contingent upon Pulse Markets having access to capital through the re-listing of the Company and proposed Capital Raising.

**(b) Incubation of complimentary, disruptive businesses and tools:**

Providing support for new business development

Pulse Markets is seeking to expand its business model into providing support and investment for new business development by start-up financial services technology (**Fintech**) companies. Pulse Markets intends to pursue this business strategy leveraging its existing relationship with consultants who have Fintech skill set and experience. Pulse Markets is not intending to establish new Fintech businesses, instead it is seeking opportunity to provide support and assistance to the existing Fintech businesses, including assisting them with their CRM system, providing guidance on business structuring and operations and making introductions to relevant partners.

By assisting start-up Fintech companies, Pulse Markets intends to create business opportunities to be involved in the development of new financial products and services and new distribution channel opportunities to market its products and services to those start-up companies and their clients.

Providing crowd-sourced funding services

Pulse Markets believes the future for equity capital raising in the Australian small to medium enterprise market is more aligned with crowd sourced funding (**CSF**) than traditional forms of capital raising. Pulse Markets also believes that the CSF market will expand significantly as the younger generation and otherwise non-interested segments seek alignment of investments with their core values.

The crowd-sourced funding regime was enacted under the *Corporations Amendment (Crowd-sourced Funding) Act 2017* (Cth) commenced on 29 September 2017. Under this regime, small unlisted public companies may offer their shares up to \$5 million in any 12 month period while being exempted from certain disclosure requirements under Chapter 6D of the Corporations Act, subject to providing a CFS offer document with minimum information and a prescribed risk warning. There is an investor cap of \$10,000 per individual company per year for retail investors. For retail investors, there is also a five day cooling-off period. A CFS offer may only be offered through CFS platform provider who must hold an AFSL which authorises the offering of CFS services. Eligible companies must only have one CFS offer opening at one time and this offer can only be open for a maximum period of 3 months.

In implementing this regime in 2017, Australia has joined the list of other countries which support CFS regime such as United Kingdom, United States of America, Canada and New Zealand. It is a very new regime in Australia, and while it intends to reduce the regulatory burden for small public companies to raise capital, it is perceived to be a riskier investment class due to reduced regulatory protection for retail investors.

Historically, the seed investment market in Australia has been serviced primarily through friends and family raisings. Pulse Markets believes that CSF will provide a more efficient, effective and consistent way of friends and family raising capital whilst also allowing the average person an entry into investing in innovation. In Pulse Markets' view, there is almost a limitless demand for funding new ideas and businesses with growth aspirations.

Pulse Markets has made an application to ASIC for a crowd-sourced funding licence. Upon this licence being obtained by Pulse Markets, Pulse Markets intends to collaborate with a suitable partner to build a Crowd-sourced funding platform. Pulse Markets plans to enter into licence distribution agreements with other service providers or provide, through collaboration, the platform crowd-sourced funding services, and derive income from such arrangements (such as licence fees or dividends from such collaboration (in the long term)). Pulse Markets intends to offer access to the CSF platform primarily through B2B rather than Business-to-consumer (B2C) as a point of differentiation.

Pulse Markets lodged its application with ASIC for a crowd-sourced funding licence on 27 October 2017.

Pulse Markets requires this licence in order to offer these CSF services in the future and there is no guarantee that this licence will be obtained. There are risks to attaining this licence and there are risk factors associated with providing CSF services to retail clients, which are set out in Section 5.15.2. As this proposed new service will be offered under the new CSF regime (subject to Pulse Markets obtaining the required licence from ASIC) which is relatively untested in Australian market to date, this is an opportunistic strategies and it is difficult to determine the level of revenue which may derive from this business.

#### Funds management opportunities and key resource acquisitions

Pulse Markets opportunistically reviews funds management investment opportunities and key resource acquisitions with an intention to invest in fund managers and model managers which will complement its business.

### **5.3.6 Licences**

In respect of the financial services which it offers to retail and wholesale clients, Pulse Markets operates in a highly regulated market. In providing these financial services, Pulse Markets is required to hold an AFSL which comprises all of the relevant authorisations to provide financial services to retail and wholesale clients that are applicable to the financial products and services which it is engaged in. In this respect, Pulse Markets operates under AFSL No. 220383 which authorises it to provide the financial services that it currently provides and to be a distributor of the MNotes to wholesale clients.

Pulse Markets has made an application to ASIC for a crowd-sourced funding licence in order for it to provide crowd-sourced funding services. This licence is yet to be granted and there is no guarantee that Pulse Markets will obtain this licence.

There are risks associated with operating a financial services business, relying on these applicable licences. Further information about these risks is set out in Section 5.15.2.

### **5.3.7 Strategy and plans**

Pulse Markets aims to diversify its financial services offerings and financial asset classes (for example, through offering the MDA service and by collaborating with partners developing new financial and fintech products and services, such as the MNotes (as described above)) to minimise the risk associated with the provision only of traditional equities trading services.

Pulse Markets believes the current core business offerings of Pulse Markets combined with the proposed new business offerings – including corporate advisory, ECM, securities trading, MDA services and financial services partnership and fintech investment opportunities - are all complimentary, with the objective of building a skilled, cross disciplined organisation, which can adapt quickly to new markets and new client service opportunities. Pulse Markets believes this combination of diversified financial service offerings will assist to retain existing customers and will create positive customer referral to attract new clients.

Pulse Markets' current strategic plan for each of its products and services is as follows:

- (a) expand its core, foundational business (ECM and securities (equities and derivatives) trading) which operates in mature and well established markets, by enhancing and building its brand and marketing;
- (b) expand its funds under management in its MDA service offering by creating new customer and revenue opportunities through relationships with financial planners, financial planner groups and fund managers;
- (c) collaborate with various financial services providers and fintechs to develop, invest in and / or distribute new and innovative financial products, such as MNotes; and
- (d) through the incubation and development of complimentary, disruptive services and tools (eg, the creation of automated processes which improve the client experience, drive efficiencies and reduce risk), seek to expand Pulse Markets' client base and service offerings through other financial intermediaries seeking access to these services and tools.

The existing Pulse Markets' business operates in the rapidly changing financial services sector in a highly regulated environment with ongoing technological change driving new service delivery methods and new and different financial asset classes and financial products being developed. The acquisition of Pulse Markets by the Company is aimed at facilitating the growth of Pulse Markets in this environment.

The specific purposes of the Acquisition are to:

- (a) facilitate growth in Pulse Markets' core business offerings;
- (b) provide the financial capacity for Pulse Markets to secure immediate partnership opportunities with other financial services businesses which offer Pulse Markets' clients greater diversity in investment opportunities;
- (c) provide Pulse Markets with an increased capital base, financial flexibility, and improved access to capital markets to develop its financial service offerings and products with appropriate technology partners and partnerships with other financial service businesses; and
- (d) broaden Pulse Markets' shareholder base and provide a more liquid market for its Shares.

The Company has allocated \$2,000,000 from the funds proposed to be raised in the Capital Raising to implement Pulse Markets' strategic growth plans with new business and services (described in Sections 5.3.3(b) and 5.3.5) and \$300,000 for sales and marketing associated with the Company's rebranding and promotion and Pulse Markets' proposed partnership strategies. The Company will promote Pulse Markets as a long-term financial services provider (having operated in the Australian financial services sector for over 17 years) which is adapting to change and disruption in the financial services sector by offering innovative financial products and client focused services, including the use and development of financial technology (fintech) solutions for clients.

### **5.3.8 Finance**

Pulse Markets is funded through revenue generated from its current operations. Based on its current financial status and on the assumption that there are no disruptions to its existing operations and its plans to expand its business operations, Pulse Markets believes that the business has the ability to be self-funded without the need for external finance.

Upon the completion of the Capital Raising, it is intended by the Company that the funds raised under the Capital Raising would be used to develop and accelerate offerings of new financial products and services, build brand and profile, attract new talent and develop systems for integrated compliance to allow for more rapid and robust scalability of Pulse Markets' service offerings.

### 5.3.9 Financial information

Pulse Markets' financial information is contained in Schedule 2.

### 5.3.10 Competition

Pulse Markets' competitors include:

- (a) global and domestic investment banks;
- (b) domestic stockbrokers;
- (c) independent financial services groups;
- (d) global and domestic investment managers; and
- (e) technology and Fintech start-ups.

The differentiators in Pulse Markets' market largely relate to client engagement (and relationships), trust and the provision of ongoing high quality services by people, processes and systems. Pulse Markets believes that confidence, compliance and an ability to understand investors' needs, identify risks and to provide compliant and relevant advice based on the customers' requirements (as to whether the client desires personal advice based on their individual circumstances, objectives and needs or general advice to make investment decisions) ensures both client retention and referral of new customers.

### 5.3.11 Key Assumptions

Pulse Markets' business model is based on:

- (a) creating a diversified financial services business founded on the in-depth financial services industry knowledge possessed by Pulse Markets' management team and the Investment Committee;
- (b) extending client relationship opportunities through trusted, compliant channels; and
- (c) developing capability to 'look-ahead' in product design, service and delivery to satisfy changing markets and client demands.

The key assumptions of its business model include:

- (a) Pulse Markets will retain its existing talent and will continue to attract good talent and retain them for key roles within the business;
- (b) Pulse Markets will retain and expand its client base;
- (c) Pulse Markets will address client complaints and ASIC queries satisfactorily and will have excellent policy and governance frameworks in place, in particular for meeting compliance obligations and managing risk to support business operations; and
- (d) Pulse Markets will seek to use automation and systemisation in the delivery of its services to promote and drive transparency and excellence in compliance, and provide for scale.

## 5.4 The Acquisition

Upon completion of the Acquisition, Pulse Markets will be a wholly owned subsidiary of the Company. Pulse Markets, as the Company's subsidiary will continue its business operations and will seek to expand into new service offerings as described above.

The Acquisition will also include the acquisition of Pulse Markets' wholly owned subsidiary Selecta Funds Management Pty Ltd (ACN 100 257 869) (**Selecta Funds Management**). This entity is not an operating entity but is a special purpose entity established to specifically own options or performance

rights which may be acquired in companies as part of the consideration for Pulse Markets providing ECM services (including corporate advisory services). Currently, Selecta Funds Management's sole assets is a certain number of escrowed options in Sheffield Resources Limited, which were acquired as part of the terms of the corporate advisory / ECM mandate related to this company. Selecta Funds Management will remain as a wholly owned subsidiary of Pulse Markets (with the Company being the ultimate parent company) upon completion of the Acquisition.

## 5.5 Key Terms of the Acquisition

In accordance with the terms of the Term Sheet, the Company proposes to acquire all of the issued capital in Pulse Markets. A summary of the material terms of the Term Sheet is set out below.

### 5.5.1 Conditions Precedent

Completion of the Acquisition is subject to the satisfaction or waiver by the parties of the following conditions precedent (**Conditions**):

- (a) The Company, Pulse Markets and the Pulse Markets Shareholder entering into a formal share sale agreement (**Sale Agreement**), and upon entry into that Sale Agreement, the Company not having terminated the Sale Agreement in accordance with its terms. The Sale Agreement will be consistent with the commercial and legal terms set out in the Term Sheet, which include, among other things, indemnities given by the Pulse Markets Shareholder in favour of the Company for certain liabilities related to historical transactions which are contingent in nature, as well as any liabilities that may be identified after Completion related to activities prior to the Completion which are not disclosed by Pulse Markets or the Pulse Markets Shareholder to the Company in the due diligence process.
- (b) The Company undertaking and completing due diligence on Pulse Markets which is satisfactory to the Company (acting reasonably). At the date of this Notice, the Company has completed due diligence that is satisfactory to the Company.
- (c) Pulse Markets obtaining all necessary consents from relevant third parties under each material contract to the sale of the issued share capital of Pulse Markets to the Company.
- (d) The Company obtaining all necessary consents from ASIC and ASX for the Acquisition either:
  - (i) without conditions or requirements; or
  - (ii) with conditions and requirements that are acceptable to the Company.One such condition is the requirement for ASX to grant an extension of time to the Company for its re-listing beyond 7 April 2018 (as discussed further on page 1).
- (e) The Company obtaining all necessary shareholder and regulatory approvals under the Corporations Act, the Listing Rules and the Company's Constitution;
- (f) The Company obtaining conditional approval (subject only to conditions usual for such approvals) from ASX for its ordinary shares to be reinstated to quotation on ASX.
- (g) The Company meeting the requirements in Chapters 1 and 2 of the Listing Rules as if Pulse Markets was applying for admission to the Official List.
- (h) If required by the Company, Pulse Markets and the Pulse Markets Shareholder procuring repayment of any loan between Pulse Markets and the Pulse Markets Shareholder (or any affiliate), and the cancellation of any guarantee given by Pulse Markets for the benefit of the Pulse Markets Shareholder (or its affiliates).
- (i) Completion of the Capital Raising required to be undertaken by the Company to be reinstated to the Official List.



### 5.5.2 Pulse Markets structure

The Acquisition also involves certain transactions for the restructuring of, and transfer of, arrangements for certain assets and personnel of Pulse Markets held in associated corporations of the Pulse Markets Shareholder (**Required Assets and Staff**) which are to be included in the Acquisition where they are relevant to Pulse Markets' operations. Pulse Markets and the Pulse Markets Shareholder have agreed to take all steps to ensure that the Required Assets and Staff are transferred, or made available, to Pulse Markets on terms satisfactory to the Company for the purposes of the Acquisition.

To the extent there are loans and guarantees in place, Pulse Markets and the Pulse Markets Shareholder have agreed, as required by the Company, to procure repayment of any loan between Pulse Markets and the Pulse Markets Shareholder (or any affiliate), and the cancellation of any guarantee given by Pulse Markets for the benefit of the Pulse Markets Shareholder (or its affiliates).

These transactions are reflected in the pro forma statement of financial position set out in Schedule 3.

### 5.5.3 Consideration

Subject to satisfaction or waiver of the Conditions and the shareholders' approval, in consideration for the Acquisition, the Company will issue 15,789,474 Shares (**Consideration Shares**) to the Pulse Markets Shareholder (or his nominee). The Consideration Shares will be subject to the standard terms and conditions of escrow imposed by ASX.

### 5.5.4 Change of name

Upon Completion of the Acquisition, and subject to approval of the Shareholders, the Company will change its name to "BIR Financial Limited".

### 5.5.5 Completion

Completion will occur on the date specified in the Sale Agreement, after satisfaction (or waiver) of the conditions precedent (**Completion**). Completion of the Acquisition will align with the allotment of Shares under the Capital Raising which is expected to occur on or about 25 May 2018.

## 5.6 Capital Raising

For the purposes of the Company re-complying with Chapters 1 and 2 of the Listing Rules, the Company intends to undertake the Capital Raising comprising the issue of the Prospectus to raise \$5,000,000 through the issue of 25,000,000 Shares at \$0.20 per Share.

Funds raised under the Capital Raising are intended to be used in the manner set out in Section 5.7.

The Company expects to lodge a Prospectus for the Capital Raising with ASIC on or around 29 March 2018. The Capital Raising is intended to be completed in accordance with the timetable set out in Section 5.10.

## 5.7 Use of Funds

Use of Funds	(\$'000)
<b>Funds raised under the Offer</b>	<b>\$5,000,000</b>
Less: Estimated Costs of the Offer <sup>1</sup>	\$842,500
Less: Repayment of related party working capital loan (BIR) <sup>2</sup>	\$300,000
Less: Compliance and standards development	\$200,000
Less: Sales and Marketing	\$300,000

Less: Growth Strategies	\$2,000,000
Less: Additional working capital <sup>3</sup>	\$1,357,500
<b>TOTAL</b>	<b>\$5,000,000</b>

#### Notes

<b>1 Expenditure</b>	<b>A\$</b>
Lead Manager 2% of \$5,000,000 (funds raised under Capital Raising)	100,000
Selling Fee/ Underwriter 5% of \$5,000,000 (funds raised under Capital Raising)	250,000
Legal due diligence	230,000
Investigating Accountant	25,000
Tax Due Diligence	15,000
Notice of Meeting and Prospectus preparation, meeting costs and report printing (*)	130,300
ASX review and Listing costs of new shares	89,800
ASIC Prospectus Lodgement Fees	2,400
<b>Total</b>	<b>842,500</b>

\* This payment is a subsequent event payment as payment will be made out of related party loan redraw funds. For transparency purposes it has been included in the use of funds.

- 2** Repayment of Working Capital Loan - The Company entered into a loan agreement with Silberman Holdings Pty Limited (ACN 614 588 386) (an entity related to Tal Silberman, a Director) and Roths Holdings Australia Pty Ltd (ACN 620 942 510) (Roths) (a major Shareholder) on 29 September 2017 to finance the Company while it was looking for suitable projects to acquire. The loan currently accrues interest at 8% per annum and is unsecured. The loan facility has a fixed term of nine years and the Company may make early repayment without penalty. The Board considers that the loan was provided on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms. The drawn down balance of the loan at 31 December 2017 was \$158,000. Estimated further drawdown until completion is \$141,426 (for a total of \$300,000. Following completion the total drawn down amount will be repaid.

<b>3</b>	<b>Working Capital</b>	<b>(\$'000)</b>
	Cash on hand as at 31 December 2017 (combining cash of the Company and Pulse Markets)	66,283
	Subsequent events cash on hand impact <sup>4</sup>	481,426
	Additional working Capital from the Funds raised	\$1,357,500
	<b>Funds Available for Working Capital</b>	<b>\$1,905,209</b>

<b>4</b>	<b>Subsequent events cash on hand impact:</b>	
	(Pulse) Related party Loan repaid January 2018	190,000
	(Pulse) Former clearing provider Bond Repaid January 2018	150,000
	(BIR) Expected further drawdown of Working Capital Loan prior to completion	141,426
	<b>Total</b>	<b>481,426</b>

## 5.8 Effect on Capital Structure

Share	Number of Shares
Existing Shares	149,000,000
<b>Pre-Consolidation Shares on issue</b>	<b>149,000,000</b>
Consolidation on a 3.8:1 basis (Resolution 8)	39,210,526
Shares to Pulse Markets Shareholder (Resolution 9)	15,789,474
Capital Raising (Resolution 10)	25,000,000
<b>TOTAL SHARES POST COMPLETION</b>	<b>80,000,000</b>

## 5.9 Pro Forma Statement of Financial Position

An audit reviewed pro-forma statement of financial position of the Company following Completion of the Acquisition is set out in Schedule 3.

## 5.10 Indicative Timetable

Event	Indicative Date
Dispatch Notice of Meeting to Shareholders	28 March 2018
Lodge Prospectus with ASIC and ASX	29 March 2018
Hold Annual General Meeting	27 April 2018
Prospectus offer open (subject to Shareholders passing the Acquisition Resolutions)	27 April 2018
Prospectus offer close	18 May 2018
Completion of Acquisition	25 May 2018
Securities re-commence trading on ASX	8 June 2018

This timetable is a proposed indicative timetable only and assumes that the Company receives an extension to the de-listing date from ASX. The Board reserves the right to vary the dates in accordance with the Listing Rules.

## 5.11 Board Intention if Completion Occurs

In the event that Completion occurs and the minimum subscription is obtained, it is intended that the funds raised from the Capital Raising will be used as set out in Section 5.7.

## **5.12 Composition of the Board of Directors and management team**

### **5.12.1 Board of Directors**

The Board currently comprises:

- (a) Tal Silberman;
- (b) Gregory Starr; and
- (c) Greg Smith.

It is intended that all of the current Directors will remain as Directors (subject to Resolutions 4 to 6 being passed) upon Completion. It is intended that Steve Nicols will join the Board upon Completion. Shareholder approval for the appointment of Mr Nicols is sought under Resolution 12.

Details and background on Mr Nicols are set out below.

#### **Steve Nicols B.Comm UNSW, Chartered Accountant**

Mr Nicols is the founder of Benelong Capital Partners Pty Ltd, a firm that specialises in re-capitalising ASX listed companies. Benelong has operated since 2010. Mr Nicols has assisted in 24 re-capitalisations in this time. Several of these companies have re-quoted on the ASX and achieved market capitalisations of over \$ 100 million.

Mr Nicols has been a director of many ASX listed companies, and the last directorship being with MOV Corporation Ltd, until December 2014. Steve is also the founder of Nicols + Brien, an insolvency practice with offices in Sydney and Wollongong. It has 10 highly qualified staff, and was founded 19 years ago.

Mr Nicols brings a wealth of experience in managing the growth of junior listed companies. This includes corporate governance matters, as well as transaction structuring and execution.

In the three years immediately before the date of this Notice, Mr Nicols held no other listed company directorships.

### **5.12.1 Management team**

After the Acquisition and Capital Raising, Andrew Braund will remain as a director and Chief Executive Officer (**CEO**) of Pulse Markets, and hold 19.74% of the total issued capital of the Company.

Brett Westbrook will continue his role as Chairman of the Pulse Markets' MDA Investment Committee.

Details and background on Messrs Braund and Westbrook are set out below.

#### **Andrew Braund BEc Syd – Director and Chief Executive Officer (Pulse Markets Pty Ltd)**

Mr Braund is the major shareholder and Chief Executive Officer of Pulse Markets. Pulse Markets is an equity and derivative investment specialist operating for private and corporate clients.

He is a Responsible Manager for the Pulse Markets AFSL 220383 and also on the Investment Committee and Head of the Risk Committee.

Mr Braund has significant level of expertise in financial and equity markets, risk management, compliance and business management. Prior to Pulse Markets, Mr Braund operated successfully as a senior derivatives trader for Australian and international banks in Sydney and Hong Kong.

Following completion of the Acquisition, Mr Braund will be the Chief Executive Officer of Pulse Markets, a 100% owned subsidiary of the Company, and will own 19.74% of issued share capital in the Company.

### **Brett Westbrook – Chairman of the Pulse Markets Pty Ltd MDA Investment Committee**

Mr Westbrook has 40 years' experience in the financial services industry in the management of large superannuation funds, the provision of advice to both wholesale and retail clients, financial planning, and operating managed investment schemes including MDA service.

Mr Westbrook is a responsible manager of Pulse Markets' AFSL, and a shareholder of the holding company of, and a director of MDA Operator Pty Limited.

The structure of the investment decision making process in Pulse Market's MDA service offering is centralised through an Investment Committee chaired by Mr Westbrook.

#### **5.13 Advantages of the Acquisition in the Resolutions**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolution concerning the Acquisition:

- (a) the Acquisition represents an investment opportunity for the Company to change its business focus to that of the provision of financial services to which the Directors can add value;
- (b) the business that is being acquired provides the platform for the Company to develop the potential for an expanding business;
- (c) the Directors, the proposed new Directors and management team have extensive experience and a track record within the industry;
- (d) the Acquisition will provide the opportunity for the Company to resume trading in its securities and to increase the value of the Company; and
- (e) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition.

#### **5.14 Disadvantages of the Acquisition in the Resolutions**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolution concerning the Acquisition:

- (a) the Company will be changing the nature and scale of its activities to become a company focused on the provision of financial services, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition and the Capital Raising will result in the issue of Consideration Shares to the Pulse Markets Shareholder and new investors, which will have a dilutionary effect on the holdings of Shareholders;
- (c) there is no certainty that the Acquisition will result in a financial contribution to the Company; and
- (d) there are inherent risks associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 5.15 below.

#### **5.15 Risks associated with the Acquisition**

Shareholders should be aware that if the proposed Acquisition is approved, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors related to the Acquisition and the Pulse Markets' business are as follows.

### 5.15.1 Risks relating to the Change in Nature and Scale of Activities

#### (a) Re-Quotation of Shares on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the Listing Rules.

In addition, ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Acquisition may not proceed if ASX exercises that discretion.

#### (b) Dilution Risk

At Completion, the Company proposes to issue the relevant number of Shares under the Acquisition and issue 25,000,000 Shares to raise \$5,000,000 as part of the Capital Raising. On issue of the 15,789,474 Consideration Shares as part of the Acquisition and 25,000,000 Shares under the Capital Raising, the existing Shareholders will retain approximately 49.01% of the issued capital of the Company, with the Pulse Markets Shareholder holding approximately 19.74% and the investors under the Capital Raising holding approximately 31.25% of the Shares of the Company respectively.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to seek to fund the development of the Company's proposed businesses after Completion.

#### (c) Liquidity Risk

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. With the Pulse Markets Shareholder holding approximately 19.74% of the Shares after completion of the Acquisition and Capital Raising (these Shares being subject to escrow commitments for likely two years), the shareholdings of existing major Shareholders (Silberman Holdings Pty Limited and Roths Holdings Australia Pty Ltd each holds approximately 9.75% after completion of the Acquisition and Capital Raising), only approximately 60% of the Shares will be able to be freely traded at completion of the Acquisition and Capital Raising. Further, there may be another significant shareholder holding up to 19.9% of the Shares as a result of the underwriting arrangements, which may further reduce this free float. With this limited free float, there may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares. Further, there is a risk that once the Consideration Shares subject to escrow commitments are released from these restrictions, there may be a significant sell-down by the Pulse Markets Shareholder. In the context of the limited free float and potential volatility mentioned above, this may affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid to acquire their Shares.

#### (d) Transaction Risk

There are due diligence, execution and liability risks with any acquisition. As part of the Acquisition, Pulse Markets and related Pulse Markets' entities are required to restructure certain aspects of the Pulse Markets' business by transferring assets and contracts to Pulse Markets, and arranging for repayment and restructuring of certain financial arrangements (as reflected in the pro forma statement of financial position set out in Schedule 3). This may result in unforeseen tax or other consequences that would create a contingent or actual liability and impact the value of the Acquisition in the hands of the Company.

Although the Company has, or will have, the benefit of warranties and indemnities in the Sale Agreement (and other acquisition-related agreements) with respect to information provided in respect of Pulse Markets' business operations, debt arrangements, contractors, employees, contract management and key service providers, those warranties and indemnities are subject to limitations and may not be sufficient to cover or provide recourse in relation to all possible losses that the Company may incur in its capacity as the purchaser of the business. Furthermore, even where the warranties and indemnities would apply, the Company may not be successful in making a full recovery on these protections.

(e) **Contractual Risk**

Pursuant to the Term Sheet the Company has agreed to acquire 100% of the issued shares in Pulse Markets subject to the fulfilment of certain conditions precedent set out in Section 5.5.1. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Term Sheet. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(f) **Valuation Risk**

The Company and its advisers have performed certain pre-acquisition due diligence on Pulse Markets. While the Company considers that the Acquisition is a good investment based on the financial performance of Pulse Markets and its potential growth, internal factors (such as, management) or external factors (for example, the change in regulations etc) may significantly affect Pulse Markets' growth potential which in turn affects its value.

(g) **Due Diligence Risk**

The Company and its advisers have performed certain pre-acquisition due diligence on Pulse Markets. While the Company has obtained certain warranties and indemnities from the Pulse Markets Shareholder under the Term Sheet with respect to information provided with respect to information provided in respect of Pulse Markets' business operations, debt arrangements, contractors, employees, contract management and key service providers, there is a risk that the due diligence conducted has not identified issues that would have been material to the decision by the Company to acquire those businesses. A material adverse issue which was not identified prior to the Company's acquisition of Pulse Markets could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on the Company.

As is usual in the conduct of acquisitions, the due diligence process identified a number of risks associated with Pulse Markets in respect of its business operations, contractors, employees, contract management and key service providers, which the Company, as the intended acquirer, needed to evaluate and manage. The mechanisms used by the Company to manage these risks included specific warranties, indemnities, contractual commitments or exclusions, or the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality may be higher than expected, and result in a loss to the Company.

(h) **Governance Risk**

The Company's securities have been suspended from trading on the ASX since 7 April 2015. In this period, the Company has undergone a voluntary administration and DOCA process. As a result of those processes, the Company failed to comply with its statutory and Listing Rule obligations to file certain reports and financial statements. The Company has rectified these past instances of non-compliance, and has appointed experienced company secretary to manage its corporate governance and regulatory compliance requirements under the Corporations Act and the Listing Rules (including, but not limited to, related party transactions) going forward to mitigate any future risk of non-compliance.

## 5.15.2 Risks specific to Pulse Markets

### (a) Regulatory and Compliance Risk – Providing Services to Retail Clients

One aspect of Pulse Markets' business is the provision of private wealth management services to retail clients. The private wealth sector for retail clients is subject to extensive legislative and regulatory requirements, and supervision by ASIC, AUSTRAC, OAIC and the ATO. Retail clients also have rights to make claims against financial service providers to the Financial Ombudsman Service (**FOS**), a more streamlined dispute resolution process than going through the courts. Further, FOS is known for making findings more favourable to retail clients than financial service providers, in particular where significant losses may have been incurred by a retail client. Even where a financial service provider has fully complied with its relevant legislative and regulatory requirements, it can be subject to an adverse finding by FOS. Further, in circumstances where Pulse Markets is subject to client complaints in FOS and/ or where Pulse Markets does not comply with applicable legislative and regulatory requirements, there is a risk of investigation, remediation and enforcement action by ASIC and other regulatory bodies and including penalties such as fines, the obligation to pay compensation or the cancellation or suspension of Pulse Markets' AFSL. The suspension or cancellation of the AFSL would result in significant reputational damage for Pulse Markets, the inability to provide financial services in its private wealth management business and significant financial loss to the business.

In servicing retail clients, Pulse Markets primarily provides general advice and trading services to retail clients rather than personal advice, where the relevant client has received personal advice from an external adviser. General advice does not take into account an investor's particular circumstances, such as their objectives, financial situation and needs; while personal advice involves a recommendation that takes the investors' personal situation into account. The provision of personal financial advice to retail clients requires compliance with stringent regulations relating to the provision of a statement of advice, meeting the statutory best interests' duty and disclosure relating to fees and the term of the advice arrangement. The provision of general advice involves less regulatory burden, since in giving general advice the adviser only provides advice about a financial product or service (and its risks and benefits). In circumstances where a retail client incurs losses as a result of trading, a retail client may be likely to bring a claim against the adviser which provided the trading service as well as the adviser which provided personal advice in the FOS regime, even where the provider of the trading service has merely executed the trading strategy the subject of the personal advice. Client claims in FOS can lead to adverse outcomes and impact upon Pulse Markets' business.

### (b) Regulatory Risk – Changes in Laws and Regulations

There is a range of legislation and regulation in Australia that governs Pulse Markets' business undertakings. Over recent years the level and complexity of the regulatory environment for financial services in Australia have continued to increase, bringing increased costs and burdens of compliance, and it is anticipated that the regulatory environment will continue to change and become more complex.

There is a risk that future changes to legislation, regulation, standards or policies may require Pulse Markets to modify its product offerings, secure additional licences, authorisations or permits, restrict the margins it can make on its products or incur additional costs to ensure compliance, which may increase the costs of operations, affect profitability of its product offering or adversely affect Pulse Markets' ability to conduct its operations.

Regulatory changes which Pulse Markets considers beneficial may cease to exist, which may impact on Pulse Markets' growth. Changes in financial services or taxation laws or regulations affecting growth in this market may adversely affect Pulse Markets' ability to achieve its planned targets. Additionally, current trends in the regulatory and industry environment, for example the crowd-sourced funding may not continue, which could adversely affect Pulse Markets' ability to increase its market share.

Other examples of future regulatory changes that may affect Pulse Markets include changes to financial product disclosure regimes or prudential standards, or changes to scope and



exercise of the power of regulators, including ASIC, any of which may negatively impact on Pulse Markets' business.

(c) **Licence Risk**

Pulse Markets operates under its AFSL and is applying for a crowd-sourced funding licence (application date is 27 October 2017). Pulse market's AFSL is necessary for the operation of its financial services business, including its MDA service offering. ASIC has not yet granted the crowd-sourced funding licence and there is no guarantee that this licence will be obtained. If the availability of these licences change, or the conditions of these licences change, this may adversely impact upon Pulse Markets' authorisations to conduct business and ability to earn revenues from the provision of financial services.

(d) **Financial Services and Financial Product Risk**

Pulse Markets operates a private wealth management business for retail clients and wholesale clients and advises retail clients in relation to certain risky financial products, such as exchange traded options and MDA services. Although Pulse Markets provides only general advice in relation to exchange traded options, an investment in these options, being a leveraged product (and requiring retail investors to post margin), can result in significant losses for retail clients, in particular in times of market volatility. Under a MDA service, the retail client is provided personal advice by Pulse Markets or another external adviser regarding an investment portfolio strategy (called the investment plan) and Pulse Markets, as the MDA Operator, is given authority by the retail client to execute investments, trades and divestments in accordance with the investment plan.

There are inherent risks associated with providing services to retail clients in respect of these riskier products and services, in particular where retail clients may be advised by an external financial adviser or where a retail client may not have a good level of understanding of the risks inherent in these financial products.

Pulse Markets' disclosure and processes for engaging retail clients for providing general advice and dealing services in respect of such products is required to comply with the requirements in the Corporations Act to ensure clients are given an adequate risk warning and the required disclosure documentation and an assessment is done of the client's ability to understand and accept the level of risk. While Pulse Markets has a compliance policy and process and risk management systems and controls to manage compliance and risk obligations as an Australian Financial Services Licence (AFSL) holder in its dealings with retail clients, there is inherent risk for Pulse Markets in advising and dealing in such financial products for retail clients.

Trading exchange traded options (including exchange traded options in Pulse Markets' MDA model portfolio) involves various risks such as tracking, liquidity and leverage. There is a risk that investing in exchange traded options results in negative performance outcomes due to an adverse movement in underlying assets or where the position is difficult or costly to reverse or maintain. Failure to make timely trading or adjustment in the portfolio may affect the performance of Pulse Markets' portfolios and affects its track record which in turn affect Pulse Markets' reputation in the industry.

Operating a MDA service carries the risk that Pulse Markets may inadvertently instigate trades outside of the parameters of the investment plan and/or the portfolio may suffer from poor financial performance.

Pulse Markets also intends to provide CFS services for crowd-sourced funding under the new CFS regime (subject to obtaining the required licence from ASIC). CFS regime enables eligible public unlisted companies to raise capital using exemptions from the disclosure requirements under Chapter 6D of the Corporations Act, but subject to providing a CFS offer document with minimum information and a prescribed risk warning. Due to the reduced regulatory protection available to retail investors which may invest in crowd-sourced funding (subject to an investment limit of \$10,000 per individual company per year), this investment class is categorised as riskier investment class for retail investors.

These risks may result in potential losses for retail clients from trading and dealing in these products and the risk that a retail client will bring a claim against Pulse Markets in relation to such losses. Even in circumstances where Pulse Markets has fully complied with all of its regulatory and compliance obligations in its advice and dealings with retail clients, there is the risk of claims being made against Pulse Markets where a retail client loses money as a result of investing in these riskier products. In such circumstances where claims are made, Pulse Markets is required to manage the claims in accordance with its dispute resolution policy and seek to resolve the claim internally initially and then through the external dispute resolution scheme, FOS. Being involved in, and engaged in such claims results in additional expenditure for Pulse Markets and can lead to adverse outcomes, negatively impacting business reputation and profitability.

**(e) Litigation and Disputes**

Pulse Markets is currently subject to a number of complaints which have all been made by clients in respect of financial services provided to those clients by 'a single previous authorised representative of Pulse Markets who was terminated by Pulse Markets in 2016. In its 17 years of operation, Pulse Markets had never been the subject of a client complaint in FOS in respect of any financial adviser engaged in its business until these complaints arose relating to this particular authorised representative. Pulse Markets is currently in the process of seeking to resolve each of these complaints relating to that particular authorised representative through its internal resolution processes and FOS.

As a result of these complaints, Pulse Markets has been the subject of ASIC enquiry. Pulse Markets has responded to all questions raised by ASIC relating to that particular authorised representative and its own compliance systems and processes. As Pulse operates in a financial services business with risk associated with advising and dealing on behalf of retail clients, there is a risk that Pulse Markets may now and in the future be subject to client complaints and/ or have disputes with clients and may be subject to regulatory or government prosecution matters, which may have an adverse impact on Pulse Markets' growth prospects, operating results and financial performance.

**(f) New Financial Product and Services Risk**

Pulse Markets is intending to bring new financial products and services to its client base and distribution channels, such as MDA services, MNotes, crowd-source funding products and other new fintech products. There is inherent risk in distributing new financial products to clients, as the success or failure of those products will impact upon Pulse Markets' reputation and revenues.

For example, in bringing MDA services to clients, Pulse Markets is faced with the risk that such a service may not be successful. The viability of a MDA service relies on generating sufficient returns for investors. If Pulse Markets fails to deliver satisfactory performance in the provision of its MDA service, there is a chance that the business' reputation or attractiveness to investors becomes damaged leading to investors withdrawing their investments or creating challenges in securing new investor funds. Both scenarios would lead to a reduction in assets under management. In addition, pricing pressure may increase leading to reduced fee schedules and asset management revenues.

**(g) Reliance on Key Personnel**

The success of Pulse Markets depends to a significant extent on the ability and performance of its key personnel, in particular, but not limited to, its directors and senior management team (which include the responsible managers for its AFSL, Brett Westbrook and Andrew Braund).

Key individuals within Pulse Markets have extensive experience in the financial services industry and in Pulse Markets' business. They also have long-standing relationships with others in the industry (including suppliers and customers) which are built on a history of trust, collaboration and partnership. The loss of key personnel or sustained underperformance by key personnel may impact Pulse Markets' ability to operate its business effectively, develop and implement its growth strategies or maintain its industry relationships, which may have a material adverse effect on its future financial performance.

Pulse Markets' successful operation also relies on its ability to attract and retain experienced and high performing personnel with specialist skills, including relationship managers, sales staff, information technology specialists, operational leaders as well as senior management. There is a risk that Pulse Markets' ability to recruit and/or retain employees may not be effective and may have a material adverse effect on Pulse Markets' business, operating and financial performance.

Pulse Markets' success has been due in part to its cultural values, which are described further in Section 5.3. There is a risk that Pulse Markets will not be able to hire new employees which embody its cultural values, or that changes to key employees or growth affect Pulse Markets' ability to maintain its cultural values. In the financial services industry, it is also increasingly important for companies such as Pulse Markets to have cultures which promote and contribute to compliance and good corporate conduct.

There is a risk that Pulse Markets' senior management team fails to set an appropriate cultural tone for Pulse Markets, or that one or more of Pulse Markets' employees behave in an inappropriate manner that causes damage to Pulse Markets or its brand. Any of the above risks eventuating could have a material adverse effect on Pulse Markets' business and performance.

**(h) Risks related to ECM and Advisory Mandates**

During periods of unfavourable market or economic conditions, the volume and value of mergers and acquisitions transactions may decrease, thereby reducing the demand for Pulse Markets' mergers and acquisitions advisory services and leading to an adverse impact on the financial performance of Pulse Markets.

During periods of strong market and economic conditions, the volume and value of recapitalisation and restricting transactions may decrease, thereby reducing the demand for related advisory services leading to an adverse impact on the financial performance of Pulse Markets.

Timing differences in corporate advisory revenue could affect inter-year results. Since transaction based fees are generally paid only once a transaction completes, the timing of receipt and recognition of revenue depends on traction timing and outcomes, many elements of which are outside Pulse Markets' control and may be difficult to predict. Short timing differences as to whether transactions complete late one financial year or early the following financial year could materially affect financial performance in each year and relativity between years.

**(i) Risks related to Growth Strategies**

As part of its business growth strategy, Pulse Markets may collaborate or make acquisitions of, or significant investments in, complementary companies, services, technologies and/or products. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short-term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

While Pulse Markets and its advisers will perform certain pre-acquisition due diligence on the various businesses it intend to collaborate with or acquire, there is a risk that the due diligence conducted may not identified issues that would have been material to the decision by Pulse Markets to collaborate with or acquire those businesses. A material adverse issue which was not identified prior to the Pulse the intended collaboration or acquisition could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on Pulse Markets if it involves a significant service offering of Pulse Markets.

The success and profitability of Pulse Markets will largely depend upon the ability of the investment manager to invest in a portfolio which generates a return for the Company's clients.

The past performance of Pulse Markets' portfolio managed by the investment manager is not a guide to its future performance.

**(j) Reliance on Key Service Providers**

Certain of Pulse Markets' service offerings are dependent on the service contracts it has with other service providers, such as the agreements with execution and clearing partners, one being a clearing provider associated with a major bank and the other being a clearing provider owned by a listed financial group, to provide execution and clearing services and the agreement with MDA Operator to provide the MDA technology and trading platform which enables Pulse Markets to provide MDA services. While these service agreements may include key performance indicators (KPIs) for service standards and provide Pulse Markets with standard termination rights for breach or insolvency, in circumstances where there is sub-standard service or breach, this can result in business disruption for Pulse Markets and loss of business and revenues, adversely impacting financial performance.

In addition, the execution and clearing arrangement may be terminated by the service providers with or without cause upon giving notice which may have significant impact on Pulse Markets' transactional business. Pulse Markets has intended to mitigate this risk by engaging two different execution and clearing partners, however, this risk may not be eliminated totally.

**(k) Employee or Authorised Representative Misconduct**

There is a risk that employees or authorised representatives could engage in misconduct or conduct which does not align with Pulse Markets' strategy, leading to substandard client service. Such type of misconduct or misaligned conduct is generally difficult to detect or deter and could negatively impact Pulse Markets' business and impair its ability to attract and retain clients. As a result of employee or authorised representative misconduct or misaligned conduct, Pulse Markets may be subject to legal liability and reputational harm. This has been demonstrated by the conduct of a single authorised representative of Pulse Markets in 2015 (who was terminated by Pulse Markets in 2016), which conduct has resulted in a series of complaints by clients relating directly to general advice and trades undertaken by this representative. Pulse Markets has been operating for 17 years and prior to these complaints, it had never had one client complaint in the jurisdiction of FOS in respect of any other financial adviser engaged in the provision of services on behalf of Pulse Markets.

Pulse Markets has robust compliance and supervision policies and processes to ensure that its employees and authorised representatives are acting in accordance with Pulse Markets' policies and applicable laws. Nonetheless, it is not always possible to deter employee or authorised representative misconduct, and the precautions taken to detect and prevent misconduct may not be effective in all cases.

**(l) Inability to Achieve Business Objectives**

Funds raised from Capital Raising are considered sufficient to meet the immediate objectives of the Company. There can be no guarantee that the business objectives of the Company will be successful in the timeframe expected, or at all, which may have an adverse impact on future revenues of the Company.

**(m) Compressions of Margins Risk**

The business prospects are reliant on the different aspects of the business being profitable, that is, the business making adequate margins between its operational costs and revenues. If the business experiences a compression of margins, either as a result of expenses increasing or revenues decreasing (which may arise from competition in the wealth management business driving down fees and commissions), then the Company's prospects to be profitable will be adversely affected.

**(n) Client Relationships**

Significant clients may choose to terminate their agreements, fail to renew their agreements for further terms or become financially distressed or insolvent. The Company's financial

performance would be adversely affected if key clients contracts were terminated, not renewed or these clients were unable to operate.

(o) **Brand and Reputation Risk**

The success of Pulse Markets is dependent on its brand and reputation and ability to consistently meet service standards. The name “Pulse Markets” has not been registered and there may be a risk that Pulse Markets may need to change its name or its logo should another market participant register this brand. Pulse Markets may face damage to its professional reputation if its services are not regarded as satisfactory or if it is subject to disputes or claims from clients. Pulse Markets’ ECM business and its private wealth business is dependent to a large extent on relationships with clients and a reputation for integrity and high-calibre professional services to attract and retain clients. As a result, if a client is not satisfied with Pulse Markets’ service, it may cease to do business with Pulse Markets or in worst case scenario, a client may bring a claim against Pulse Markets leading to an adverse impact on financial performance.

(p) **Competitor and Market Disruption Risk**

The ongoing adoption of technology and with disruption to intermediary roles is widely visible in the market across all business sectors. It is possible that new, aggressive entrants into the market may offer services directly competing with Pulse Markets in ways that are new, novel and disruptive. This would impact Pulse Markets’ ability to deliver services profitably.

(q) **Provision and effective performance of IT software and infrastructure**

Pulse Markets and its clients are dependent on the effective and uninterrupted performance, reliability and availability of Pulse Markets’ platform, software, third party data centres and communication systems.

Pulse Markets’ core technologies may be exposed to damage or interruption from system failures, telecommunication provider failures, inadequate system maintenance, damage to the physical infrastructure associated with the network, disasters from natural or human causes, or other unforeseen events which may cause the systems to be unavailable from time to time. Pulse Markets may also experience system interruption due to failures by third party suppliers; for example, failure because of outages, failures to implement appropriate business continuity plans and services, or otherwise failing to perform the functions and services in accordance with Pulse Markets’ requirements.

Technology failures may affect Pulse Markets’ ability to deliver consistent, quality services to its clients, meet its contractual and service level obligations, attract new customers, or lead to data integrity issues or data loss.

This in turn may lead to reputational damage and adversely impact Pulse Markets’ operations, financial performance and financial condition. Further, Pulse Markets’ business is dependent on maintaining successful relationships with key third party suppliers, including suppliers Pulse Markets depends on to support its IT infrastructure. In particular, Pulse Markets relies on services from a small number of key IT suppliers which are integral to the operation of Pulse Markets’ platform, which could take time to transition should they no longer support, upgrade or agree to provide services. There is a risk that these contracts or arrangements could be terminated, potentially with short notice, which could result in Pulse Markets experiencing a disruption to its business. If Pulse Markets fails to secure alternative suppliers and service providers quickly on favourable terms, this may impact Pulse Markets’ ability to retain current customers or generate new business and adversely affect Pulse Markets’ business, operating and financial performance.

(r) **Fee risks**

Pulse Markets charges fees to its clients and to vendors for the provision of services. Pulse Markets may need to reduce the level of its fees, for example as a result of competitive pressure or as a strategy to grow market share, or due to regulatory or legislative reforms. A

reduction in fees could lead to lower revenues overall or to slowing in the rate at which Pulse Markets' revenues grow.

### **5.15.3 Risks specific to the Industry**

#### **(a) Changing Market Conditions could reduce Revenue**

As a financial services group, Pulse Markets is affected by conditions in the global financial markets and economic conditions throughout the world. Changing market conditions can adversely affect Pulse Markets by reducing the volume of transactions executed across Corporate Advisory & Equities and by reducing the value of assets under management in MDA, both which would result in a reduction in revenue.

#### **(b) Competition may lead to a Decrease in Business**

Pulse Markets faces competition from other financial services firms, many of which have the ability to offer clients a wider range of products and services. Increased competition could lead to fewer advisory mandates won, reduced securities trading volumes and pricing pressures that could adversely affect revenue and the financial performance of Pulse Markets.

### **5.16 Plans for the Company if the Resolutions are not passed**

If the conditions to the Term Sheet are not satisfied or waived, including if not all of the Resolutions are passed, the Acquisition will not proceed and the Company will be removed from the Official List on 9 April 2018.

### **5.17 Directors' Interests in the Acquisition**

None of the Company's existing Directors have any interest in the proposed Acquisition.

### **5.18 Pulse Markets Shareholders**

Neither the Pulse Markets Shareholder nor his associates are related parties of the Company or hold a substantial interest in the Company's securities.

### **5.19 Directors' Recommendation**

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

## **6. RESOLUTION 8 – CONSOLIDATION OF CAPITAL**

---

### **6.1 General**

If Resolution 8 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of Shares on issue will be reduced from 149,000,000 to 39,210,526 (subject to rounding).

### **6.2 Legal requirements**

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

### **6.3 Fractional entitlements**

Not all Shareholders will hold that number of Shares which can be evenly divided by 3.8. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share.

### **6.4 Taxation**

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

## 6.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

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

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

## 6.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table in Section 6.6.

## 6.7 Indicative timetable

If Resolution 8 is passed, the Consolidation will take effect in accordance with the timetable (as set out in Appendix 7A (paragraph 8) of the Listing Rules):

Action	Indicative Date
Company notifies ASX that Shareholders have approved the Consolidation.	27 April 2018
Last day for trading on pre-Consolidation basis.*	30 April 2018*
Trading in reorganised Securities on a deferred settlement basis start.*	1 May 2018*
Last day for Company to register transfers on a pre-Consolidation basis	2 May 2018
First day for Company to send notice to each holder of the change in their details of holdings.	3 May 2018
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	3 May 2018
Change of details of holdings date.	9 May 2018
Last day for Securities to be entered into holders' Security holdings.	9 May 2018
Last day for the Company to send notice to each holder of the change in their details of holdings.	9 May 2018

\*As the Company's Securities are currently suspended from trading, these events will not occur.

## 6.8 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 8.

## **7. RESOLUTION 9 – ISSUE OF CONSIDERATION SHARES TO PULSE MARKETS SHAREHOLDER**

### **7.1 General**

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.

Under the Term Sheet, the consideration to be paid to the Pulse Markets Shareholder for the Acquisition is 15,789,474 Shares (on a post Consolidation basis).

Given the Consideration Shares to be issued will exceed the 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1.

Resolution 9 seeks Shareholder approval for the issue of 15,789,474 Shares (on a post Consolidation basis) to the Pulse Markets Shareholder (or his nominees). Mr Braund is not a related party of the Company, but he will remain as a director and CEO of Pulse Markets, and will hold 19.74% of the total issued capital of the Company after the Acquisition and Capital Raising.

The Directors acknowledge that ASX may treat the Consideration Shares the subject of Resolution 9 as restricted securities for the purpose of the Listing Rules.

The Consideration Shares to be issued pursuant to this Resolution 9 will be issued such that neither the Pulse Markets Shareholder nor his associates will hold more than 19.9% of the Shares on issue.

The effect of Resolution 9 will be to allow the Company to issue the Consideration Shares during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **7.1.1 Technical information required by Listing Rule 7.1**

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

- (a) the maximum number of Consideration Shares to be issued is 15,789,474 (representing approximately 19.74% of the Shares of the Company after Completion and Capital Raising);
- (b) the Consideration Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of all the Consideration Shares will occur on the same date;
- (c) the deemed issue price for the Consideration Shares will be \$0.20 per Share. However, the Consideration Shares will be issued for nil cash consideration as they are being issued in consideration for the Company's acquisition of the Pulse Markets Shares;
- (d) the Consideration Shares are proposed to be issued to Andrew Braund (and/or his nominees);
- (e) the Shares proposed to be 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) No funds will be raised from the proposed issue of the Consideration Shares as they are proposed to be issued in consideration for the Acquisition.

### **7.2 Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.



## **8. RESOLUTION 10 – ISSUE OF SHARES – CAPITAL RAISING**

---

### **8.1 General**

Resolution 11 seeks Shareholder approval for the issue of 25,000,000 Shares (on a post Consolidation basis) at \$0.20 per Share to raise \$5,000,000.

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.

Given the Shares to be issued under the Capital Raising will exceed the 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1.

The effect of Resolution 10 will be to allow the Company to issue the Shares pursuant to the Capital Raising during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **8.2 Technical information required by Listing Rule 7.1**

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

- (a) the maximum number of Shares to be issued is 25,000,000;
- (b) the Shares will be issued no later than three 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 all the Shares pursuant to the Capital Raising will occur on the same date;
- (c) the Shares will be issued at \$0.20 per Share;
- (d) the Shares are proposed to be issued pursuant to a public offer by way of the Prospectus for the purpose of Listing Rule 1.1 Condition 3 and allocated at the discretion of the Directors. None of the subscribers for the Capital Raising will be related parties of the Company, except for the Underwriter (a related party) which will subscribe for any Shortfall Shares;
- (e) the Shares proposed to be 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 Capital Raising in the manner set out in Section 5.7.

### **8.3 Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 10.

## **9. RESOLUTION 11 – ISSUE OF SHARES TO A RELATED PARTY AS SUB-UNDERWRITER**

---

### **9.1 General**

The Company has engaged Transocean Securities Pty Ltd to be the underwriter of the Capital Raising. Transocean has notified the Company that AXL Financial Pty Limited, a related party of Company has offered to be a sub-underwriter under the Capital Raising. Transocean has indicated that under their standard terms and conditions of an underwriting agreement they will restrict any person acquiring, through participation in sub-underwriting the offer, a holding of shares of, or increase their holding, that will result in a person's voting power in the company to an amount in excess of 19.9% of all the shares on issue on completion of the offer.

## 9.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. For a public company to give a financial benefit to a related party of the public company, the public company 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.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a company (directly or indirectly) giving a related party finance, receiving services from a related party and issuing shares to a related party.

### 9.2.2 Related Party

A related party is defined in section 228 of the Corporations Act.

Section 228(5) of the Corporations Act provides that an entity is a related party at a particular time if the entity was a related party of the public company referred to in sections 228(1), (2), (3) or (4) at any time within the previous six months. Section 228(2) provides that a director of the public company is a related party.

AXL Financial is an entity ultimately controlled by Mr Alexander Harmstorf who was a director of the Company between the period 31 May 2017 and 28 February 2018 which is within the previous 6 months. Mr Harmstorf was also the largest shareholder of the Company within the previous 6 months holding approximately 27.96% of the total issued capital of the Company. Mr Harmstorf ceased to be a shareholder of the Company as at 5 March 2018. Accordingly, AXL Financial is a related party under section 228(5).

AXL Financial is an authorised representative of Moshav Financial Wholesale Pty Ltd (AFSL 439903) (**Moshav**) (which is an entity controlled by Tal Silberman, a Director) with limited authorisation to act as a representative only to provide general financial advice in relation to managed investment schemes only.

### 9.2.3 Arm's length terms exception

Section 210 of the Corporations Act provides an exemption to the requirement to obtain shareholder approval for the giving of a financial benefit to a related party, where the financial benefit is given on terms that:

- (a) would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a) above.

The Directors (who have notice of the relationship between AXL Financial and Moshav, an entity controlled by Mr Silberman) have ascertained that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of AXL Financial's potential participation as a sub-underwriter because:

- (a) Transocean has the sole discretion in appointing sub-underwriters;
- (b) any sub-underwriting arrangements will be between Transocean and the relevant sub-underwriters (which may include AXL Financial) on terms and conditions negotiated between the parties, and the Company is not a party to any sub-underwriting arrangement;
- (c) if AXL Financial becomes a sub-underwriter, any Sub-Underwritten Shares will be issued on the same terms as the Equity Securities issued to non-related party sub-underwriters and as offered to all Shareholders under the Capital Raising, and as such, the giving of the financial benefit is on reasonable arm's length terms (an allowable exemption under section 210 of the Corporations Act);
- (d) the purpose of the sub-underwriting is not to give the Sub-Underwriter control of the Company and Transocean has indicated that it will ensure no sub-underwriter acquires, through participation in sub-underwriting the offer, a holding of shares of, or increase their holding, that will result in a person's voting power in the company to an amount in excess of 19.9% of all the shares on issue on completion of the offer; and
- (e) if AXL Financial becomes a sub-underwriter, it will not benefit from the proposed usage of the capital the Company raises except as a Shareholder.

### 9.3 Listing Rule 10.11

Listing Rule 10.11 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company to a related party of the company.

A related party in relation to a company is defined in section 228 of the Corporations Act.

The Sub-Underwriter is a related party of the Company as it is controlled by a person who was a director and was the largest shareholder of the Company in the previous 6 months. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

As it is a possibility that AXL Financial may become a sub-underwriter, the Directors consider that it is prudent to seek approval from the Shareholders for the issue of Sub-Underwritten Shares up to 19.9% of the total share capital of the Company should AXL Financial sub-underwrite the offer under the Capital Raising.

Resolution 11 seeks approval for the issue of the Sub-Underwritten Shares for the purpose of satisfying the requirements of Listing Rule 10.11. As approval is being sought pursuant to Listing Rule 10.11, approval is not required under Listing Rule 7.1.

#### 9.3.1 Technical information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 11:

- (a) **Name of the persons**  
AXL Financial Pty Limited.
- (b) **Maximum number of securities to be issued**  
In the event that AXL Financial becomes a sub-underwriter, the number of Shares to be issued to the AXL Financial depends on the number of Shortfall Shares. In the event that none of the Shares under the Capital Raising is applied for by the public or placed with sub-underwriters, the maximum number of Shares to be issued to AXL Financial is 15,920,000 Shares (representing 19.9% of the Shares of the Company after Completion and Capital Raising).
- (c) **Date by which the entity will issue the securities**  
It is anticipated that the Sub-Underwritten Shares will be issued and allotted within 10 Business Days after the close of the public offer under Capital Raising. In any event, however, no Sub-

Underwritten Shares will be issued to AXL Financial later than one month after the Meeting (other than to the extent permitted by any waiver or modification of the Listing Rules).

(d) **Relationship**

AXL Financial is a related party of the Company as it is controlled by a person who was a director and a largest shareholder of the Company in the previous 6 months holding approximately 27.96% of the total issued capital of the Company.

(e) **Issue price of the securities**

\$0.20 per Share.

(f) **Terms of the securities**

The Sub-Underwritten Shares issued are fully paid ordinary shares and rank equally in all respects with other Shares on issue.

(g) **Intended use of the funds raised**

The funds raised from the issue of Sub-Underwritten Shares to AXL Financial form part of the funds raised under the Capital Raising and are intended to be used in the manner set out in Section 5.7

#### **9.4 Directors' recommendations**

The Directors recommend that Shareholders vote in favour of Resolution 11.

### **RESOLUTION 12 – ELECTION OF DIRECTOR – STEVE NICOLS**

---

#### **9.5 General**

Resolution 12 seeks approval for the election of Steve Nicols as a director of the Company on and from Completion if the Acquisition Resolutions are approved by Shareholders.

Clause 11.3 of the Constitution states that no person other than a Director seeking re-election shall be eligible for election to the office of Director at any general meeting unless the person or some Shareholder intending to propose his or her nomination has, at least 30 Business Days (or 28 days if the nominee has been recommended by the Board) before the meeting, left at the registered office a notice in writing duly signed by the nominee giving his or her consent to the nomination and signifying his or her candidature for the office or the intention of the Shareholder to propose the person.

The Board has recommended Mr Nicols for election to the office of Director. Mr Nicols has given the Company a written notice duly signed by him respectively giving his consent to the nomination and signifying his candidature for the office.

Mr Nicols' background and experience is set out in Section 5.12.

#### **9.6 Directors' Recommendation**

The Directors support the election of Steve Nicols and recommend that Shareholders vote in favour of Resolution 12.

### **10. RESOLUTION 13 – CHANGE OF COMPANY NAME**

---

#### **10.1 General**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 13 seeks the approval of Shareholders for the Company to change its name to "BIR Financial Limited". Resolution 13 is a special resolution and, therefore, requires approval of 75% of

the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The proposed name has been reserved by the Company and if Resolution 13 is passed, the Company will lodge a copy of the special resolution with ASIC on Completion in order to effect the change. If Resolution 13 is passed, the change of name will take effect when ASIC alters the details of the Company's registration.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

Resolution 13 is subject to the approval of the Acquisition Resolutions and subsequent Completion.

## **10.2 Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 13.

## **11. RESOLUTION 14 – MODIFICATION OF CONSTITUTION**

---

### **11.1 General**

A company may amend its constitution by special resolution at a meeting of its members (section 136(2) of the Corporations Act).

Resolution 14 is a special resolution to amend the Constitution to:

- (a) update the Constitution to align with current law; and
- (b) give the Company and its Directors new powers, including in relation to the reduction of share capital, the conduct of meetings, the appointment of attorneys and the payment of dividends; and
- (c) incorporate provisions relating to "Restricted Securities" under the Listing Rules.

Resolution 14 is a special resolution and, therefore, requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **11.2 Reasons for proposing the resolution**

The proposed amendments to the Constitution are set out in Schedule 1 to this Notice. The proposed amendments, and the reasons for proposing the amendments, are as follows:

- (a) The definitions of "ASX" and the "Company" in rule 1.1 have been deleted and replaced with new definitions that refer to the current names of ASX and the proposed name of the Company.
- (b) References to a "proper SCH Transfer" and "SCH Business Rules" in the existing Constitution have been replaced with references to "CS Facility", "CS Facility Operator" and "Operating Rules" which refer to the current definition of "clearing and settlement facility" in the Corporations Act, the operator of such a facility and the rules that currently apply to the operation of such facilities.
- (c) A new rule 2A has been added to provide the Company with the flexibility to reduce its share capital in any way, including by distributing the securities of any other body corporate to its members and for members to be bound by the constitution of that body corporate. New Rule 2A.3 also provides Directors with powers to resolve difficulties arising from the distribution of

specific assets and to make cash payments where a distribution of specific assets is illegal or impractical.

- (d) Existing rule 6 regarding transfers of Shares has been replaced with an updated rule which reflects the operation of a “CS Facility” by a “CS Operation” in accordance with the “Operating Rules”.
- (e) Existing rule 9 regarding general meetings is replaced with a new rule that provides a more detailed procedure for dealing with the cancellation and postponement of meetings.
- (f) A new rule 10.22 has been added to provide the chairman of a general meeting of members with the power to require those attending the general meeting to comply with appropriate security arrangements. It also gives the chairman the absolute discretion to adjourn or terminate a meeting which becomes so unruly or disorderly that in the opinion of the chairman the meeting cannot be conducted in a proper and orderly manner, and to implement procedural rules or adjourn a meeting which in the chairman’s opinion has become unduly protracted.
- (g) A new rule 11.3A has been added to confirm and clarify the process for the election of a Director at a general meeting.
- (h) A new rule 12.3 has been added to prescribe specific powers the Directors have, including to power to borrow or raise money, charge property and issue debentures and other security for a debt.
- (i) New rules 12.4 to 12.5 have been added to expressly provide the Directors with the power to appoint attorneys of the Company, and to provide that such powers of attorney may contain provisions for the protection of those dealing with the attorney or authorise the attorney to delegate a power vested in the attorney.
- (j) Existing rule 15 regarding dividends has been replaced with more detailed provisions regarding dividends and reserves, including provisions which provide:
  - that no interest is payable by the Company on a dividend;
  - Directors with the power to set aside reserves and carry forward profits;
  - for the deduction amounts payable by members to the Company from dividends payable to those members;
  - Directors with the power to resolve to satisfy a dividend with the distribution of specific assets to some or all of those entitled to receive a dividend;
  - a mechanism for the resolution of difficulties that arise in relation to a distribution; and
  - subject to the Listing Rules, Directors with the discretion to permit members to elect to reinvest cash dividends by subscribing for Shares or to accept Shares instead of dividends.
- (k) A new rule 22 has been added to clarify members’ rights to inspect the records of the Company, in particular, that members (other than Directors) do not have rights to inspect the records of the Company, except as provided by law or authorised by the Directors or by the Company in a general meeting.
- (l) A new rule 23 has been added which prohibits the disposal of “Restricted Securities” during an “Escrow Period” (as those terms are defined in the Listing Rules) and provides that where a holder of “Restricted Securities” breaches the Listing Rules that holder will not be entitled to received dividends or distributions, or exercise voting rights, in relation to those “Restricted Securities”.

### **11.3 Directors’ Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 14.

## DEFINITIONS

**\$** means Australian dollars.

**2016 Annual Report** means the annual report of the Company for the financial year ended 30 June 2016.

**2017 Annual Report** means the annual report of the Company for the financial year ended 30 June 2017.

**Acquisition** has the meaning given in Section 5.2.2.

**Acquisition Resolutions** means Resolutions 7 to 14 (inclusive).

**AEST** means Australian Eastern Standard Time, as observed in Sydney, New South Wales.

**AFSL** means Australian Financial Services Licence.

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

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

**AXL Financial** means AXL Financial Pty Limited (ACN 603 393 317).

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

**Auditor's Report** means the auditor's report on the Financial Report.

**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.

**Capital Raising** means the public offer of 25,000,000 Shares (on a post Consolidation basis) with an issue price of \$0.20 per Share to raise \$5,000,000.

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

**Closely Related Party** means a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:

- (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 Birrabong Corporation Limited (ACN 074 009 091).

**Completion** has the meaning given to that term in Section 5.5.5.

**Conditions** has the meaning given in Section 5.5.1.

**Consideration Shares** has the meaning given in Section 5.5.3.

**Consolidation** means the consolidation of the Company's issued capital on a 3.8 to one basis.

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

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

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

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company.

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

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

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company.

**Key Management Personnel** means the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

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

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

**Offer Amount** means \$5,000,000.

**Official List** means the official list of ASX.

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

**Prospectus** means the prospectus proposed to be issued by the Company in relation to the Capital Raising.

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

**Pulse Markets** means Pulse Markets Pty Ltd (ACN 081 505 268).

**Pulse Markets Shares** means 100% of the issued shares in Pulse Markets.

**Pulse Markets Shareholder** means Andrew Braund, the sole holder of Pulse Markets Shares.

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

**Section** means a section of this Notice.

**Securities** means all Equity Securities of the Company, including a Share and an Option.

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

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

**Shortfall Shares** means the Shares not applied for and issued under the Capital Raising.

**Sub-Underwritten Shares** means Shares to be issued pursuant to a potential sub-underwriting arrangement between Transocean and AXL Financial at an issue price of \$0.20 per Share.

**Term Sheet** has the meaning given in Section 5.2.2.

**Transocean** means Transocean Securities Pty Ltd (ABN 25 009 230 120), the underwriter to the offer under the Capital Raising.



## SCHEDULE 1 - MODIFICATION OF CONSTITUTION (RESOLUTION 15)

Rule	Amendments
1.1	<p>The definitions set out below are deleted and replaced with the following:</p> <p><b>ASX</b> means ASX Limited or Australian Securities Exchange as the context requires.</p> <p><b>Company</b> means BIR Financial Limited (ACN 074 009 091), as that name may be changed from time to time.</p>
1.1	<p>The following definitions are added:</p> <p><b>CS Facility</b> has the same meaning as prescribed “clearing and settlement facility” in the Act.</p> <p><b>CS Facility Operator</b> means the operator of the CS Facility.</p> <p><b>Escrow Period</b> has the meaning as prescribed in the Listing Rules.</p> <p><b>Operating Rules</b> means the operating rules of a CS Facility regulating the settlement, clearing and registration of uncertified shares as amended, varied or waived (whether in respect of the Company or generally) from time to time.</p> <p><b>Restricted Securities</b> has the same meaning as prescribed in the Listing Rules.</p> <p><b>Restriction Agreement</b> means a restriction agreement within the meaning and for the purposes of the Listing Rules.</p>
All	<p>All references in the Constitution to “<b>SCH Business Rules</b>” are replaced with “<b>Operating Rules</b>”.</p>
All	<p>All references in the Constitution to “<b>proper SCH Transfer</b>” are replaced with “<b>transfer under a CS Facility</b>”.</p>
2A	<p>A new rule <b>2A Reduction in Capital</b> is added as follows:</p> <p><b>2A REDUCTION OF CAPITAL</b></p> <p><b>2A.1 Reduction of capital</b></p> <p>The Company may, subject to the Act, reduce its share capital in any way including, but not limited to, distributing securities of any other body corporate to Members and for the Members to be bound by the constitution of that body corporate.</p> <p><b>2A.2 Distributing securities</b></p> <p>Without limiting rule 2A.3, if the Company reduces its share capital under rule 2A.1 by distributing paid up shares or other securities in a body corporate, whether by issue or transfer, then:</p> <ul style="list-style-type: none"> <li>(a) the Members are deemed to have agreed to become members of that body corporate and to be bound by the constitution of that body corporate; and</li> <li>(b) each Member appoints each Director as its agent to execute any transfer of shares or other securities, or any other document required to</li> </ul>

	<p>give effect to the distribution of shares or other securities to that Member.</p> <p><b>2A.3 Directors may resolve</b></p> <p>(a) If a difficulty arises in regard to a distribution of specific assets under rule 2A.1, the Directors may:</p> <ul style="list-style-type: none"> <li>(i) settle the matter as they consider expedient;</li> <li>(ii) fix the value for distribution of the specific assets or any part of those assets;</li> <li>(iii) determine that cash payments will be made to, or at the direction of, any Members on the basis of the value so fixed in order to adjust the rights of all parties; and</li> <li>(iv) vest any such specific assets in trustees as the Directors consider expedient.</li> </ul> <p>(b) If a distribution of specific assets to, or at the direction of, a particular Member or Members is illegal or, in the Directors' opinion, impracticable the Directors may make a cash payment to the Member or Members on the basis of the cash amount of the reduction in share capital instead of the distribution of specific assets.</p>
6	<p>Rule <b>6 Transfer of Securities</b> is deleted and replaced with the following:</p> <p><b>6 TRANSFER OF SECURITIES</b></p> <p><b>6.1 Forms of instrument of transfer</b></p> <p>(a) Subject to rule 6.1(b) of this Constitution and the Listing Rules, a share in the Company is transferable:</p> <ul style="list-style-type: none"> <li>(i) as provided by the Operating Rules of a CS Facility if applicable; or</li> <li>(ii) by any other method of transfer which is required or permitted by the Act and Listing Rules.</li> </ul> <p>(b) Notwithstanding rule 6.1(a), while the Company is not admitted to the Official List of the ASX, subject to rule 6.1(c), a share in the Company is only transferrable with the prior written approval of the Board.</p> <p>(c) The Board may resolve at any time that the restriction on transferability of shares in the Company under rule 6.1(b) will no longer apply.</p> <p><b>6.2 Execution and delivery of transfer</b></p> <p>If a duly completed instrument of transfer:</p>

	<p>(a) is used to transfer a share in accordance with rule 6.1(a)(ii); and</p> <p>(b) is left for registration at the share registry of the Company, accompanied by any information that the Directors properly require to show the right of the transferor to make the transfer,</p> <p>the Company must, subject to the powers vested in the Directors by this Constitution, register the transferee as the holder of the share.</p> <p><b>6.3 Effect of registration</b></p> <p>Except as provided by any applicable Operating Rules of a CS Facility, a transferor of a share remains the holder of the share transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of the share.</p> <p><b>6.4 Company to register forms without charge</b></p> <p>The Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note transfer forms without imposing a charge except where a charge is permitted by the Listing Rules.</p> <p><b>6.5 Power to refuse to register</b></p> <p>If permitted by the Listing Rules, the Directors may:</p> <p>(a) request any applicable CS Facility Operator to apply a holding lock to prevent a transfer of shares in the Company from being registered on the CS Facility's sub register; or</p> <p>(b) refuse to register a transfer of shares in the Company to which rule 6.5(a) does not apply.</p> <p><b>6.6 Obligation to refuse to register</b></p> <p>The Directors must:</p> <p>(a) request any applicable CS Facility Operator to apply a holding lock to prevent transfer of shares in the Company from being registered on the CS Facility's sub register; or</p> <p>(b) refuse to register any transfer of shares in the Company to which rule 6.6(a) does not apply,</p> <p>if:</p> <p>(c) the Listing Rules require the Company to do so; or</p> <p>(d) the transfer is in breach of the Listing Rules or a Restriction Agreement.</p> <p><b>6.7 Written notice to security holder</b></p> <p>If in the exercise of their rights under rules 6.5 and 6.6 the Directors request application of a holding lock to prevent a transfer of shares in the Company or refuse to register a transfer of shares they must give written notice of the request or refusal to the holder of the shares, the transferee and any broker</p>
--	---

	<p>lodging the transfer. Failure to give notice does not invalidate the decision of the Directors.</p> <p><b>6.8 Company to retain instrument of transfer</b></p> <p>The Company must retain every instrument of transfer which is registered for the period required by any applicable law.</p>
9	<p>Rule <b>9 General Meetings</b> is deleted and replaced with the following:</p> <p><b>9 GENERAL MEETINGS</b></p> <p><b>9.1 Annual general meeting</b></p> <p>Annual general meetings of the Company are to be held in accordance with the Act.</p> <p><b>9.2 Convening a general meeting</b></p> <p>The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Act.</p> <p><b>9.3 Use of technology at general meetings</b></p> <p>The Company may hold a meeting of its members at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.</p> <p><b>9.4 Notice of general meeting</b></p> <p>Notice of a general meeting must be given in accordance with rule 17, the Act and the Listing Rules.</p> <p><b>9.5 Calculation of period of notice</b></p> <p>In computing the period of notice under rule 9.4, both the day on which the notice to Members is given or taken to be given and the day of the meeting convened by it are to be disregarded.</p> <p><b>9.6 Cancellation or postponement of a meeting</b></p> <p>(a) Where a general meeting (including an annual general meeting) is convened by the Directors they may by notice, whenever they think fit, cancel the meeting or postpone the holding of the meeting to a date and time determined by them or change the place for the meeting.</p> <p>(b) This rule 9.6 does not apply to a meeting convened in accordance with the Act by a single Director, by Members, by the Directors on the request of Members or to a meeting convened by a court.</p> <p><b>9.7 Notice of cancellation or postponement of a meeting</b></p> <p>Notice of cancellation or postponement or change of place of a general meeting must state the reason for cancellation or postponement and be:</p>

	<p>(a) published in a daily newspaper circulating in Australia; or</p> <p>(b) subject to the Act and the Listing Rules, given in any other manner determined by the Directors.</p>
	<p><b>9.8 Contents of notice of postponement of meeting</b></p> <p>A notice of postponement of a general meeting must specify:</p> <p>(a) the postponed date and time for the holding of the meeting;</p> <p>(b) a place for the holding of the meeting which may be either the same as or different from the place specified in the notice convening the meeting; and</p> <p>(c) if the meeting is to be held in two or more places, the technology that will be used to facilitate the holding of the meeting in that manner.</p>
	<p><b>9.9 Number of clear days for postponement of meeting</b></p> <p>The number of clear days from the giving of a notice postponing the holding of a general meeting to the date specified in that notice for the holding of the postponed meeting must not be less than the number of clear days' notice of the general meeting required to be given by the Act.</p>
	<p><b>9.10 Business at postponed meeting</b></p> <p>The only business that may be transacted at a general meeting the holding of which is postponed is the business specified in the original notice convening the meeting.</p>
	<p><b>9.11 Proxy, attorney or Representative at postponed meeting</b></p> <p>Where by the terms of an instrument appointing a proxy or attorney or an appointment of a Representative:</p> <p>(a) the appointed person is authorised to attend and vote at a general meeting or general meetings to be held on or before a specified date; and</p> <p>(b) the date for holding the meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of Representative,</p> <p>then, by force of this rule, that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of Representative unless the Member appointing the proxy, attorney or Representative gives to the Company at its Registered Office notice in writing to the contrary not less than 48 hours before the time to which the holding of the meeting has been postponed.</p>
	<p><b>9.12 Non-receipt of notice</b></p> <p>The non-receipt of notice of a general meeting or cancellation or postponement of a general meeting by, or the accidental omission to give notice of a general meeting or cancellation or postponement of a general meeting to, a person entitled to receive notice does not invalidate any resolution passed at the general meeting or at a postponed meeting or the cancellation or postponement of a meeting.</p>

	<p><b>9.13 Director entitled to notice of meeting</b></p> <p>A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.</p>
10	<p>A new rule 10.22 is added as follows:</p> <p><b>10.22 Disruption and termination of general meeting</b></p> <p>(a) The Chairman may require any person who wishes to attend the general meeting to comply with searches, restrictions or other security arrangements as the Chairman considers appropriate. The Chairman may refuse entry to any person who does not comply with the arrangements, any person who possesses a recording or broadcasting device without the consent of the Chairman or any person who possesses an article which the Chairman considers to be dangerous, offensive or liable to cause disruption.</p> <p>(b) If any general meeting becomes so unruly or disorderly, whether or not accompanied by any violence or threats of violence, that in the opinion of the Chairman the business of the general meeting cannot be conducted in a proper and orderly manner, the Chairman may in the Chairman's sole and absolute discretion and without giving any reason for doing so either adjourn or terminate the general meeting. If any general meeting is, in the opinion of the Chairman, unduly protracted, the Chairman may in the Chairman's sole and absolute discretion and without giving any reason for doing so, implement such procedural rules as the Chairman deems appropriate or adjourn the general meeting.</p> <p>(c) If any general meeting is to be terminated by the Chairman under rule 10.22(b), the Chairman must put any incomplete items of business of which notice was given in the notice convening the general meeting and which required a vote at that general meeting, to the vote by poll either without discussion then and there or at such other time, at such place and in such manner as the Chairman directs. The results of any such poll on each such item of business is deemed for all purposes to be a resolution or special resolution (as the case may be) of the general meeting and be recorded in the minutes of that general meeting accordingly.</p> <p>(d) After the chairman of a general meeting declares the meeting to be adjourned, terminated or over, no business or question may be brought forward, discussed or decided.</p>
11	<p>A new rule <b>11.3A Director elected at general meeting</b> is added as follows:</p> <p><b>11.3A Director elected at general meeting</b></p> <p>The Company may, at a general meeting at which a Director retires or otherwise vacates office, by resolution fill the vacated office by electing a person to that office.</p>

12	<p>News rules <b>12.3</b> to <b>12.6</b> are added as follows:</p> <p><b>12.3 Specific powers of Directors</b></p> <p>Without limiting the generality of rule 12.1, the Directors may exercise all the powers of the Company to borrow or raise money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.</p> <p><b>12.4 Appointment of attorney</b></p> <p>The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for the purposes and with the powers, authorities and discretions vested in or exercisable by the Directors for such period and subject to such conditions as they think fit.</p> <p><b>12.5 Provisions in power of attorney</b></p> <p>A power of attorney granted under rule 12.4 may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate (including by way of appointment of a substitute attorney) all or any of the powers, authorities and discretions vested in the attorney.</p> <p><b>12.6 Delegation of Directors' powers</b></p> <p>(a) The Directors may delegate any of their powers, to the extent permitted by law, to any persons they select for any period, to be exercised for any objects and purposes on any terms and subject to any conditions and restrictions as they think fit, and may revoke, withdraw, alter or vary the delegation of any of those powers.</p> <p>(b) The powers of delegation expressly or impliedly conferred by this Constitution on the Directors are conferred in substitution for, and to the exclusion of, the power conferred by section 198D of the Act.</p>
15	<p>Rule <b>15 Dividends</b> is deleted and replaced with the following:</p> <p><b>15 DIVIDENDS AND RESERVES</b></p> <p><b>15.1 Payment of dividend</b></p> <p>Subject to the Act, the Listing Rules, this Constitution and the rights of any person entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Member entitled to that dividend.</p> <p><b>15.2 No interest on dividends</b></p> <p>Interest is not payable by the Company on a dividend.</p>

	<p><b>15.3 Reserves and profits carried forward</b></p> <p>(a) Subject to the Act, the Directors may:</p> <ul style="list-style-type: none"> <li>(i) before paying any dividend, set aside such sums as they think proper as a reserve, to be applied, at the discretion of the Directors, for any purpose for which such sums may be properly applied; and</li> <li>(ii) carry forward so much of the profits that are not included in the sums set aside under rule 15.3(a)(i) without transferring those profits to a reserve.</li> </ul> <p>(b) Pending application, any sum set aside as a reserve may, at the discretion of the Directors, be used in the business of the Company or be invested as the Directors think fit.</p> <p><b>15.4 Calculation and apportionment of dividends</b></p> <p>(a) Subject to the rights of any persons entitled to shares with special rights as to dividend and to the terms of issue of any shares to the contrary, all sums that the Company determines are to be distributed among Members as dividends are divisible among the Members so that, on each occasion on which a dividend is paid:</p> <ul style="list-style-type: none"> <li>(i) the same sum is paid on each share on which all amounts payable have been paid; and</li> <li>(ii) the sum paid on a share on which all amounts payable have not been paid is the proportion of the sum referred to in rule 15.4(a)(i) that the amount paid on the shares bears to the total of the amounts paid and payable on the share.</li> </ul> <p>(b) To determine the amount paid on a share, exclude any amount:</p> <ul style="list-style-type: none"> <li>(i) paid or credited as paid in advance of a call; and</li> <li>(ii) credited as paid on a share to the extent that it exceeds the value (ascertained at the time of issue of the share) of the consideration received for the issue of the share.</li> </ul> <p>(c) All dividends are to be apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it will rank for dividend as from a particular date, that share ranks for dividend accordingly.</p> <p><b>15.5 Deductions from dividends</b></p> <p>The Directors may deduct from any dividend payable to, or at the direction of, a Member any sums presently payable by that Member to the Company on account of calls or otherwise in relation to shares in the Company.</p>
--	--



	<p><b>15.6 Distribution of specific assets</b></p> <p>(a) When resolving to pay a dividend, the Directors may:</p> <ul style="list-style-type: none"> <li>(i) resolve that the dividend be satisfied either wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend, including fully paid shares in or debentures of the Company or fully paid shares in or debentures of any other body corporate; and</li> <li>(ii) direct that the dividend payable in respect of any particular shares be satisfied wholly or partly by such a distribution and that the dividend payable in respect of other shares be paid in cash.</li> </ul> <p>(b) Where a dividend is to be paid wholly or partly by the distribution of shares or other securities of another body corporate:</p> <ul style="list-style-type: none"> <li>(i) the members are deemed to have agreed to become members of that body corporate and to be bound by the constitution of that body corporate; and</li> <li>(ii) each member appoints each Director as its agent to execute any transfer of shares or other securities, or any other document required to give effect to the distribution of shares or other securities to that member.</li> </ul> <p><b>15.7 Resolution of distribution difficulties</b></p> <p>(a) If a difficulty arises in regard to a distribution under rule 15.6, the Directors may:</p> <ul style="list-style-type: none"> <li>(i) settle the matter as they consider expedient;</li> <li>(ii) fix the value for distribution of the specific assets or any part of those assets;</li> <li>(iii) determine that cash payments will be made to, or at the direction of, any Members on the basis of the value so fixed in order to adjust the rights of all parties; and</li> <li>(iv) vest any such specific assets in trustees as the Directors consider expedient.</li> </ul> <p>(b) If a distribution of specific assets to, or at the direction of, a particular Member or Members is illegal or, in the Directors' opinion, impracticable the Directors may make a cash payment to the Member or Members on the basis of the cash amount of the dividend instead of the distribution of specific assets.</p> <p><b>15.8 Payments in respect of shares</b></p> <p>(a) A dividend, interest or other money payable in cash in respect of shares may be paid using any payment method chosen by the Company, including:</p>
--	--

	<ul style="list-style-type: none"> <li>(i) by cheque sent through the post directed to the address in the Register of the holder or, in the case of joint holders, to the address of the joint holder first named in the Register;</li> <li>(ii) by cheque sent through the post directed to such other address as the holder or joint holder in writing directs; or</li> <li>(iii) by some other method of direct credit determined by the Directors to the holder or holders shown on the Register or to such person or place directed by them.</li> </ul> <p><b>15.9 Effectual receipt from one joint holder</b></p> <p>Any one of two or more joint holders may give an effectual receipt for any dividend, interest or other money payable in respect of the shares held by them as joint holders.</p> <p><b>15.10 Election to reinvest dividend</b></p> <p>Subject to the Listing Rules, the Directors may grant to Members or any class of Members the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on such terms and conditions as the Directors think fit.</p> <p><b>15.11 Election to accept shares instead of dividends</b></p> <p>Subject to the Listing Rules, the Directors may determine in respect of any dividend which it is proposed to pay on any shares of the Company that holders of the shares may elect:</p> <ul style="list-style-type: none"> <li>(a) to forego the right to share in the proposed dividend or part of such proposed dividend; and</li> <li>(b) to receive instead an issue of shares credited as fully paid on such terms as the Directors think fit.</li> </ul> <p><b>15.12 Unclaimed dividends</b></p> <p>Unclaimed dividends may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.</p>
22	<p>A new rule <b>22 Inspection of Records</b> is added as follows:</p> <p><b>22 INSPECTION OF RECORDS</b></p> <p><b>22.1 Inspection by Members</b></p> <p>Subject to the Act, the Directors may determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Members (other than Directors).</p> <p><b>22.2 Right of a Member to inspect</b></p> <p>A Member (other than a Director) does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.</p>

23	<p>A new clause <b>23 Restricted Securities</b> is added as follows:</p> <p><b>RESTRICTED SECURITIES</b></p> <p><b>23.1 Disposal during Escrow Period</b></p> <ul style="list-style-type: none"> <li>(a) Restricted Securities cannot be disposed of during the Escrow Period except as permitted by the Listing Rules or ASX.</li> <li>(b) The Company must not acknowledge a disposal (including by registering a transfer) of Restricted Securities during the Escrow Period except as permitted by the Listing Rules or ASX.</li> </ul> <p><b>23.2 Breach of Restriction Agreement or Listing Rules</b></p> <p>During a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.</p>
----	--

## SCHEDULE 2 – PULSE MARKETS' HISTORICAL FINANCIAL INFORMATION

### Statements of Profit or Loss

	Reviewed 31 /12/17 (half year)	Audited 30/06/2017	Audited 30/06/2016	Audited 30/06/2015
	\$	\$	\$	\$
Revenue	1,633,055	3,047,641	6,008,150	2,478,782
Salaries and employee benefits expense	-	(234,056)	(354,464)	(9,676)
Provision for doubtful debts	(76,798)	(417,974)	-	-
Depreciation	-	-	(9,047)	(5,239)
Corporate and administrative costs	(1,636,116)	(2,744,346)	(5,366,430)	(1,821,961)
<b>Profit/(Loss) before income tax expense</b>	(79,859)	(348,735)	278,209	641,906
Income tax expense	(92,888)	92,073	(91,228)	(195,523)
<b>Net Profit/(Loss) for the year</b>	(172,747)	(256,662)	186,981	446,383
 (1) Proforma Adjustments	(99,631)	(140,642)		
 Proforma Net Profit/(Loss) for the year	(272,378)	(397,304)		

(1) Pro-forma Pulse adjustments are income and expenses related to the Pulse business that were received/paid by related entities. Post-acquisition these income / expenses will be paid/received by Pulse Markets Pty Ltd.

## Statements of Financial Position

	Reviewed* 31 /12/17 (half year)	Audited* 30/06/2017	Audited* 30/06/2016	Audited* 30/06/2015
	\$	\$	\$	\$
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	65,333	87,622	200,853	24,984
Trade and other receivables	372,449	312,686	432,590	862,729
Receivables – related parties	372,428	324,806	-	-
Financial assets	104,393	-	210,784	1,350
<b>Total Current Assets</b>	<b>914,603</b>	<b>725,114</b>	<b>844,227</b>	<b>889,063</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	-	-	41,003	34,005
Financial assets	-	80,200	-	-
Deferred income tax benefit	-	92,887	6	6
<b>Total Non-Current Assets</b>	<b>-</b>	<b>173,087</b>	<b>41,009</b>	<b>34,011</b>
<b>Total Assets</b>	<b>914,603</b>	<b>898,201</b>	<b>885,236</b>	<b>923,074</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	579,545	476,029	195,561	311,095
Provision for Legal Fees	130,000	-	-	-
<b>Total Current Liabilities</b>	<b>709,545</b>	<b>476,029</b>	<b>195,561</b>	<b>311,095</b>
<b>Non-Current Liabilities</b>				
Deferred income tax liability	-	-	10,840	123
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>10,840</b>	<b>123</b>
<b>Total Liabilities</b>	<b>709,545</b>	<b>476,029</b>	<b>206,401</b>	<b>311,218</b>
<b>Net Assets/ (Liabilities)</b>	<b>205,058</b>	<b>422,172</b>	<b>678,835</b>	<b>611,856</b>
<b>Equity</b>				
Issued capital	57,954	57,954	57,954	57,954
Accumulated profit	147,104	364,218	620,881	553,902
<b>Total Equity/ (Deficiency)</b>	<b>205,058</b>	<b>422,172</b>	<b>678,835</b>	<b>611,856</b>
Contingent Liabilities	20,000	-	-	-

### SCHEDULE 3 – PRO FORMA STATEMENT OF FINANCIAL POSITION

	Notes	31 Dec 17 Pulse	31 Dec 17 Birrabong	Fund raising	Pulse acquisition	Subsequent event	Proforma (max and min subscription)
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	1	65,333	950	4,157,500	-	181,426	4,405,209
Trade and other receivables	2	372,449	24,602		163,850	(150,000)	410,901
Associated company receivables	3	372,428			(182,428)	(190,000)	-
Indemnified Deferred Tax Liability	4				80,988		80,988
Financial assets		104,393	-		-		104,393
<b>TOTAL CURRENT ASSETS</b>		<b>914,603</b>	<b>25,552</b>	<b>4,157,500</b>	<b>62,410</b>	<b>(158,574)</b>	<b>5,001,491</b>
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	5	-	-	-	110,000	-	110,000
Goodwill on acquisition	6	-	-	-	2,947,844	-	2,947,844
Financial Assets		-	-	-	-	-	-
Provision for Deferred Income Tax Benefits		-	-	-	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,057,844</b>	<b>-</b>	<b>3,057,844</b>
<b>TOTAL ASSETS</b>		<b>914,603</b>	<b>25,552</b>	<b>4,157,500</b>	<b>3,120,254</b>	<b>(158,574)</b>	<b>8,059,335</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Trade and Other Payables		579,545	20,000	-	-	-	599,545
Provision for Settlements and Legal Fees		130,000			-		130,000
Borrowings	7		158,574	-	86,429	(158,574)	86,429
<b>TOTAL CURRENT LIABILITIES</b>		<b>709,545</b>	<b>178,574</b>	<b>-</b>	<b>86,429</b>	<b>(158,574)</b>	<b>815,974</b>
<b>NON-CURRENT LIABILITIES</b>							
Deferred income tax liability	8				80,988	-	80,988
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>80,988</b>	<b>-</b>	<b>80,988</b>
<b>TOTAL LIABILITIES</b>		<b>709,545</b>	<b>178,574</b>	<b>-</b>	<b>167,417</b>	<b>(158,574)</b>	<b>896,962</b>
<b>NET ASSETS</b>		<b>205,058</b>	<b>(153,022)</b>	<b>4,157,500</b>	<b>2,952,837</b>	<b>-</b>	<b>7,162,373</b>
<b>EQUITY</b>							
Issued capital							
Share Capital	9	57,954	20,151,333	4,398,890	3,099,941	-	27,708,118
Retained earnings	10	147,104	(20,304,355)	(241,390)	(147,104)	-	(20,545,745)
<b>TOTAL EQUITY</b>		<b>205,058</b>	<b>(153,022)</b>	<b>4,157,500</b>	<b>2,952,837</b>	<b>-</b>	<b>7,162,373</b>
Contingent Liability		20,000	-	-	-		20,000

**Note 1: Cash and Cash equivalents**

	Pro forma after Offers \$
Cash and cash equivalents	4,405,209
Reviewed balance of Birrabong as at 31 December 2017	950
Reviewed balance of Pulse as at 31 December 2017	65,333
	66,283
<i>Subsequent Event adjustment</i>	
Related party Loan repaid January 2018	190,000
Former clearing provider Bond Repaid January 2018	150,000
Further drawdown of related party Loan	141,426
	481,426
<i>Pro forma adjustments</i>	
Proceeds from the fully underwritten issue 25,000,000 fully paid ordinary shares in Birrabong at \$0.20 per share	5,000,000
Capital raising costs	(842,500)
Repayment of Related Party loan	(300,000)
Total	3,857,500
Pro forma Balance	4,405,209

- (1) This includes Lead Manager fee of 2.0% of the amount raised under the General Offer \$100k, Underwriting and selling fee of 5% of the amount raised under the General offer \$250k, Legal Due Diligence \$230k, Investigating Accountants report \$25k, Tax Due diligence \$15k, meeting and printing expenses \$130k and ASX fees of \$90k and ASIC fees of \$2k.

**Note 2: Trade and other receivables**

	Pro forma after Offers \$
Trade and other receivables	410,901
Reviewed balance of Birrabong as at 31 December 2017	24,602
Reviewed balance of Pulse as at 31 December 2017	372,449
	397,051
<i>Subsequent Event adjustment</i>	
Former clearing provider Bbond Repaid January 2018	(150,000)
	(150,000)
<i>Pro forma adjustments</i>	
Transfer of Bond on office from an associate Pulse company to Pulse Markets	163,850
Total	163,850
Pro forma Balance	410,901

**Note 3: Associated Company receivables**

	Pro forma after Offers \$
Associated company receivables	-
Reviewed balance of Birrabong as at 31 December 2017	-
Reviewed balance of Pulse as at 31 December 2017	372,428
	<u>372,428</u>
<i>Subsequent Event adjustment</i>	
Related party Loan repaid January 2018	(190,000)
	<u>(190,000)</u>
<i>Pro forma adjustments</i>	
Property, plant and equipment	(110,000)
Offset of associated company loan associated with office bond and office fitout asset being transferred to Pulse Markets	(77,421)
Forgiveness of associated company loan	4,993
Total	<u>(182,428)</u>
Pro forma Balance	<u><u>-</u></u>

**Note 4: Indemnified Provision for Deferred Tax Liability**

	Pro forma after Offers \$
Indemnified Deferred Tax Liability	210,988
Reviewed balance of Birrabong as at 31 December 2017	-
Reviewed balance of Pulse as at 31 December 2017	-
	<u>-</u>
<i>Pro forma adjustments</i>	
Indemnity provided by Andrew Braund in the Share Sale Agreement in favour of Birrabong from potential Goodwill transaction Deferred Tax Liability	80,988
Total	<u>80,988</u>
Pro forma Balance	<u><u>80,988</u></u>

**Note 5: Property, plant and equipment**

	Pro forma after Offers \$
Property, plant and equipment	110,000
Reviewed balance of Birrabong as at 31 December 2017	-
Reviewed balance of Pulse as at 31 December 2017	-
	<u>-</u>
<i>Pro forma adjustments</i>	
Office Fitout asset transferred from associate company to Pulse Markets	110,000
Total	<u>110,000</u>
Pro forma Balance	<u><u>110,000</u></u>



**Note 6: Goodwill on acquisition**

	Pro forma after Offers \$
Goodwill on acquisition	2,947,844
Reviewed balance of Birrabong as at 31 December 2017	-
Reviewed balance of Pulse as at 31 December 2017	-
	-
<i>Pro forma adjustments</i>	
Being the issue of 15,789,474 fully paid ordinary shares for the acquisition of 100% of Pulse Markets Pty Ltd	3,157,895
Being the Net Assets of Pulse after making the pro forma adjustments associated with Pulse.	(210,051)
Total	2,947,844
Pro forma Balance	2,947,844

**Note 7: Borrowings**

	Pro forma after Offers \$
Borrowings	86,429
Reviewed balance of Birrabong as at 31 December 2017	158,574
Reviewed balance of Pulse as at 31 December 2017	-
	158,574
<i>Subsequent Event adjustment</i>	
Repayment of Related Party loan	(158,574)
	(158,574)
<i>Pro forma adjustments</i>	
Loan associated with current years insurance	19,974
Loan associated with office fitout	66,455
Total	86,429
Pro forma Balance	86,429

**Note 8: Deferred income tax liability**

	Pro forma after Offers \$
Deferred income tax liability	80,988
Reviewed balance of Birrabong as at 31 December 2017	-
Reviewed balance of Pulse as at 31 December 2017	-
	-
<i>Pro forma adjustments</i>	
50% of a previous sale of goodwill for \$589,000 in 2017 rolled over into the 2019 financial year creating a Deferred Tax Liability of \$80,988	80,988
Total	80,988
Pro forma Balance	80,988

**Note 9: Share Capital**

	Pro forma after Offers \$
Share Capital	27,708,118
Reviewed balance of Birrabong as at 31 December 2017	20,151,333
Reviewed balance of Pulse as at 31 December 2017	57,954
	20,209,287
<i>Pro forma adjustments</i>	
Being the issue of 15,789,474 fully paid ordinary shares for the acquisition of 100% of Pulse Markets Pty Ltd	3,157,895
Being elimination of the pre acquisition Share Capital of Pulse	(57,954)
Proceeds from the fully underwritten issue 25,000,000 fully paid ordinary shares in Birrabong at \$0.20 per share raising \$5,000,000 less costs of the offer estimated relating to capital raising fees (\$601,110)	4,398,890
Total	7,498,831
Pro forma Balance	27,708,118

**Note 10: Retained Earnings**

	Pro forma after Offers \$
Retained earnings	(20,545,745)
Reviewed balance of Birrabong as at 31 December 2017	(20,304,355)
Reviewed balance of Pulse as at 31 December 2017	147,104
	(20,157,251)
<i>Pro forma adjustments</i>	
Net effect of Pro forma adjustments	4,993
Being December 31 2017 Pulse Audit Reviewed Retained earnings (\$147,104) less the impact on Pulse Retained earnings of the Pro forma adjustments relating to Pulse (\$4,993)	(152,097)
Estimated costs of the offer not relating to capital raising fees	(241,390)
Total	(388,494)
Pro forma Balance	(20,545,745)

**BIRRABONG CORPORATION LIMITED  
(TO BE RENAMED "BIR FINANCIAL LIMITED")  
ACN 074 009 091**

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of Birrabong Corporation Limited ACN 074 009 091 (to be renamed "BIR Financial Limited")  
entitled to attend and vote at the Annual General Meeting

Appoint

**Name of Proxy**

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11.00 am (AEST) on 27 April 2018, at Ernst & Young, Level 34, 200 George Street, Sydney, New South Wales, and at any adjournment thereof.

**The Chair intends to vote all undirected proxies in favour of all Resolutions (except Resolution 3).** If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (i.e. directing the Chair to vote for, against or to abstain from voting).

OR

Voting on business of the Annual General Meeting		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report – 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of the Remuneration Report – 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Board Spill Meeting (Contingent Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Tal Silberman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Director – Gregory Starr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Election of Director – Greg Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Consideration Shares to Pulse Markets Shareholder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Shares – Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Shares to a related party as sub-underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Election of Director – Steve Nicols	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Modification of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):**

**Individual or Member 1**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**Director/Company Secretary**

**Date:**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

# Instructions for Proxy Form

## 1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

## 2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

## 3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

## 4. Signing instructions

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

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of attorney)** If you have not already lodged the power of attorney with the Company's share 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) does not have a company secretary, as 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

## 5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any power of attorney and/or second Proxy Form) and return by:

- post to:

Security Transfer Australia Pty Ltd  
PO BOX 52  
Collins Street West VIC 8007

- email to [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au),

so that it is received by no later than 5.00 pm (AEST) on 24 April 2018. **Proxy Forms received later than this time will be invalid.**

The Proxy Form does not need to be returned to the share registry if the votes have been lodged online at [www.securitytransfer.com.au](http://www.securitytransfer.com.au).

*This page has been left blank intentionally.*

*This page has been left blank intentionally.*

*This page has been left blank intentionally.*