



FLAMINGO AI LIMITED
ACN 000 031 292

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
the offices of the Company, at Level 4, 11-17 York Street,
Sydney NSW 2000 on
Thursday, 8 November 2018 at 10 am(EST).**

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6555 2950.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

FLAMINGO AI Limited

ACN 000 031 292

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Flamingo AI Limited (**Company**) will be held at the offices of the Company, at Level 4, 11-17 York Street, Sydney NSW 2000 on Thursday, 8 November 2018 at 10 am (EST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Tuesday, 6 November 2018 at 10 am (EST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2018, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution 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.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is

connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-Election of Director - Peter Lloyd

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

"That in accordance with Article 6.3(c) and Article 6.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Peter Lloyd, a Director who was appointed on 10 April 2018 retires and, being eligible, offers himself for re-election, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 - Re-election of Director - John Murray

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

"That in accordance with Article 6.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr John Murray, a Director who was appointed on 1 October 2018 retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum".

5. Resolution 4 - Re-election of Director - Mark Stanbridge Kehoe

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

"That in accordance with Article 6.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Mark Stanbridge Kehoe, a Director who was appointed on 10 April 2018 retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum".

6. Resolution 5 - Ratification of prior issue of Securities

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Securities:

- (a) 5,000,000 Ironside Options issued under Listing Rule 7.1;
- (b) 120,967,742 Shares issued in connection with the Placement under Listing Rule 7.1; and
- (c) 40,322,581 Shares issued in connection with the Placement under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of these Resolutions by a person (and any associate or nominee of such a person) who participated in the issue of the securities.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote in accordance with directions on the Proxy Form; or
- (b) 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.

7. Resolution 6 - Renewed approval of Performance Rights Plan

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

"That, pursuant to and in accordance with exception 9(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the existing employee incentive scheme of the Company known as the "Flamingo AI Performance Rights Plan" and the issue of Securities under that scheme on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme of the Company) and any of his or her associates.

The Company will not disregard a vote if:

- (a) 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
- (b) 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.

8. Resolution 7 - Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula

prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) 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
- (b) 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.

9. Resolution 8 - Appointment of Auditor

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

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, William Buck (NSW) Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the meeting."

BY ORDER OF THE BOARD

Zane Lewis
Company Secretary
Flamingo AI Limited
Dated: 9 October 2018

FLAMINGO AI LIMITED

ACN 000 031 292

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at Level 4, 11-17 York Street, Sydney NSW 2000 on Thursday 8 November, at 10 am (EST).

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

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Re-Election of Director - Peter Lloyd
Section 6	Resolution 3 - Election of Director - Mr John Murray
Section 7	Resolution 4 - Election of Director - Mr Mark Stanbridge Kehoe
Section 8	Resolution 5 - Ratification of Prior Issues of Securities
Section 9	Resolution 6 - Renewed approval of Performance Rights Plan
Section 10	Resolution 7 - Approval of 10% Placement Facility
Section 11	Resolution 8 - Appointment of Auditor
Schedule 1	Definitions
Schedule 2	Terms and conditions of Options
Schedule 3	Summary of Performance Rights Plan
Schedule 4	Nomination of Auditor

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

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

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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, each proxy may exercise half of the votes.

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

(c) 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:

- (i) 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);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) 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

- (iv) 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).
- (d) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) 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;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) 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.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolutions 1, 6 and 7 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolutions 1, 6 and 7 if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1 and 4 and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) 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, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolutions 1, 6 and 7.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial

Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2018.

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

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://flamingo.ai/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

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

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2017 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2019 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

5. Resolution 2 - Re-Election of Director - Mr Peter Lloyd

5.1 General

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) of the Constitution provides that a Director who retires is eligible for re-election.

The Company currently has 4 directors, and accordingly, one must retire. Article 6.3(e) of the Constitution provides that the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless otherwise agreed) be determined by drawing lots.

Furthermore, Article 6.3(j) of the Constitution provides that unless a Director appointed by the Board retired at the next general meeting following their appointment, that Director must retire at the next AGM and is eligible for re-election at that meeting.

The Company appointed Mr Peter Lloyd as a Non-Executive Director on 10 April 2018. Pursuant to these Articles, Mr Peter Lloyd will retire by rotation and, being eligible, will seek re-election.

5.2 Mr Peter Lloyd

Mr Lloyd is a highly experienced technologist and board director. Mr Lloyd is currently a non-executive director (since 2010) with Integrated Research Limited (ASX:IRI), one of Australia's most high profile ASX listed technology companies, and of Taggle Systems Pty Ltd, a privately held technology company that utilises patented Low Power Wide Area Networking technology in the water management industry. Previous directorships include Limehouse Creative and Transacument Pty Ltd.

Having worked extensively in Australia, the US and Asia Pacific, Mr Lloyd has previously held roles as Chief Operating Officer for payments switching platform provider, Distra Pty Ltd, Asia Pacific Regional Manager for Faster payments provider VocaLink Inc, Asia Pacific Regional Director Efund International Inc, and Senior VP (Americas) for Dynasty Technologies.

Mr Lloyd brings to the Flamingo AI Board strong experience in technology strategy, operationalisation and commercialisation. Additionally, Mr Lloyd is an experienced director of technology companies.

5.3 Board recommendation

The Board (excluding Mr Peter Lloyd) recommends that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all available proxies in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

6. Resolution 3 - Re-election of Director - Mr John Murray

6.1 General

Article 6.3(j) of the Constitution provides that unless a Director appointed by the Board retired at the next general meeting following their appointment, that Director must retire at the next AGM and is eligible for re-election at that meeting.

The Company appointed Mr John Murray as a Non-Executive Director on 1 October 2018.

Pursuant to the Company's Constitution, Mr John Murray will retire and, being eligible, will seek re-election.

6.2 Mr John Murray

Mr Murray has 25 years' international experience in private equity and venture capital and was a co-founder and Managing Partner of Technology Venture Partners in 1997; one of the original and leading venture capital firms in Australia. Mr Murray is a past chairman of the Australian Venture Capital & Private Equity Association.

Mr Murray has considerable experience as an investor and a non-executive director of high growth, technology-based companies which are expanding into international markets. He possesses a broad understanding of global trends in technology and their impact on a variety of industries including financial services.

He also brings 12 years' experience in executive roles in corporate banking, accounting and IT services industries. He is currently non-executive Chairman of ASX-listed PainChek Ltd, which has developed an AI based pain assessment technology for global markets.

Mr Murray is a member of the Institute of Chartered Accountants of Scotland and of the Australian Institute of Company Directors and has an Honours degree in Law from Edinburgh University.

6.3 Board recommendation

The Board (excluding Mr John Murray) recommends that Shareholders vote in favour of Resolution 3.

The Chair intends to exercise all available proxies in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

7. Resolution 4 - Re-election of Director - Mr Mark Stanbridge Kehoe

7.1 General

Article 6.3(j) of the Constitution provides that unless a Director appointed by the Board retired at the next general meeting following their appointment, that Director must retire at the next AGM and is eligible for re-election at that meeting.

The Company appointed Mr Mark Kehoe as an Executive Director and Chief Commercial Officer on 10 April 2018.

Pursuant to the Company's Constitution, Mr Mark Kehoe will retire and, being eligible, will seek re-election.

7.2 Mr Mark Stanbridge Kehoe

Mr Kehoe is one of the founders of Australian ecommerce pioneer GraysOnline where he spent over 16 years with the company, mostly as executive director before the business listed in 2014. Grays Ecommerce Group was subsequently acquired by Eclix Group (ASX:ECX). Grays employed over 300 staff in Australia & New Zealand, and in FY15 generated sales in excess of \$500m.

Prior to joining Flamingo AI as a full-time employee and Director, Mr Kehoe was the Head of Digital (Acting) for Virgin Australia. Mr Kehoe has also previously served as Director on several boards. Mr Kehoe brings very strong commercial, financial, marketing, sales and operations experience to the Company.

7.3 Board recommendation

The Board (excluding Mr Mark Kehoe) recommends that Shareholders vote in favour of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

8. Resolution 5 - Ratification of Prior Issues of Securities

8.1 General

On 26 June 2017, the Company entered into a corporate mandate ("Mandate") with Ironside Capital Pty Ltd ("Ironside"). On 20 September 2017 the Company advised that the Mandate had been terminated by mutual agreement. To finalise all obligations under the Mandate, the Company agreed to issue Ironside 5,000,000 unquoted options exercisable at \$0.05 each on or before 18 December 2019 ("Ironside Options"). The Company issued the Ironside Options on 19 December 2017.

On 13 December 2017, the Company announced that it had received binding commitments to raise \$10,000,000 (before costs) via a placement ("Placement") of 161,290,323 ordinary shares at an issue price of \$0.062 per share ("Placement

Shares”). On 19 December 2017, the Company advised completion of the Placement.

On 27 August 2018, the Company announced that it had appointed Mr John Murray as Non-Executive Chairman of the Company effective as at 1 October 2018. The Company agreed to issue to Mr Murray 4,000,000 Class H Performance Rights and 4,000,000 Class I Performance Rights as part of his negotiated package and to align his interest with shareholders.

The Company had the necessary capacity to issue the Placement Shares and Ironside Options without shareholder approval and completed the respective issues under the following Listing Rules:

- (a) 120,967,742 Shares and 5,000,000 Ironside Options under Listing Rule 7.1; and
- (b) 40,322,581 Shares issued for the purposes of Listing Rule 7.1A.

Resolution 5 seeks subsequent shareholder approval pursuant to Listing Rule 7.4 for the issue of the Placement Shares and Ironside Options which were issued within the last 12 months without obtaining prior Shareholder approval.

Each of the resolutions which form part of Resolution 5 are a separate ordinary resolution.

The Chair will cast all available proxies in favour of each of the resolutions which form part of Resolution 5.

The Board unanimously recommends that Shareholders vote in favour of each of the resolutions which form part of Resolution 5.

8.2 Listing Rules 7.1 and 7.1A

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.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 22 November 2017.

8.3 Listing Rule 7.4

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

120,967,742 Placement Shares and 5,000,000 Ironside Options were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, and 40,322,581

Placement Shares were issued within the Company's additional 10% annual limit permitted under Listing Rule 7.1A, without the need for prior Shareholder approval.

The effect of Resolution 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

8.4 Specific information required by Listing Rule 7.5

- (a) Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the Ironside Options:
 - (i) 5,000,000 Ironside Options were issued on 19 December 2017;
 - (ii) the Ironside Options were issued for nil consideration and were issued pursuant to the prospectus dated 18 December 2017 in satisfaction of obligations under the Mandate;
 - (iii) each Ironside Option is exercisable at \$0.05 each on or before 18 December 2019 and were issued on the terms set out in Schedule 2;
 - (iv) the Ironside Options were issued to Ironside Capital Pty Ltd who is not a related party to the Company;
 - (v) no funds were raised from the issue of the Ironside Options as they were issued in satisfaction of obligations under the Mandate; and
 - (vi) a voting exclusion statement is included in the Notice.
- (b) Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the Placement Shares:
 - (i) 120,967,742 Placement Shares were issued on 19 December 2017 pursuant to Listing Rule 7.1 and 40,322,581 Placement Shares were issued on 19 December 2017 pursuant to Listing Rule 7.1A;
 - (ii) the Placement Shares were issued at an issue price of \$0.062 each;
 - (iii) the Placement Shares were issued to sophisticated and professional investors, none of whom are a related party to the Company;
 - (iv) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
 - (v) the Placement raised a total of \$10,000,000 (before costs) and the Company used these funds to accelerate sale/distribution of products in US, Australia, Asia and further develop the Company's machine learning platform; and

- (vi) a voting exclusion statement is included in the Notice.

9. Resolution 6 - Renewed Approval of Performance Rights Plan

9.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 6 seeks Shareholders' renewed approval for the adoption of the employee incentive scheme titled "Flamingo AI Limited Performance Rights Plan" (**Plan**) in accordance with Listing Rule 7.2 exception 9(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Schedule 3. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

9.2 Listing Rule 7.1 and 7.2, exception 9(b)

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

Since the Plan was last approved by Shareholders on 23 December 2015, 66,000,000 Performance Rights have been issued under the terms of the Plan.

10. Resolution 7 - Approval of 10% Placement Facility

10.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 10.2 (c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

Resolution 8 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 Chair intends to exercise all available proxies in favour of Resolution 8.

10.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue Shares, Quoted Options and unquoted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 10.2 (c)).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

10.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

10.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

- (c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice and assuming any ratification resolutions in this Notice are approved by Shareholders.
- (d) The table also shows:
- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Share on issue Variable A in Listing Rule 7.1A.2	Dilution			
	Issue price per Share	\$0.016 50% decrease in Issue Price	\$0.031 Issue Price	\$0.062 100% increase in Issue Price
1,120,127,703 Shares	10% Voting Dilution	112,012,770 Shares	112,012,770 Shares	112,012,770 Shares
Current Variable A	Funds raised	\$1,736,198	\$3,472,396	\$6,944,792
1,680,191,555 Shares	10% Voting Dilution	168,019,155 Shares	168,019,155 Shares	168,019,155 Shares
50% increase in current Variable A	Funds raised	\$2,604,297	\$5,208,594	\$10,417,188
2,240,255,406 Shares	10% Voting Dilution	224,025,541 Shares	224,025,541 Shares	224,025,541 Shares
100% increase in current Variable A	Funds raised	\$3,472,396	\$6,944,792	\$13,889,584

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No Options (including any Options issued under the 10% Placement Facility) or other convertible securities are exercised or converted into Shares before the date of the issue of the Equity Securities.

3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 7. The issue price is \$0.031, being the closing price of the Shares on ASX on 5 October 2018 being that last day that the Company's Shares traded on the ASX before this Notice was printed.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) as cash consideration, in which case the Company intends to use funds raised to accelerate sale/distribution of products in the US, Australia, Asia and further develop the Company's machine learning platform and for general working capital; or
 - (ii) as non-cash consideration for the provision of services to the Company or the acquisition of new projects, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include service providers, existing Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company. Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.
- (j) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 22 November 2017. In the 12 months preceding the date of the 2018 Annual General Meeting and as at the date of this Notice, the Company has issued 251,238,276 Equity Securities. This represents 22% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of this Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹ (if applicable)	Consideration & Use of Funds as at the date of this Notice
24 November 2017	530,324	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$15,379.40. Funds spent on continuing product development and commercialisation.
24 November 2017	9,000,000	Performance Rights	Directors and company secretary	No issue price. Issue of Class G Performance Rights	Issued to Directors and the company secretary pursuant the Plan. Due to the uncertainty of meeting the performance conditions, no value has been allocated to those Performance Rights.
19 December 2017	161,290,323	Shares	Sophisticated and professional investors	\$0.062 per share (6% discount to closing market price on the date of issue)	\$10,000,000 raised before costs. Approximately \$1,000,000 of the funds raised have been used to accelerate sale/distribution of products in US, Australia, Asia and further develop the Company's machine learning platform. The remaining funds will be used for continuing product development, commercialisation and otherwise in accordance with the announcement dated 13 December 2017.
19 December 2017	5,000,000	Options	Ironside Capital Pty Ltd	Nil	Issued in satisfaction of obligations under a mandate with Ironside Capital Pty Ltd. Current value: \$196,962
5 February 2018	30,000,000	Performance Rights	Directors	Conversion of Class A Performance Rights Conversion of Class B Performance Rights Conversion of Class C Performance Rights	Issued to Directors and the company secretary on conversion of Performance Rights. Class A Performance Rights value: \$61,264 Class B Performance Rights value: \$61,264 Class C Performance Rights value: \$61,264
7 March 2018	3,683,333	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$89,666.66. Funds spent on continuing product development and commercialisation.
23 March 2018	3,736,111	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$94,722.22. Funds spent on continuing product development and commercialisation.
23 March 2018	650,000	Options	Various unrelated option holders	No issue price (issue of options pursuant to an employee incentive scheme)	Issue of options pursuant to an employee incentive scheme Current value: \$20,641

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹ (if applicable)	Consideration & Use of Funds as at the date of this Notice
10 April 2018	173,608	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$3,472.16. Funds spent on continuing product development and commercialisation.
10 April 2018	10,000,000	Performance Rights	Directors	No issue price Issue of Class E Performance Rights Issue of Class G Performance Rights	Due to the uncertainty of meeting the performance conditions, no value has been allocated to those Performance Rights.
14 May 2018	1,005,258	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$30,315.48. Funds spent on continuing product development and commercialisation.
14 May 2018	7,586,325	Options	Unrelated employees	No issue price (issue of options pursuant to an employee incentive scheme).	Issue of options pursuant to an employee incentive scheme. Current value: \$246,787.88
30 May 2018	200,000	Options	Unrelated employees	No issue price (issue of options pursuant to an employee incentive scheme)	Issue of options pursuant to an employee incentive scheme. Current value: \$6,506.12
19 June 2018	117,716	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$7,062.96. Funds spent on continuing product development and commercialisation.
19 June 2018	6,388,889	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercised for \$127,777.78. Funds spent on continuing product development and commercialisation.
19 June 2018	1,000,000	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercise for \$30,000. Funds spent on continuing product development and commercialisation.
19 June 2018	555,555	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercise for \$11,111. Funds spent on continuing product development and commercialisation.
1 August 2018	938	Shares	Various unrelated option holders	No issue price. Exercise of options.	Options exercise for \$56. Funds spent on continuing product development and commercialisation.

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹ (if applicable)	Consideration & Use of Funds as at the date of this Notice
31 August 2018	8,000,000	Performance Rights	John Murray, Director	No issue price. Issue of 4,000,000 Class H Performance Rights and 4,000,000 Class I Performance Rights	Issued to Director pursuant the Plan. Due to the uncertainty of meeting the performance conditions, no value has been allocated to those Performance Rights.

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. In respect of quoted Equity Securities, the value is based on the closing price of Shares (\$0.031) as the context requires on the ASX on the Trading Day prior to the date of this Notice. In respect of unquoted Equity Securities the value of Options and Performance Rights is measured using the Black & Scholes pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option or Performance Right (as applicable), the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option or Performance Right (as applicable). No account is taken of any performance conditions included in the terms of the Option or Performance Right other than market based performance conditions (i.e. conditions linked to the price of Shares).
3. Fully paid ordinary shares in the capital of the Company, ASX Code: FGO (terms are set out in the Constitution).
 - (a) A voting exclusion statement is included in the Notice.
 - (b) At the date of the Notice, the Company has not approached any particular existing Shareholder or Security holder or an identifiable class of existing Security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

11. Resolution 8 - Appointment of Auditor at AGM to Fill Vacancy

On 8 February 2018, the Company announced that then auditor BDO Audit (WA) Pty Ltd had applied in writing for and received ASIC's consent to resign as the Company's auditors.

In accordance with section 327C(1) of the Corporations Act the Directors appointed William Buck (NSW) Pty Ltd to act as the Company's auditors, effective 8 February 2018.

Pursuant to section 327C(2) of the Corporations Act, an auditor appointed under clause 327C(1) of the Corporations Act shall hold office until the entity's next annual general meeting at which time members must appoint an auditor.

Accordingly, in accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for William Buck (NSW) Pty Ltd to be appointed as the Company's auditors. A copy of this nomination is attached to this Explanatory Statement as Schedule 4.

William Buck (NSW) Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval.

If Resolution 8 is passed, the appointment of William Buck (NSW) Pty Ltd as the Company's auditors will take effect from the close of the Meeting.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 10.2.

10% Placement Period has the meaning given in Section 10.2(f).

AGM mean this annual general meeting.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2018.

Article means an article of the Constitution.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

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

Board means the board of Directors of the Company.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Flamingo AI Limited ACN 000 031 292.

Constitution means the constitution of the Company as at the date of the Meeting.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

EST means Eastern Standard Time, being the time in Sydney, New South Wales

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the

Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Option means an option in the Company.

Performance Rights means the Class H and I Performance Rights issued on the terms set out in Schedule 3.

Plan means the Company's Incentive Performance Rights Plan which was previously approved by Shareholders on 23 December 2015.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

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

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

Shareholder means a holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day means a day on which ASX is open for trading securities.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 - Terms of Options

Each of the Company's Options are granted on the following terms:

1. Entitlement

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

2. Exercise Price

Subject to Section 11, the amount payable upon exercise of each Ironside Option will be \$0.05 (**Exercise Price**).

3. Expiry Date

Each Ironside Option will expire at 5:00pm (WST) two years from the date of issue (**Expiry Date**). An Ironside Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Ironside Options are exercisable at any time after 1 January 2018 and on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

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

6. Exercise Date

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

7. Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Ironside Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Ironside Options.

If a notice delivered under Section 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 30 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary

to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

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

9. Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Ironside Options.

10. Reconstruction of capital

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

11. Participation in new issues

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

12. Unquoted

The Company will not apply for quotation of the Ironside Options on ASX.

13. Transferability

The Ironside Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 3 - Summary of Performance Rights Plan

1. Eligible Participants

A Director, full time, part time or casual employee of the Company and certain contractors (current or prospective) who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participant**).

2. Offers

The Board may, from time to time, at its absolute discretion, make an offer to an Eligible Participant under the Performance Rights Plan to apply for up to a specified number of Performance Rights, upon the terms of the Performance Rights Plan and on such additional terms and conditions as the Board determines (**Offer**).

3. Performance Rights

Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share.

4. Limit on Offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Performance Rights offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on Class Order 14/1000 (**Class Order**) at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

5. Not transferrable

Performance Rights are only transferrable in special circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

6. Vesting Conditions

A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right (**Vesting Conditions**).

7. Vesting

A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

- (a) a relevant person ceasing to be an Eligible Participant due to special circumstances;
- (b) a relevant person suffering severe financial hardship;
- (c) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

8. Exercise of vested Performance Right

A Participant may, subject to the terms of any offer, exercise any vested Performance Right at any time after the Board notifies that the Performance Right has vested and before it lapses.

9. Issue of Shares

Subject to the Corporations Act, the Listing Rules, the Plan and the terms of any offer under the Plan, within 10 days of receipt of a valid notice of exercise for Performance Rights, the Board must issue or transfer one (1) Share, free of encumbrances, to the Participant or his or her personal representative for each Performance Right exercised.

10. Lapse of a Performance Right

A Performance Right will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Performance Right;
- (b) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception (e.g. due to death, total and permanent disability, retirement or redundancy or financial hardship) or change of control event;
- (c) in respect of unvested Performance Rights only, where a relevant person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception or change of control event or resolves to allow the unvested Performance Right to remain unvested after the relevant person ceases to be an Eligible Participant;
- (d) in respect of a vested Performance Right only, where a relevant person ceases to be an Eligible Participant and the Performance Right granted is not exercised within one (1) month of the date the relevant person ceases to be an Eligible Participant;
- (e) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (f) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right; and
- (g) the expiry date of the Performance Right.

11. Shares

All shares issued under the Performance Rights Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

12. Quotation of Shares

If Shares of the same class as those allotted under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

13. Share sale restrictions

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restricted Shares**), up to a maximum of seven (7) years from the date the Performance Rights are granted (**Restriction Period**). Other than any Restriction Period, there will be no transfer restrictions on Shares issued or transferred under the Plan unless the sale, transfer or disposal would require the preparation of a disclosure document. The Company will issue, where required to enable Shares issued or transferred on exercise of Performance Rights to be freely tradeable on the ASX, a cleansing statement at the time the shares are issued.

14. No participation rights

There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

15. No change

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

16. Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

17. Deferred taxation

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to Performance Rights granted under the Plan except to the extent an offer provides otherwise.

18. Amendments

Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan including giving any amendment retrospective effect.

19. Restrictions on amendments

Without the consent of the Participant, no amendment may be made to the terms of any granted Performance Right which reduced the rights of the Participant in respect of that Performance Right, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable a member of the Company to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or

- (d) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.

Schedule 4 - Nomination of Auditor Letter

The Directors
Flamingo AI Limited
Level 4, 11-17 York Street
Sydney, New South Wales 2000

I, Catriona Wallace, being a member of Flamingo AI Limited (**Company**), nominate William Buck (NSW) Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 8 October 2018:

A handwritten signature in black ink, appearing to read 'C Wallace', is written over a faint, diagonal watermark line that spans the lower half of the page.

Dr Catriona Wallace
Managing Director, CEO

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: FGO

Your proxy voting instruction must be received by **10:00am (AEDT) on Tuesday, 6 November 2018**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Log in & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder 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 registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone		
		Date (DD/MM/YY)
		<div style="display: inline-block; width: 30px; height: 30px; border: 1px solid black; margin-right: 5px;"></div> <div style="font-size: 2em; vertical-align: middle;">/</div> <div style="display: inline-block; width: 30px; height: 30px; border: 1px solid black; margin-right: 5px;"></div> <div style="font-size: 2em; vertical-align: middle;">/</div> <div style="display: inline-block; width: 30px; height: 30px; border: 1px solid black;"></div>
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).		