



LINIUS TECHNOLOGIES LIMITED

ACN 149 796 332

Notice of 2018 Annual General Meeting and Explanatory Statement

Notice is given that the Annual General Meeting of
Linus Technologies Limited ACN 149 796 332
will be held at the offices of
Norton Rose Fulbright
RACV Tower, Level 15, 485 Bourke Street, Melbourne, Victoria
on 29 November 2018
commencing at 11:00am AEDT

NOTICE OF 2018 ANNUAL GENERAL MEETING

Notice is given that the 2018 Annual General Meeting of the Shareholders of Linus Technologies Limited ACN 149 796 332 (**Company**) will be held at the offices of Norton Rose Fulbright, RACV Tower, Level 15, 485 Bourke Street, Melbourne, Victoria on 29 November 2018 commencing at 11.00am AEDT.

AGENDA

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the various Resolutions to be considered at the Meeting.

Terms and expressions used in this Notice of Meeting have the meaning given to them in the "Definitions" section located at the end of the Explanatory Statement.

ORDINARY BUSINESS

Financial Statements

To receive and consider the Annual Financial Report of the Company and its controlled entities, the Directors' Report and the Independent Auditor's Report in respect of the financial year ended 30 June 2018.

There is no vote on this item of business.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2018 (Advisory resolution only)

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

"That the Remuneration Report for the year ended 30 June 2018 be adopted."

This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and any comments made by Shareholders at the meeting when considering the Company's future remuneration policies.

Voting Prohibition:

A vote on this resolution must not be cast by or on behalf of a member of the key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report, or by any of their closely related parties.

However, this does not prevent those KMP or any of their closely related parties from voting as a proxy for a person who is not a member of the KMP or a closely related party if:

- the person specifies the way the proxy is to vote on this resolution in the proxy form; or
- the person voting as a proxy is the Chairman and the proxy form expressly authorises the Chairman to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the KMP.

Resolution 2 – Re-election of Director – Gerard Bongiorno

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Gerard Bongiorno, a Director retiring on rotation and being eligible for re-election, is re-elected as a Director."

Resolution 3 – Approval for additional 10% placement capacity

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities, in number, equal to up to 10% of the number of Shares on issue in the Company (at the time of the issue) calculated in accordance with the formula in Listing Rule 7.1A.2 and otherwise on the terms and conditions and in the manner detailed in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by any person who is expected to participate in the issue of Equity Securities under this Resolution and a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Renewal of Employee Incentive Scheme (Share Plan)

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

“That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the adoption of the employee incentive scheme titled “Incentive Share Plan” (as approved by Shareholders on 29 March 2016) and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by or on behalf of a Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:

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

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

However, the above prohibition does not apply if:

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

Resolution 5 – Renewal of Employee Incentive Scheme (Option Scheme)

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

“That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the adoption of the employee incentive scheme titled “Incentive Option Scheme” (as approved by Shareholders on 29 March 2016) and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by or on behalf of a Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition:

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

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

However, the above prohibition does not apply if:

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

OTHER BUSINESS

To consider any other business that may be lawfully brought forward.

BY ORDER OF THE BOARD



Stephen Kerr
Company Secretary
17 October 2018

Information regarding voting and proxies

Snapshot Date – Eligibility to Vote

For the purposes of voting at the Meeting, the Directors have determined that the shareholding of each Shareholder will be as it appears in the share register at 7.00 pm AEDT on 27 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlement to vote at the Meeting.

Important voting information

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on the Resolutions.

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution.

Shareholders' Questions and Comments

The Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about or make comments on the Company's 2018 Annual Report and the management or performance of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or their representative (who will be present at the Meeting) questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The 2 ways to ask the Company or the Auditor questions are detailed below. Questions submitted in writing to the Company must relate to matters which are relevant to the Annual General Meeting including matters arising from the Company's 2018 Annual Report or the management or performance of the Company. Written questions to the Auditor must relate to the content of the Auditor's Report or the conduct of the audit.

1. Post or email your question direct to the Company as follows:

Company Secretary
Linus Technologies Limited
Level 18, 101 Collins Street
Melbourne, Victoria, 3000
Telephone: +61 3 8680 2317
Email: info@linus.com

2. Attend the Annual General Meeting.

Please note that written questions must be received no later than 5 business days before the Meeting i.e. 22 November 2018.

The Company is required by law to forward all questions to the Auditor from which the Auditor is required to prepare a list of those questions that are considered to be relevant to the conduct of the audit or the content of the Auditor's Report. The Auditor may omit questions that are the same in substance to other questions. The list of questions prepared by the Auditor will be available at the Meeting.

The Chair of the Meeting will answer as many of the frequently asked questions submitted to the Company as possible at the Annual General Meeting. Individual replies will not be sent. The Auditor will also be given a reasonable opportunity at the Annual General Meeting to answer written questions submitted to the Auditor.

Proxies

A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

Proxy forms must be signed by the Shareholder or the Shareholder's attorney or, if the Shareholder is a company, must be signed by 2 directors or by a director and a secretary or, if it is a proprietary company that has a sole director who is also the sole secretary (or has no secretary), by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of the shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by the attorney, the power of attorney or a certified copy of the power of attorney) must either have been exhibited previously to the Company or be enclosed with the proxy form.

For an appointment of a proxy to be valid, the form appointing the proxy and, if the form is signed under a power of attorney or other authority, the authority under which the form is signed (or a certified copy of the authority) must be received at the following addresses or by fax at least 48 hours prior to the Annual General Meeting at which the proxy intends to vote:

- a) **Hand Delivery** – Advanced Share Registry Limited, 110 Stirling Hwy, Nedlands WA 6009
- b) **Post** – PO Box 1156, Nedlands WA 6909
- c) **Email** – admin@advancedshare.com.au
- d) **Facsimile** – +61 8 9262 3723

A proxy form accompanies this Notice of Annual General Meeting. Additional proxy forms are available on request from the registered office of the Company or its share registry. The proxy form contains important information and other instructions which Shareholders should carefully read.

Corporate Representatives

A Shareholder which is a body corporate and which is entitled to attend and vote at a meeting of Shareholders may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of Shareholders or in the capacity of a Shareholder's proxy. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body could exercise at a meeting or in voting on a resolution. The representative must present satisfactory evidence that they are authorised to act as the company's representative prior to admission to the Meeting.

EXPLANATORY STATEMENT

PURPOSE OF INFORMATION

The purpose of this Explanatory Statement (which accompanies, and forms part of, the Notice of Meeting) is to provide Shareholders with an explanation of the business to be considered and Resolutions to be proposed at the 2018 Annual General Meeting of Linus Technologies Limited ACN 149 796 332 to be held at 11:00am AEDT on 29 November 2018 and to allow Shareholders to determine how they wish to vote on those Resolutions.

Terms and expressions used in this Explanatory Statement have the meaning given to them in the "Definitions" section located at the end of this Explanatory Statement.

Shareholders are encouraged to carefully read this Explanatory Statement and the Notice of Meeting in their entirety before deciding how to vote on each resolution. Shareholders should consult their financial or other adviser if they are undecided about what to do.

SUMMARY OF BUSINESS OF THE MEETING

- Consideration of the 2018 Annual Report of the Company.
- Adoption of the Remuneration report for the year ended 30 June 2018 (Resolution 1).
- To re-elect Gerard Bongiorno as a Director (Resolution 2).
- Approval for additional 10% placement capacity (Resolution 3)
- Renewal of Employee Incentive Scheme (Share Plan) (Resolution 4)
- Renewal of Employee Incentive Scheme (Option Scheme) (Resolution 5)

ORDINARY BUSINESS

1. Consideration of Financial Statements and Reports

The Corporations Act requires the Directors to lay before the Annual General Meeting the Annual Financial Report of the Company (which includes the Financial Statements and Directors' Declaration), Directors' Report and Independent Auditor's Report in respect of the financial year ended on 30 June 2018, as a listed public company.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports.

There is no requirement in either the Corporations Act or the Company's constitution for Shareholders to vote on or approve the Annual Financial Report, Directors' Report or Independent Auditor's Report.

2. Adoption of the Remuneration Report for the year ended 30 June 2018 (Resolution 1)

2.1 Background

The Remuneration Report is contained in the Directors' Report in the 2018 Annual Report. Shareholders can access a copy of the report at the Company's website, www.linus.com.

The Remuneration Report provides information about the remuneration arrangements for KMP, which includes non-executive Directors and the most senior executives, for the year to 30 June 2018.

The Remuneration Report covers the following matters:

- details of Key Management Personnel (**KMP**);
- principles used to determine the nature and amount of remuneration;
- description and details of non-executive director remuneration;
- description and details of executive remuneration;

- executive equity ownership;
- key terms of executive service agreements; and
- related party information.

Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. Shareholders will be asked to vote on the Remuneration Report. The resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if at least 25% of the votes cast on the resolution are against the adoption of the relevant Remuneration Report at two consecutive Annual General Meetings (each an "AGM", and any such potential 25% or more vote 'against' commonly referred to as a "first strike" or "second strike"), Shareholders will be required to vote at the second of those AGMs on a resolution that another general meeting be held within 90 days, at which all of the Directors in office at the time of the Directors' resolution to make the Directors' Report containing that second Remuneration Report (other than the Managing Director) must stand for re-election.

2.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2.3 Voting prohibition

A vote on Resolution 1 must not be cast by or on behalf of a member of the KMP or by any of their closely related parties (such as certain of their family members, dependants and companies they control).

However, this does not prevent a member of the KMP, details of whose remuneration are included in the Remuneration Report, or any of their closely related parties from voting as a proxy for a person who is not a member of those KMP or any of their closely related parties if:

- the person specifies the way the proxy is to vote on Resolution 1 in the proxy form; or
- the person voting as a proxy is the Chairman and the proxy form expressly authorises the Chairman to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the KMP for the Company. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking any one of "For", "Against" or "Abstain" on the proxy form for that item of business. As set out in the section on appointing a proxy, if you have appointed the Chairman of the meeting as your proxy and you do not mark any of "For", "Against" or "Abstain" on the proxy form, you will be authorising the Chairman to vote any proxies held by him in favour of Resolution 1, even if that item is connected directly or indirectly with the remuneration of a member of the KMP for the Company. The Chairman of the meeting intends to vote any undirected proxies held by him in favour of Resolution 1.

3 Re-election of Director – Gerard Bongiorno (Resolution 2)

Pursuant to the Constitution, one third of the directors are required to retire on rotation each year at annual general meeting of the Company and each of those directors is eligible for re-election at that meeting.

Gerard Bongiorno retires on rotation in accordance with the Constitution and, being eligible and having signified his candidature for the office, offers himself for re-election as a Director.

Details of Mr Bongiorno's experience and expertise are contained in the Company's 2018 Annual Report.

All Directors (with the exception of Mr Bongiorno as an abstention) recommend that Shareholders vote in favour of Resolution 2.

4 Approval for additional 10% placement capacity (Resolution 3)

4.1 Background

Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue, or agree to issue, Equity Securities up to 10% of its issued capital during the 12 month period after the entity's annual general meeting at which the approval is obtained (**Additional 10% Placement Capacity**).

The Company is seeking Shareholder approval under Resolution 3 to have the ability to issue Equity Securities under the Additional 10% Placement Capacity.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the Additional 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (described below). The Equity Securities must be in the same class as an existing class of quoted Equity Securities of the Company. The Company currently has only one class of quoted Equity Securities on issue, being Shares.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and entitled to vote at the Meeting must be in favour of Resolution 3 for it to be passed. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 3 in the Notice of Meeting.

4.2 Listing Rule 7.1A – Eligibility criteria

The Company will be an Eligible Entity for the purposes of Listing Rule 7.1A provided it has a market capitalisation no greater than \$300 million (excluding restricted securities) (being, as at the date of the Notice of Meeting, approximately \$61.0 million based on the number of unrestricted securities on issue and the closing price of Shares on ASX on 16 October 2018) and is not included in the S&P/ASX 300 Index as at the date of the relevant special resolution under Listing Rule 7.1A. The Company is not included in that index. Accordingly, the Directors believe that the Company will be an Eligible Entity at the date of the Meeting.

If Shareholders approve Resolution 3, the maximum number of Equity Securities that the Company may issue under the Additional 10% Placement Capacity will be calculated according to the following formula (set out in Listing Rule 7.1A.2) (**Listing Rule 7.1A.2 Formula**):

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

Where:

- A** = The number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:
- *plus* the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
 - *plus* the number of partly paid ordinary shares that became fully paid in the 12 months;
 - *plus* the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under Listing Rule 7.1 or Listing Rule 7.4; and
 - *less* the number of fully paid ordinary shares cancelled in the 12 months.

Note that “**A**” has the same meaning in Listing Rule 7.1 (described above) when calculating the Company's usual annual 15% placement capacity under that Listing Rule.

D = 10%

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are *not* issued with the approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4.

If the Company obtains the approval of its Shareholders to the Additional 10% Placement Capacity:

- (1) any Shares issued under that Additional 10% Placement Capacity will not be counted in variable “A” above until their issue has been ratified under Listing Rule 7.4 (described above) or 12 months has passed since their issue; and
- (2) any Shares issued under that Additional 10% Placement Capacity are counted in variable “E” above until their issue has been ratified under Listing Rule 7.4 (described above) or 12 months has passed since their issue.

4.3 Placement capacity under Listing Rules 7.1 and 7.1A

The Additional 10% Placement Capacity is in addition to the Company’s usual annual 15% placement capacity under Listing Rule 7.1 (described above).

As at the date of the Notice of Meeting, the Company has 938,097,548 Shares on issue and, therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it will have capacity to issue:

- (1) subject to the Shareholders approving Resolution 3, 140,714,632 Shares under Listing Rule 7.1; and
- (2) subject to Shareholders approving Resolution 3, 93,809,754 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue or agree to issue under Listing Rule 7.1A will be calculated at the relevant date in accordance with the Listing Rule 7.1A.2 Formula.

4.4 Period of Approval

Shareholder approval of the Additional 10% Placement Capacity is valid from, and therefore Equity Securities may be issued under the Additional 10% Placement Capacity from, the date of the Meeting until the first to occur of the following:

- (1) the date that is 12 months after the date of the Meeting; and
- (2) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (Proposed change to nature or scale of activities) or Listing Rule 11.2 (Change involving main undertaking),

(the **Period of Approval**).

Upon the expiry of the Period of Approval, unless the Company has before the end of the Period of Approval obtained a further approval under Listing Rule 7.1A.1, its placement capacity will be governed by Listing Rule 7.1 (and Listing Rule 10.11, in the case of placements to related parties).

An approval under Resolution 3 will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2 referred to above.

4.5 Minimum Issue Price

Under Listing Rule 7.1A.3, the minimum price at which each Equity Security may be issued under the Additional 10% Placement Capacity is 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades were recorded immediately before:

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

4.6 Purpose and allocation

As at the date of the Notice of Meeting, the Company does not have any specific intention to use the Additional 10% Placement Capacity.

The Company is seeking approval to take advantage of the ASX's recognition that flexibility is sometimes required if action needs to be taken swiftly. The Additional 10% Placement Capacity may be used to raise funds to support the Company's ongoing business, continued product development for the Linus technology, sales and marketing, commercialization of the technology and general working capital purposes or for the acquisition of business opportunities which may arise.

Ultimately, if Resolution 3 is approved, the Company's allocation policy for issues of Equity Securities under the Additional 10% Placement Capacity will be dependent on various considerations including (but not limited to) the purpose of the proposed issue, the alternative methods for raising funds that are available to the Company at the time, the effect of the proposed issue on the control of the Company, the circumstances of the Company and the prevailing market conditions at the time of the proposed issue. The identity of the placees will be determined on a case-by-case basis at or around the time of issue. However, the placees of any Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. It is unlikely that such a placee will be a person to whom the Company is required to issue a prospectus or other disclosure document under the Corporations Act.

The Company may issue Equity Securities under the Additional 10% Placement Capacity for cash consideration or as non-cash consideration. Where the Company issues any Equity Securities under the Additional 10% Placement Capacity for non-cash consideration (for example, where the Company acquires assets from a vendor), the Company will provide to ASX for release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with the minimum issue price under Listing Rule 7.1A.3 (outlined above).

4.7 Risk of Economic and Voting Dilution

Any issue of Equity Securities under the Additional 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity, the economic and voting dilution of existing Shareholders through the Company using the Additional 10% Placement Capacity is as shown in the table below. The table has been prepared based on the number of quoted Shares on issue and the closing price of those quoted Shares as at close of trade on ASX on 16 October 2018.

Number of Shares on Issue (variable "A" in Listing Rule 7.1A.2)*	Dilution			
	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Funds raised based on an issue price of \$0.0325 (50% decrease in current issue price)	Funds raised based on an issue price of \$0.065 (Current issue price)	Funds raised based on an issue price of \$0.0975 (50% increase in current issue price)
938,097,548 (Current)	93,809,755	\$3,048,817	\$6,097,634	\$9,146,451
1,407,146,322 (50% increase)	140,714,632	\$4,573,226	\$9,146,451	\$13,719,677
1,876,195,096 (100% increase)	187,619,510	\$6,097,634	\$12,195,268	\$18,292,902

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or securities issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at the date of the Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on ASX on 16 October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting other than issues under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 or 7.4.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to issues under Listing Rule 7.1.
7. 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%.
8. The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.

Shareholders should note that there is a risk that:

- (1) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and
- (2) the Company's Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

4.8 Prior Issues of Equity Securities over last 12 months

The Company previously obtained approval under Listing Rule 7.1A at its annual general meeting held on 28 November 2017.

Listing Rule 7.3A.6 requires the Notice of Meeting (or this Explanatory Statement) to include details of the total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period.

During that 12 month period a total of 268,740,018 Equity Securities comprising 143,906,668 Shares and 124,833,350 Options were issued by the Company representing approximately 29.75% of the total number of Equity Securities (Shares, Performance Shares and Options) on issue in the Company on 28 November 2017.

Details of the issues of Equity Securities in the preceding 12 month period are set out in Schedule 1.

4.9 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5 Renewal of Employee Incentive Scheme (Share Plan) (Resolution 4)

Resolution 4 seeks Shareholder approval of the Incentive Share Plan (**Plan**) approved by Shareholders on 29 March 2016.

Listing Rule 7.1 limits the number of equity securities which a listed Company may issue in any twelve month period without shareholder approval (subject to certain exceptions, for example a pro-rata issue to all shareholders). The limit is, generally, no more than 15% of the total number of equity securities on issue at the beginning of the twelve month period, plus the number of equity securities issued with the approval of shareholders or under one of the exceptions during the previous twelve months.

One of the exceptions to Listing Rule 7.1 is Listing Rule 7.2 (Exception 9), which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Accordingly, the Plan must be renewed within every three years for the purposes of Listing Rule 7.2 (Exception 9). The rules of the Plan were last submitted to Shareholders for approval on 29 March 2016 and, by Resolution 4, are being presented to Shareholders to have that approval refreshed.

During the period between 29 March 2016 and 29 November 2018 (being the date of the Meeting) no securities have been, or will be, issued under the Plan.

A summary of the Plan is set out in Schedule 2. In addition, copies of the Plan are 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 by email to cosec@linius.com or phone on +61 (0)3 8680 2317.

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

The Company has not yet determined who the proposed recipients of securities under the Plan will be, if any.

Any future issues of 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.

Shareholders should contact the Company Secretary if they have any queries or concerns.

6 Renewal of Employee Incentive Scheme (Option Scheme) (Resolution 5)

Resolution 5 seeks Shareholder approval of the Incentive Option Scheme (**Scheme**) approved by Shareholders on 29 March 2016.

Listing Rule 7.1 limits the number of equity securities which a listed Company may issue in any twelve month period without shareholder approval (subject to certain exceptions, for example a pro-rata issue to all shareholders). The limit is, generally, no more than 15% of the total number of equity securities on issue at the beginning of the twelve month period, plus the number of equity securities issued with the approval of shareholders or under one of the exceptions during the previous twelve months.

One of the exceptions to Listing Rule 7.1 is Listing Rule 7.2 (Exception 9), which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Accordingly, the Scheme must be renewed within every three years for the purposes of Listing Rule 7.2 (Exception 9). The rules of the Scheme were last submitted to Shareholders for approval on 29 March 2016 and, by Resolution 5, are being presented to Shareholders to have that approval refreshed.

Since 29 March 2016, a total of 5,750,000 Options, 3,750,000 each exercisable at 4.5 cents on or before 30 June 2021 and 2,000,000 each exercisable at 5.0 cents on or before 30 June 2021, have been issued under the Scheme, and the Company has no intention to issue any further securities under the Scheme before 29 November 2018 (being the date of the Meeting).

A summary of the Scheme is set out in Schedule 3. In addition, copies of the Scheme are available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company Secretary by email to cosec@linius.com or phone on +61 (0)3 8680 2317.

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

The Company has not yet determined who the proposed recipients of securities under the Scheme will be, if any.

Any future issues of securities under the Scheme 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.

Shareholders should contact the Company Secretary if they have any queries or concerns.

7 Definitions

Unless the context requires otherwise, the terms below have the following meanings in the Notice and Explanatory Statement (and Schedules):

Annual General Meeting or Meeting means the 2018 annual general meeting of the Company convened by the Notice of Meeting and any adjournment or postponement of it.

ASX means Australian Securities Exchange.

Board means the board of Directors.

Company means Linus Technologies Limited ACN 149 796 332.

Constitution means the constitution of the Company.

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

Director or Directors means a director or the directors of the Company from time to time.

Eligible Entity has the same meaning as in the Listing Rules.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means this Explanatory Statement accompanying the Notice.

Notice or Notice of Meeting means this document which comprises the Company's Notice of Annual General Meeting and the accompanying Explanatory Statement.

Plan means the Incentive Share Plan detailed in Section 5.

Resolutions means the resolutions set out in the Notice of Meeting.

Schedule means schedule of this Explanatory Statement.

Scheme means the Employee Option Scheme detailed in Section 6.

Section means section of this Explanatory Statement.

Shareholder means a shareholder of the Company.

Share means a fully paid ordinary share in the Company.

VWAP means the volume weighted average market price of Shares in the ordinary course of trading on the ASX.

A reference to time in the Notice and Explanatory Statement is to Melbourne time.

Schedule 1 - Equity Securities issued since 2017 AGM

Date of issue	Number issued	Class/Type of equity security and Summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price / Discount per share	Consideration	
21 December 2017	10,000,000	Options	Issued to consultant after approval at 2017 AGM. Exercise price of \$0.075 each, expiring 30 May 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$140,000.
21 December 2017	5,000,000	Ordinary shares	Issued to director after approval at 2017 AGM. Part of October 2017 placement issued to sophisticated investors,	\$0.05 Nil discount	Total cash consideration	\$250,000
					Amount of cash consideration spent and description of what consideration was spent on	\$250,000 Funding for the development and commercialisation of the Linus business and technology.
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	N/A
21 December 2017	2,500,000	Options	Issued to director after approval at 2017 AGM. 1 for 2 free attaching options to the shares issued to sophisticated investor placees in the placement detailed in the previous row. Exercise price of \$0.075 each, expiring 30 May 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$35,000.
21 December 2017	20,000,000	Ordinary shares (restricted Loan Funded Shares)	Issued to director after approval at 2017 AGM.	\$0.05 Nil discount	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	Nil
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Share issued as Loan Funded Shares as part of director remuneration approved by shareholders at 2017 AGM. Current value based on the binomial model calculation \$510,000.

Date of issue	Number issued	Class/Type of equity security and Summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price / Discount per share	Consideration	
21 December 2017	20,000,000	Options	Issued to sophisticated investor. Exercise price of \$0.075 each, expiring 30 May 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$280,000.
28 December 2017 to 5 April 2018	11,240,000	Ordinary shares	Issued on exercise of \$0.075 options by option holders	\$0.075 Nil discount	Total cash consideration	\$843,000
					Amount of cash consideration spent and description of what consideration was spent on	\$843,000 Funding for the development and commercialisation of the Linus business and technology.
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	N/A
15 January 2018	3,750,000	Options	Issued to employees under the Employee share Option Plan. Exercise price of \$0.045 each, expiring 30 June 2021.	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$553,125..
15 February 2018	13,500,000	Options	Issued to consultant for consideration of services. Exercise price \$0.07 each for 3,375,000 \$0.075 each for 3,375,000 \$0.08 each for 3,375,000 \$0.085 each for 3,375,000 All expiring 31 Dec 2019.	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$1,107,000.

Date of issue	Number issued	Class/Type of equity security and Summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price / Discount per share	Consideration	
22 February 2018	2,000,000	Options	Issued to consultant under the Employee Share Option Plan. Exercise price of \$0.05 each, expiring 30 June 2021.	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$164,000.
28 February 2018	81,250,000	Ordinary shares	Placement issued to sophisticated investors, including clients of CPS Capital Group Pty Ltd	\$0.12 Nil discount	Total cash consideration	\$9,750,000
					Amount of cash consideration spent and description of what consideration was spent on	None
					Intended use for remaining cash consideration	Funding for the development and commercialisation of the Linus business and technology.
					Non-cash consideration paid and current value of that non-cash consideration	N/A
28 February 2018	40,625,016	Options (listed)	1 for 2 free attaching options to the shares issued to sophisticated investor placees in the placement detailed in the previous row. Exercise price of \$0.16 each, expiring 30 Sept 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$1,828,126.
28 February 2018	10,000,000	Options (listed)	Options issued to consultant in consideration for services. Exercise price of \$0.16 each, expiring 30 Sept 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$450,000.

Date of issue	Number issued	Class/Type of equity security and Summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price / Discount per share	Consideration	
28 February 2018	10,000,000	Options (unlisted)	Options issued to consultant in consideration for services. Exercise price of \$0.22 each, expiring 30 Sept 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$350,000.
1 March 2018	1,000,000	Ordinary shares	Issued to consultant in consideration for services	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	Nil
					Intended use for remaining cash consideration	Nil
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on market value at date of issue \$120,000.
May 2018	1,000,000	Options (unlisted)	Options issued to consultant in consideration for services. Exercise price of \$0.17 each, expiring 8 Feb 2020	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$50,000.
25 May 2018	2,083,334	Ordinary shares	Issued to director after approval at General Meeting on 19 April 2018. Part of February 2018 placement issued to sophisticated investors,	\$0.12 Nil discount	Total cash consideration	\$250,000
					Amount of cash consideration spent and description of what consideration was spent on	Nil
					Intended use for remaining cash consideration	Funding for the development and commercialisation of the Linius business and technology.
					Non-cash consideration paid and current value of that non-cash consideration	N/A

Date of issue	Number issued	Class/Type of equity security and Summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price / Discount per share	Consideration	
25 May 2018	1,041,667	Options	Issued to director after approval at April 2018 General Meeting. 1 for 2 free attaching options to the shares issued to sophisticated investor placees in the placement in February 2018 detailed in previous rows. Exercise price of \$0.16 each, expiring 30 Sept 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$46,875.
7 June 2018	20,833,334	Ordinary shares	Issued to sophisticated investor after approval at General Meeting on 19 April 2018. Part of February 2018 placement issued to sophisticated investors,	\$0.12 Nil discount	Total cash consideration	\$2,500,000
					Amount of cash consideration spent and description of what consideration was spent on	Nil
					Intended use for remaining cash consideration	Funding for the development and commercialisation of the Linus business and technology.
					Non-cash consideration paid and current value of that non-cash consideration	N/A
7 June 2018	10,416,667	Options	Issued to sophisticated investor after approval at April 2018 General Meeting. 1 for 2 free attaching options to the shares issued to sophisticated investor placees in the placement in February 2018 detailed in previous rows. Exercise price of \$0.16 each, expiring 30 Sept 2019	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	N/A
					Intended use for remaining cash consideration	N/A
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on the binomial model calculation is \$468,750.
3 August 2018	2,500,000	Ordinary shares	Issued to consultants in consideration for services	Nil	Total cash consideration	Nil
					Amount of cash consideration spent and description of what consideration was spent on	Nil
					Intended use for remaining cash consideration	Nil
					Non-cash consideration paid and current value of that non-cash consideration	Nil. Current value based on market value at date of issue \$195,000.

Schedule 2 – Summary of Incentive Share Plan

The key terms of the Incentive Share Plan are as follows:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (i), (ii) or (iii) above,
- who is declared by the Board to be eligible to receive Shares under the Plan (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
- (c) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an Offer) to apply for up to a specified number of Shares, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**). The Offer:
- (i) set out the maximum number of Shares that the Participant may apply for, or the formula for determining the number of Shares that may be applied for;
 - (ii) will specify the issue price of the Shares, or the formula for determining the issue price;
 - (iii) whether the Company is prepared to grant the Participant a loan in accordance with the Plan, and the maximum loan amount;
 - (iv) any applicable vesting conditions;
 - (v) the date by which an Offer must be accepted (**Closing Date**); and
 - (vi) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Shares.
- (d) **Issue price:** The Issue Price of the Shares offered under an Offer shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.
- (e) **Vesting Conditions:** A Share may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the Offer for the Shares.
- (f) **Restriction Periods:** A Share issued under the Plan may be subject to a restriction period as determined by the Board in accordance with the Plan.
- (g) **Lapse of Offer:** To the extent an Offer is not accepted in accordance with the rules of the Plan, the Offer will lapse on the date following the closing date of the Offer, unless the Board determines otherwise.

- (h) **Power of attorney:** For the purpose of any buy back of Shares, the Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back of the Participant's Shares including executing all documents and seeking or providing all necessary approvals and the Participant acknowledges and agrees that the power of attorney is given for valuable consideration (in the form of the Shares).
- (i) **Limits on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.
- (j) **Restriction on transfer:** Subject to any restriction periods placed on dealings in Shares, there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (k) **Quotation on ASX:**

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

 - (i) the date the Shares are issued; and
 - (ii) the date any restriction period that applies to the Shares ends.
- (l) **Rights attaching to Shares:** A Participant will, from and including the issue date, be the legal owner of the Shares issued under the Plan and will be entitled to dividends and to exercise voting rights attached to the Shares.

Schedule 3 – Summary of Incentive Option Scheme

The key terms of the Employee Option Scheme are as follows:

- (a) **Eligibility:** Participants in the Scheme may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,
- who is declared by the Board to be eligible to receive grants of Options under the Scheme (**Participants**).
- (b) **Administration of Scheme:** The Board is responsible for the operation of the Scheme and has a broad discretion to determine which Participants will be offered Options under the Scheme.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Scheme. The offer will specify:
- (i) the number of Options offered under the Scheme;
 - (ii) the exercise price and expiry date of the Options;
 - (iii) any exercise conditions and restriction periods applying to the Options;
 - (iv) an acceptance period; and
 - (v) any other terms and conditions attaching to the Options.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Scheme will be issued for no more than nominal cash consideration.
- (e) **Exercise Conditions:** An Option may be made subject to exercise conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Restriction Periods:** A Share issued on exercise of an Option may be made subject to a restriction period as determined by the Board in with the Scheme and as specified in the Offer for the Option.
- (g) **Lapse of Options:** Subject to this Scheme, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:
- (i) the relevant person ceases to be a Participant for any reason whatsoever (including without limitation resignation or termination for cause) and:
 - (A) any exercise conditions have not been met by the date the relevant person ceases to be a Participant (**Ceasing Date**); or
 - (B) where any exercise conditions have been met by the Ceasing Date or the Option is not subject to any exercise conditions, the Participant does not exercise the Option within a period of three (3) months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);

(ii) any exercise conditions are unable to be met; or

(iii) the expiry date has passed,

whichever is earlier.

- (h) **Power of attorney:** Each Participant, in consideration of an offer, irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the Scheme.
- (i) **Scheme limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (j) **Restriction on transfer:** Options will not be transferable except to the extent provided for by the Scheme or unless the Offer provides otherwise.
- (k) **Quotation on ASX:** Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless the Offer provides otherwise.
- (l) **Rights attaching to Shares:** Each Share issued on exercise of an Option will have the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Scheme) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

LIV**US**



LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.



2018 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Linus Technologies Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at the offices of Norton Rose Fulbright, RACV Tower, Level 15, 485 Bourke Street, Melbourne, Victoria on 29 November 2018 at 11.00am AEDT** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though these Items are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

VOTING DIRECTIONS

Agenda Items	For	Against	Abstain*
1 Adoption of the Remuneration Report for the year ended 30 June 2018 (Advisory resolution only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Gerard Bongiorno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Renewal of Employee Incentive Scheme (Share Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Renewal of Employee Incentive Scheme (Option Scheme)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in 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 a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Items 1, 4 and 5, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Items 1, 4 and 5.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chair may vote as they see fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

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

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00am AEDT on 27 November 2018, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033